

**To the Chair and Members of the
AUDIT COMMITTEE**

FINANCIAL AND PURCHASING & CONTRACT PROCEDURE RULES

EXECUTIVE SUMMARY

1. This Report provides Members with details of Waivers and Breaches to Contract Procedure Rules (C.P.R's) together with instances where Financial Procedure Rules (F.P.R's) have not been followed.

It also provides details of an ongoing review of commercial arrangements with suppliers with whom the council spends more than £30,000 per annum.

2. Since the last report in April 2013 progress continues to be made in reviewing the arrangements for the procurement of contracts, and as part of this process a number of new breaches have been identified which now require rectification.

The table below identifies the number of new breaches and waivers recorded by each Directorate since the last Audit Report, and further details are summarized within Appendices 1 and 2. For the purposes of this report Public Health information is shown separately but is part of the Adults & Communities Directorate and there is also a joint Adults & Communities and Children's & Young Peoples Services * waiver, which has also been shown separately.

	Breaches	Waivers
Adults & Communities	1	5
Children's & Young Peoples Services	0	4
*Joint Adults & Communities & Children's & Young Peoples Services.		1
Finance & Corporate Services	2	12
Regeneration & Environment	4	3
Public Health	0	4
GRAND TOTAL	7	29

RECOMMENDATION

3. To note the information contained in the report, in particular for the reporting of Waivers of C.P.Rs and note actions taken to identify and rectify breaches of C.P.Rs.

4. To note the update compliance with suppliers with a spend of over £30,000 per annum.

BACKGROUND

5. The Financial Procedure Rules (F.P.R.s) and Contract Procedure Rules (C.P.R.s) were approved by Council on 21st July 2011 and updated in April 2013 to reflect the recent introduction of YORtender and Procure 2 Pay (P2P).
6. The Director of Finance and Corporate Services monitors compliance with the above procedures as follows:
 - Updates from the Internal Audit team, detailing the results of audit activity and findings;
 - Update reports from the Corporate Procurement team, detailing any reported waivers of C.P.R.s and instances of breach;
 - Updates from the finance management teams, who are financial advisers to service managers and directorates.
7. The Audit Committee receives regular information and updates to enable them to monitor overall compliance. This is to assist their role in approving the Council's Governance Statement.
8. The transformation of procurement remains a corporate priority and impacts this area directly and continues to strengthen the council's on going approach to the management of its suppliers including improved governance arrangements associated with this.

Financial Procedure Rules

9. No breaches of Financial Procedure Rules are reported for the period.

Contract Procedure Rules (C.P.R's)

10. C.P.R.s set various value thresholds at points where commensurate competition should be undertaken by officers to ensure that value for money is being achieved and that all tender opportunities are fairly and appropriately advertised to suppliers.
11. The thresholds within C.P.R.s are set at the Council's discretion as:
 - Under £30,000 – use of an In-house supplier, Council wide Contract (these have been established centrally or nationally for everyone to use), framework agreement or approved list or obtain **three verbal** quotes where the above is not available and record these quotes in writing as evidence;

- Between £30,000 and EU threshold currently £173,934 (for goods and services) and £4.34m (for works) – use of an in house supplier, council wide contract, framework agreement or approved list or obtain **three written** quotes where the above is not available;
 - Over EU £173,934 (for goods and services) or £4.34m (for works) – use of an In-house supplier, Council wide Contract, framework agreement or carry out an Open, Restricted or Competitive Dialogue Tender procedure. This includes what are known as Part B Services, which generally covers many of the care based services, where the OJEU regulations are less stringent allowing for more flexibility in approach.
12. Whilst the O.J.E.U thresholds are set within legislation and, therefore, cannot be waived, it is recognised that from time to time the discretionary thresholds within C.P.R's may be a barrier to the delivery of services and, therefore, Council officers can request that the C.P.R's are waived in specific instances.
13. This can only be done via a C.P.R. waiver report, which is submitted to Corporate Procurement, Legal Services and Financial Management who also make comment on whether the waiver can be granted in accordance with the exemptions stated in C.P.R.s. The waiver report is then submitted to the Director of Finance and Corporate Services for final approval. The permissible exemptions are:
- a. the goods, services or works are proprietary in nature (i.e. where only one supplier can supply the product or services);
 - b. the contract is for goods, services or works that are required in circumstances of extreme urgency;
 - c. the circumstances of the proposed procurement are covered by legislative exemptions (whether under E.U. or U.K. law);
 - d. there are other circumstances that are genuinely exceptional.
14. Waivers are an agreed part of the process of procurement to allow for more difficult and extraordinary circumstances.

REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £30,000

15. This section of the Report provides Members with details of the ongoing review of procurement arrangements with suppliers above £30,000 per annum.
16. As previously reported, breaches arise from either the aggregation of spend with one supplier going over pre prescribed limits, a complete absence of any identifiable contract, a failure to comply with requirements to obtain adequate competition or an extension of contract beyond its agreed term or lifetime.

17. It is therefore important that steps are taken to ensure breaches are identified, investigated and plans quickly put in place to rectify the position.

A summary report is produced for each breach and detail actions required to be taken, including where necessary the decommissioning of contracts.

18. The Corporate Procurement Team continues to work closely with all Directorates to improve procurement generally, but to also provide assurance that arrangements are robust and compliant with CPR's. Where breaches are identified, they are recorded and appropriate procurement plans are agreed and developed if/where appropriate.

It should be noted however, there is still work to be done to ensure visibility of spend and this is an on-going process.

19. Detailed below are highlights of current activity.

Children and Young Peoples Service

20. Work has continued with CYPS to review expenditure and where possible to generally improve procurement related issues and no new CPR breaches have been identified.

The interim Procurement Category Manager will continue to work with CYPS and attend Team meetings to offer procurement support and advice where required and will ensure all relevant information e.g. procurement forward plans etc. are shared with the new trust as and when appropriate.

Adults and Communities

21. Significant improvements have also been made within Adults and Communities and no new breaches have been identified.

A good and successful working relationship continues, with Procurement and Commissioning colleagues working collaboratively together to ensure formally tendered contracts are in place and forward plans are developed as required.

Spend information is also available for Senior Managers to review, challenge and validated so action can be taken quickly where required.

Public Health

22. No breaches have been identified within Public Health while a strong working relationship has been established.

A formal procurement plan has been agreed by cabinet and is being implemented within Public Health with four contracts currently out tender.

A working relationship with Rotherham Public Health services has been established resulting in a collaborative contracting arrangement for no smoking services. Doncaster Council is currently leading on the procurement of Smoke Free Services, while Rotherham Council has taken the lead on the No Smoking Media Campaign Contract.

Regeneration and Environment

23. Since the last Audit Report further breaches have been identified for Regeneration and Environment and as previously explained, some of this is due to the aggregation of expenditure with the same supplier over a number of years resulting in a breach of CPR's and potentially OJEU regulations. The detail is shown in Appendix 2.

A permanent Senior Category Manager has been successfully recruited for this area and joined the procurement team in July 2013 and will be continuing to review spend data and working with the Directorate to update, agree and implement plans to address known breaches and review the Contracts Register.

As previously reported, assisting with the above is a member of staff from Regeneration & Environment who was initially seconded to the procurement team and who since 1 August 2013 has permanently moved to the Team due to the success of the initiative.

Finance and Corporate Services

24. Within Finance and Corporate Services a Procurement Manager is in place from November on a temporary basis for six months. Progress will be made in ensuring that contracts continue to be reviewed. The initial focus continues to review supplier and spend data to ensure the contracts register is as up to date as possible.

Spend information continues to be challenged, reviewed and validated, and, both the quality and content of the data is improving and the Directorate continues to positively and actively work with the Procurement Team to achieve this.

By ensuring accurate and correct information is recorded and shared with Teams, appropriate action can be taken quickly if required.

Improving the Position

25. Work continues to review spend analysis with a "challenge and confirm" approach to ensure value for money is obtained, and, in some areas new contracting opportunities have been identified.

The Contracts Register is also updated with new information as and when contracts are awarded and since May 2013, the Council's Contracts Register has been available to view and download on the internet and is updated and refreshed on a monthly basis. This

information has been made available to help suppliers know what we buy, how much we spend and who with, when contracts are due to expire, and also when tender opportunities arise.

http://www.doncaster.gov.uk/sections/councilanddemocracy/policiesplansandperformance/localtransparcy/Local_transparencyCurrent_Contracts.aspx

As previously reported, individual Registers are available for all Directorates to regularly review and remain an important tool when reviewing spend. It is extremely important that they continue to be updated with the help and assistance of all Directorates as the Corporate Procurement Team can only include contract information they know about

YORtender

26. The Councils tendering and contracts system (YORtender) has now been in place for 11 months, since January 2013. To date ninety five Doncaster Council staff has been trained and a further five requests for training have been received by the Corporate Procurement Team.

To date 145 tenders have been advertised via YORtender with a total value of £43,274,503 and 354 contracts have been uploaded to the Contracts Register.

P2P

27. The introduction of P2P in September 2013 will challenge the traditional ways the Council previously purchased goods and services and the Corporate Procurement Team remains heavily involved in the system and set up.

A considerable amount of work has been undertaken regarding data gathering, data cleansing and creation of control lists, within very challenging timescales. New screens have been designed to allow the end user a 'shopping basket' style approach to buying goods or services by utilising "e-catalogues".

The P2P team and procurement continue to formulate and categorise information which is converted into electronic data to create an item file (and E-Catalogues).

To ensure P2P is successful and benefits are realised e.g. improved purchasing practices, improved processes and reduced admin tasks, it is essential that robust contracts are in place and item details are loaded onto the system to support the Corporate P2P Team when needed.

Basic procurement training modules are also being developed by the CPT to reinforce CPR's and it is anticipated that training will be available during the remainder of the financial year 2013.

Work continues to review purchase cards (i.e. reduce card numbers and increase P2P transactions) and further reduce the number of invoices received, to improve both value for money and transactional efficiency for P2P.

The implementation of controlled purchasing monitored by a corporate P2P Team with greater visibility of spend analysis and budget management, will continue to support the Councils requirement to deliver future savings.

OPTIONS CONSIDERED

- 28. For routine reporting of Waivers and Breaches each waiver has been examined for alternative options prior to approval of a waiver.
- 29. For the review of commercial arrangements as the council has already decided to undertake a transformation of its procurement operation, it was decided that the only appropriate option was to set the review of commercial arrangements over £30,000 within the context of this project. This avoids unnecessary costs and duplication of effort.

REASONS FOR RECOMMENDED OPTION

- 30. It is clearly important that the Council’s Contract Procedure Rules are adhered to and that from a governance and procurement perspective, where breaches are identified a robust corrective plan is put in place to protect the council’s commercial interests through contracts.

IMPACT ON THE COUNCIL’S KEY OBJECTIVES

Doncaster Priorities	Implications of this initiative
Creating a strong, connected and inclusive economy	<i>Please see Appendix 1 for an explanation of each waiver.</i>
Developing stronger communities	
Increasing and improving housing	
Protecting and improving all our children’s lives	
Improving health and support for independent lives	
Tackling crime and anti-social behaviour	
Creating a cleaner and better environment	

RISKS AND ASSUMPTIONS

31. Each new waiver has been identified in the attached appendices.
32. With regards to the ongoing review of commercial arrangements with suppliers the risks of breach of CPRS potentially exposes the council to reputational, legal and commercial risk. The review and plans arising from it aim to remedy this and mitigate any remaining open risk.

LEGAL IMPLICATIONS

33. There are no specific legal implications arising from this Report. However, Legal Services provide advice and assistance on the specific context of CPR Breaches and Waivers and reviewing existing commercial arrangements.

FINANCIAL IMPLICATIONS

34. There are no specific implications within this report, with regards to waivers reported at Appendix 1 – 4 as each waiver or breach is considered on its own merits. Where financial implications arise from the wider review of commercial arrangements with suppliers these will be reviewed on a case by case basis.

CONSULTATION

35. This report has significant implications in terms of the following:

Procurement	✓	Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

BACKGROUND PAPERS

36. None

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APPENDICES TO WAIVERS AND BREACH REPORT

1. The attached Appendices detail waivers and breaches since the last report and are presented to ensure transparency and to inform the Audit Committee of the level of investigation that has been undertaken by procurement and the service.

Waivers

2. Attached at Appendix 1 is a list of the C.P.R. waivers that have been agreed since the last report, together with a brief explanation of the reasons for the waiver.
3. These waivers have been reviewed and agreed either by the Assistant Director of Finance and Performance, the Director of Finance and Corporate Services or the Chief Executive (for Finance and Corporate Services Directorate).

Breaches

4. Since the last report information of all new breaches that have so far been identified as a result of the ongoing review are attached at Appendix 2 and 3. This information gives details of the individual breaches and presents a rectification / procurement plan to address each breach.

Approved Contract Procedure Rule Waivers

Department	Value	Reason
Adults & Communities CPR/13/04/0001	£2100	<p>Due to changes in grant funding the council now has to directly contract with the Centre for Housing Research at the University of St Andrews to manage and analyse Supporting People client record and outcome data on their behalf. This used to be free to LA's and DCLG used to contract directly.</p> <p>This is an annual waiver is to request the approval to enter into an agreement with St Andrews for the 2013/14 subscription period at a cost of £2100 without the need to seek quotations, as The Centre for Housing Research continues to be the only organisation to provide this unique service therefore there are no other organisations from whom to approach for quotations.</p>
A&C CPR/13/05/0003	£72,000	<p>The Stronger Families Programme is the local implementation of the national Troubled Families programme and is supported by funds from Government to support families to be less reliant on services and more self-resilient.</p> <p>The innovation fund proposes to allow Area Managers to control a budget to allow workers to urgently spot purchase a vast range of goods and services for families within the programme. It is this urgent requirement that means normal CPR's cannot apply.</p> <p>Each purchase will be limited to £200, and a case will be made by the worker, relating it to the outcome the family is trying to achieve and the problem the purchase will help resolve. This process will only continue while the Troubled Families funds are available and will not impose any financial liability on the Council.</p>
A&C CPR/13/08/0002	£8,000	<p>The Interpretation service has a pool of interpreters who are employed by DMBC (on a relief basis), covering the main languages required.</p> <p>With some languages, such as Bosnian, Somali and Romanian, there is only one agency that can provide this within a reasonable distance from Doncaster. With other languages such as Vietnamese, Amharic and Bengali there may be only two agencies that can provide interpretation services, and, it would not be possible to comply with procurement procedures and obtain three quotes in these instances.</p> <p>Where ever possible more than one quote will be obtained, but it is requested that in exceptional circumstance it is allowed to go with one agency only.</p>
A&C CPR/13/09/0004	£70,000	<p>The Council has been in continuous discussions with the current contractor and it is planned, so as to minimise any further issues and/or disruption to service, that the Contract should be mutually terminated as of 30th September.</p> <p>To re-procure this service and appoint a new service provider to provide management support could take up to 6 months.</p> <p>DMBC is not permitted to manage Healthwatch and has a statutory obligation to appoint a third party organisation. Therefore, DMBC must appoint an organisation to do this</p> <p>For the reason identified it is recommended the Council appoints a new contractor on an 18 month Contract (with the option to extend for 2x12months) to provide support to Healthwatch.</p>

Department	Value	Reason
A&C CPR/13/09/0005	£34,000	<p>There are currently fifty cameras connected to the Council House that form part of the CCTV System in Doncaster for the prevention of crime and disorder, anti-social behaviour and staff health and safety i.e. enforcement colleagues, and in order for the cameras to be available for viewing for both DMBC and SYP they need to be relocated to the Civic Office.</p> <p>Due to the complicated nature and continued service a quotation has been requested from the existing contractor with whom DMBC ICT have been working, which includes supervision for additional work associated with the fibre migration to the Civic Building - Please note that this is additional work not included in the initial fibre migration plan and is necessary for continued service.</p> <p>Due to the nature of the work, knowledge and experience to link this work to existing fibre infrastructure and migrations and considering the limited time constraints to complete this work accurately and effectively, the Council will need to employ the existing contractor, who will manage and oversee this work.</p>
CYPS CPR/13/03/0010	£16,975	<p>Local Authorities have various duties to assess and help Young Carers, the Children Act 1989, Carers (Recognition and Services) Act 1995; Carers and Disabled Children Act 2001 and the Carers (Equal Opportunities) Act 2004.</p> <p>Having a dedicated Young Carers Service is a key means of achieving this and the service includes personal case work with individual carers as well as general promotion and advice on the needs of Young Carers.</p> <p>The request for a waiver is under 10.1.b of the CPRs regarding serious disruption to Council Services to extending the current contract for a further 3 months.</p> <p>The intention would be to work with the Senior Category Manager in Corporate Procurement and re-tender and award a contract within this 3 month extension period.</p>
CYPS CPR/13/04/0002	£18 K of 1+1 years - Annual Value is £8995 per annum	<p>The submission of this waiver is to request to extend the existing annual maintenance service with the current provider for the provision and maintained of an Information System for Parents and Providers (ISPP) (agreement: DMBC08 /8714 – Feb 09 – Feb 12).</p>
CYPS CPR/13/08/0005	£5,712	<p>Due to the introduction of ERP, the existing specification file which has been produced for Fostering services payments will no longer be compatible to import criteria required by ERP, and a revised specification has been developed to meet ERP requirements.</p> <p>There is only one provider/supplier that can amend the system code to reflect the new ERP specification schema.</p> <p>Failure to meet this, would mean all existing payments currently paid via the provider would not be able to be paid once ERP goes live</p>
A&C and CYPS CPR/13/03/0007	CYPS £2760 Adults £25,000	<p>Adult and Children's social care services are heavily regulated and work within a complex legislative framework. They are registered and inspected by the Care Quality Commission and Ofsted respectively. Both these services have an on-going need to have procedures and policies which are available to staff and kept current as legislation and directives change.</p> <p>DMBC (CYPS) have had a contract for three years to provide local policies and procedures. The product is web based and consequently there is no issue around version control or inconsistency.</p> <p>A proposal was taken to the ICT Governance Board on 15th January 2013 to</p>

		<p>establish whether IT has the capacity to develop or deliver this service but they cannot. The Decision to commission with the current provider jointly between Adult & Communities and CYPS was therefore agreed to be the only operational solution.</p> <p>CYPS already have contract in place and so are only looking to extend the annual maintenance agreement.</p> <p>Adults are looking to commission the current provider to develop a brand new suite of online policies and procedures. The fee will include all project delivery and required work.</p> <p>There is no other organisation within the social care market that produce bespoke specialist web based procedure manuals and policies like this.</p>
F&CS CPR/13/04/0003	£21,497	<p>Request for additional work for the supply of parts and labour to install fibre ducts and cabling for provision of a diversion for fibre route to guarantee continued service to DMBC office site locations during and after demolition and disposal of the Council House site.</p> <p>Due to the complicated nature and continued service of office Data Networks and Telephone systems quotations have been requested from the existing contractor with whom DMBC ICT have been working, this includes supervision for additional work associated with the fibre migration to the Civic Building.</p> <p>The cost of the diversion to route around Council House requires removal of fibre from the car park area and close proximity of the Council House building and re-route onto the Highway and safe Council access routes. To a value of £21497</p> <p>To re-cost and manage this work using alternative supplier/installers would run a risk of the work not being completed satisfactory and a failure to meet the deadline for the handover and demolition of Council House.</p>
F&CS CPR/13/05/0002	£21,950	<p>The contract for hosting the authority's main internet site (www.doncaster.gov.uk) was originally procured via an approved framework, on a 3-year contract, and expires at the end of March 2013. A decision had been made to look at hosting the site internally but the timescales for this to be achieved were too restrictive therefore we had to consider extending the contract with the incumbent provider.</p> <p>Due to the limited time available, the incumbent provider was contacted and a 12 month extension was requested, this represented a significant saving on their standard 12 month charge.</p> <p>During the 12 months extension period ICT will be working on progressing the move of the website to be hosted internally.</p>
F&CS CPR/13/05/0006	£9,500	<p>Doncaster's current supplier is implemented widely across the Council and is crucial to some main business areas for example, Revenues & Benefits, CYPS, Adults, Planning, SLHD and Legal Services.</p> <p>These departments use the system to carry out day to day duties. It forms a crucial part of their processes as it provides post electronically, and workflow functionality for transfer of documents between departments therefore ensuring security of files, documents and complies with the ICT Strategy and 'paperless office' solution.</p> <p>The current software is no longer supported on the Councils standard desktop platform Windows 7. It is therefore essential to upgrade to the latest supported version (v4.81) to ensure continuity of support from the current provider.</p> <p>The current provider supplies software upgrades within the existing contract and the only charges that apply for this upgrade, is daily rates for consultancy as the Council have no in-house skills to do this.</p>

		<p>The current contract is via the Buying Solutions Framework, and as per the contract the Council agreed to upgrade to current software or at least the previous release.</p>
F&CS CPR/13/05/0005	£47,659	<p>The Home Alarm Service (HAS) is dedicated to providing a 24/7 re-assurance service to vulnerable residents throughout the authority and allows customers to continue living independent lives within their community.</p> <p>In 2010/2011 Customer Services carried out a major project to replace the existing 7500 warden call intercoms that were reaching the end of their serviceable life and were not telecare enabled. The individual dispersed units that were installed have a personal alarm pendant from which residents can raise an alarm call from anywhere in their home. The equipment is telecare enabled and can monitor a wide range of additional events to meet differing needs of the customer. If a customer no longer requires the service the unit can be removed and re-used for a new customer.</p> <p>The current contract, from an expired framework, covers equipment, equipment maintenance, PNC software upgrade, PNC licences and maintenance.</p> <p>The PNC system is the only system available to support the current system dispersed and telecare equipment and there is only one company that can support the PNC system.</p> <p>The contract expires on the 31st May 2013. Work is currently underway with Adult Services to review the equipment maintenance mechanism, the purchasing of the equipment and the software maintenance by jointly procuring the solution to ensure the Council receives value for money.</p> <p>This waiver will ensure that the software and the equipment is purchased and maintained, while the Council investigates and negotiates the most appropriate supplier solution.</p>
F&CS CPR/13/06/0001	£131,520	<p>The council currently has 36 sites that are connected to the corporate network. The supplier has declared that the IP Stream product becomes obsolete in June 2013 and their equipment which supports this service will be decommissioned in October 2013. This will leave these 36 sites without a connection to the council network.</p> <p>Due to the uncertainty of the future of Digital Region and the fact that the council has yet to appoint a Wide Area Network (WAN) provider we need to provide these 36 sites with an alternative short term network connectivity solution.</p> <p>Recommendation - It is therefore proposed that the current supplier is instructed to:</p> <ol style="list-style-type: none"> 1. Implement the SIP solution at the Civic Office and Colonnades to replace existing circuits and allow the migration of existing telephone numbers to allow the timely decommissioning of Council House. 2. Install 36 x IP Connect ADSL connections and 36 x PSTN lines at the 36 sites currently using IP Stream connections, to ensure connection when the current service is decommissioned.
F&CS CPR/13/07/0005		<p>This waiver is to request a further extension to the 6 month waiver which was approved on the 31st January 2013, relating to an existing Contract DMBC08 7456 for the Provision of Bailiffs services which expired on 31st January 2013. Reference Number: CPR/13/01/0003</p> <p>DMBC had intended to move to utilise the new Framework Agreement procured by Rotherham Council after the DMBC contract expired, however, a decision has been made to not progress the Rotherham Council Framework as it did not demonstrate value for money for DMBC and an alternative framework, ESPO, is now the preferred option.</p> <p>The proposed commencement date for the ESPO framework was originally the 30th June 2013, however this has been extended by ESPO to the end of July 2013 after</p>

		<p>further clarification was requested from the bidders.</p> <p>The recommendation is to negotiate a further extension of 3 months to the existing agreement, which will allow DMBC to continue to operate under current Terms and to consider the feasibility of utilising the ESPO agreement</p> <p>This further extension will avoid a breach and ensure continuity of service for Revenue and Benefits.</p> <p>Please note – since this waiver was requested in July, EPSO abandoned the procurement process in November 2013 for this contract due to various supplier challenges, which means a further waiver will be requested to enable DMBC's service to continue</p>
F&CS CPR/13/07/0001	£29,205	<p>A principal component part of the Print Rationalisation Project is to re-route 'bulk' print jobs to a more suitable cost effective/efficient device, such as Rapid Print using the ATI Document Manager.</p> <p>The mainframe is being decommissioned from December 2013 and as a result, Council bills will no longer be printed out at Nether Hall, and will move to Rapid Print. The software that the Council uses to format bills such as Council Tax, Benefits, Business Rates and SLH Rent Statements, cannot re-route printed output to Rapid Print and cannot perform any re-charges. To facilitate re-routing and accurate re-charging of Council bills to Rapid Print, ATI Document Manager Suite is required.</p> <p>The current provider is the only company that is able to expedite the integration of the ATI Document Manager software with Doncaster Council's managed print solution as they have unique knowledge of the Council's current print infrastructure and architecture and have good working relationships with the Councils ICT department.</p> <p>This reason meets the criteria of: Contract Procurement Rules, Part 4 10.0 Waivers for Contract Procurement Rules 10.1 'where the Director is able to demonstrate that only one specialist firm is able to meet the requirement'.</p>
F&CS CPR/13/08/0003	£68,380	<p>The Council currently uses a specific suite of software to manage the electoral process.</p> <p>Having a system that can integrate the electoral register maintenance with election management and postal voting checking systems should be regarded as an essential requirement. Having a system that is fully integrated in this way eliminates the need to input events more than once and importing and exporting data across the various systems at different times, and is more efficient in terms of officer time and reduces the risk of error. This feature is hugely beneficial and valuable during the intensely pressured election period.</p> <p>The need to have fully integrated software with the necessary functionality is further enhanced by the passing of the Electoral and Administration Act 2013 which has introduced Individual Electoral Registration (IER). The Act has created the need to review and assess which Election Management System (EMS) is best placed to cope with future demands.</p> <p>The preferred supplier has the only system that has some IER ready functionality already on the existing platform.</p> <p>It is recommended that Doncaster migrates to the new software as soon as possible to allow the production of electoral registration canvass forms to ensure the annual canvass from September to February, the European and Local Elections in May and the on-going transition to the new registration process is as smooth as possible.</p>

F&CS CPR/13/09/0003	£31,000	<p>Temporary cooling to the Fibre Communications Room is currently provided by mobile air conditioning units that are hired by the Council.</p> <p>It is requested that permanent works are progressed through the contractor who designed and built the Civic Offices. The contractor is very familiar with the critical systems in the building and their involvement should significantly reduce the risk of system failure during and after the works. Failure of this cooling system would have a significant impact on the Councils ICT infrastructure including its fibre optic and CCTV networks.</p> <p>There are two reasons for using this contractor:</p> <ol style="list-style-type: none"> 1. They are very familiar with these complex systems being upgraded (being that they designed and installed them), and, 2. There will be a consistency on the building warranties. <p>In the event something goes wrong with either the existing or new kit, the Council will have a single contractor to deal with rather than two parties blaming each other. DMBC Technical Services were asked if they would have been happy to progress these works separately, but for the above reasons have advised to go through the existing contractor.</p>
F&CS CPR/13/08/0001	£6,180	<p>This supplier is the only supplier of this type of product, a licensed music download service made available to library services, which would be used over time to replace traditional music services in libraries (e.g. CDs) to provide a modern, 21st century approach to music loans from libraries, as a free download service to Doncaster's residents.</p>
F&CS CPR/13/09/0006	£3,828	<p>Request for additional work for the supply of parts and labour to install a line of sight diversion for provision of a network link to guarantee continued service to the following DMBC office site locations; as a consequence of existing fibre routes under the area of Scarborough House, to avoid loss of service legitimate access to the routes during and after demolition and disposal of the Scarborough House site and associated land:-</p> <p>Elmfield House, Doncaster Register Office & Museum; but not including No.1 South Parade.</p> <p>Due to the complicated nature and continued service of office Data Networks and VOIP system I have obtained a quotation from the existing contractor with whom DMBC ICT have been working, this includes supervision for additional work associated with a 'Line of Sight' service for two sites and the fibre migration of the Museum fibre link and a final splice to link to the Civic Building.</p> <p>Please note that this is additional work not included in the initial fibre migration plan and is necessary for continued service.</p>
R&E CPR/13/04/0004	£26,912.57	<p>Request for repair work for the supply of parts and labour to install a set of new fibre cables for the main fibre trunk route following the discovery of serious damage by the Construction Contractor to the Main Fibre chamber.</p> <p>This repair is as a consequence of damage by the Main Contractor and is to replace work already completed as part of the fibre migration plan and is necessary for continued service. All cost liability should be recovered in full from the Construction Contractor involved.</p> <p>Due to the nature of the work, knowledge and experience to link this work to existing fibre infrastructure and migrations and considering the limited time constraints to complete this work accurately and effectively, the existing contractor will need to carry out this work.</p>

R&E CPR/13/07/0004	£62,918.50	<p>Current pupil referral unit transport routes for pupils with behavioural difficulties are being re-tendered for the new Academic Year 2013/14, as a mini competition under the Home to School Transport Framework.</p> <p>Routes to Behavioural/Pupil Referral Units/and Colleges are traditionally tendered on an annual basis as the routes are often subject to changes i.e. pupil changes, timetable changes, contract specification changes.</p> <p>The Cusworth Centre Head has expressed concerns about the proposed change to contractor given the sensitivities and requirements of the pupils, and has completed a pro forma for each child giving reasons as to why they believe that continuity of existing arrangements is in the pupil's best interest.</p>
Public Health CPR/13/05/0004	£480,000	<p>One of DMBC's public health duties is the commissioning of drug and alcohol services, which includes services commissioned from hospitals (e.g. RDaSH), GPs, pharmacists and the third sector.</p> <p>DMBC has entered into contracts with primary care to provide 'shared care'. DMBC is responsible for the payment for any drug and dispensing costs incurred in achieving 'recovery', the bulk of which is methadone. When the commissioning responsibility transferred on 01/04/2013 it was envisaged that the costs for any drugs prescribed by primary care (the 'shared care service'), would be charged by NHSBSA (NHS Business Services Authority) to the Doncaster Clinical Commissioning Group using the existing cost centre and that DMBC would 'pay' for the drug costs via a section 76 agreement that would be compliant with DMBC's CPRs.</p> <p>This waiver is being requested to allow Public Health to enter into an agreement with NHS BSA to pay for the costs of prescribing and dispensing of methadone and other drugs and needle exchange equipment and consumables as part of shared care.</p> <p>The service is proprietary as the NHS Prescription Service/NHS BSA is the sole provider of this service for practitioners and organisations in England. There are no alternative suppliers.</p>
Public Health CPR/13/07/0002	£5,661	<p>Provision of slim 'Swan' filters to supply Doncaster needle exchange outlets.</p> <p>Other providers do not provide 'Swan' filters, only own-brand filters.</p> <p>Own brand filters are not fit for purpose, as when used as a filter for injecting heroin, the fibres loosen and can then be drawn up through the needle and pass into the blood stream when injecting.</p> <p>'Swan' filters are not as fibrous, so there is a much smaller chance of this happening (better quality product).</p>
Public Health CPR/13/07/0003	£264,802	<p>Since the 1st of April 2013 the commissioning of weight management services has become the responsibility of Public Health within the Local Authority.</p> <p>Previously, there were 2 weight management contracts which were novated from Doncaster PCT to DMBC. The children's weight management contract ends on the 30th Sept 2013 and the adult's ends on the 31st Oct 2013.</p> <p>Both services provide access to regular, personalised weight management programmes offering one-to-one, group or family support as appropriate and in accordance with local entry and exit guidelines. The services are made up of a multi-disciplinary team (MDT) who provide a tailored plan which will offer psychological, dietary and physical activity support in accordance with national guidance.</p> <p>The adult's element of the service forms part of the patient pathway to bariatric surgery. Evaluations of the services have been completed and the recommendations</p>

		<p>have been incorporated into the service specification for future commissioning. We are seeking a CPR waiver to extend the term of the contracts for up to 6 months to:</p> <ol style="list-style-type: none"> 1. Align weight management with other Public Health contracts which end March 13 and better align services with the 3 year financial planning. 2. Allow for a longer implementation time for the potential TUPE transfer of NHS staff on the Adults contract with DBHFT if they lose the tender. This is from recent experience within DMBC where ex NHS staff TUPE transfers have taken a considerable length of time.
Public Health CPR/13/09/0001	£720,000	<p>The Health and Social Care Act 2012 transferred a number of public health responsibilities to Local Authorities from 01/04/2013. One of DMBC's new public health duties is the commissioning of drug and alcohol services and this includes services commissioned from hospitals (e.g. RDaSH), GPs, pharmacists and the third sector.</p> <p>DMBC has entered into contracts with primary care to provide 'shared care'. On 02/05/13 DMBC received an email from NHSBSA stating that responsibility for this cost centre and any costs incurred would transfer to DMBC with effect from the 01/04/13. This is a national directive and all Local Authorities that are responsible for commissioning drug services are being told to pick up this responsibility. Waiver Request</p> <p>This waiver is being requested to allow Public Health to enter into an agreement with NHS BSA to pay for the costs of dispensing of methadone and other drugs as part of shared care. A previous waiver (CPR/13/05/0004) for the value of £480,000 has been approved to cover the cost of the actual drugs. Initially it was anticipated that the additional cost of dispensing the drugs (i.e. an additional £720,000) would be the responsibility of the Doncaster Clinical Commissioning Group, but it transpires that the dispensing costs will be the responsibility of DMBC in line with National Guidance.</p> <p>The NHS Prescription Service/NHS BSA is the sole provider of this service for practitioners and organisations in England. There are no alternative suppliers.</p>
CYPS CPR/13/09/0002	£80,000	<p>Following the departure of the Assistant Director for children's social care, the Council needs to fill this essential post in order to ensure that Services are not adversely affected. Given that children's services are subject to government intervention and urgent improvement is required to safeguarding services, it is essential that the role is filled by an individual with the right skills & expertise in order that the Children's Improvement Plan is delivered effectively.</p> <p>A recruitment process would not deliver a suitable replacement in the required timescale and this is a very limited market for individuals with this level of knowledge, skill and ability.</p> <p>A procurement process of similar consultants is not considered appropriate given the Council's needs to appoint a suitable candidate within the required timescale with the right combination of experience</p>
R&E CPR-13-09-00010	£1,272	<p>Doncaster Council is processing the delivery of a Waste Transfer Station at Sandall Stones Road, Kirk Sandall. The target deadline for completion of the project is July 2015 is very challenging.</p> <p>The Kirk Sandall site is currently bisected by overhead high voltage electricity cables. To deliver the scheme successfully, some or all of these cables will need to be diverted. To that end, discussions are underway with Northern Power Grid (NPG), whose electricity network these cables form part of, to progress. NPG advise that the lead in times for the relocation are very long and will threaten the target completion date.</p> <p>NPG have advised that they require these survey works to be undertaken by a</p>

		<p>specialist contractor. NPG advise that to procure these services on our behalf would have a long lead in time, and suggest that if the matter is urgent that the Council progress the procurement.</p> <p>NPG have stated that there is only a single company who they have confidence in and strongly recommend that this company is used to expedite matters at their end.</p> <p>It is recommended that the company advised by NPG are appointed as soon as possible to progress this survey. This will allow NPG to provide the required advice and inform the options available for delivering this project within the programme.</p>
<p>F&CS CPR/13/09/0007</p>	<p>£15,000</p>	<p>The Communications Service needs to become more efficient and effective and to introduce smarter ways of working.</p> <p>Currently several antiquated systems are used and waste time and effort and duplicate work costing the council money in terms of officer time and reputation with the media.</p> <p>The chosen company has an integrated multi-media platform and content management system that allows professional and timely media management. It is hosted outside of the council and requires minimal set up and no maintenance or administration by the authority.</p> <p>It is a system that has been designed for media management and integrates with media monitoring systems such as Precise which the council already has commissioned and uses.</p> <p>The system can be procured in a collaborative partnership agreement under the Yorkshire and Humber regional consortium for three years at more than 50 per cent reduced rate ie £5,000 rather than £11,000 which secures value for money.</p>

REPORTED BREACHES OF CONTRACT PROCEDURE RULES

Finance and Corporate and Regeneration & Environment as at November 2013

SUMMARY

1. The Corporate Procurement team are undergoing a review of the status of existing supplier relationships, to establish and rectify situations of non-compliance with DMBC Corporate Procurement Rules (CPRs).

This report highlights the findings of a breach of Contract Procedure Rules with a background description as to the situation of non-compliance together with a Rectification Plan going forward.

Directorate Ref	Description	Aggregated Breach Value	Asst Director	Planned new Service Start Date	Procurement Status
F&CS 01	<p>IDOX – The original contract had expired due to lack of sufficient contract management. Contract management is vitally important to any contract and this is something which needs significantly improving across the Council.</p> <p>Additional modules have also been developed and added to the initial contract and when this was investigated further, it was clear the original specification had changed and included things not previously requested in the tender.</p> <p>This breach could have led to a “challenge” from a competitor supplier due to the lapsed contract, specification change and value of the contract (OJEU).</p>	£313,000	Julie Grant	August 2013	Re procurement now complete and a new compliant contract awarded 14 October 2013.
R&E 02	<p>Emergency Power back-up Generators - Maintenance agreement (diesel generators at Colonnades shopping centre, Unity House & Neatherhall computer suite).</p> <p>Historically, “three quotes” have been obtained annually and on a regular basis, which while this “technically” complies with CPR’s doesn’t demonstrate good procurement practices or behaviour. To improve practices and offer dedicated commitment to a Contractor, a contract for an agreed period of time (for example 3 or 5 years) needs to be put in place.</p>	£1,300 PA	Dave Wilkinson	March / April 2013	Identified on M&E work plan

Directorate Ref	Description	Aggregated Breach Value	Asst Director	Planned new Service Start Date	Procurement Status
R&E 03	<p>Provision of Air Conditioning maintenance Service to Council Offices/Buildings.</p> <p>Historically, “three quotes” have been obtained annually and on a regular basis, which while this “technically” complies with CPR’s doesn’t demonstrate good procurement practices or behaviour. To improve practices and offer dedicated commitment to a Contractor, a contract for an agreed period of time (for example 3 or 5 years) needs to be put in place.</p>	£12,000 PA	Dave Wilkinson	March 2014	Identified on M&E Procurement work plan
F&CS 04	Quest Password Manager – License and Maintenance. Contract expired	£3,400 PA	Julie Grant	May 2013	4 Quotes been obtained. New contract (backdated) runs from 30/11/2012 to 15/05/2014
R&E 05	<p>Public Building Maintenance – (Construction works not covered by in-house teams) –</p> <p>Historically, “three quotes” have been obtained annually and on a regular basis across multiple departments, which while this “technically” complies with CPR’s doesn’t demonstrate good procurement practices or opportunity to aggregate spend. To improve practices and economies of scale, a contract for an agreed period of time (for example 3 or 5 years) needs to be put in place.</p>	£310,671.99	Dave Wilkinson	August 2014	Service area preparing specification – look to utilise existing Framework arrangements. Or run DMBC led contracts. Use of Constructionline

Directorate Ref	Description	Aggregated Breach Value	Asst Director	Planned new Service Start Date	Procurement Status
R&E 06	<p>Electric & Battery operated tools (Purchase & Maintenance) Goods purchased across multiple suppliers so aggregated spend for similar purchases or category of goods had not been taken into account.</p> <p>To improve procurement practices, a contract framework (multiple suppliers/tools) will be developed and a implemented which will allow the Service Area to “call off” requirements when needed which will reduce/eliminate the process of requesting individual quotes and improve procurement processes, category management opportunities and contract compliance.</p>	£200,000	Dave Wilkinson	March 2014	Working with service area to develop specification and available Frameworks
A&C 07	<p>CCTV & Door Entry (Installation, Maintenance, repairs) to Council & St Leger managed properties.</p> <p>Historically, “three quotes” have been obtained annually and on a regular basis, which while this “technically” complies with CPR’s doesn’t demonstrate good procurement practices or behaviour. To improve practices and offer dedicated commitment to a Contractor, a contract for an agreed period of time (for example 3 or 5 years) needs to be put in place.</p>	£209,000	Karen Johnson	April / May 2014	Working with service area to develop specification and available Frameworks. Procurement Plan been developed.