

Claire Connors

From: DRCD OR1420 <OR1420@drcd.gov.ie>
Sent: Tuesday 5 April 2022 16:58
To: Claire Connors
Cc: DRCD OR1420
Subject: RE: Project query prior to claiming the expenditure 31LDRWAT113885
Attachments: Project Query 31LDRWAT113885_docx

Hi Claire,

Please see attached reply to your enquiry.

Regards,

Gerry

Gerry Kelly,
LEADER Policy and Operations Unit

An Roinn Forbartha Tuaithe agus Pobail
Department of Rural and Community Development

Oifigi Rialtais, Beál an Átha, Co. Mhaigheo. F26 E8N6
Government Buildings, Ballina, Co. Mayo. F26 E8N6

tel: 01 7736887

From: Claire Connors <Claire.Connors@wlp.ie>
Sent: Friday 25 March 2022 14:14

LEADER Query Template
(Version 2 - July 2020)

LAG/IP Name:	Waterford LCDC
Project Name or Monthly Administration Return Detail:	Installation of maturation storage, bottling and blending equipment in existing unit
LEADER IT System Project Number	31LDRWAT113885
Project and/or Claim Stage:	Stage 15 Approved
Was this issue identified in the course of an Article 48 check? If so, please include a copy of any related correspondence in the Query Details section below.	No
Query Category (procurement, eligibility etc.):	Procurement
If an eligibility query, have the LEADER Operating Rules, Circulars and Q&As been checked on the subject? Please reference the relevant Operating Rules section/Circular/Q&A if a doubt exists on a particular point or item.	Circulate No: 02/2018 Q & A Issue 20 (23/07/2019)
If a procurement query, please state Promoter Category (1 or 2). If Category 1 query, please include copy of advice from Office of Government Procurement in the Query Details section below.	Category 2

Query Details

In the promoters original funding application for a new production facility, and as part of the tender process, they received a quote for blending equipment (used for the blending of Irish whiskey or other spirits) from Barison Industry. It should be noted that Barison was the only company to respond to this request from the five that were invited. Included in this original quote were;;

- Two x 1000L tanks
- One x ATEX rated food pump
- Two x 1.5m hoses
- Two x 3.0m hoses
- One x Anton Paar handheld metre
- One x electrical panel
- Shipping

The final equipment received from Barison is slightly different from what they originally requested, largely in size; otherwise it's the same blending system, just more customised for their operation and built to enhance efficiency and future growth. The changes are;

- Two x 5000L tanks (additional 8,000 Litre capacity)
- Two x ATEX rated food pumps (1 additional pump)
- Two x 3.0m hoses (additional 3m)
- Two x 6.0m hoses (additional 6m)
- One x Anton Paar handheld metre
- Shipping

As you can see there was no requirement for the electrical panel on this list of equipment. The larger tanks use only compressed air to operate, instead of the electrical control panel. The electrical control panel was the most expensive individual component of the system and by removing that from the design, they were able to transfer the cost to the larger blending tanks.

After the tender process and formal award of grant, the promoter was in contact with the supplier to better understand the electrical requirements for the system while they prepared their warehouse build from shell to a working, bottling plant. During those conversations, Barrison realised that they could adjust the equipment for the future proofing of their system (thinking originally, they were a distillery and not in fact a bottling and blending business) while keeping the costs in line with the original approval.

The issue is that the promoter undertook these changes in expenditure prior to seeking approval and only informed WLP CLG now when coming to claim stage.

On the rationale provided, is the expenditure still eligible.

LAG/IP/Article 48 Body Official's Details:	
Name:	Claire Connors
Job Title:	Project Officer

Phone Number(s):	087 2311062
Email address:	claire.connors@wlp.ie

DRCD Reply:

The promoter should submit its rationale for the changes to the project to the LAG and the LAG must consider the scope of the changes made in the delivery of the project as planned compared to the content of the Letter of Offer and contract. The LAG's deliberations must include examination of implications for procurement and delivery of the project as planned.

Should the LAG be satisfied that the project will be delivered as intended and that the procurement process has not been compromised, it may then consider the rationale provided by the promoter. All correspondence between the promoter and the supplier in relation to the changes should be considered as part of the LAG's deliberations.

DRCD Official's Details	
Name:	Gerry Kelly
Phone Number:	01 7736887
Reply Date:	05 th April, 2022.