
Report to: Audit and Scrutiny Committee

Date of Meeting: 15th June 2023

Subject: Exceptions from the Application of Contract Standing Orders

Report by Strategic Director Partnership & Performance

1.0 Purpose

- 1.1 It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit Committee. The purpose of this paper therefore is to provide detail on 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 Strategic Director, Partnership and Performance, for consideration.

The Strategic Director 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 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 Committee.

- 3.3 Three exceptions were considered since the last report in February 2023
- 3.3.1 To permit the appointment of NEC Software Solutions UK Ltd and Civica UK to continue to provide maintenance and repair services to the OHMS Housing Management Software and the Servitor Repairs System management Software (respectively) for the coming financial year 2023-24. The funding for the maintenance of these systems is fully accounted for in the 2023/24 HRA revenue budget approved by Council on 16 February 2023

The basis of the exception request is that, in terms of Contract Standing Orders section 6 (7) There is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience is correct

Reference 2/6/1947

Granted

Based on the information provided the exception was granted all critical and statutory housing business management functions are managed through the OHMS system – tenant and customer information, rent accounts management and modelling, property and estates management, property allocations and lettings management, homelessness and housing support management.

Also all critical and statutory housing and property repairs management functions are managed through the Servitor system – housing repairs 24/7 service, void property repairs works, stores management function, job costing and schedule of rates management – all financial data management for all internal property trades team operations with this linked back into Tech One.

These are proprietary systems owned and operated by the companies that supplied then and can not readily be maintained by any other providers. In the light of this and the continuing need for these systems to support Service delivery officers are of the view that an extension of the current arrangements with the existing suppliers is essential for the continued operation of the Housing and Property Service.

It is clear that even if this was to go out to tender as anticipated within first quarter of financial year 2023-24 that there would be a requirement to retain this system past the period the exception requested to pay subsequent support costs.

The exception was therefore granted to cover up to 31st March 2025

Conditions

Procurement Form 1 should be completed and authorised for this requirement to go out to tender first quarter of financial year 2023-24

Purchase orders should be raised to cover the period requested to account for the support costs

The requirement should be published in Public Contracts Scotland as per the appropriate procurement journey and associated documents completed

- 3.3.2 To permit the appointment of Clackmannanshire Citizens Advice Bureau (CAB) to supply a dedicated Money Advice service to participants on the Council's employability programmes funded through UK and Scottish Governments over an initial 1 year period (1 April 2023 to 31 March 2024) with the possibility to extend by a further 1 year period (1 April 2024 to 31 March 2025)

Funding for the Money Advice service from April 2023 will be split across the following three external income streams from UK and Scottish Governments:

UK Shared Prosperity Fund, Fair Start Scotland and Parental Employability Support (Child Poverty funding)

The basis of the exception request is that, in terms of Contract Standing Orders section 6 (8) The purchase of goods or materials, the execution of works or supply of services for which the procurement officer considers that no genuine competition can be obtained & Contract Standing Orders section 6 (7) There is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience.

Reference 2/6/2041

Granted

There has been a dedicated Money Advice service in place for participants on the Council's employability programmes since June 2018 to enable them to better manage their money and to remove financial barriers to their participation in the labour market.

The Council's Economic Development service tendered for a Money Advice service on Public Contracts Scotland in 2018 and CAB were the only supplier who bid for the contract. The first contract with CAB was from 1 June 2018 until 30 November 2019 and was renewed on 1 December 2020 and the contract finished on 31 March 2023,

It is clear through market testing that there are no known alternative suppliers with the required skills, knowledge and expertise to provide a specialist community based Money Advice service

Conditions

A Procurement Form 2 should be completed and authorised to provide Procurement, Legal and Financial Governance
Purchase orders should be raised to cover the period requested
An award notice should be published in Public Contracts Scotland

- 3.3.3 To permit the appointment of Clackmannan CAB to Supply general advice and advocacy services types 1, 2 and 3 as set out in the Scottish National Standards for Advice and Advocacy¹ and homeless prevention advice (to Council tenants) all as detailed in the contract number 2/6/1650 which expired on 31 March 2023 Contract to run for four years from April 1 2023 to 31 March 2027.

Having reviewed the current range of general advice and advocacy services available locally it is clear that the CAB remains the only organisation capable of delivering the services required by the Council. In particular they have a substantial advice team in place based in Alloa and the capacity to provide outreach services in other settlements. In addition the well established and trusted brand of CABs and track record mean that they are best placed to deliver these services for the Council and local residents.

In the light of this and the continuing cost of living and homelessness crisis it is important that this service remains available. Officers were of the view that a further contract on substantially the same terms should be offered to CAB for period of four years.

The basis of the exception request is that, in terms of Contract Standing Orders section 6 (8) The purchase of goods or materials, the execution of works or supply of services for which the procurement officer considers that no genuine competition can be obtained & Contract Standing Orders section 6 (7) There is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience.

Reference 2/6/2042

Granted

It is clear through market testing that there are no known alternative suppliers with the required skills, knowledge and expertise to provide this service

Conditions

A Procurement Form 2 should be completed and authorised to provide Procurement, Legal and Financial Governance

Purchase orders should be raised to cover the contract period requested

An award notice should be published in Public Contracts Scotland

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 - there are no direct implications for the Council's budget arising from this report

8.2 Staffing - there are no direct implications for the Council's establishment 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** (Please double click on the check box)

- 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 & flourish

(2) Council Policies (Please detail)

Contract Standing Orders

Financial Regulations

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

N/A

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)

No (please list the documents below)

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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