



ARTICLE NO: 2A

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2013/14
ISSUE: 1**

Article of: Transformation Manager

Relevant Managing Director: Managing Director (Transformation)

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SUBJECT: EXEMPTION OF CONTRACT PROCEDURE RULE

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

1.1 To notify Members that the Managing Director (Transformation) has approved under her delegated authority, an exemption of Contract Procedure Rule No.6 to allow officers to enter into a contract with Socitm to allow them to provide independent technical advice and assistance in respect of the Shared Services contract the Council has with Lancashire County Council for the provision of ICT services.

2.0 BACKGROUND

2.1 The Council has a Shared Service Contract with Lancashire County Council (LCC) under which LCC provides ICT services to the Council. That contract commenced on 1/10/11 and LCC sub-contracted the service provision to One Connect Limited (OCL). The contract required that certain arrangements were set up during the initial part of the contract period and as this required independent technical advice, Socitm were engaged and proved most useful in ensuring that this advice was available.

2.2 The ICT services have now been successfully delivered to the Council under the terms of the contract and experience has shown that for the contractual relationship to work effectively there are some limited

instances where the Council needs access to independent technical advice in relation to certain ICT projects.

3.0 CURRENT POSITION

- 3.1 Initial negotiations with Socitm revealed that their proposed daily consultancy rate to provide specific limited advice was competitive and reflected value for money.
- 3.2 The current EU threshold for contracts for the engagement of ICT consultants is £173,934. As the likely cost of the Socitm arrangement will be around £10,000 pa for 3 years giving a total cost over the three years of around £30,000 which is well below the EU threshold, there is no legal necessity to conduct a full EU compliant tender exercise. However, CPR No. 6 requires that all contracts between £10k and £50k in value are only entered into after receipt of three written quotations.
- 3.3 To allow Council officers to negotiate with Socitm and enter into the required contract it was necessary to have an exception to CPR No. 6. The Managing Director (Transformation) subsequently granted this exception.
- 3.4 At the end of the period of engagement of Socitm (3 years) it will be necessary to re-assess the position and establish whether access to independent technical advice will be needed for the remainder of the contract period of the ICT Shared Services contract.

4.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 4.1 There are no significant sustainability impacts associated with this article and, in particular, no significant impact on crime and disorder. The article has no significant links with the Sustainable Community Strategy.

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 5.1 The budget for the provision of the service by Socitm is held by the Borough Treasurer.

6.0 RISK ASSESSMENT

- 6.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers as a result of this article.
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Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Article.

Equality Impact Assessment

The Article is for information only and does not have any direct impact on members of the public, employees, elected members and/or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None.