



ARTICLE NO:

**CORPORATE & ENVIRONMENTAL
OVERVIEW & SCRUTINY
COMMITTEE**

**MEMBERS UPDATE 2016/17
ISSUE: 1**

Article of: Borough Transformation Manager and Deputy Director Housing & Inclusion

**Contact for further information: A Grimes (Extn. 5409)
(E-mail: alison.grimes@westlancs.gov.uk)**

SUBJECT: EXEMPTION FROM CONTRACT PROCEDURE RULES

Wards affected: Borough wide

1.0 PURPOSE OF ARTICLE

1.1 To advise Members of a recent exemption from contract procedure rules.

2.0 BACKGROUND

2.1 The Council has in place robust rules and procedures, reflecting national and European regulations in relation to the procurement of goods and services.

2.2 However, there are certain occasions where, with appropriate reasons, officers can be approved to procure goods or services in a different way. The Chief Executive recently signed an exemption from the Contract Procedure Rules in relation to the extension to a contract with Society of IT Management (SOCITM) on the 2 March 2016.

3.0 CURRENT POSITION

3.1 The exemption relates to Contract Procedure rule 6 "...where the estimated value or amount of a proposed contract will exceed £10,000 but will not exceed £50,000 the appropriate senior officer shall obtain not less than three written quotations...".

3.2 Obtaining three quotations was not considered appropriate since only one organisation was in a position to provide the required service. It was not practicable to approach Cabinet to request an exemption to the above Contracts Procedure Rule because due to the timetable for the next Cabinet meeting this left insufficient time for the contract extension documents to be submitted to the supplier for their consideration and agreement, and signed by both parties, before the current agreement ends on 31 March 2016.

4.0 ISSUES

- 4.1 SOCITM is the network and representative body for professionals delivering public services for the benefit of people and communities through the effective use of information and digital technology.
- 4.2 Although there continues to be a healthy working relationship with our ICT service provider (BT Lancashire Services (BTLS)), it is nevertheless considered good practice to adopt some form of independent governance to review certain ICT proposals being delivered by LCC/BTLS. This is particularly appropriate given the significant budgets involved.
- 4.3 The contract management function sits with the Borough Transformation Manager and Deputy Director Housing & Inclusion (BTM/DDHI), and the contract with SOCITM provides ad hoc independent expert technical advice, guidance and support to assist the BTM/DDHI in ensuring WLBC receives a professional ICT service from BTLS that also provides good value for money.
- 4.4 Due to SOCITM's previous and ongoing relationship with WLBC, together with the existing in-depth knowledge of WLBC's ICT and contract processes, they are the only organisation in a position to provide suitable ongoing support for the management of the ICT element of the Shared Services Agreement (SSA). As there has been a very successful approach to date, the preference was therefore to put in place a similar contract on the basis of Rule 4, Note 15 "*only one company makes the product which the Council wishes to purchase and no other product is a reasonable substitute*". It was not therefore considered appropriate to seek three quotations for this arrangement.
- 4.5 The contract is based on a "call off" arrangement and because of this it is not possible to put an exact price on the work. Based on previous use of the service it is not anticipated that the cost will exceed the £10,000 threshold. However the record of decision has been taken to avoid any issues should use of the call off arrangement reach this threshold.
- 4.6 If SOCITM had been unable to establish a further contract, then alternative consultancy would have been sought.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 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.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 Given that the contract is of a call off nature, there is no risk of committing an excessive sum and this then not being subsequently utilised. The budget used to

fund this work is held by the Borough Treasurer as part of the Policy Options Reserve and therefore no new budget is required.

- 6.2 There are some financial/resource implications arising from this article, however as indicated above these have been met from existing resources.

7.0 RISK ASSESSMENT

- 7.1 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.

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

This 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.