

Report

Governance and Audit Committee

Part 1

Date: 28 July 2022

Subject **SO24/Waiving of Contract SOs: Quarterly report reviewing Cabinet/CM urgent decisions or waiving Contract SOs (Quarter 3, October to December 2021)**

Purpose To inform Members of the use of Standing Order 24 or the Waiving of Contract Standing Orders in recent decisions taken by Cabinet and Cabinet Members.

Author Governance Team Leader

Ward General

Summary This report provides details of decisions on the use of Standing Order 24 (decisions taken urgently) or the Waiving of Contract Standing Orders for the above period.

In consideration of this report, Members are reminded that they are not questioning the merits of the decisions taken but are focussing on why decisions were taken as urgent or why contract standing orders needed to be waived.

Proposal **The Committee is asked to consider whether the reasons for the urgency/waiving of contract standing orders are properly reflected in the documentation supporting each decision. Members may wish to invite Cabinet Members to attend a meeting of the Committee should they consider this not to be the case.**

Action by Audit Committee

Timetable Immediate

This report was prepared after consultation with:

- Head of Law & Regulation
- Head of Finance
- Chief Internal Auditor

Background

Details of the decisions taken by Cabinet/Cabinet Members during the above period are set out in the table below, together with a commentary from the Chief Internal Auditor. Copies of the report giving rise to the decision are attached.

In this section you must set out all necessary information to allow Councillors to take an informed decision. You will need to put forward the case to support your proposals.

Extract from the OJEC website; EU Procurement thresholds:

UK Public Procurement Thresholds

Public Sector Procurement in the UK is governed by several regulations, which set out detailed procedures for the award of high value contracts – those with values equal to or exceeding specific thresholds. Details of these thresholds, which come into effect on 1st January 2022, can be found below and are inclusive of VAT.

Links to further information about public sector procurement regulations can also be found at the bottom of the page.

Details of current **EU** thresholds can be found on: [EU Public Procurement Thresholds](#)

Public Contracts

Contracts relating to public authorities, which includes government departments, local authorities, and NHS authorities and trusts.

	Supply, services and design contracts	Works contracts	Social and other specific services
Central Government	£138,760	£5,336,937	£663,540
Other contracting authorities	£213,477	£5,336,937	£663,540
Small lots	£70,778	£884,720	n/a

Extract from Newport CC's Contract Standing Orders;

6.2 Thresholds for Procurement

6.2.1 Process One – Quotations (see Gateway Process One)

From **£4,000 to £25,000** written quotations should be sought from either;

- 1) a minimum of three recognised suppliers in the appropriate market, or previously established competitive sources of supply, or
- 2) where it is not possible to identify suppliers, an open and advertised quotation process should be undertaken using the Councils approved eAdvertisement and eSourcing tool.

6.2.2 Process Two – Low Value Tenders (see Gateway Process Two)

From **£25,001 to £75,000** formal tenders must be undertaken using the Councils approved eSourcing tool, either by selecting a minimum of four recognised suppliers in the appropriate market, or previously established competitive sources of supply. Where it is not possible to identify suppliers, an open and advertised tender process must be undertaken.

6.2.3 Process Three – Mid Value Tenders up to EU/UK Procurement Thresholds (see Gateway Process Three)

From £75,001 to current EU/UK Procurement Thresholds (current levels detailed on “link to thresholds on intranet pages”) an openly advertised formal tendering process must be undertaken using the Councils approved eAdvertisement and eSourcing Tools.

6.2.4 Process Four – **High Value Tenders Above EU/UK Procurement Thresholds** (see Gateway Process Four)

Above threshold procurements must be undertaken via an openly advertised formal tendering process using the Councils approved eAdvertisement and eSourcing Tools, and in compliance with the Public Contract Regulations.

6.2.5 For Process One & Two, when selecting suppliers, consideration must be given in regard to supporting opportunities for local suppliers, and the wider Welsh supply base and its ability to meet the needs of the Council.

Financial Summary

The cost implications of the decisions were set out in the original reports to the Cabinet Members. There are no cost implications of the Committee's consideration of this report.

Risks

Scrutiny of these matters by the Committee is an important means of ensuring that the reasons for the urgency or waiving of Contract Standing Orders were properly addressed in the decision making process and that decisions are transparent.

Options Available / Preferred Option and Why

The Committee is asked to consider whether the reasons for the urgency/waiving of contract standing orders are properly reflected in the documentation supporting each decision. Members may wish to invite Cabinet Members to attend a meeting of the Committee should they consider this not to be the case.

Comments of Chief Financial Officer

See original reports attached.

Comments of Monitoring Officer

See original reports attached.

Comments of Head of People and Business Change

See original reports attached.

Equalities Impact Assessment and the Equalities Act 2010

See original reports attached.

Children and Families (Wales) Measure

See original reports attached.

Wellbeing of Future Generations (Wales) Act 2015

See original reports attached.

Consultation

See original reports attached.

	Subject	Decision & Date	Reason for Urgency/Reason to waive Contract Standing Orders	Comments of Chief Internal Auditor
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1	Housing Support Grant Programme	29 October 2021	<p>This report proposes that the contracts named below are extended for up to a maximum period of two years ie four contracts for one year until 31 March 2023 and three contracts for two years until 31 March 2024. This extension is outside of the contract terms and is not in compliance with Contract Standing Orders but will allow the Council adequate time to implement a remodel and recommissioning of floating support services funded by the Housing Support Programme in Newport by 1 April 2024.</p>	<p>The comments included in the main report from the Council's Procurement Category Manager, Chief Financial Officer and Monitoring Officer confirm that these contracts can be extended as required via the waiving of the Council's Contract Standing Orders and are in line with accepted procurement regulations.</p> <p>There is therefore appropriate justification within the report to waive the Council's Contract Standing Orders.</p> <p>EU Public Procurement Thresholds and the Council's procurement thresholds have been included in this report as background information.</p>
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Background Papers

The following documentation is provided as background to the above decisions:

Cabinet Member for

- Decision Schedule attached as **Appendix A**
- Report attached as **Appendix B**

Dated: 28 July 2022