

## Regulatory & Audit Committee

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<b>Title:</b>	<b>Standing Orders relating to Contracts – Exemptions Report</b>
<b>Date:</b>	January 2014
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<b>Contact officer:</b>	
<b>Local members affected:</b>	N/A

### Summary

This report provides a summary as to compliance with the Council's Standing Orders relating to Contracts. The reporting period covers 1<sup>st</sup> April 2013 to the 31<sup>st</sup> December 2013.

### Recommendation

Members are asked to note this report.

### Summary

#### 1. Exemptions

Standing Orders relating to Contracts stipulate that a register of all exemptions applied for by Service Areas be maintained by Commercial Services on behalf of the S151 Officer.

In August 2013, Commercial Services launched a new exemption procedure after a review of the internal process; we consulted with key stakeholders and customers in the Service Areas to gain feedback on the issues they faced when seeking an exemption, as well as ask for ideas on where improvements could be made. The outcomes from the review stage informed the process re-design, where four key improvements were made;

- Commercial Services makes an assessment of risk and allows the service area with the portfolio holder make the appropriate decision.
- Leaner process – steps in the end to end process have reduced
- One form – single template for customers to complete
- Dedicated mailbox – central point of contact
- No wet signature required – hand written signature on the form not required

The new procedure is working well and initial feedback has been positive; a review of Year 1 will be completed in August 2014.

For the three quarters from 1<sup>st</sup> April to 31<sup>st</sup> December 2013 55 exemptions were registered:

	Qtr1	Qtr2	Qtr3	Total
Total no. of exemptions registered	14	13	28	55

Total no. of exemptions cancelled during process	2	0	1	3
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Total no. of exemptions that are currently under review			12	12
Total value of exemptions that are currently under review			£6,588,068	£6,588,068

Lowest value exemption	£14,000	£3,000	£3,000	£3,000
Highest value exemption	£4,890,969	£3,900,000	£2,600,000	£4,890,969

Total no. of exemptions raised retrospectively	1	4	9	14
Total value of retrospective exemptions	£14,000	0	£3,216,197	£3,230,198

### Summary:

29% (16) of exemptions were sought on the basis of extending an existing contract to allow future service provisions to be fully considered.

5.4% (3) of exemptions were sought on the basis of it would not be appropriate use of public money to launch a full tender. In most instances the rationale has been made on the basis that the activity represents value for money or builds on work already undertaken.

7.3% (4) of exemptions were sought on the basis that there was no viable alternative. Rationale includes the activity represents value for money and that a particular provider has either the expertise or opportunity to deliver the requirement quickly and without BCC incurring additional costs.

12.7% (7) of exemptions were sought on the basis that there was deemed insufficient time to undertake a competitive tendering process.

41.8% (23) of exemptions of were sought on the basis of specialist expertise or unique product or service.

Please see **Appendix 1** for further information about exemptions registered during the reporting period.

By working with Service Areas Commercial Services is actively working to reduce the volume and necessity for exemptions. The corporate contract register will further reduce the need for exemption requests.

## **2. Use of eSourcing / Procurement Portal**

The number of local suppliers registered continues to grow albeit now more slowly. Greater numbers of registered local suppliers results in local suppliers having an increased opportunity to bid for County Council contracts.

We have worked hard to increase the awareness of the portal and to encourage its use by all officers. This has been effective as the throughput on the system has increased significantly which gives a corresponding increased visibility of procurement activity.

### **The Introduction of Quick Quotes**

There was no visibility of data for quotations or tendering prior to 12-13. Now that ProContract is being used we can see that 23 quotes and 32 tenders were issued in the Financial Year 12/13. System activity is increasing significantly as Property Services have been using it since 1<sup>st</sup> April 2013. 13/14 Quarter one statistics indicate that 34 quotes and 25 tenders have gone through the system. The expected volume from Amey implementation has not materialised.

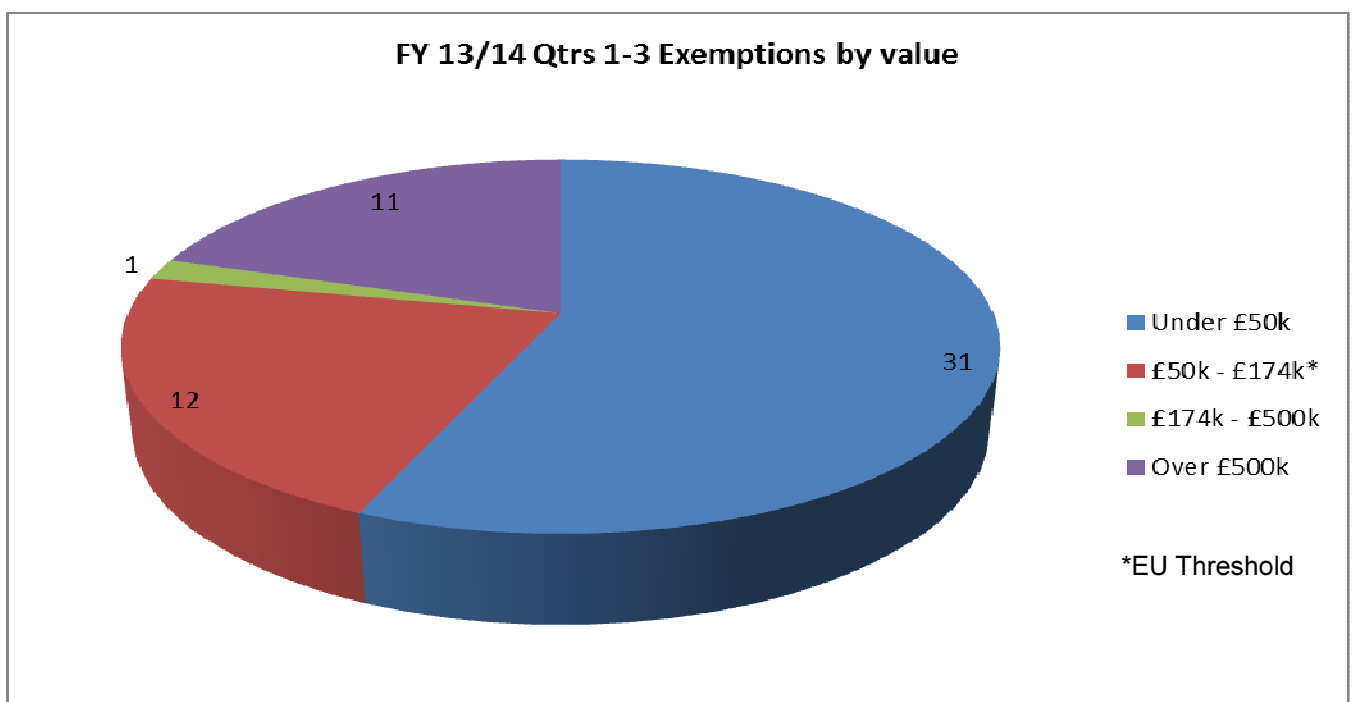
## Appendix 1 – Exemption Analysis and Data Extract

Nine month analysis of exemptions applied for under Standing Orders relating to Contracts.

Fiscal Year 2013/14 – Quarters 1 - 3

### Summary

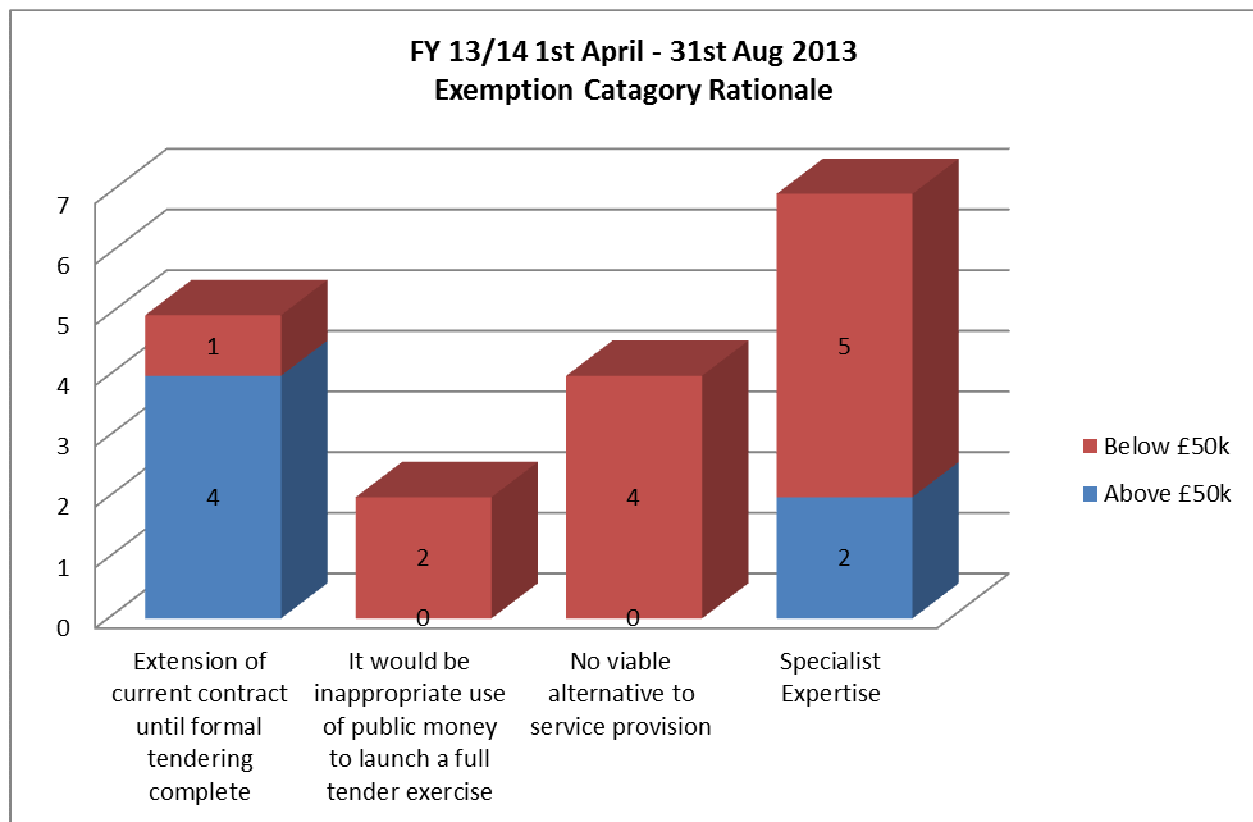
	Qtr1	Qtr2	Qtr3	YTD
Total no. of exemptions registered	14	13	28	55
Total no. of exemptions cancelled during process	2	0	1	3
Total no. of exemptions recommended on behalf of S151 Officer	13	6	New process	
Total value of exemptions recommended on behalf of S151 Officer	£10,278,951	£391,450	New process	
Total no. of exemptions not recommended on behalf of S151 Officer	1	0	New process	
Total value of exemptions not recommended on behalf of S151 Officer	£100,000	0	New process	
Total no. of exemptions categorised as Low risk	N/A under old process	5	18	23
Total value of exemptions categorised as Low/Medium risk	N/A under old process	2	5	7
Total no. of exemptions categorised as high risk	N/A under old process	0	1	1



## Exemptions by Service Area for the reporting period 1<sup>st</sup> April – 31<sup>st</sup> December 2013

AFW Commissioning and Service Improvement	7
AFW Culture and Learning	4
AFW Service Provision	1
CYP Children and Families	0
CYP Learning, Skills and Prevention	2
CBE Localities and Safer Communities	6
CBE Place	12
RBT Customer Contact and Business Support	0
RBT Finance and Commercial Services	2
RBT Human Resources	6
RBT Legal and Democratic Services	0
RBT Service Transformation	6
RBT Support Services	0
Policy, Performance and Communications	0
Public Health	9

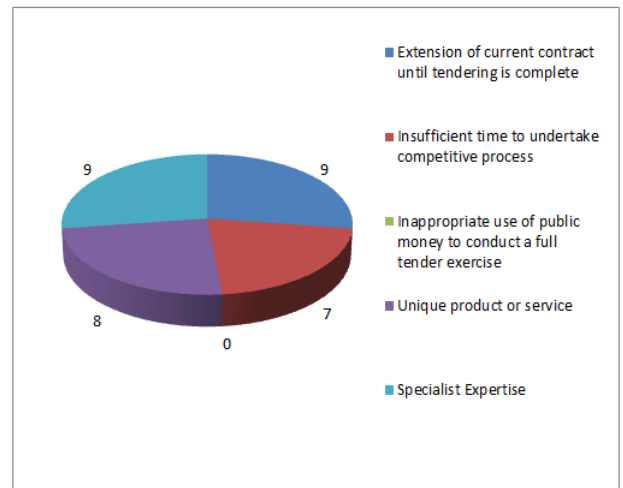
## Exemption statistics for the reporting period: 1<sup>st</sup> April – 1<sup>st</sup> August 2013



**Exemptions Statistics for the reporting period: 1 August - 31<sup>st</sup> December 2013**  
 (This is to account for the change in process that took effect from the 1 August 2013)

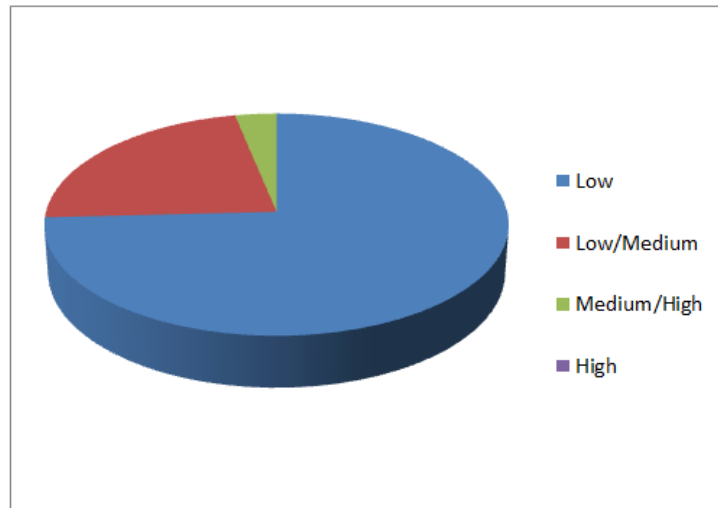
**FY 13/14 Exemptions by reason**

Extension of current contract until tendering is complete	9
Insufficient time to undertake competitive process	7
Inappropriate use of public money to conduct a full tender exercise	0
Unique product or service	8
Specialist Expertise	9



**FY 13/14 Exemptions by risk**

Low	23
Low/Medium	7
Medium/High	1
High	0





Exemptions received and registered retrospectively

ID	Date	Status	Service Area	Authorised Officer	Service Director	Title	Total Value	Reason	Risk Rating
13/14-002	27/08/2013	Completed	RBT Service Transformation	Sara Turnbull	Nick Cave	Transformation Programme Route Map	£60,000	Insufficient time to undertake competitive process	Low
13/14-004	03/09/2013	Completed	CBE Place	Louise Dove	John Lamb	Bledlow Ridge School Flooring repairs	£17,043	Insufficient time to undertake competitive process	Low
13/14-005	20/09/2013	Completed	RBT Finance and Commercial Services	Julie Edwards	Richard Ambrose	Treasury Management Consultancy Services	£48,000	Insufficient time to undertake competitive process	Low
13/14-006	25/09/2013	Completed	CBE Place	Peter Edington	John Lamb	Installation of heating systems in greenhouses	£28,838	Unique product or service	Low
13/14-014	10/10/2013	Completed	CBE Place	Gill Harding	John Lamb	Continuation of services for Property Transformation	£60,000	Extension of current contract until tendering is complete	Low/ Medium
13/14-018	04/11/2013	Completed	CBE Place	Peter Edington	John Lamb	Emergency Replacement of Boilers at Manor Farm Community Infant School	£119,277	Insufficient time to undertake competitive process	Low
13/14-019	11/11/2013	In Progress	AFW Culture and Learning	Beth French	Paula Buck	SFA funded delivery of learning services under sub-contract arrangements	£150,000	Inappropriate use of public money to conduct a full tender exercise	Low/ Medium



13/14-021	13/11/2013	Completed	CBE Place	Nick Henstock	John Lamb	Design work for BCC locations in relation to Waterside Regeneration Programme	£48,000	Specialist Expertise	Low
13/14-023	06/12/2013	In Progress	RBT Finance and Commercial Services	Julie Edwards	Richard Ambrose	Actuarial Services	£65,000	Insufficient time to undertake competitive process	Medium/High
13/14-028	10/12/2013	In Progress	AFW Commissioning and Service Improvement	Liz Williams	Rachael Rothero	Project Abode	£2,600,000	Specialist Expertise	Low/Medium
13/14-029	16/12/2013	Completed	CBE Localities and Safer Communities	Lee Scrafton	Susie Yapp	Community Advocates Training Course	£23,000	Specialist Expertise	Low
13/14-033	31/12/2013	In Progress	CBE Place	Jackie Copcutt	John Lamb (Gill Harding)	Advice and support for HS2	£10,920	Unique product or service	
13/14-034	02/12/2014	In Progress	Public Health	Jacqui Ruddock	Jane O'Grady	NHS Health Checks Outreach	£200,000	Extension of current contract until tendering is complete	Low

## Commercial Services

### ProContract Stats April – March 2012 – 2013 (Qtr1-Qtr4)

Tenders > £100k	Apr 12 – Mar 13	Est Value
Finance & Commercial Services	25	36,962,967
Localities (DAAT)	1	150,000
Place (Transport)	1	300,000
	<b>27</b>	<b>37,412,967</b>

Tenders £50k up to £100k	Apr 12 – Mar 13	Est Value
AFW	1	90,000
Finance & Commercial Services	1	86,000
	<b>2</b>	<b>176,000</b>

Quick Quotes £10k up to £50k	Apr 12 – Mar 13	Est Value
CYP	3	37,600
Policy, Performance & Comms	2	60,000
Place (Black Park/Waste/Transport)	15	405,500
Localities (DAAT)	2	80,000
Finance & Commercial Services	1	45,000
Service Transformation	1	48,000
	<b>24</b>	<b>676,100</b>

No. of Suppliers Registered as at 31/03/13

**2,789**

### ProContract Stats Mar 2013 – Dec 2013 (Qtr1 – Qtr3)

Tenders > £100k	Apr 13 – Dec 13	Est Value
Finance & Commercial Services	12	207,421,000
Place (Property/Waste/Transport)	19	24,145,000
AFW	4	1,100,000
	<b>35</b>	<b>232,666,000</b>

Tenders £50k up to £100k	Apr 13 – Dec 13	Est Value
Place	26	1,715,031
Finance & Commercial Services	1	50,000
	<b>27</b>	<b>1,765,031</b>

Quick Quotes £10k up to £50k	Apr 13 – Dec 13	Est Value
AFW	2	83,000
CYP	1	35,000
Policy, Performance & Comms	1	10,000
Place	65	1,709,439
Localities	3	105,000
Public Health	1	21,000
	<b>73</b>	<b>1,963,439</b>

No. of Suppliers Registered as at 31/12/13

**3,258**

