
UPDATED ANNUAL PROCUREMENT PLAN

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

Responsible Director – Paul Wildsmith, Director Corporate Services

SUMMARY REPORT

Purpose of the Report

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

Summary

2. Under the Contract Procedure Rules one of the responsibilities for Cabinet is to agree the Procurement Annual 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. The Annual Procurement Plan was presented to Cabinet on 28th April; this covered the contracts that officers were aware of at the time of writing the report. 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. In order to avoid this it was felt an updated report mid-year was more appropriate.
5. Officers were asked to provide information about all contracts with a value in excess of £75,000 that are to be tendered in the next 6 to 12 months that had not already being included in the previous Annual Procurement Plan. These contracts have been assessed against an agreed set of criteria to determine whether they are strategic or non-strategic (see **Appendix 1**).

Recommendation

6. It is recommended that :-

- (a) Members approve the assessment of strategic and non-strategic contracts as presented in **Appendix 1** and that:
 - (i) 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.
 - (ii) the contract award decisions for the remainder of the contracts in **Appendix 1** be delegated to the relevant officers as set out in the Contract Procedure Rules;

Reasons

7. 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:
 - (i) The contracts designated strategic are of high value and high significance in respect of the impact on residents, Health & Safety and public safety.
 - (ii) 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	No
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

8. 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. It details the existing contracts that are due to expire in the next 12 months as well as any new contracts we know are going to be tendered in the same time period.
9. 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. In order to avoid this it was felt an updated report mid-year was more appropriate.
10. The purpose of this plan is for Members to decide, in advance based on pre-determined criteria, the route contracts will take: Cabinet decisions for all strategic procurement exercises or officer decisions for routine procurement. 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

11. 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.
12. Based on the criteria there are two contracts that are designated strategic: -
 - (a) the first relates to the appointment of a contractor/developer for the construction of an 'incubator unit' on the Central Park development. This is a unit housing self-contained start-up units for new businesses; this is dependent on the funding being received. Further reports will be brought to Cabinet if the bid is successful;
 - (b) the second relates to the development of a Tees Valley framework for the appointment of Private Foster Care providers. We do currently use Private Foster Care providers but to date this has not been tendered. Children's Services Commissioners from the Tees Valley authorities identified the opportunity for a shared framework. Middlesbrough Borough Council (MBC) is leading on the procurement therefore it will be their process that is followed; this accords with our Contract Procedure Rules. Companies will be awarded onto the framework using the MBC contract award process; this means that although this is deemed strategic the decision on contract award will not be brought to Cabinet.

Outcome of Consultation

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