

## PART A

**Report to:** Cabinet  
**Date of meeting:** 8 February 2016  
**Report of:** Head of Democracy & Governance  
**Title:** Procurement of the e-procurement portal – exemption to contract procedure rules.

### 1.0 **SUMMARY**

- 1.1 The Council has been using the Delta eSourcing e-procurement portal since 2011. It has performed exceptionally well and that contract is being extended for a further five years. It is also now a legal requirement, under the Public Procurement Regulations 2015, that tenders must be sought electronically and the portal provides that full functionality.
- 1.2 The procurement portal is well known and well used by the council's supply chain and well promoted at local business events. Approx 50 users, staff and a few of our Consultants, have access to our side of the system across Watford BC and Three Rivers DC. It is used for all tender exercises carried out for both councils.
- 1.3 The Delta eSourcing database contains a vast amount of information, including copies of all documentation and audit trail data for all those tender exercises and is a significant resource.
- 1.4 In line with the Procedures, the approval is being reported to Cabinet.

### 2.0 **RECOMMENDATIONS**

- 2.1 That Cabinet notes the Approved Exemption to the Council's Procurement Procedures in relation to the e-procurement portal

#### **Contact Officer:**

For further information on this report please contact: Howard Hughes,  
Corporate Procurement Manager, Democracy & Governance.  
Telephone extension 8370      email: [howard.hughes@watford.gov.uk](mailto:howard.hughes@watford.gov.uk)

**Report approved by:** Carol Chen, Head of Democracy & Governance

### **3.0 DETAILED PROPOSAL**

- 3.1 The Council has been using the Delta eSourcing e-procurement portal since 2011. It has performed exceptionally well. The existing contract with Delta was coming to an end.
- 3.2 Herts CC on behalf of Supply Hertfordshire chose to re-tender the software and selected a different supplier, In-Tend. Having attended the In-Tend training courses, made trial use of the software, discussed it with colleagues in other Herts councils and received a copy of an HCC audit report on the In-Tend system, the Procurement manager is of the opinion that the In-Tend system does not have the same functional characteristics and is certainly not as user friendly for staff or suppliers as the Delta system.
- 3.3 The Procurement Manager considered that a change of system was likely to give rise to a significant disruption to the service. It would have a higher gross cost including staff time and not offer an improved service. He therefore requested an exemption to the contract procedure rules to allow the existing contract with Delta eSourcing to be extended for a further 5 years.

This was approved by the Head of Democracy and Governance and the Managing Director and is now being reported to Cabinet for noting in accordance with the rules.

### **4.0 IMPLICATIONS**

#### **4.1 Financial**

- 4.1.1 The WBC share of the cost of maintaining the hosted e-procurement portal is £2,000 p.a. which can be met from the existing procurement budget.
- 4.1.2 The Director of Finance comments that there are no specific financial implications.

#### **4.2 Legal Issues (Monitoring Officer)**

- 4.2.1 The Head of Democracy & Governance comments that the Contract Procurement Rules allow for an exemption to be made in exceptional circumstances. In light of the fact that the Council already has a contract in place with BiP Solutions Ltd to provide the Delta e-procurement portal it was deemed to be the most appropriate course of action to extend the contract.

#### **4.3 Equalities**

- 4.3.1 Not applicable in relation to this item.

#### **4.4 Potential Risks**

Potential Risk	Likelihood	Impact	Overall score
Potential suppliers challenge the Council's decision not to procure the supply using a competitive tendering procedure.	1	2	2

Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.

#### 4.5 **Staffing**

4.5.1 There are no staffing implications from this report.

#### 4.6 **Accommodation**

4.6.1 There are no accommodation implications from this report.

#### 4.7 **Community Safety**

4.7.1 There are no community safety implications from this report.

#### 4.8 **Sustainability**

4.8.1 There are no sustainability implications from this report.

### Appendices

Appendix A Exemption Record Form showing an approval dated 19<sup>th</sup> January 2016

Appendix B An extract from Watford Borough Council's Contract Procedure Rules in relation to Exemptions.

### Background Papers

No background papers were used in the preparation of this report.

### File Reference

None