

Council's procurement errors led to trader overpaying for rental site

A woman who obtained a licence to sell light refreshments at a site in Portrush complained that the procurement rules changed after the application process had started, meaning that she ended up paying more for than site than she should have.

She complained to the council who said that it believed the exercise had been run fairly. She remained unhappy so brought her complaint to us.

We looked all the council's records relating to the procurement.

We found that after the process had begun it removed the requirement that all applicants should hold a vehicle licence. We also found that it didn't notify any of the applicants of this change.

Instead of restarting the procurement exercise, it progressed all applicants to the auction regardless of whether they met the requirement to have a vehicle licence.

Having examined the bidding sequence we found that when it reached £7,800, only the complainant and another bidder, who had no vehicle licence, continued bidding. The complainant's winning bid was £14,500.

The council explained to us that to restart the process would have caused both traders and the council significant financial loss.

Nevertheless, we believed that there was an overriding onus on the council to ensure the procurement exercise was conducted properly and fairly.

We concluded that the process was flawed and upheld the complaint. We asked the council to apologise to the complainant and to refund her the difference between the price at which she began bidding solely against the underbidder and the final amount she paid for the licence.