

PROCUREMENT RULES, REGULATIONS & CONTRACT STANDING ORDERS – WAIVERS 2016/17

1. PURPOSE OF REPORT

- 1.1 This report updates Members on waivers to Procurement Rules, Regulations & Contract Standing Orders approved during 2016/17.

2. BACKGROUND

- 2.1 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.
- 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 that the Council is a member of
 - Works carried out under an 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.
- 2.4 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. Table 1 shows the level of approval required for waivers for 2016/17:

Table 1 – Delegated authority to approve waivers

Value of Contract	Approval Required
01/04/2016 – 22/09/2016	
£0 - £10,000	Head of Service
£10,000 – EU Procurement Levels	Head of Service and any member of EMT
23/09/2016 onwards	
£0 – EU Procurement Levels	Principal Auditor or Service Manager Legal

3. WAIVERS GRANTED 2016/17

- 3.1 There were 39 approved applications for a waiver against the Procurement Rules, Regulations and Contract Standing Orders between 1 April 2016 and 31 March 2017. The total value of all approved waivers was £2,964,979.96. This compares with 36 applications submitted during 2015/16, with approved waivers totalling £786,280.60
- 3.2 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 detailed in Table 2.

Table 2 – Applications by standing order waived

Standing order number and detail	Number of approved applications	Total value £'000
12 Requirement to use in-house services where the Council has an established in-house service expertise in the function.	1	1
16 Minimum required numbers for invitation to quote or tender and receipt of quotation or tender.	33	2,729
67 Maximum value of variations on individual contract	5	235
All	39	2,965

3.3 Three waivers were over £100,000 in value.

3.4 There were 4 waivers that were rejected during the year by the Principal Auditor. The reason for the majority of rejections was due to lack of detailed information provided to make a decision.

4. FINANCIAL IMPLICATIONS

4.1 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.

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 2016/17.

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Background Papers:

Procurement Rules, Regulations and Contract Standing Orders

Appendix 1

Ref	Standing order to be waived	Description of Contract	Waiver Value	Date
1/16/17	SO16	0288-13 Lift and Stair Lift Servicing and Maintenance	£ 15,507.00	08/04/16
2/16/17	SO16	CCTV Maintenance	£ 5,585.00	26/04/16
3/16/17	SO16	Barfields Lighting - B12482	£ 26,981.74	29/04/16
4/16/17	SO16	Supply of wave buoy spares	£ 72,000.00	09/05/16
5/16/17	SO16	Heating Upgrade at Corbin Court	£ 56,000.00	19/05/16
6/16/17	SO16	Barton on Sea Preliminary Study	£ 7,790.00	20/06/16
7/16/17	SO16	CCTV Transmission Contract	£ 80,000.00	22/06/16
8/16/17	SO16	Project Support with Production of Joint LATC Full Business Case	£ 18,000.00	23/06/16
9/16/17	SO16	Air Quality Servicing and Maintenance Contract	£ 3,507.50	01/07/16
11/16/17	SO16	Electoral Registration Annual Canvass Printing and Despatch	£ 14,000.00	08/07/16
12/16/17	SO16	Electoral Registration Annual Canvass Automated Household Response	£ 6,000.00	08/07/16
13/16/17	SO16	ATC Lower Car Park Re-instatement works	£ 25,748.61	14/07/16
14/16/17	SO16	Demolition of 2No public conveniences	£ 30,100.00	20/07/16
15/16/17	SO16	Purchase of laser scanner	£ 26,250.00	26/07/16
16/16/17	SO16	Rectification and commissioning works to Powermatic Heaters at MLD Vehicle Workshop	£ 15,000.00	28/07/16
17/16/17	SO16	Ceiling grid replacement	£ 7,726.00	05/08/16
18/16/17	SO12	Dry change and Toilet works	£ 900.00	09/08/16
19/16/17	SO16	PDP TripAdvisor Campaign Pilot - Sept 16/August 17	£ 12,000.00	01/09/16
20/16/17	SO16	Mains Electrical Panel test Certificates	£ 17,500.00	08/09/16
21/16/17	SO16	Electrical Fixed Wiring Tests	£ 15,000.00	09/09/16
22/16/17	SO16	Air Con Servicing	£ 5,200.00	15/09/16
23/16/17	SO16	To provide viability advice on planning applications	£ -	23/09/16
24/16/17	SO16	Oracle Support and Managed Service	£ 18,900.00	23/09/16
26/16/17	SO67	Applemore Health and Leisure Centre - Pre School Play Area	£ 6,509.12	10/10/16
28/16/17	SO67	Local Plan Advice - Land Use Consultants	£ 27,044.00	14/10/16
29/19/17	SO67	Cemetery Design Services	£ 9,500.00	26/10/16
30/16/17	SO16	Refurbishment and reinstatement following fire damage	£ 50,000.00	15/11/16
31/16/17	SO16	Reconstruction of existing public conveniences at Old Milton Road, New Milton & Bath Road, Lymington	£ 572,938.99	25/11/16
32/16/17	SO67	Kitchen Refurbishments - HS42/14	£ 183,333.00	16/12/16
35/16/17	SO16	Replacement bin stores	£ 25,226.00	25/01/17

36/16/17	SO16	Repair road bridge at Eling	£ 8,840.00	25/01/17
37/16/17	SO67	Selima (Envoy Central)	£ 8,500.00	26/01/17
38/16/17	SO16	Fitting multibeam survey system to survey vessel	£ 19,610.00	17/02/17
39/16/17	SO16	Disabled Facility Grants & Home Repair Loans	£ 1,511,536.00	20/02/17
40/16/17	SO16	Development of project for Ringwood Gym Extension	£ 16,950.00	23/02/17
41/16/17	SO16	Land registry shape files	£ 5,945.00	13/03/17
42/16/17	SO16	Ezytreev Asset Management System	£ 5,692.00	13/03/17
43/16/17	SO16	Deployment of speed indicator device / speed limit reminder / speed data recorder	£ 24,000.00	21/03/17
44/16/17	SO16	Open space assessment	£ 9,660.00	29/03/17
			£ 2,964,979.96	