

CONTRACT STANDING ORDERS RELATING TO PROCUREMENT – WAIVERS 2017/18

1. PURPOSE OF REPORT

- 1.1 This report updates Members on waivers to Contract Standing Orders relating to Procurement approved during 2017/18.

2. BACKGROUND

- 2.1 The Council's Procurement Rules Regulations and Contract Standing Orders were reviewed and updated during the year; thereby creating the new Contract Standing Orders relating to Procurement, which became effective on 1 March 2018. For the purpose of this report both shall be referred to as Contract Standing Orders.
- 2.2 Contract Standing Orders provide the internal procedures to be followed for the procurement of goods, services and works and to ensure that the Council complies with procurement legislation whilst obtaining value for money in purchasing.
- 2.3 Contract Standing Orders must be followed by all individuals responsible for procurement for, or on behalf of the Council.
- 2.4 Contract Standing Orders provide for limited exceptions to the prescribed rules; where these exceptions do not apply and a procuring officer has a valid reason for not complying with the Contract Standing Orders, an application for a waiver may be submitted for approval. Table 1 shows the level of approval required for waivers for 2017/18.

Table 1 – Delegated authority to approve waivers

Value of Contract	Approval Required
£0 – EU Procurement Levels	Principal Auditor or Service Manager Legal

3. WAIVERS GRANTED 2017/18

- 3.1 There were 28 approved applications for a waiver against the Contract Standing Orders between 1 April 2017 and 31 March 2018. The total value of all approved waivers was £966,423.54. This compares with 39 applications approved during 2016/17, totalling £2,964,979.96.
- 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. New standing orders effective from 01/03/2018 have affected the standing order numbers and details.

Table 2 – Summary of waivers

Standing order number and detail	Number of approved applications	Total value £'000
Waivers approved under old standing orders (01/04/2017 – 28/02/2018)		
16 Minimum required numbers for invitation to quote or tender and receipt of quotation or tender.	17	322
67 Maximum value of variations on individual contract	10	627
Waivers approved under the new standing orders (01/03/2018 onwards)		
6 Contracts with a value between £15,000 and £25,000	1	17
Total	28	966

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

3.4 There were 6 waivers that were rejected during the year. The reason for the majority of rejections was due to an alternative procurement method being more appropriate.

4. FINANCIAL IMPLICATIONS

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

5. CRIME & DISORDER IMPLICATIONS

5.1 Contract Standing Orders relating to Procurement provides procedures to limit the risk of collusive tendering (bid rigging)

6. ENVIRONMENTAL IMPLICATIONS

6.1 Contract Standing Orders relating to Procurement 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 Contract Standing Orders relating to Procurement approved during the financial year 2017/18.

For further information contact:

Name: Naomi Kitcher
Title: Accountant
Tel: 023 8028 5588
E-mail: naomi.kitcher@nfdc.gov.uk

Name: Andrew Kinghorn
Title: Service Manager (Legal)
Tel: 023 8028 5588
E-mail: Andrew.Kinghorn@nfdc.gov.uk

Background Papers: (Bold)

**Procurement Rules, Regulations and
Contract Standing Orders**

**Contract Standing Orders relating to
Procurement**

Appendix 1

Ref	Standing order to be waived	Description of Contract	Waiver Value	Date
1/17/18	SO67	Painting & Decorating Leisure Centres	£ 5,159.00	26/05/17
2/17/18	SO16	Fawley Waterside viability work	£ 9,500.00	15/06/17
3/17/18	SO16	Lymington H&L Fire Doors	£ 5,343.00	19/06/17
4/17/18	SO67	Bathroom Refurbishments	£ 170,000.00	22/06/17
6/17/18	SO16	Specialist Advice for Local Plan	£ 50,000.00	25/07/17
7/17/18	SO16	Air Quality Consultant	£ 26,000.00	28/07/17
8/17/18	SO16	Outsourcing Loans (Disabled Adaptions and Essential Repairs)	£ 11,875.00	07/08/17
9/17/18	SO16	Autonomous Surface Vehicle (ASV) for very shallow water bathymetry	£ 10,000.00	14/08/17
10/17/18	SO16	Electrical Testing	£ 16,872.00	18/08/17
11/17/18	SO67	Reinstatement works following fire damage	£ 13,301.77	22/08/17
12/17/18	SO67	Repair work to emergency lighting supply at Applemore Health and Leisure	£ 7,332.00	29/08/17
13/17/18	SO67	Groyne Maintenance Calshot Beach Hampshire	£ 11,991.01	04/09/17
14/17/18	SO16	Structural Repairs to Council Property	£ 6,854.00	04/09/17
16/17/18	SO16	Air Con Servicing	£ 5,487.40	25/09/17
17/17/18	SO16	Strategic review of Agresso Milestone 4 to 7 delta by unit 4	£ 15,000.00	27/09/17
18/17/18	SO16	Strategic flood risk assessment level 2	£ 38,418.00	03/10/17
21/17/18	SO16	Placing planning and highway statutory notices in local newspapers	£ 25,000.00	25/10/17
23/17/18	SO67	Leisure Centre Painting & Decorating Works	£ 788.00	07/11/17
24/17/17	SO67	Kitchen Refurbishments - to help achieve their decent homes programme targets	£ 233,333.00	21/11/17
25/17/18	SO16	Lymington Leisure Centre 1 New Additional Turnstile	£ 7,336.00	28/11/17
26/17/18	SO16	Milford Ramp Testing	£ 9,206.39	12/12/17
28/17/18	SO16	Viability Assessment	£ 18,034.00	10/01/18
29/17/18	SO16	Provision of Base of Beach Field Trial of Passive Seismometer Technique	£ 59,909.67	25/01/18
30/17/18	SO67	HTH to Hypochlorite acid conversion	£ 2,911.00	01/02/18
31/17/18	SO67	King George V Rec, Calmore	£ 12,272.30	26/02/18
32/17/18	SO67	Kitchen Refurbishments - to help achieve their decent homes programme targets	£ 170,000.00	26/02/18

33/17/18	SO16	One Year Licence to use the Housing Partners (PRAH Module) in respect of the Homelessness Reduction Act 2017	£ 7,500.00	28/02/2018
34/17/18	SO6	Selima (Envoy Central)	£ 17,000.00	14/03/2018