

PROCUREMENT RULES, REGULATIONS & CONTRACT STANDING ORDERS – WAIVERS 2020/21

1. PURPOSE OF REPORT

- 1.1 This report updates Members on waivers to Procurement Rules, Regulations & Contract Standing Orders approved during 2020/21.

2. BACKGROUND

- 2.1 The Procurement Rules, Regulations & Contract Standing Orders provides the rules to be followed for the procurement of goods, services and works and ensures that the Council complies with procurement legislation whilst obtaining value for money in purchasing.
- 2.2 Procurement Rules, Regulations & Contract Standing Orders must be followed by all individuals responsible for procurement for, or on behalf of the Council.
- 2.3 The Regulations provide for limited exceptions to the prescribed rules which include the following:
- Procurement through a Consortium or similar body of which the Council is a member
 - Works carried out under Agency arrangements which states that the Standing Orders of the Principal Authority apply
 - Appointment of specialist experts for legal matters and proceedings
 - Appointment of Counsel by Legal Services
 - Financial advice sought by the s151 officer
- 2.4 Where the above exceptions do not apply and a Contract Administrator has a valid reason for not complying with Standing Orders, an application for a waiver may be submitted for approval. Table 1 shows the level of approval required for waivers for 2020/21:

Table 1 – Delegated authority to approve waivers

Value of Contract	Approval Required
£0 – EU Procurement Levels	Executive Head of Governance and Housing; Service Manager – Legal, Solicitor

3. WAIVERS GRANTED 2020/21

- 3.1 There were 5 applications for a waiver against the Procurement Rules, Regulations and Contract Standing Orders between 1 April 2020 and 31 March 2021, of which 4 were approved and 1 is still in progress. The total value of all approved waivers was £1,000,053. This compares with 39 applications submitted during 2017/18, with approved waivers totalling £2,964,979.96; 14 applications in 2018/19 with a value of £409,695.00; and 10 applications in 2019/20 with a total value of the 7 approved waivers of £301,148.00.
- 3.2 The Standing Orders that were waived are detailed in Table 2.

Table 2 - Contract Standing Order (SO) Paragraph Number and Detail

SO6	Where the estimated value of a contract is between £15,000 and £25,000 a minimum of three quotations must be invited (via desk-top quotation) for a works, goods or services contract.
SO7	Where the estimated value of a works, goods or services contract is between £25,000 and £50,000 suitable suppliers for a restricted quotation should be nominated by the Service team and confirmed with Procurement. Procurement will invite quotations via the e-procurement system.
SO9	Where the estimated contract value for a works, goods or services contract exceeds £50,000 but does not exceed the relevant EU public procurement threshold (*see Annex A for EU threshold £ values) or does not fall within a category subject to the EU public procurement rules, an open tender should be issued by the Procurement team.

- 3.3 Two of the approved waivers were over £100,000 in value.
- 3.4 There were no waivers that were rejected during the year.
- 3.5 There is one 1 waiver application that is still in progress with a value of £15,608.

4. FINANCIAL IMPLICATIONS

- 4.1 Procurement Rules, Regulations and Contract Standing Orders ensure that there is a robust process in place to ensure the Council obtains value for money. There will be some occasions when the usual rules can be applied to be lifted. There will have to be robust justification for any waivers to be granted.

5. CRIME & DISORDER IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

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

7. EQUALITY & DIVERSITY IMPLICATIONS

- 7.1 None.

8. RECOMMENDATIONS

- 8.1 That the Audit Committee notes the Waivers to the Council's Procurement Rules, Regulations and Contract Standing Orders approved during the financial year 2020/21.

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Background Papers:

Contract Standing Orders