

<b>MERSEYSIDE FIRE AND RESCUE AUTHORITY</b>			
<b>MEETING OF THE:</b>	<b>AUTHORITY</b>		
<b>DATE:</b>	<b>30 JUNE 2016</b>	<b>REPORT NO:</b>	<b>CFO/057/16</b>
<b>PRESENTING OFFICER</b>	<b>JANET HENSHAW</b>		
<b>RESPONSIBLE OFFICER:</b>	<b>JANET HENSHAW</b> <b>JANET HENSHAW</b>	<b>REPORT AUTHOR:</b>	<b>SHARON MATTHEWS</b>
<b>OFFICERS CONSULTED:</b>			
<b>TITLE OF REPORT:</b>	<b>APPROVED EXEMPTIONS TO CONTRACT STANDING ORDERS 2015/16</b>		

<b>APPENDICES:</b>	<b>APPENDIX 1: TABLE OF EXEMPTIONS</b>
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### **Purpose of Report**

1. To advise Members of approved exemption requests for the period 2015/16.

### **Recommendation**

2. That Members;
  - a. Note the report

### **Introduction and Background**

3. 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.
4. Within Contract Standing Orders there is a requirement to keep a register of Exemptions. This report provides this information for Members information.
5. 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 :
  - The Goods, Works or Services are unique and provided by only one organisation with no reasonably satisfactory alternatives available.
  - 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 and/or where the initial contract value or specification is not fundamentally changed or increased.
- 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 MFRA is an identified member, in accordance with any method adopted by that body. Where however, an MFRA officer invites tenders on behalf of the consortium the receipt, opening and acceptance of tenders must comply with the MFRA 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.

No exemptions can be granted which would result in a breach of European or UK law.

6. This report provides the detail in respect of all approved exemption requested for the 01.04.15 – 31.03.16.
7. A total of 82 exemptions with a combined value of £1,119,947.67 were approved in this period.
8. Table 1 below summarises the main reasons for these approvals, with a detailed analysis at Appendix 1.

Table 1

<b>Reason for exemption</b>	<b>Cumulative value of exemptions (£)</b>
Contract extension beyond original scope	£129,790.00
Direct award (no reasonable alternatives available)	£324,817.55
New works or services which are a repetition under	£171,000.00

an original contract	
Other	£234,111.00
Partial replacement or addition to existing goods or installation	£212,526.38
Proprietary or Patented Goods (no alternative available)	£43,470.74
Sensitive nature of goods, services or works	£4,232.00

9. An analysis of the data identifies which areas of the business had exemption requests approved in the period (Table 2 refers).

Table 2.

<b>Department</b>	<b>Number of approved exemptions</b>
0026: Training & Development Academy	5
0061: Ops Appliances & Equipment Stores	8
0062: Clothing/Consumable Stores	1
0063: Ops Planning	1
0076: Estates	10
0085: Information Technology (IT)	4
0086: Workshop	11
0087: Water Section	1
0100: Stores FSHQ	1
0110: Finance Department	1
0111: People & Organisational Development	2
0116: Occupational Health	5
0117: Strategy and Performance	1
0121: Operational Response	1
0127: Organisational Development	8
0128: Equal Opportunities	1
0131: Insurance	1

0133: Fire Support Network	1
0137: Princes Trust	3
0140: Recharge A/c Bridle Road (corporate )	1
0184: PFI Team	1
0190: Catering	4
0221: National Resilience (In House)	3
0229: Fire Fit	2
0244: Firelink	1
0253: MTFA	1
0255: Firefit Hub	1
0265: Schools Project	1
1030: Central Expenses	1

10. With respect to the areas with the highest number of exemptions, Procurement are already taking action to reduce the reliance on exemptions. The team are working with Workshops on a sourcing strategy for their requirements to reduce their requirement for exemptions, and to increase efficiency in this area generally.
11. Additionally, number of Estates exemption requests received in 2015/16 will not be required again as their needs are captured within the outsourced Facilities Management contract.

### **Equality and Diversity Implications**

12. No equality and diversity implications have been identified, therefore no Equality Impact Assessment has been completed.

### **Staff Implications**

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

### **Legal Implications**

Exemption requests may only be considered by Officers where it is allowed within framework of the Authority's Constitution, the Public Procurement Regulations (2015) and European Union Law (Public Contracts Directive 2014/24/EU).

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### **Financial Implications & Value for Money**

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14. There are no direct financial implications arising from this report. Officers scrutinise each exemption request before approval is given. Section 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.

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### **Risk Management, Health & Safety, and Environmental Implications**

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14. No risk management, health and safety or environmental implications have been identified.

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

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

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### **BACKGROUND PAPERS**

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**NONE**

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### **GLOSSARY OF TERMS**

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