

**SCRUTINY BOARD (CENTRAL AND CORPORATE)
CALL-IN MEETING
THURSDAY, 27TH MAY, 2010**

PRESENT: Councillor P Grahame in the Chair

Councillors B Anderson, S Bentley,
D Blackburn, B Chastney, P Ewens,
A Hussain, V Kendall, J Lewis, A Lowe and
D Schofield

APOLOGIES: Councillor A McKenna

83 Late Items

The Head of Scrutiny and Member Development explained that the Call-In meeting had been arranged at short notice in order for it to meet prior to the Annual Council Meeting, i.e. in the current municipal year with the current Board membership. Reference was also made to the appendices containing exempt information, which had been circulated after the main agenda despatch.

84 Declarations of Interest

No declarations of interest were made.

85 Apologies for Absence

An apology for absence from the meeting was submitted on behalf of Councillor A McKenna.

86 Minutes - 29th March 2010

RESOLVED – That the minutes of the meeting held on 29th March 2010 be confirmed as a correct record.

87 Call-In of Decision - Briefing Paper

The Head of Scrutiny and Member Development submitted a report advising the Board on the Call-In process and the options available to the Board.

In this case, the options were either to release the decision for implementation, or to refer it back to the decision taker for re-consideration. If the latter option was adopted and the decision taker, after reflecting on the Board's comments, decided to take the same decision again, then under the revised Call-In arrangements, the matter would be referred to the Executive Board for final resolution.

RESOLVED – That the report be noted.

88 Exclusion of the Press and Public

RESOLVED – That the press and public be excluded from the meeting during the consideration of the following parts of the agenda designated as containing exempt information on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information, as follows:-

Agenda Item 8 – Review of Delegated Decision number D36853 – Supply of Beer, Wine and Spirits – Appendix 2 and Appendix 3 to the report – Paragraph 10.4(3) of the Access to Information Procedure Rules – Information relating to the financial or business affairs of any particular person or company.

89 Call-In - Review of Delegated Decision No. D36853 - Supply of Beer, Wine and Spirits

The Board reviewed the delegated decision of the Assistant Chief Executive (Corporate Governance), made on the recommendation of the Chief Procurement Officer, to award a contract to Carlsberg UK Ltd for the supply of beer, wine and spirits to the Council.

Councillors R Pryke and B Cleasby presented the case for referring the decision back for reconsideration. In brief summary, their chief concerns were:-

- The fact that Carlsberg was the sole tenderer, and a perceived lack of evidence that the Council was achieving value for money by accepting the tender.
- The fact that, yet again, the proposed implementation date for the new contract fell within the Call-In period, despite past criticisms by Members of this practice.
- The fact that, in their opinion, changed circumstances during the course of the tendering process, i.e. Hull City Council withdrawing from the joint exercise and a substantial reduction in the nature and value of the contract, represented a material change which should have led to a re-appraisal of the proposed contract and possibly a re-procurement process.
- Concerns regarding the length of time given to suppliers to respond to the tender invitation, the follow up arrangements regarding firms who had initially expressed an interest but subsequently not tendered, and the fact that other firms might have submitted a tender had they been notified of the changed circumstances referred to above.

- Reservations regarding the sustainability matters referred to in exempt Appendix 3.
- Concerns regarding the evaluation process outlined in Appendix 1, and the weighting given to various criteria as part of that process.

Phil Rigby, Strategic Project Manager, responded in detail on behalf of the Chief Procurement Officer. He outlined the legal requirements in terms of tendering for contracts of this value and the consequences and estimated costs of a re-procurement exercise. It was regarded, for the reasons outlined in the report, that the proposed contract did represent value for money for the Council and in terms of the actual product price, it represented an improvement on the existing contract, again with Carlsberg, which was entered into in November 2005. The Council's interests were also safeguarded in terms of the purchasing card aspects – if Carlsberg did not comply with this requirement within 3 months, then the contract would only apply for the initial 12 months. This gave the Council sufficient time within the remaining 9 months to carry out another procurement exercise to find another supplier.

Should the delegated decision ultimately be overturned, then the officers would have to continue with the existing provider, Carlsberg, subject to further negotiation of the existing 2005 contract, until a fresh procurement exercise had been completed, which would have to be in line with OJEU regulations, and this would take up to 9 months.

90 Outcome of Call-In

RESOLVED –

- a) That the decision be released for immediate implementation.
- b) That, notwithstanding the decision in (a) above, the Board nevertheless shares the concerns raised by Members during the Call-In process.
- c) That these issues be referred by the Head of Scrutiny and Member Development, in consultation with the Chair, to the Chief Procurement Officer, and a further update report be considered by the new Scrutiny Board in the new municipal year.