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**ANNUAL PROCUREMENT PLAN**

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**Responsible Cabinet Member – Councillor McEwan, Efficiency and Resources Portfolio**

**Responsible Director – Paul Wildsmith, Director Corporate Services**

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**SUMMARY REPORT**

**Purpose of the Report**

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

**Summary**

2. Under the Contract Procedure Rules one of the responsibilities for Cabinet is to agree the Annual Procurement Plan i.e. the list of contracts which it is proposed that the Council will enter into during the forthcoming year over the value of £75,000. The report will also identify which of those contracts will be deemed strategic and which non strategic. Members approval is sought for all non strategic contracts to be awarded by officers.
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 recommended to members as strategic. If the value of the contract falls below £5,000,000 but scores 15 or more on significance then that is also recommended to be strategic. Members can however decide to make any contract strategic if they feel that it warrants supervision through Cabinet.
4. All contracts which are deemed to be strategic will have a procurement plan, support from the procurement unit and will require Cabinet approval for award. The list of contracts which have been assessed against the criteria is attached at **Appendix 1**.

**Recommendation**

5. It is recommended that Members approve the assessment of strategic and non-strategic contracts as presented in **Appendix 1** and that:
  - (a) the procurement strategies for those contracts designated as strategic be brought to Cabinet for approval in advance of the tenders being issued and that the contract award decision be made by Cabinet; and

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

**Paul Wildsmith,  
Director of Corporate Services**

### **Background Papers**

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

Susan White: Extension 2019

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
Sustainability	This decision will not have an impact on Sustainability.
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 updated Annual 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, the implementation of which would be monitored by Resources Scrutiny. 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 two contracts that is designated strategic: -
  - (a) The contract is for adults and older persons with mental health needs, this will replace a number of current arrangements. A procurement process is planned to renew these services in line with the 5 year strategic plan for NHS County Durham and NHS Darlington and the Government objectives set out in New Horizons and a Strategy for Later Life in Darlington. The service will provide a comprehensive range of service provision designed to promote recovery, rehabilitation, social inclusion and self-determination and to decrease social isolation for adults and older people with mental health. The new service will be developed in conjunction with Darlington NHS.
  - (b) Community Services have previously used an approved list of contractors to fulfil work commitments in relation to Civils and Highways and other specialist work when there have a skills gap or to meet peaks in workload. The spend attributed to this list exceeds the OJEU threshold for works (currently £3,927,260), which requires the Council to carry out a procurement exercise that meets the requirements of the Public Procurement Regulations 2006. In order to allow Community Services as much flexibility when awarding work a Framework Contract is deemed the most appropriate arrangement. A further report detailing the procurement strategy will be brought to Cabinet in due course.

### Outcome of Consultation

12. Consultation was undertaken with Departments on the contracts to be included on the Procurement Annual Plan.