
Report to: Audit and Scrutiny Committee

Date of Meeting: 18th April 2024

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 & Scrutiny Committee. The purpose of this paper therefore is to provide detail on any 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 & Scrutiny 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 & Scrutiny Committee.

- 3.3 Two exceptions were considered since the last report in March 2024
- 3.3.1 To permit the direct appointment of Skitech Systems to supply replacement artificial ski slope matting over a period of 2 financial years to the value of £46,000.

The basis of the exception request is that, in terms of Contract Standing Orders section 6 (8) The purchase of goods or materials, the execution of

works or supply of services for which the procurement officer considers that no genuine competition can be obtained

Reference 2/6/2129

Granted

Based on the information provided the exception was granted as there is no other UK provider of the specific matting required for the ski slope (style, size) and without replacing the worn matting the quality of the ski slope experience would diminish and the volume of customers would decline reducing the income generation potential of the venue. The alternative would be to change the whole slope's existing matting at a much greater expense to the Council..

Conditions

A Procurement Form 2 should be completed and authorised for this requirement

A Purchase order should be raised to cover the requirement

The Award should be published in Public Contracts Scotland

- 3.3.2 To permit the appointment of all current DPS operators (Lots 1 and 2) to Supply school and other passenger transport service] over a further 12 month period to the value of £1,267,835 (190 school days).

The basis of the exception request is that, in terms of Contract Standing Orders section 6 (7) There is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience

Reference 2/6/2123

Granted

Based on the information provided the recommendation was approved.

The reason for the request was two-fold. The staff member who undertakes the tendering process is going to be absent from February to May 2024 due to unplanned surgery. The tendering for school transport and the implementation of the contracts once the tender has been awarded is a complex process. For ASN pupils the transport is personalised as it needs to meet the needs of the pupils. Pupils build up a relationship with taxi drivers and even the type of vehicle, they require support to transition for any change, this transition takes place during June and if the award of the tender is delayed the transition timetable could not be met, impacting on young people.

The second reason is was currently due to the impact of historically high levels of inflation and interest rates the experience from re tendering in other local authorities is that the market is very volatile and the number of operators is limited and due to the recent high levels of inflation operators were asking for high prices to protect themselves against future price increases. It is predicted that by the beginning of 2025, inflation and interest rates will have decreased and this may assist the Council in obtaining better value by delaying the retendering. The current contract has no provision for automatic

uplifts. Although an exceptional uplift was agreed for large bus operators in 2022, no awards have been made since then. All current operators of both large buses and Taxis/Private Hire companies have been contacted and have all agreed to continue with their contracts until July 2025, subject to approval of the extension.

Conditions

Procurement Form 2 should be completed and authorised for this requirement
Purchase orders should be raised to cover the period requested for all the contracted suppliers on the DPS

The award notice in Public Contracts Scotland should be revised

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)

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Derek Barr	Procurement Manager	2017

Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director Partnership & Performance	