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**Report to: Audit and Scrutiny Committee**

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**Date of Meeting: 8<sup>th</sup> February 2024**

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**Subject: Exceptions from the Application of Contract Standing Orders**

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**Report by Strategic Director Partnership & Performance**

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## **1.0 Purpose**

- 1.1 It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit & Scrutiny Committee. The purpose of this paper therefore is to provide detail on any 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 & Scrutiny 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 & Scrutiny Committee.

- 3.3 Three exceptions were considered since the last report in October 2023
- 3.3.1 To permit the continued appointment of Ameresco to Supply Public Buildings Servicing and Reactive Heating Maintenance for the remaining eight month period until 8<sup>th</sup> July 2024 for an additional value of £250K.

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

Reference 2/6/1959

### **Granted**

Based on the information provided the exception was granted subject to the service having sufficient budget to cover the increased value. The request was sought due to over the last 16 months the service having experienced a higher rate of breakdowns and faults than anticipated and identified during routine servicing. This has resulted in the cost of repairs exceeding original expectations and using the original contract value of £400K more quickly than expected.

### **Conditions**

A Procurement Form 2 should be completed and authorised With assurance that there is appropriate budget to cover the increase £250,000

A Purchase order should be raised to cover value requested or the current order revised

A revised award notice should be published in Public Contracts Scotland

- 3.3.2 To permit the appointment of Northern Steeplejacks to Supply Essential Repairs over a two month period to the value of £25,000

The basis of the exception request is that, in terms of Contract Standing Orders section 6 (4) An immediate need is created by a sudden, unforeseen, real and demonstrable emergency that requires immediate action to protect the interests of the Council.

Reference 2/6/2107

### **Granted**

Based on the information provided the recommendation was approved allow the Council to undertake urgent and essential repairs to the roof and masonry including chimneys at high level at Alloa Town Hall following the recent high level fabric inspection

### **Conditions**

Procurement Form 2 should be completed and authorised for this requirement

A purchase order should be raised to cover the period requested

The award should be published in Public Contracts Scotland

- 3.3.3 To permit the purchase of a vertical farming container and associated support from LettUs Grow to the value of £135,000

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.

Reference 2/6/2105

### **Granted**

Based on the information provided and with the need for a price point controlled solution, proven expertise assistance, a time limited result and a model that will fit into the limited space that we have available, LettUS grows met the service exact requirements. It was considered that their model is unique and fits in with the aims and objectives of the Forthbank project. The proposed model is approved by SIEC/Stirling University experts and supported by all members of the partnership and they could not find other potential suppliers for this type of product and are therefore sought to place an order direct with this company.

### **Conditions**

Procurement Form 2 should be completed and authorised  
A Purchase order should be raised  
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
Stuart Crickmar	Strategic Director Partnership & Performance	