
ANNUAL PROCUREMENT PLAN

**Responsible Cabinet Member – Councillor Stephen Harker
Efficiency and Resources Portfolio**

Responsible Officer - Ada Burns, Chief Executive

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to present the Annual Procurement Plan to Cabinet for approval.

Summary

2. Under the Contract Procedure Rules one of the responsibilities for Cabinet is to agree the Procurement Plan that will identify the route that contracts will take i.e. Cabinet decisions for all strategic procurement activity and officer decisions for routine procurement.
3. A set of criteria has been developed to assist in determining whether a contract would be deemed strategic or non-strategic. The criteria are based on value and significance with each category being scored between 1 (low significance) and 5 (high significance). Any contract with a value in excess of £5,000,000 is automatically deemed strategic. If the value of the contract falls below £5,000,000 but scores 15 or more on significance then that is also considered strategic. However Members and Officers may decide to recommend other than what the score suggests.
4. This report covers new contracts and the contracts that officers are aware will terminate in the next 12 months and need to be tendered through open competition. They have been assessed against an agreed set of criteria to determine whether they are strategic or non-strategic (see **Appendix 1**).

Recommendation

5. It is recommended that :-
 - (a) Members approve the assessment of strategic and non-strategic contracts as presented in **Appendix 1** and that:

- (i) further reports on the procurement process for those contracts designated as strategic be brought to Cabinet for approval and the contract award decision be made by Cabinet.
- (ii) the contract award decisions for the contracts designated as non-strategic be delegated to the appropriate Director as listed in the plan at **Appendix 1**.

Reasons

6. The recommendations are supported by the following reasons: -
- (a) The Contract Procedure Rules require Cabinet to approve the designation of contracts as strategic and non-strategic and:
 - (b) The contracts designated strategic are of high value and high significance in respect of the impact on residents, Health & Safety and public safety.
 - (c) The contracts designated non-strategic are of a lower value and lower significance in respect of the impact on residents and public safety

**Ada Burns,
Chief Executive**

Background Papers

No Background papers were used in the preparation of this report.

Luke Swinhoe: Extension 2055

S17 Crime and Disorder	This decision will not have an impact on Crime and Disorder
Health and Well Being	This decision will not have an impact on Health and Wellbeing
Carbon Impact	This decision will not have a direct impact on the Council’s carbon footprint.
Diversity	This decision will not have an impact on Diversity
Wards Affected	This decision will not affect any wards
Groups Affected	This decision will not have an impact on any groups.
Budget and Policy Framework	This report does not recommend changes to the Budget and Policy Framework
Key Decision	Yes
Urgent Decision	No
One Darlington: Perfectly Placed	This decision will not have an impact on the objectives of the Sustainable Community Strategy
Efficiency	The production of the update to the Procurement Plan is designed to save Member and officer time for requesting delegated powers to make contract award decisions.

MAIN REPORT

Information and Analysis

7. Any contract award decision with a value below £75,000 is delegated to officers. Under the Contract Procedure Rules an annual Procurement Plan is produced listing details of all existing and new contracts that are above £75,000 and which require a tender process.
8. The Contract Procedure Rules state that if a contract has not been included on the Annual Procurement Plan a separate report must be taken to Cabinet to determine if it is deemed strategic or non-strategic.
9. For those contracts designated strategic, a procurement strategy must be produced and presented to Cabinet. The final contract award decision will be a Cabinet decision. As set out in the Contract Procedure Rules the contract award decision for those contracts not considered strategic will be through delegation to officers.

Assessment of contracts

10. The contracts have been assessed against the criteria agreed by Cabinet, the criteria are provided at **Appendix 2** for information. Details of which contracts are designated strategic and which are designated non-strategic are detailed in **Appendix 1**. However Members and Officers may decide to recommend other than what the score suggests. Anything else would be considered non-strategic.
11. Based on the criteria there are four contracts that are designated strategic: -
 - (a) **Insurance Services** – The Council has appointed an Insurance Broker to assist with the procurement of Insurance Services for the Council. Because of the value, this will involve a full EU procurement of such services. A Prior Information Notice has been placed in the Official Journal informing potential tenderers of our intentions. A draft timetable has been written and tender award procedures are expected to start in March 2015 for a June 2015 contract start.
 - (b) **Gas Supply** – The North East Procurement Organisation (NEPO) are intending to run a procurement exercise and we are intending to participate in this exercise. In the past NEPO have been successful in securing good value in regard to the supply of energy.
 - (c) **Development of a Local Centre** – This matter concerns the procurement of a developer to construct a shopping centre at the northern gateway site at Central Park site in line with the central park master plan. This is likely to be an open tender through Official Journal European Union (OJEU).
 - (d) **Procurement of a design and build contract for a new multi storey car park** – The Council is currently considering the construction of a new multi-storey car park in the town. If the project goes ahead the two procurement options for securing a contract are to go out to open tender through Official

Journal European Union (OJEU) or to utilise the SCAPE Framework. The SCAPE is an organisation wholly owned by a number of local authorities (including Gateshead); they have let an OJEU compliant, single provider framework for construction projects that can be used by all public sector organisations

Outcome of Consultation

12. No consultation was carried out in preparation of this report.