
Report to: Audit and Scrutiny Committee

Date of Meeting: 24th October 2024

Subject: Exceptions from the Application of Contract Standing Orders

Report by: Strategic Director, Partnership and 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 August 2024:
- 3.3.1. To permit the continuation of the appointment of Technology One UK Ltd to supply Technology One Financials (SAAS financial ledger system) up to a period of nine years to the value of £1,070,556 (including annual 3% inflationary uplift).

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 2/6/2172

Granted

Based on the information provided the recommendation to approve the request for an exception to Council would allow Technology One to continue to deliver a market recognised, accurate and legislatively compliant financial ledger system.

Maintaining the supply of the system ensures consistency and continuity operational delivery of a financial ledger system to all areas of the Council as well as to the Central Scotland Valuation Joint Board. It ensures that the Council can continue to pay its suppliers.

It also ensures that users existing skills and knowledge are maintained, and that the Council continues to benefit from the technical support and systems upgrades.

The Contract will be in line with the terms and conditions of a national contract through a Crown Commercial contact via G-Cloud 13 call-off contract.

Conditions

The Crown Commercial G-Cloud 13 Call-Off Contract should be completed and signed by an appropriate authorised officer.

An authorised Procurement form 2 should be completed.

A Purchase order should be raised to cover value requested to the value of £1,070,556 in line with the CC Order form.

A Call off award notice against the Crown Commercial framework should be published in Public Contracts Scotland.

- 3.3.2. To permit the appointment of Shepherd Commercial to undertake the valuations of a sample of Council properties for the 2023/24 statutory Annual Accounts value of £28,000 over a 4 to 6 week period.

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 2/6/2186

Granted

Based on the information provided the Council has used the Shepherd Commercial to value its properties for the annual accounts since 2019

To engage an alternative estate surveyor would require significant time and resource to scope, procure and supply detailed information on the sample properties and any other market or regional information for the supplier to determine valuations. The statutory annual accounts are required to be presented to the Council and external auditors as soon as possible.

The exception report was requested to cover the revaluation for the 2023/24 accounts. However, a tender is currently being taken forward for all future valuations including the five yearly revaluation or all properties which may include a programme of annual review of a sample of properties for the accounts and other purposes such as insurance valuations. This tender will not conclude in time to provide the valuations required to produce the statutory annual accounts for 2023/24.

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 allow the Council to extend the current contract with Ricoh UK Ltd for a period of 12 months from 01.10.2024 to 30.09.2025. This extension will allow the continuation of Multi-Functional Device (MFD) services while a thorough assessment of future requirements is undertaken.

Reference 2/6/1681

Granted

Based on the information provided the proposed extension is necessary to maintain continuity of essential printing and scanning services during a period of uncertainty. The current supplier, Ricoh, is already integrated into the Council's operational framework, and transitioning to a new supplier at this stage would introduce unnecessary risks and disruption. As Ricoh is familiar with the existing infrastructure and has been providing services at competitive rates, this request is made to ensure service continuity while longer-term arrangements are put in place through a new procurement process in 2025.

Conditions

An authorised Procurement form 2 should be completed
A Purchase order should be raised to cover the additional value requested
The Scottish Procurement and Ricoh UK Ltd's Order form should be completed
A Revised award notice should be published in Public Contracts Scotland

- 3.3.4. To permit DIAL A Journey to provide a Door-to-Door Accessible Transport Service from 13/08/24 – 31/03/25

Reference 2/6/2181

Based on the information provided

No request was received for consideration of an exception from contract standing order, however a direct award was made after assurance of Financial Governance and was at the Services risk in terms of procurement legislation."

The contract with Dial a Journey has been ongoing for a number of years and the service was due to cease on 11 August 2024. Legal advice was sought to confirm that a new contract could be put in place with Dial a Journey that resulted in no change to policy. The revised contract is to run from 12 August 2024 to 31 March 2025 on a reduced basis of 4 days rather than 5. This reduction was confirmed as not being material from a contractual / procurement perspective.

Following this award a Prior Information Notice (PIN) should be issued in the next couple of months to notify the market of the Councils intentions to review its transportation requirements and that any requirements will be tendered for following completion of this work.

Conditions

An award of a contract without prior publication of a call for competition notice is required to be published in Public Contracts Scotland
An authorised Procurement form 2 should be completed
A Purchase order should be raised to cover the value requested

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

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes

5.4. Staffing

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

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 and flourish

(2) **Council Policies**

Complies with relevant Council Policies

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?

Yes No

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)

Yes (please list the documents below) No

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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