
Report to: Audit and Scrutiny Committee

Date of Meeting: 22nd August 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 **Four** exceptions have been considered since the last report in June 2024

- 3.3.1 To permit the appointment of Arneil Johnston to supply a rent and service charge restructuring review and affordability model over a 9 month period to the value of £13,518.75.

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 2/6/21

Granted

Based on the information provided the recommendation to approve the request for an exception to Council would allow the Council to appoint Arneil Johnston to carry out a rent and service charge restructuring review and affordability model to be concluded before our yearly rent consultation, due to be published in mid-November 2024.

As part of the HRA Revenue Account Business Plan and Capacity review the provider undertook a rent affordability assessment which showed that Clackmannanshire Council has a very flat rent structure, where there is very little difference between the smallest and largest properties

Arneil Johnston have the expertise and information that has been gathered as part of the business plan review and that can be taken into this review providing best value.

Conditions

A Procurement Form 2 should be completed and authorised

A Purchase order should be raised to cover value requested

An award notice should be published in Public Contracts Scotland

- 3.3.2 To permit the appointment of Emposo to Supply technical consultancy and project management resource over 4 month period (plus 2 months contingency), (Total 6 months) to the value of £149,720.

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 2/6/2152

Granted

Based on the information provided this recommendation was based on the critical need to ensure continuity and efficiency in the ongoing security initiatives.

Emposo's experience and in-depth understanding of the council's technical environment, coupled with their proven track record in delivering M365 applications securely, make them uniquely positioned to support the successful implementation of the M365 platform.

By utilising Emposo's expertise, the council can mitigate risks associated with transitioning to Microsoft 365, ensuring a seamless integration with existing security measures and minimizing disruptions to essential services.

Additionally, the recommendation underscored the alignment between Clackmannanshire Council and Emposo, which goes beyond mere contractual obligations. Emposo's proactive engagement and collaborative approach have

fostered a strong partnership ethos, enabling them to effectively anticipate and address the council's evolving security needs.

By approving this exception request it not only upholds the principles of good governance and value for money but also reaffirms the council's commitment to leveraging existing relationships to achieve strategic objectives.

By endorsing Emposo's continued involvement, the council can capitalise on their domain expertise and operational knowledge, thereby accelerating the M365 implementation and realising tangible benefits for both internal stakeholders and service users.

Conditions

A Procurement Form 2 should be completed and authorised

A Purchase order should be raised to cover value requested

An award notice should be published in Public Contracts Scotland

- 3.3.3 To permit the purchase of 2 x sets of heavy vehicle mobile column lifts directly with Steril Koni to the value of £60,000.00

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 2/6/2159

Granted

Based on the information provided the recommendation was to approve the request for an exception to Council to allow the Council to ensure the continued investment in workshop vehicle lifting equipment to comply with Lifting Operations and Lifting Equipment Regulations 1998 (LOLER)

Clackmannanshire Council authorised Capital spend as part of the 24/25 budget to allow the replacement of the current workshop vehicle lifts. The current lifts are extremely old and suffer from constant downtime due to breakdown and repairs. The service had been advised by the LOLER inspectors that the lifts should be replaced before the next inspection due to condition and age.

Failure to do so would mean that workshop vehicle lifting equipment would no longer comply with Lifting Operations and Lifting Equipment Regulations 1998 (LOLER)

After searching all government purchasing frameworks and carrying out further market testing it was found that only one supplier can supply the specialist type of vehicle lift required suitable for our requirements.

Conditions

A Procurement Form 2 should be completed and authorised
A Purchase order should be raised to cover value requested
An award notice should be published in Public Contracts Scotland

- 3.3.4 To permit the appointment of MRI Software Ltd to supply RAM Series Asset 4000 (Cloud based fixed asset register) over a four year period to the value of £27,660

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 2/6/2160

Granted

Based on the information provided the recommendation was to approve the request for an exception to Council to allow the Council to maintain continuity of supply on the basis that maintaining the supply of the system ensures consistency and continuity in operational delivery of a fixed asset register to the Council to ensure that accurate and statutory compliant reporting of fixed assets in the annual accounts through a market recognised, accurate and legislatively compliant fixed asset register system

The continuation with MRI Software Ltd RAM Series Asset 4000 ensures that users existing skills and knowledge are maintained. The current RAM Series Asset 4000 application is hosted on an unsupported server and the application has not been updated for at least 5 years and therefore may not be able to generate accurate information for the annual accounts which is a statutory requirement.

By moving to a cloud based solution ensures that the Council can benefit from the technical support and systems upgrades with minimum impact on IT and Finance resources.

Conditions

The Crown Commercial G-Cloud 13 Call-Off Contract should be completed and signed by an authorised officer
A Purchase order should be raised to cover value requested to the value of £29,000 in line with the CC Order form and Authorised Procurement form 2
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

5.2 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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