

**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 to Contract Procedure Rules (C.P.R's) for the period 1<sup>st</sup> April to 30<sup>th</sup> June 2014
2. There has been no instance, this quarter, of failure to comply with Financial Procedure Rules (F.P.R's) and no breaches to CPR's reported.
3. The table below identifies the number of new waivers recorded by each Directorate since the last audit report in April. The details regarding each waiver are summarised in Appendix 1 of this report.

<b>Period April 2014 – 30<sup>th</sup> June 2014</b>	<b>Number of Waivers Approved</b>
Adults & Communities	1
Children's & Young Peoples Services	2
Finance & Corporate Services	2
Regeneration & Environment	3
Public Health	0
<b>GRAND TOTAL</b>	<b>8</b>

**RECOMMENDATION**

4. To note the information contained in the report, for the reporting of waivers of C.P.Rs

**WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

5. There are no specific implications within this report, with regards to waivers.

**BACKGROUND**

6. The Director of Finance and Corporate Services monitors compliance with the above procedures via an update from the:

- Internal Audit team, detailing the results of audit activity and findings;
- Corporate Procurement team, detailing any reported waivers of C.P.R.s and instances of breach;
- Finance management teams, who are financial advisers to service managers and directorates.

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

7. C.P.R.s set various value thresholds (detailed in paragraph 8 below) 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.
8. 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 one of which must be from a Doncaster firm where the above is not available and record these quotes in writing as evidence;
  - Between £30,000 and EU threshold currently £172,514 (for goods and services) and £4332,012m (for works) – use of an in house supplier, council wide contract, framework agreement or approved list or obtain **three written** quotes one of which must be from a Doncaster firm where the above is not available;
  - Over EU £172,514 (for goods and services) or £4,332,012m (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.
9. Whilst the EU thresholds are set within the legislation and, therefore, cannot be waived, it is recognised that from time to time discretionary thresholds within C.P.R's may be a barrier to the delivery of the service and, therefore, Council officers can request that the C.P.R's are waived in specific instances via a C.P.R waiver report, which is approved by the Director of Finance and Corporate Services in accordance with the following permissible exemptions.
  - 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 EU or UK. law);

- d. there are other circumstances that are genuinely exceptional.

## REVIEW OF PROCUREMENT ARRANGEMENTS ABOVE £30,000

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

## OPTIONS CONSIDERED

11. For routine reporting of Waivers, each waiver has been examined and where appropriate challenged for alternative options prior to approval of the waiver.

## REASONS FOR RECOMMENDED OPTION

12. It is clearly important that the Council's Contract Procedure Rules are adhered to and that from a governance and procurement perspective, where waivers or 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

	Priority	Implications
	<p>We will support a strong economy where businesses can locate, grow and employ local people.</p> <ul style="list-style-type: none"><li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li><li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li><li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li></ul>	<p><i>Please see Appendix 1 for an explanation of each waiver.</i></p>
	<p>We will help people to live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"><li>• <i>Mayoral Priority: Safeguarding our Communities</i></li><li>• <i>Mayoral Priority: Bringing down the cost of living</i></li></ul>	
	<p>We will make Doncaster a better place to live, with cleaner, more</p>	

	<p>sustainable communities.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>We will support all families to thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	
	<p>We will deliver modern value for money services.</p>	
	<p>We will provide strong leadership and governance, working in partnership.</p>	

## **RISKS AND ASSUMPTIONS**

13. With regards to the ongoing review of commercial arrangements with suppliers the risks of breach of CPR'S potentially exposes the Council to reputational, legal and commercial risk. The review and plans arising from its aim to remedy this and mitigate any remaining open risk.

## **LEGAL IMPLICATIONS**

14. 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**

15. There are no specific implications within this report, with regards to waivers as each waiver is considered on its own merits. Where financial implications arise from the wider review of commercial arrangements with suppliers these will be reviewed and report on, on a case by case basis.

## **EQUALITY IMPLICATIONS**

16. The author of each waiver would be expected to consider all equality implications.

## CONSULTATION

17. 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

18. None

## REPORT AUTHOR & CONTRIBUTORS

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## WAIVERS

This appendix details the C.P.R. waivers that have been agreed since the last report covering the period April to end June 2014, together with a brief explanation of the reasons for the waiver. 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).

Department	Value	Reason
R&E CPR/14/04/0004	£20,000	<p>Waiver request to directly award a contract to Mott MacDonald to support the development of a bid to government for a HS2 FE College/Rail Academy in Doncaster.</p> <p>The waiver was granted on the basis Mott MacDonald were already working on the bid/have considerable knowledge of the Borough and it was not practical to seek quotes for this additional work from another consultant.</p>
A&C CPR/14/03/0001	£4,200	<p>Waiver Request to extend the existing contract with the Centre of Housing Research, University of St Andrews to provide data analysis of client outcomes for Supporting People.</p> <p>The waiver was granted on the basis that this service continues to be the only service of its kind available for outcomes data analysis for Supporting People Services in the country.</p>
CYPS CPR/14/03/0003	£65,000	<p>Waiver Request to directly award a contract to Annie Callanan to provide consultancy services to CYPS to improved children's commissioning.</p> <p>The waiver was granted based upon the need to determine the Council children commissioning requirements prior to the to transfer to the children's trust following the departure of the AD for Children's commissioning</p>
CYPS CPR/14/03/0002	£80,000	<p>Waiver Request to directly award a contract to Mark Gurrey Consulting Ltd to provide consultancy services to CYPS to ensure delivery of the improvement plan and lead on operational preparations for the transfer to the children's services trust.</p> <p>The waiver was granted on the basis that additional senior management capacity and expertise was needed to lead on performance monitoring of delivery of the Improvement plan and on the operational work stream of the Trust Programme Board.</p>

<p>F&amp;CS CPR-14-05-0002</p>	<p>£10,400</p>	<p>Waiver request to directly award to a contract to Ocean Intelligent Communications to provide software development services for the Councils VOIP telephone system and Cisco Jabber software, to allow managers to check that they are logging into either a phone or Jabber each day.</p> <p>The waiver was granted on the basis that no other companies have been found that currently provide the requirement solution.</p>
<p>F&amp;CS CPR-14-04-0009</p>	<p>N/A</p>	<p>Waiver request to extend current contractual relationships with Equita Ltd, Birchalls Ltd , Philips Collection Services, Newlyns PLC, Jacobs Certificated Bailiffs for the Provision of Debt Recovery and Enforcement services.</p> <p>The waiver was granted on the basis continuity of debt collection services protecting clients and DMBC under the current contract controls on the DMBC Contract until such time that new YPO framework agreement is established (at which point DMBC will join the new framework agreement).</p>
<p>R&amp;E CPR-14-05-0003</p>	<p>£8,000</p>	<p>Wavier requested to directly award a contract to GAB Robins to assist on the insurance claim against a third party in relation to the Bridge Strike on 11<sup>th</sup> February 2014 to Cleveland Way Footbridge resulting in the need to completely demolish the structure and make the area safe for the public.</p> <p>The waiver was granted as GAB Robins were the only professionally qualified loss adjuster with experience and expertise of dealing with public sector claims of this nature being available following an assessment of the market.</p>
<p>R&amp;E CPR-14-05-0004</p>	<p>£5,800</p>	<p>Waiver requested to directly award a contract to Bentley Systems Incorporated for the provision of training on the Bentley MXRoad Suite V8i software package.</p> <p>The Waiver has been granted on the basis that Bentley MXROAD Suite V8i training can only be provided by Bentley Systems Incorporated</p>