
Report to: Audit and Scrutiny Committee

Date of Meeting: 7th March 2024

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 & 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 One exception was considered since the last report in February 2024
- 3.3.1 To permit the purchase of vertical farming containers and associated support from Urban Farm to the value of £270,000

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.

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, Urban Farm 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.

For note: an exception report was previously considered by the Strategic Director (Partnership & Performance) to permit the purchase of one growing container from a Lettus Grow, (at the time a sole provider in the UK of the specialist container) which was subsequently approved by the strategic director in consultation with the Heads of Finance and Procurement.

This was reported at the last Audit and Scrutiny Committee in February 2024

Following approval, an order was placed with Lettus Grow for the container and discussions held in regard to the supply of the container at the start of January 2024.

On the 19th January 2024, the service were contacted by Lettus Grow and informed that they were now unable to supply the growing container as their investor wished to upscale the business to develop larger scale models which has taken their operational priorities away from the fitting out of containers.

Lettus Grow apologised for the inconvenience that this shift in their priorities created for Clackmannanshire and stated that “We recognise that we were the only company in the UK who provided this service and have been working with a company called Farm Urban with whom we already have a working relationship and who would be prepared to take on this project”. They confirmed in discussions that the gap in market created by their change in direction would now be taken up by Farm Urban.

Conditions

Procurement Form 2 should be completed and authorised

A supplier request form should be sent to Farm Urban in order to be able to raise a purchase order

A Purchase order should be raised to cover value 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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