
Report to: Audit and Scrutiny Committee

Date of Meeting: 27 August 2026

Subject: Exceptions from the Application of Contract Standing Orders

Report by: Head of Corporate Services

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 Head of Corporate Services, for consideration.

The Head of Corporate Services 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. **One (1)** exception has been considered since the last reporting period:

To permit the direct award of a contract to Minerva Associates UK Ltd for the provision of Technical Design Authority Chair and Strategic ICT Governance Services.

- Contract Period: 24 months
- Total Contract Value: £312,000 (excluding VAT)
- CSO Exemption Applied: Contract Standing Orders Section 6(3) – there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience.
- Decision: Granted.

3.4 The Council is currently delivering a significant programme of ICT transformation, including cloud migration, infrastructure modernisation, cyber resilience improvements and digital service enhancement. Independent technical governance and architectural oversight are required to support delivery of these programmes and ensure strategic decision-making remains aligned with business priorities.

The supplier was originally appointed through a competitive Request for Quotation process undertaken through Public Contracts Scotland in August 2025 and has since developed detailed knowledge of the Council's ICT estate, transformation programme and governance arrangements.

Retendering at this stage would introduce mobilisation and knowledge-transfer risks, reduce governance effectiveness and potentially delay delivery of critical digital transformation projects.

The exception was approved on the basis that maintaining continuity of the Technical Design Authority function represents best value for money, avoids unnecessary transition costs and mitigates risks associated with programme delivery, cyber resilience and infrastructure stability.

Conditions Attached to Approval

- Procurement Form 2 to be completed and authorised.
- Purchase Order to be raised covering the full contract value of £312,000.
- Transparency / Contract Award Notice to be published where required.
- Contract performance reviews to be undertaken at six-monthly intervals.
- Appropriate contract management arrangements to be maintained throughout the contract period.
- Exception to be reported to Audit & Scrutiny Committee for scrutiny.

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

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

- 5.4. *Staffing – there are no staffing implications 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

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 and flourish ☒

(2) Council Policies

Complies with relevant Council Policies ☒

8.0 Impact Assessments

- 8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

No ☒

- 8.2 If an impact assessment has not been undertaken you should explain why:
An EQIA is not applicable in this context.

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)

Yes ☐ (please list the documents below) No ☒

Author(s)

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Derek Barr	Procurement Manager	45 2017

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Head of Corporate Services	