

PROCUREMENT RULES, REGULATIONS & CONTRACT STANDING ORDERS – WAIVERS 2014/15

1. INTRODUCTION

- 1.1 The Procurement Rules, Regulations Contract Standing Orders provide the rules to be followed for the procurement of goods, services and works and ensure that the Council complies with Procurement Legislation whilst obtaining Value for Money in Purchasing.
- 1.2 Procurement Rules, Regulations Contract Standing Orders must be followed by all individuals responsible for Procurement for, or on behalf of the Council.
- 1.3 The Regulations provide for limited exceptions to the prescribed rules which include the following:
- Procurement through a Consortium or Agency arrangement that the Council is a member of
 - Purchase of Proprietary items
 - Insolvency of Supplier or Contractor
 - Appointment of specialist experts for legal matters and legal proceedings
 - Appointment of Counsel by Legal Services.
- 1.5 Where the above exceptions do not apply and a Procuring Officer has a valid reason for not complying with the Regulations, an application for a waiver may be submitted for approval. The following table shows the level of Approval Required for Waivers:

Table 1 – Delegated Authority to Approve Waivers

Value of Contract	Approval Required
£0 - £10,000	Head of Service
£10,000 – EU Procurement Levels	Head of Service and any member of EMT

- 1.6 All applications for a waiver against the Regulations are reported annually to the Audit Committee.

2. WAIVERS GRANTED 2014/15

- 2.1 There were 46 applications for a waiver against the Procurement Rules, Regulations and Contract Standing Orders between 1 April 2014 and 31 March 2015. The total value of all approved waivers was £1,513,303. These waiver applications, together with the values are detailed in Appendix 1. A summary of the total number and value by waived standing order is details in Table 2.

Table 2 – All applications by standing order waived

Standing Order Number and Detail	Number of approved applications	Total value £'000	Number of Applications under £25,000
19 Minimum required numbers for invitation to quote or tender and receipt of quotation or tender".	33	1,141	24
81 Maximum value of variations on individual contract	7	226	3
7 The goods, materials or services are proprietary items or their prices are sold at a fixed price only provided that in each of these cases there is no reasonable satisfactory alternative product	5	126	3
30 Minimum levels of public liability, employers liability and professional indemnity insurance required	1	20	1
All	46	1,513	31

- 2.2 Three approved waivers were over £100,000 in value.
- 2.3 There were 9 waivers that were rejected during the year by either the Head of Service or EMT. The reason for the majority of rejections was due to a lack of detailed information provided to make a decision.
- 2.4 This compares with 24 applications submitted during 2013/14 totalling £543,713.
- 2.5 The value of waivers has increased significantly along with the number of applications made. Internal Audit believes this may be partly due to improved collation of applications through a new electronic process as well as improved officer awareness following extensive training sessions.
- 2.6 There have been significant changes to procurement processes effective from 1st April 2015 following the Parliamentary approval of the Public Contract Regulations 2015. These changes require the Council to advertise all contracts with a value over £25,000. It is therefore considered that the number of waiver applications for contracts over £25,000 will reduce. Table 2 shows the number of approved waivers under £25,000 for future comparisons.

3. FINANCIAL IMPLICATIONS

- 3.1 Procurement Rules, Regulations and Contract Standing Orders ensure that the most economically advantageous price is obtained in Procurement. Waivers sought need to demonstrate that where tenders or quotations are not obtained, that Value for Money can still be demonstrated.

4. ENVIRONMENTAL IMPLICATIONS

- 4.1 Procurement Rules, Regulations and Contract Standing Orders provide for tender evaluation models to include environmental and sustainability policies.

5. CRIME AND DISORDER IMPLICATIONS

- 5.1 Procurement Rules, Regulations and Contract Standing Orders provides procedures to limit the risk of collusive tendering (bid rigging).

6. EQUALITY & DIVERSITY IMPLICATIONS

- 6.1 None directly arising from this report.

7. RECOMMENDATION

- 7.1 That the Audit Committee notes the Waivers to the Council's Procurement Rules, Regulations and Contract Standing Orders approved during the financial year 2014/15.

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Appendix 1

Ref	Standing order to be waived	Description of Contract	Value	Date	Status
1/14/15	SO19	Printing and Mailing Service for Individual Electoral Registration	10500	10/06/2014	Approved by EMT
2/14/15	SO81	Sediment Transport Study	5000	25/06/2014	Approved by Head Of Service
3/14/15	SO19	Beach hut concept design	19500	26/06/2014	Approved by EMT
5/14/15	SO19	Internal damp remedial works Lymington Town Hall	16000	01/07/2014	Approved by EMT
6/14/15	SO7	Crucial Accountability	49700	07/07/2014	Approved by EMT
7/14/15	SO19	Procurement of Schedule of Rates software for B Wks Contractor System	14685	21/07/2014	Approved by EMT
9/14/15	SO7	100003542	51350	04/08/2014	Approved by EMT
10/14/15	SO19	Flood defence works to Council Houses in Bartley	9732.5	05/08/2014	Approved by Head Of Service
11/14/15	SO19	Fire Related Works	6681	07/08/2014	Approved by Head Of Service
12/14/15	SO7	Annual Subscription with HouseMark	5336.9	15/08/2014	Approved by Head Of Service
14/14/15	SO81	Lymington: Bath Road Car Park Refurbish Gas Lamp	9316.8	19/08/2014	Approved by Head Of Service
15/14/15	SO19	Contract for the supply of swimwear stock for resale in Leisure Centres	14400	20/08/2014	Approved by EMT
16/14/15	SO19	Carpeting	14000	20/08/2014	Approved by EMT
17/14/15	SO19	NNDR System Migration	78750	21/08/2014	Approved by EMT
18/14/15	SO19	Beaulieu Cemetery Extension	25000	17/09/2014	Approved by EMT
19/14/15	SO19	Consultancy commission for Eling Tide Mill	72400	30/09/2014	Approved by EMT

20/14/15	SO19	Supply of Narrow Access Glass Collection Vehicle	44700	20/10/2014	Approved by Head Of Service
21/14/15	SO19	Direct Work Order B11769 - Housing Services to Building Works - Part Sub Let	19380	21/10/2014	Approved by EMT
22/14/15	SO19	Supply and installation of audio visual aids and sound recording equipment in Council Chamber, Appletree Court	45180.9	28/10/2014	Approved by EMT
23/14/15	SO19	RINGWOOD - Christchurch Rd	194349.2	29/10/2014	Approved by EMT
25/14/15	SO81	HS 08/14	14182.4	30/10/2014	Approved by EMT
27/14/15	SO19	Committee Management System	12500	03/11/2014	Approved by EMT
28/14/15	SO81	Package F West TOTTON Cycle Route Junctions & FAWLEY Fawley Rd/Blackfield Rd Footways Stage 2	47082.37	04/11/2014	Approved by EMT
30/14/15	SO19	Consultancy services for the Design of New Depot to Support Application for an HGV Goods Vehicle Licence	20000	01/12/2014	Approved by EMT
31/14/15	SO19	PACKAGE G - LYMINGTON Priestlands Rd & Highfield	59375.4	02/12/2014	Approved by EMT
33/14/15	SO19	Ranger Services	120000	17/12/2014	Approved by EMT
34/14/15	SO19	Schuco Door Quotation Hythe Public Toilets	5285.44	07/01/2015	Approved by Head Of Service
35/14/15	SO19	Refurbishment of Barton on Sea Public Conveniences	199999	07/01/2015	Approved by EMT
36/14/15	SO19	Schuco Door Fitting - Hythe Public Toilets	5700.84	09/01/2015	Approved by Head Of Service
37/14/15	SO81	PACKAGE E RINGWOOD Hightown Rd to Castleman Way//Burgate	64026.32	20/01/2015	Approved by EMT
40/14/15	SO19	New Milton Skatepark - Plant supply	10509.5	27/01/2015	Approved by EMT
41/14/15	SO81	Fire Risk Assessments	27000	28/01/2015	Approved by EMT
42/14/15	SO7	Consultancy advice on transportation modelling	13250	09/02/2015	Approved by EMT
44/14/15	SO19	Structural Repairs to 43 Elm Crescent, Netley View Estate, Hythe	6950	11/02/2015	Approved by Head Of Service

45/14/15	SO19	Servicing of Fire Equipment	8500	18/02/2015	Approved by Head Of Service
46/14/15	SO19	Annual Maintenance of Intruder alarms, call assist, CCTV and access systems and keyholding services	15249.15	19/02/2015	Approved by EMT
47/14/15	SO19	Fire Alarms Servicing & Callouts	12054.18	26/02/2015	Approved by EMT
48/14/15	SO19	Furniture	27699.34	27/02/2015	Approved by EMT
49/14/15	SO19	Carpets & Flooring	6220.98	27/02/2015	Approved by Head Of Service
50/14/15	SO19	CORPORATE TREE MANAGEMENT SYSTEM	22295	05/03/2015	Approved by EMT
51/14/15	SO19	Deployment of Speed Indicator Device/Speed Limit Reminders	8000	10/03/2015	Approved by Head Of Service
52/14/15	SO81	PACKAGE G - LYMINGTON Priestlands Rd and Highfield	59375.4	11/03/2015	Approved by EMT
53/14/15	SO7	Housing Partners	7000	17/03/2015	Approved by Head Of Service
54/14/15	SO19	Urinal "Flushmatic" Controls Annual Contract	9142.5	23/03/2015	Approved by Head Of Service
56/14/15	SO30	Stray Dog Kennelling Contract	20000	27/03/2015	Approved by EMT
57/14/15	SO19	Recertification of Fall Arrest System	5943	30/03/2015	Approved by Head Of Service