

AGENDA ITEM:

REPORT TO: Meeting of the	MERSEYSIDE FIRE & RESCUE AUTHORITY POLICY & RESOURCES COMMITTEE
DATE:	26TH SEPTEMBER 2013
REPORT NO.	CFO/116/13
REPORTING OFFICER:	CLERK TO THE AUTHORITY
CONTACT OFFICER:	JANET HENSHAW – DIRECTOR OF LEGAL, PROCUREMENT & DEMOCRATIC SERVICES, EXTN: 4301
OFFICERS CONSULTED:	SHARON MATTHEWS – HEAD OF PROCUREMENT, EXTN; 4556
SUBJECT:	APPROVED EXEMPTIONS TO CONTRACT STANDING ORDERS

THERE ARE APPENDICES TO THIS REPORT:

**APPENDIX A TITLE REGISTER OF EXEMPTIONS
ATTACHED – HARD COPY**

Purpose of Report

1. To advise Members of Approved Exemption requests in the financial year 2012/13.

Recommendation

2. That Members note the contents of the report.

Executive Summary

Contract Standing Orders form part of the Authority's Constitution. The Constitution provides a framework for managing the Authority's financial affairs and apply to every Member and Officer of the Authority.

Within Contract Standing Orders there is a requirement to keep a register of Exemptions. This report provides this information for Members information.

Introduction & Background

3. Section 3.3 of Contract Standing Orders states that for any procurement projects under the EU threshold, an exemption request can be submitted for consideration and approval by the Head of Procurement and a Director in accordance with the powers delegated to them.

Exemptions to the contract procedures are permitted where it can be proven that it is inefficient or uneconomic to comply with the requirements detailed in Contract Standing Orders. Examples are detailed below:

- The procurement involves the purchase of proprietary or patented goods or services obtainable from one firm; are sold at a fixed price and no reasonably satisfactory alternative is available.
 - The goods, works or services constitute an extension of an existing contract which is allowed within the contract terms, or the goods/materials, works or services consist of repairs to, or the supply of parts for, existing proprietary plant or equipment.
 - That new works or services are required which are a repetition of works or services carried out under an original contract.
 - That goods are required as a partial replacement for, or addition to, existing goods or installations and obtaining them from another source would result in issues with compatibility or disproportionate technical difficulties in operation or maintenance.
 - Tenders are invited on behalf of any consortium or collaboration, of which MFRS is a member, in accordance with any method adopted by that body. Where however, an MFRS officer invites tenders on behalf of the consortium the receipt, opening and acceptance of tenders must comply with the MFRS Financial Regulations and Financial Procedure Rules or any overriding National or European Union legislation.
 - The goods, works or services are of a sensitive nature (such as security) where publication of the tender documents would constitute a security breach and undermine the effectiveness of the final product.
4. This report provides the detail in respect of all approved exemption requested for the 01.04.12 – 31.03.13.
 5. A total of 87 exemptions with a combined value of £1.4M were granted in financial year 2012/13.
 6. Table 1 below summarises the main reasons for these approvals, with a detailed analysis at Appendix 1.

Table 1

Reason for exemption	Cumulative value of exemptions (£)
Continuity of service	£542,765

Sole supplier	£322,408
Specialist knowledge	£221,389
Urgency of service	£60,300
Other	£276,066

7. An analysis of the data details the departments requesting exemptions to Contract Standing Orders. Table 2 refers :

Table 2

Department	Number of Exemption Requests
Estates	9
Finance	1
ICT	6
OHU	5
Operational Equipment	15
Operational Planning	1
Operational Preparedness	4
PFI	4
POD	10
Prevention	1
Principal Officers – Secretariat	1
Procurement	5
Professional Standards/Litigation	1
Protection	1
Station 19 / MRU	1
Strategic Planning	9
TDA	4
Transport	8
Water section	1

8. The 9 exemptions submitted by Estates were required to ensure the continued provision of facilities management services until the whole facilities management procurement project is completed.
9. Procurement has pro actively monitored the requests for exemptions in this financial year, and is working with departments to ensure that corporate contracts are in place where required, in order to decrease the number of requests received. For example a framework contract is now utilised for the engagement of temporary staff across the Service and procurement – it is estimated that this will reduce the number of exemptions required by circa 10% based on 12/13 data.
10. The Head of Procurement is also working with CFOA National Procurement Group to put in place national frameworks for fire specific commodities such as breathing apparatus. It is anticipated that these arrangements will also reduce the number exemption requests received.

Equality & Diversity Implications

11. No impact assessment is required.

Staff Implications

12. No staff implications are identified as a result of this report.

Legal Implications

13. Exemption requests may only be considered by Officers where it is allowed within framework of the Authority's Constitution, the Public Procurement Regulations (2006) and European Union Law (Directive 2004/18/EC).

Financial Implications & Value for Money

14. There are no direct financial implications arising from this report. Officers scrutinise each exemption request before approval is given. Section 3.3 of Contract Standing Orders state that this approval must be provided prior to any commitment being given by the Authority to any supplier, thereby safeguarding the Authority's monies.

Risk Management, Health & Safety, and Environmental Implications

15. There are no risk management, health & safety or environmental implications arising from this report.

Contribution to ****Our Mission – To Achieve: Safer Stronger Communities – Safe Effective Firefighters****

16. Effective financial processes, including the exemptions procedure support our mission by ensuring that monies are spent compliantly and appropriately.

BACKGROUND PAPERS

None.

***Glossary of Terms**

No terms used.