**POLICY AND RESOURCES COMMITTEE**

**27 FEBRUARY 2017**

**PART I DELEGATED**

**10. EXEMPTION FROM PROCUREMENT PROCEDURE RULES**

(DCES)

1. **Summary**

1.1 To advise Members that a partial exemption to the Procurement process was approved by the Director of Community and Environmental Services and the Head of Property Services under the Limited Market exemption and the Exceptional Circumstances exemption as permitted by the Council’s Constitution

2. **Details**

2.1 Where the value of the contract is above the Council’s tendering threshold but below EU Procurement thresholds and a supply or service is only obtainable from a single or very limited number of contractors, a partial exemption to the Contract Procedure rules can be approved jointly by a Head of Service and the Chief Executive or a Director on the grounds of limited market.

2.2 Once approved a report to the Policy & Resources Committee must detail the actions taken. This report is for information only to comply with the requirements of the Constitution.

2.3 The exemption was given for the engagement of Central Site Accommodation Ltd to undertake a design and build for modular homes for the RVS site. The update is required in order to progress the urgent requirements need for Temporary Accommodation.

2.4 As was demonstrated in the report to the Committee in September 2016, The Cube build costs would have been in excess of £1.6 million for 17 two bedroomed units and one laundry unit. Using Central Site Accommodation Ltd will reduce the costs to under £1.1 million. In addition, the design proposed by Central Site Accommodation Ltd will be more in keeping and sympathetic to the local surroundings.

2.5 There are only a limited number of companies that undertake supply and construction of Modular Homes. Since there are so few companies undertaking this work, Officers wanted to formally engage with Central Site Accommodation Ltd in order to secure their availability and to ensure that the necessary work could be completed within the timescales set out in the TA Project Planner. Failure to engage Central Site Accommodation Ltd immediately and to go through a tendering exercise would have resulted in an unacceptable risk of adding to a current increased spend of £310,000 against the Council budget for Temporary Accommodation, with attendant disruption to that service. This therefore also amounts to “exceptional circumstances”, itself a ground for exemption.

3. **Options/Reasons for Recommendation**

3.1 The Constitution requires that a report is taken to the Policy & Resources Committee on the action taken in the event that an exemption to the procurement process is approved.

4. **Policy/Budget Reference and Implications**

4.1 The recommendations in this report are set out in Part 4 of the Council’s Constitution.

5. **Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

5.1 As set out within the body of the report.

6 **Recommendation**

6.1 That the Policy & Resources Committee note the action taken.

Report prepared by: Lyn Ware, Interim Head of Property Services

 **Data Quality**

Data sources:

 N/A

 **Background Papers**

 The Council’s Constitution: Part 4 – Contracts Procedure Rules