

**Annual Report on Requests to Waive Standing Orders
Relating to Contracts**
Report by Head of Finance

Summary: This report provides Members with the annual summary of instances where Contract Standing Orders have been waived by the Chief Executive during 2014/15.

Recommendations:

- (i) To note the annual report of instances where Standing Orders have been waived.
- (ii) To support the action taken by Chief Executive in respect of the waiver of Standing Orders for the purchase of unifloats and spudlegs and, support the suggestion that the Financial Scrutiny and Audit Committee consider an appropriate upper limit for the delegation on such waivers.

1 Introduction

- 1.1 The Authority's Standing Orders relating to Contracts provide for the Chief Executive to authorise a waiver of Standing Orders by certifying that there is an extreme urgency, only one supplier or in certain other circumstances. They also require that all waivers authorised under delegated powers must be reported to the Authority.
- 1.2 It has been agreed that any waivers will be reported on an annual basis, after the end of each financial year.

2 Waivers Authorised During 2014/15

- 2.1 Six separate waivers to Standing Orders were authorised by the Chief Executive during the 2014/15 financial year. These are summarised in the table below. All costs are exclusive of VAT.

Ref	Details of Contract	Supplier	Amount (£)
A	To outsource the payroll services to a new provider	Norfolk County Council	18,000 over the 3 year contract
B	To undertake emergency diving works at Mutford lock	Underwater Surveys Ltd	6,832.40
C	To resurface the road at the Dockyard between the Riverside and the workshop	Carben Construction	13,774.80

D	To undertake the Stakeholder survey	Insight Track	47,355
E	To procure handheld radar guns	Truvelo (UK) Ltd	11,716
F	To undertake the cleaning arrangements at Whitlingham barn to include the new toilet block.	Churchill Catering	6,770 with the costs to be split 2 ways between WCT and BA

2.2 Further details of the individual contracts and the reasons for waiving Standing Orders are set out below:

- A Competitive quotations sought, lowest price not selected.** Four quotations for this contract were received, two from private sector and two from public sector providers. The lowest cost provider was a private sector provider who did not have Local Authority Payroll experience. Norfolk County Council was the second cheapest and was able to offer synergies through their closer link with Norfolk Pension Fund, savings on salary sacrifice schemes and access to wider HR/Payroll consultancy services.
- B Expected cost below £5,000.** When works initially started it was expected that the costs would be below the £5,000 threshold. However once the diving work commenced significant amounts of debris and sediment required removal. It was essential these works were undertaken prior to the installation of the new hydraulic system. There was not sufficient time to delay the works. Similar day rates were compared with another diving company and a previously used company was unavailable.
- C Competitive quotes sought, only one obtained.** Works were required to enable vessels to be lifted from the river to the workshop. Due to the small scale size of the project most groundwork companies declined to quote due to other large scale projects within the region and site restrictions.
- D Competitive tenders not sought.** Previously reported to Members for decision (BA Item 13, 11 July 2014). When the original project was scoped it was anticipated that private boat owners should be surveyed to assess their attitudes, opinions and behaviours. As part of this process four proposals were received and assessed and Insight Track scored the highest. After considerations of the steering group and Navigation Committee it was considered that a combined survey assessing a wider range of stakeholders would assist the Authority's understanding of these groups. By using one company this would provide efficiencies and cost savings to the whole project.

E **Sole supplier.** Radar guns are a specialist piece of equipment which are essential for prosecution and enforcement. The previous radar guns were over 29 years old and had become difficult to obtain spares. The Kustom Falcon RR Hand Held Radar Guns are only available from 1 UK supplier. Leasing the equipment was explored however this was not deemed value for money.

F **Competitive quotes not sought.** When the original cleaning contract was scoped it did not include the new toilet facilities at the Country Park. Three quotes were obtained and the cheapest selected. Once the toilet block had been installed it was considered that one contract for the whole site would minimise management demands and provide efficiencies. The contract price including the toilet block remained cheaper than the initial two competitors.

3 Summary

- 3.1 Fewer waivers were approved by the Chief Executive in 2014/15 than in previous years (fourteen were reported to members in the previous year). As in previous years, the use of specialist and bespoke equipment without equivalents for comparison. The most significant waiver in financial terms (D) had been subject to Member consultation set out in section 2 above. All approved waiver requests were considered to be justified, for the different reasons as set out above, and on the grounds of achieving the best outcome for the Authority at the best possible price.
- 3.2 All requests to waive standing orders are carefully assessed by the Chief Executive on the basis of the information provided, taking into account the views of the appropriate Director and those of the Head of Finance. In the last month an unusual instance has arisen regarding the purchase of linkflotes and spudlegs at a cost of nearly £100,000 where there was only one supplier of this specialist equipment compatible with the Authority's requirements. The Chief Executive took the view that as the Standing Orders were not clear about an upper limit for his discretion to waive Standing Orders he would take the precautionary approach of consulting the Chair and Vice-Chair of the Authority, the Chairman of the Financial Scrutiny and Audit Committee and, the Chairman of the Navigation Committee. All were supportive of the waiver and the Chief Executive therefore authorised the order to proceed. It is recommended that the Financial Scrutiny and Audit Committee review this issue and determine what would be an appropriate upper level for the Chief Executive's waiver and the process to be used on the rare occasions when that is exceeded.

Background Papers: None

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Broads Plan Objectives: None
Appendices: None