

# Finance and Resources Committee

10am, Thursday, 17 March 2016

## Waiver Report for ISO Quality Standards Contract

Item number	7.15
Report number	
Executive/routine	
Wards	

### Executive Summary

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This report seeks the approval of the Finance and Resources Committee for a waiver of Contract Standing Orders to allow direct award of contracts to British Standards Institute (BSI), SGS United Kingdom Ltd. (SGS) and United Kingdom Accreditation Service (UKAS) for a period of up to one year from 17 March 2016 to 16 March 2017, for continuing certification of ISO international quality standards pending procurement of a new contract covering all of the individual departments' related ISO certification requirements.

### Links

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Coalition Pledges	<a href="#">P30</a>
Council Priorities	<a href="#">CP5</a>
Single Outcome Agreement	

## Waiver Report for ISO Quality Standards Contract

### 1. Recommendations

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- 1.1 It is recommended that Finance and Resources Committee:
  - 1.1.1 approves direct award of contracts to United Kingdom Accreditation Service (UKAS), British Standards Institute (BSI) and SGS United Kingdom Ltd. (SGS) for up to one year, from 17 March 2016 to 16 March 2017, for continuing certification of International Standards.
  - 1.1.2 notes the plan to tender for these services for commencement of contract prior to March 2017.

### 2. Background

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- 2.1 The waiver of Council Contract Standing Orders is permitted where the circumstances of the proposed contract are covered by legislative exemptions, including where the nature of the market for the services to be provided has been investigated and is demonstrated to be such that a departure from the requirement of Standing Orders is justifiable in accordance with EU law and principles, for example when for technical reasons the contract may only be awarded to a particular provider(s) or it is in the Council's best interests to do so.
- 2.2 The International Organisation for Standardisation (ISO) is the international body responsible for developing and publishing international standards, such as ISO 9001, ISO 18001, etc. These international standards ensure that products and services are safe, reliable and of good quality.
- 2.3 The Council currently has ISO certification for 11 of its services. These ISO certifications are issued by UKAS, the UK Accreditation Service and administered by three certification providers who have delivered these services to the Council for several years. There is no contract in place with these providers and it is proposed to continue with this arrangement until the conclusion of a tendering process by the end of 2016.
- 2.4 Aggregated spend is currently circa £70,000 per annum.
- 2.5 Direct award of contracts for ISO certification during the interim period will ensure continuity of delivery until the conclusion of the procurement.

### 3. Main report

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- 3.1 ISO certification is a recurring need within the City of Edinburgh Council, predominantly within the Place Directorate.
- 3.2 ISO standards are internationally recognised and the Council currently has 12 certifications across 11 services:
- ISO 9001 Quality Management for:
- Bereavement Services
  - Corporate Property
  - FM Catering
  - Edinburgh Building Services
  - Fleet Services
  - Pest Control
  - Planning & Building Standards
  - Transport Services
  - Waste Services
- ISO 9001 Quality Management and ISO 18001 Health & Safety for:
- FM Cleaning
- ISO 22301 Business Continuity for:
- Council wide Business Continuity
- ISO 17020 and ISO 17025 Laboratory testing and inspection for:
- Scientific Services
- 3.3 ISO certification provides the Council with:
- delivery of efficient working practices and focuses on the business objectives of the organisation;
  - independent assessment of Council processes, giving residents and businesses confidence that Council operations are efficient and in line with international standards;
  - prevents reputational damage to the Council and its services by identifying process risks at an early stage;
- enables income generation for Council services by assuring those awarding contracts that Council processes have been independently verified.
- 3.4 Following a review, it is intended that all ISO provision will come under one single contract which will be tendered for.
- 3.5 A contract for ISO certification will ensure the Council is compliant with Contract Standing Orders (CSOs) and EU legislation.

## **4. Measures of success**

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- 4.1 That continuity of service delivery is maintained while a tender process is implemented.
- 4.2 A new Service Specification is agreed and new contracted arrangements in place by December 2016.

## **5. Financial impact**

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- 5.1 Budget provision for this contract across the Council has been made.
- 5.2 The approximate annual spend is £70,000 to meet current levels of ISO certifications.
- 5.3 Through the integration of 12 service registrations under one certification provider there should be economies of scale generated for the Council.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 If the current arrangements are not continued, there is significant risk that services will lose their accreditation. This will result in:
  - increased bureaucracy in the tendering process for services such as Pest Control with the likelihood of lost income generation;
  - potential reputational damage through ending of third party audits and scrutiny of services;
  - increased future costs, including re-accreditation and staff training;
  - gradual loss of efficiency and competitiveness against comparable services in other public or private sector organisations.

## **7. Equalities impact**

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- 7.1 There is no relationship to the public sector general equality duty to the matters described in this report and no direct equalities impact arising from this report.

## **8. Sustainability impact**

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- 8.1 None arise directly from this report.

## 9. Consultation and engagement

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- 9.1 The service area is working with Commercial and Procurement Services to ensure compliance of Contract Standing Orders in future delivery. Aggregate expenditure for this service requires a competitive tender to continue with ISO certification assessed through third party organisations.

## 10. Background reading/external references

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International Organisation for Standardisation - [www.iso.org](http://www.iso.org)

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## 4. Links

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<b>Coalition Pledges</b>	P30 - Continue to maintain a sound financial position including long term financial planning
<b>Council Priorities</b>	CP5 - Business growth and investment
<b>Single Outcome Agreement</b>	