



Spelthorne Borough Council
Procurement Policies & Procedures

11_Exemption Requests & Exemption Reporting

Exemption Requests

Version	V 1.0
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Date Approved	
Review Date	

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1. Introduction & Background

The Contract Standing Orders (CSOs), the Council’s Financial Regulations applicable to the procurement of works, goods and services, specify the procurement processes to be followed for specific procurement values.

The CSOs can be found on Spelnet.

Whilst these should be adhered to as a standard, there may be cause for an Exemption Request to be raised if the requestor is unable to follow the procurement process that has been set out in the CSOs.

2. Purpose

This procedure provides guidance to officers for when an Exemption Request may be raised and what information it needs to include. It provides templates to be used as appropriate for the value of the exemption being sought.

3. Procedure

The Contract Standing Orders specify the following processes:

Value	Process
Up to £5k	Obtain a price in advance for the goods or services. (Must be sourced from a local provider unless this is not possible, and in such circumstances an exemption must be completed).
£5k - £40k	Obtain a minimum of three written quotes in advance. Keep these on record
Above £40k and up to threshold at which the PCR 2015 applies ¹	A full tender exercise must be undertaken, with support from Corporate Procurement.
Procurements with contract value at PCR 2015 threshold or above	A fully compliant public contracts procurement must be undertaken. Corporate Procurement must be consulted and will undertake the process.

Note that any proposed expenditure over the value of the PCR threshold, or indeed approaching this value if there is a possibility that the whole life contract may exceed the threshold, cannot be waived, and must follow the appropriate compliant procurement process.

If for a validated reason these procedures cannot be followed, an Exemption Request must be completed, with approval and sign off gained, in line with the CSOs Approval to Award Contract as follows:

¹ The thresholds change every two years. In 2022, the thresholds are, including VAT: Services - £213,477; Goods - £213,477 and Works - £5,336,937. These will change from 1 January 2024.

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Value	Approval to Award Contract
Up to £5k	No further approval required
£5k - £40k	Group Head
Above £40k and up to threshold at which the PCR 2015 applies ²	Deputy Chief Exec or Service Committee (where the requirement is strategic / critical)

Note that if the value is at or above the PCR 2015 threshold, and exemption cannot be given. The Regulations must be adhered to.

Officers must always ensure that there is an approved budget before proceeding to obtain an Exemption approval

There are 2 template forms available of the Exemption Request, one for spend between £5,000 and £40,000 and one for spend between £40,000 – PCR 2015.

You will need to refer to the Projects Made Simple toolkit on Spelnet for details of other paperwork which your project may require, such as a Business Case, Equalities Impact Assessment or Privacy Impact Assessment. Details can be found on Spelnet.

Details are provided below for the information that needs to be included in each section of the Exemption Request form. When the form is completed, it must be sent to Procurement to review and approve before it is sent to the relevant person/s for sign off.

- **PURPOSE** – This section needs to be updated with the proposed contract spend for the whole life value of the contract. Whole life value refers to the total spend of your project. For example, this might be a one-off payment of £50k, or may be an annual spend of £15k per annum of 4 years (=£60k), etc.
- **WAIVER REQUIREMENT** – This section needs to cover details of what the requirement is and why the relevant appropriate procurement route cannot be followed. The requirement details should include:
 - Services / goods / works description
 - Background of the requirement, why it is necessary what work was done to try and meet the CSOs and/or why the CSOs could not be followed
 - Timescales: when is this needed and for how long
 - Breakdown of costs and the durations they cover
- **SUPPLIER DETAILS** – All information in this section need to be completed
- **COSTS** – All chargeable costs for the requirement need to be included here, stated as total annual cost and total contract commitment (whole life); both to be stated excl. VAT.
- **REASON FOR REQUEST TO WAIVE CONTRACT STANDING ORDERS** – Select the most appropriate reason from the list and include as much information as possible as to why the exemption request has been raised.

² The thresholds change every two years. In 2022, the thresholds are, including VAT: Services - £213,477; Goods - £213,477 and Works - £5,336,937.

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- **VALUE FOR MONEY TEST** – Value for money should take into consideration the cost, quality and benefits that the provider offers to meet the Council’s requirements.
 - **How has value for money been tested? (e.g. last cost paid, other supplier costings obtained, etc.)** This section should include details of any previous costs as a comparison and any variations noted and explained. Any market sounding or quotes for the requirement should be provided. Include any merits of the selected supplier.
 - **What measures will be implemented to ensure that a waiver of this type will not be requested again?** Provide details here of the steps that will be taken to avoid an Exemption Request in the future.

The completed form then needs to be sent to Corporate Procurement for comment before it is sent for appropriate approval. When the form is signed by all relevant parties, the final signed version needs to be sent to Procurement for their records.

With effect from January 2023, Corporate Procurement will report all Exemptions as part of the Procurement Action update reporting.

4. References / Links to Govt Policies / Other SBC Policies

01_Procurement Policy

02_Developing the Procurement Plan



Request for an Exemption of Contract Standing Orders for Procurement

1. PURPOSE

This form must be used to request authority to waive Contract Standing Orders for the procurement of works, goods and services and/or where a single tender procurement is proposed. The Financial Regulations state the following processes to be followed against the proposed spend of £.....:

(Spend between £5,000 and 40,000 requires a minimum of three written quotes to be obtained and retained on file)

2. WAIVER REQUIREMENT

Requestor Name:

Department:

In accordance with SBC's CSO's, I request a waiver of the requirement to carry out a competitive tender for the services as below:

[INSERT DETAILS]

3. SUPPLIER DETAILS

Supplier Contact details

Contact:

Supplier Name:

Supplier Address:

T:

E:

Web:

Bank details:

Sort Code:

Account Number:

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4. COSTS

Total annual cost (excluding VAT):	£
Total contract commitment (excluding VAT):	£

5. REASON FOR REQUEST TO WAIVE CONTRACT STANDING ORDERS
(Provide as much information as possible)

Reason for Waiver
Urgent requirement / not planned
Compatible with existing equipment
Only available from single supplier
No other equipment meets specification requirement
Other (please detail)

6. VALUE FOR MONEY TEST

How has value for money been tested? (e.g. last cost paid, other supplier costings obtained, etc.)

What measures will be implemented to ensure that a waiver of this type will not be requested again?

6. GROUP HEAD SIGNOFF

I hereby confirm that I support this Exemption and to the proposed steps to prevent further need for further Exemptions of the same nature.

Group Head:			
Signed:		Date:	

7. APPROVAL OF WAIVER

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This waiver has been approved by the Chief Finance Officer

CFO / DCEX approval:	
Signed:	Date:

This Exemption Request will be logged in the Exemption Register and given a reference number. The Exemption Register will be reviewed on a quarterly basis by the Chief Accountant.

8: SUBMISSION OF APPROVED EXEMPTION REQUEST

A signed copy of this authorisation **must be logged with Procurement.**

Appendix B – Exemption Request Template £40,000 – PCR 2015



Request for an Exemption of Contract Standing Orders for Procurement

2. PURPOSE

This form must be used to request authority to waive Contract Standing Orders for the procurement of works, goods and services and/or where a single tender procurement is proposed. The Financial Regulations state the following processes to be followed against the proposed spend of £.....:

(Spend between £40,000 – PCR 2015 threshold requires a tender with a min of tenderers invited)

2. WAIVER REQUIREMENT

Requestor Name:

Department:

In accordance with SBC's CSO's, I request a waiver of the requirement to carry out a competitive tender for the services as below:

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[INSERT DETAILS]

3. SUPPLIER DETAILS

Supplier Contact details

Contact:

Supplier Name:

Supplier Address:

T:

E:

Web:

Bank details:

Sort Code:

Account Number:

4. COSTS

Total annual cost (excluding VAT):	£
Total contract commitment (excluding VAT):	£

5. REASON FOR REQUEST TO WAIVE CONTRACT STANDING ORDERS

(Provide as much information as possible)

Reason for Waiver
Urgent requirement / not planned
Compatible with existing equipment
Only available from single supplier
No other equipment meets specification requirement
Other (please detail)

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6. VALUE FOR MONEY TEST

How has value for money been tested? (e.g. last cost paid, other supplier costings obtained, etc.)

What measures will be implemented to ensure that a waiver of this type will not be requested again?

6. GROUP HEAD SIGNOFF

I hereby confirm that I support this Exemption and to the proposed steps to prevent further need for further Exemptions of the same nature.

Group Head:

Signed:

Date:

7. APPROVAL OF WAIVER

This waiver has been approved by the Chief Finance Officer

CFO / DCEX approval:

Signed:

Date:

This Exemption Request will be logged in the Exemption Register and given a reference number. The Exemption Register will be reviewed on a quarterly basis by the Chief Accountant.

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