

**CABINET  
5 OCTOBER 2021**

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**ANNUAL PROCUREMENT PLAN UPDATE**

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**Responsible Cabinet Member – Councillor Scott Durham, Resources Portfolio**

**Responsible Officer – Elizabeth Davison, Group Director of Operations**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To present the Annual Procurement Plan Update to Cabinet for approval. Cabinet are asked to consider and approve the assessment of contracts that are considered to be strategic or non-strategic.
2. To update Cabinet on the outcomes of procurement(s) previously designated as Strategic.
3. To update Cabinet about the decisions taken by the Procurement Board to waive the Contract Procedure Rules.

**Recommendation**

4. 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/ updates on the procurement process for those contracts designated as strategic (including decisions made by the Procurement Board) be brought to 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.
    - (iii) the contract award decisions for the contracts designated as strategic, as listed in the plan at Appendix 1, be delegated to the Procurement Board to approve and will be reported back to Cabinet.
  - (b) that Members note the contents of this report in respect of the update of strategic procurements, Procurement Board waiver decisions, and Social Value.

## **Reasons**

5. In respect of strategic/non-strategic contracts, 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) 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.
6. In respect of Procurement Board waiver decisions, the recommendations are supported by the following reasons: -
  - (a) In order to comply with the Contract Procedure Rules.
  - (b) To provide Cabinet with information about the decisions made by the Procurement Board.
  - (c) To supplement the reports that are taken to Cabinet about proposed spend over £100,000, that are set out in the Annual Procurement Plan and the in year update to that report.

**Elizabeth Davison**  
**Group Director of Operations**

## **Background Papers**

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

S17 Crime and Disorder	This decision will not have any direct impact on Crime and Disorder
Health and Well Being	This decision will not have any direct impact on Health and Wellbeing
Carbon Impact and Climate Change	This decision will not have a direct impact on the Council's carbon footprint.
Diversity	This decision will not have any direct 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
Council Plan	Strategic oversight of procurement will help in the delivery of the Council's objectives
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.
Impact on Looked After Children and Care Leavers	This report has no direct impact on Looked After Children or Care Leavers

## MAIN REPORT

### Information and Analysis

#### Strategic Contracts

7. Any contract award decision with a value below £100,000 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 £100,000 or above and which require a tender process.
8. This then allows Cabinet to be advised of the contracts of £100,000 and over and to decide which of those contracts are strategic.
9. For those contracts designated strategic the final contract award decision will be approved by the Procurement Board and will be reported to Cabinet.

#### Assessment of contracts

10. Details of which contracts are designated strategic and which are designated non-strategic are detailed in Appendix 1. The contracts have been assessed against the criteria agreed by Cabinet, the criteria are provided at **Appendix 2** for information. 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 no contracts that are designated strategic in the update to the Annual Plan.

#### **Update on Procurements previously designated as Strategic**

12. New Build Housing Project – Neasham Road, a number of individual contracts have been awarded via the Contractors DPS.
13. Flexible Free Entitlement (FFE) and early education - block contract awarded to all providers on tariff rate for 15/ 30 hours early years entitlement- Awarded to all providers on the basis of the DFE grant funding terms.
14. Framework Agreement for Joint Venture Residential Development with Darlington Borough Council. The contract has been award to ESH Homes.

#### **Procurement Board waiver decisions**

15. Under the Contract Procedure Rules, the Procurement Board may waive the Contract Procedure Rules in specific circumstances and is required to report waiver decisions that have been made to Cabinet.
16. The Contract Procedure Rules can only be waived as an exception. The Contract Procedure Rules require the Procurement Board when considering requests for waivers to take into account the following:
  - (a) The contract value and the length of the proposed contract.
  - (b) What steps have been taken to satisfy that the best value duty has been complied with (for instance quotations, market testing).
  - (c) The extent to which there are good reasons why it is not possible to undergo a competitive process (for instance, pressing need or urgency, where further work is required before going to market, where only a short contract extension is needed, or the lack of an available market).
  - (d) Whether the new contract is intended to be a stop gap prior to undergoing a competitive process.
  - (e) The availability of compliant alternatives to direct awards, such as frameworks.
  - (f) Any other reason that is being given by the commissioning area.
17. This report details the circumstances and the reasons why the contract procedure rules have been waived by Procurement Board at **Appendix 3**, during the period to end September 2021.

## **Social Value**

18. For every procurement with a value of over £100,000, procurers must consider the social and economic and environmental aspects of letting these contracts, this must be evidence that an evaluation of the social value implications have been assessed.
19. The procurement board request form has been amended to ensure that this evidence is provided at an early date. Any relevant request over £100,000 which does not feature this information will be returned and not presented to Procurement Board until it is provided.
20. The National TOMS (Themes, Outcomes and Measures) Framework is used to assess the information, this is currently being reviewed with a view to tailoring the requirements to the social value aims prioritised by Darlington. Officers are liaising with the other North East Authorities to ascertain their approach as they are undertaking a similar exercise to Darlington.
21. Procurement officers have met with the procurement leads of other Anchor Institutions within the town with a view to coordinating the approach taken to social value. This will enable us to take a joined-up approach and have a greater and more meaningful impact than if the approach was unique to the Council.
22. The intranet has been updated so that there is a page specifically for Social Value and Local Spend. This contains an explanation as to the meaning of the two terms and will develop to contain a number of guidance documents to ensure that staff understand how to maximise both through their procurement exercises.

## **Outcome of Consultation**

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