
Report to: Audit Committee

Date of Meeting 29th April 2021

Subject: Exceptions from the Application of Contract Standing Orders

Report by Strategic Director Partnership & Performance

1.0 Purpose

- 1.1 It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit Committee. The purpose of this paper therefore is to provide detail on Exceptions to Contract Standing Orders submitted in the previous quarter.

2.0 Recommendations

- 2.1 The Committee is asked to note the report, commenting and challenging as appropriate

3.0 Considerations

- 3.1 Contract Standing Orders (CSO's) apply to all contracts entered into by Council officers. In some circumstances however, exceptions may be granted.
- 3.2 The appropriate senior manager must record their reasons in writing in the form of an exception report for a decision, which must be submitted to the Strategic Director, Partnership and Performance, for consideration.

The Strategic Director is required to consult with the Chief Finance Officer (S95) and Procurement Manager before taking any action that binds the Council. It is a requirement that any such exception shall be reported retrospectively in full to the next Audit Committee, including the reasons that fully justify the exception. A summary of CSO exemptions will also be provided as part of the Annual Procurement report to the Audit Committee.

- 3.3 Four exceptions were considered since the last report in December 2020

- 3.3.1 to permit the appointment of All Cleaned Up Scotland to supply cleaning services over a 28 week period from 1st December 2020 through to 25th June 2021. The value of this work has been costed at £80,000. Referenced 2/6/1829

Granted

The Covid-19 pandemic has resulted in additional cleaning needs across Clackmannanshire Council's school estate, there was an urgent requirement for additional resource capacity to provide for this need, as the resource capacity is not able to be met by internal resources alone.

The stated term of works and cost of these were requested for sole purpose of providing only what is essential, urgent and absolutely necessary. A formal procurement will be entered into should there continue to be a need for this additional resource to be provided for period longer than stated.

Conditions of Grant

A purchase order should be raised and a direct award notice published in Public Contracts Scotland

A tender exercise should be undertaken if there is a further requirement for this provision for the start of the 21 / 22 School Year

- 3.3.2 to permit the appointment of Foz Sports, Alloa to supply vehicle cleaning and valet services to Clackmannanshire Council over a 3 year period to the value of £25,000 Referenced 2/6/1831

Granted

Fleet Services had previously asked various local cleaning service suppliers to register with Scotland Excel and Public Contracts Scotland to enable a full competition to be carried out. After repeated requests, no supplier registered an interest in supplying this service. After further attempts one supplier, Foz Sports, were willing to carry out the required service to include the following:

- Collection and delivery of vehicles from all Council operating sites
- Intensive clean of interior and exterior of vehicle, complete with pre condition report
- All oil and water levels checked and topped up as required
- Full tyre check
- Complete interior wipe over with antibacterial solution upon completion of clean, helps to minimise the risk of Covid 19 transfer

This exception allows for the management of the Pool Fleet cleaning regime to be put into place and resolve a long running issue with vehicle cleanliness. This also allowed the required work and job opportunities to be kept within the Council boundary.

Conditions of Grant

A purchase order should be raised and a direct award notice published in Public Contracts Scotland

- 3.3.3 to permit the extension of the Richard Irvin contract to supply electrical services testing and remedial works to the value of an additional £150,000. This will allow the council flexibility to instruct urgent electrical works to the Public Buildings estate where required. Referenced 2/6/1842

Granted

The contract is due to end in April 2022 however the agreement to increase the potential contract spend was required. This was previously tendered but due to covid expenditure and emergency requirements this has resulted in a greater expenditure than first anticipated over the period. The contract was awarded for an amount of £400k and the exception sought an increase to that award for an additional £150k

The increased contract value will allow the council to use the services of the supplier in related works within the Kilncraigs Police relocation project such as back up testing .

There is budget for these works in the and this has been allocated each year for electrical testing, remedial work and emergency lighting testing and upgrades.

Conditions of Grant

A full tender exercise reviewing contract lessons learned will be commenced in the autumn of 2021 in preparation for a new contract being tendered and awarded within the Spring of 2022.

Public Contract Scotland award notice & contract register to be amended

- 3.3.4 to permit the extension of the MAB Multi Trade contract to supply Multi Trade Services for an additional year to April 2022 . Referenced 2/6/1844

Granted

The service sought permission to extend this contract by a year until April 2022 as the contract is due to expire on the 31st march 2021 and procurement at this time has proven difficult.

This was to allow capacity to utilise this contract and its not resulting in additional spend over and above as to what was budgeted for.

The Covid 19 pandemic has resulted in many suppliers furloughing staff and temporarily suspending works. This has made it difficult to procure contracts through the usual channels as evidenced in recent tender exercises which have resulted in zero responses. An extension of this existing contract will remove this issue until such times as the market and suppliers are better

placed to deal with re tendering of the contract.

The extension of the contract will allow the council to use the services of the supplier across a multitude of projects where council in house trades do not have the capacity to carry out the work.

The Service will have continuity of supplier and an agreed competitive set of rates to instruct works to the end of April 2022 and will protect the council should emergency and compliance works be required.

Conditions of Grant

A full tender exercise reviewing contract lessons learned will be commenced in the autumn of 2021 in preparation for a new contract being tendered and awarded within the Spring of 2022.

Public Contract Scotland Award notice & contract register to be amended

4.0 Sustainability Implications

4.1 There are no direct sustainability implications arising from the recommendations in this report.

5.0 Resource Implications

5.1 Financial Details - there are no direct implications for the Council's budget arising from this report

8.2 Staffing - there are no direct implications for the Council's establishment arising from this report

6.0 Exempt Reports

6.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
Our families; children and young people will have the best possible start in life
Women and girls will be confident and aspirational, and achieve their full potential
Our communities will be resilient and empowered so that they can thrive & flourish

(2) **Council Policies (Please detail)**

Contract Standing Orders

Financial Regulations

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

N/A

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

none

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

No (please list the documents below)

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Derek Barr	Procurement Manager	2017

Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	