
ANNUAL PROCUREMENT PLAN

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

Responsible Director – Paul Wildsmith, Director of Resources

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

**Paul Wildsmith,
Director of Resources**

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
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 nine contracts that are designated strategic: -

- (a) **Procurement of Design and Build Contractor for new build office scheme** – The Council is currently considering the construction of a new office building in the town. If the project goes ahead then there are two procurement options for securing a contract, the first is to go through a procurement exercise through Official Journal European Union (OJEU) and the second is 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.
- (b) **Procurement of Design and Build Contractor for new build 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 OJEU or to utilise the SCAPE framework, details in point (a) above.
- (c) **Contract for Installation and Maintenance Service for Street Lighting (6 years initial contract with option for 2 x 3 year extensions)** – The Street Lighting project is being run in conjunction with Middlesbrough Borough Council, Stockton-on-Tees Borough Council, and Hartlepool Borough Council to look at achieving economies of scale through collaboration. The tender will ask for an increasing level of discount dependent on the number of authorities that sign up to a contract. The process will be led by Middlesbrough on behalf of themselves and Stockton, to replace an existing contract, with the option for Darlington and Hartlepool to join if the successful bid proves to represent value for money. Officers are viewing this as an opportunity to test the market and if successful it will involve a transfer of staff to the successful bidder.
- (d) **Independent Fostering Framework (to be led by Hartlepool Borough Council)** – There is a framework in place for the provision of Independent Foster Carers to supplement the Council's own Foster Carer Network. The contracts are due to terminate on 31st December 2013. This is currently a Tees Valley wide framework and the intention is to re-procure the network as a collaborative arrangement, Hartlepool Council will act as lead for the tendering exercise.
- (e) **Provision of Personal and Domestic Care in Extra Care settings** – This is currently provided by an in-house team; an options appraisal has been carried out by the Transformation Team and a report is being presented to Cabinet on 9th April 2013 with the recommendation that the service is outsourced. The intention is to test the market through a procurement exercise.
- (f) **Framework for Residential Provision for People with Learning Disabilities (to replace current spot purchasing approach)** – Currently all placements are concluded on a spot purchase basis, this approach leads to inconsistencies in costs and service levels. The intention is to run a procurement process to establish a framework of approved providers from which placements can be

made.

- (g) **Framework for Children's Residential Provision (to replace current spot purchasing approach)** - Currently all placements are concluded on a spot purchase basis, this approach leads to inconsistencies in costs and service levels. The intention is to run a procurement process to establish a framework of approved providers from which placements can be made.
- (h) **Adult integrated treatment recovery service** – The responsibility for Public Health transfers to the authority 1st April 2013, a number of the contracts for service will transfer but then need to re-procured in line with the Council processes.
- (i) **NHS Health checks** - The responsibility for Public Health transfers to the authority 1st April 2013, a number of the contracts for service will transfer but then need to re-procured in line with the Council processes.

Outcome of Consultation

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