

**CABINET
8 APRIL 2025**

ANNUAL PROCUREMENT PLAN AND PROCUREMENT STRATEGY

**Responsible Cabinet Member -
Councillor Mandy Porter, Resources Portfolio**

**Responsible Director -
Elizabeth Davison, Executive Director – Resources and Governance**

SUMMARY REPORT

Purpose of the Report

1. To present the Annual Procurement Plan Update to Cabinet for approval. Cabinet is 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.
4. To update Cabinet on the implementation of the Procurement Act 2023 and the new e-tendering system.
5. To seek approval of the adoption, of the Procurement Strategy 2025 – 2027

Appendix 4.

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) 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 Directorate 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.
- (c) Members approve the adoption of the Procurement Strategy 2025 – 2027.

Reasons

- 7. 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
- 8. 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.
- 9. In respect of the Procurement Strategy 2025 – 2027, the recommendation is supported to ensure we have a strategy which directs and informs our procurement activity and works in line with the Procurement Act.

Elizabeth Davison
Executive Director - Resources and Governance

Background Papers

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

Council Plan	Strategic oversight of procurement is important in the delivery of the Council’s objectives
Addressing inequalities	This decision will not have any direct impact on addressing inequalities.
Tackling Climate Change	The strategic procurements for Warm Homes (HUG3 and SHDF) will have a positive impact on tackling climate change in Council Dwellings and Private Sector Housing.
Efficient and effective use of resources	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.
Health and Wellbeing	This decision will not have any direct impact on Health and Wellbeing
S17 Crime and Disorder	This decision will not have any direct impact on Crime and Disorder
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
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

10. 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.
11. This then allows Cabinet to be advised of the contracts of £100,000 and over and to decide which of those contracts are strategic.
12. For those contracts designated strategic the final contract award decision will be approved by the Procurement Board and will be reported to Cabinet.
13. For the contracts designated non-strategic, the decision will be delegated to the relevant Directorate and detailed in the decision record.

Assessment of contracts

14. 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.

15. Based on the criteria there is one contract that are designated strategic in the update to the Annual Plan:

(a) **NEPO301 Electricity**

NEPO have carried out a collaborative restricted over threshold tender exercise. The successful supplier is EDF Energy.

(b) **NEPO508 Neutral Vendor Supplier for Agency Workers**

NEPO have carried out a collaborative restricted over threshold tender exercise, the successful supplier is Comensura.

(c) **NEPO302 Gas**

NEPO are carrying out a collaborative restricted over threshold tender exercise on behalf of the region.

(d) **Warm Homes SHDF Works**

The procurement will be via a Further Competition on the NEPO233 Retrofit and Decarbonisation Works Framework. The project is to improve the EPC rating to Council dwellings, helping to reduce household bills.

(e) **Warm Homes HUG3**

The procurement will be via a Direct Award on the NEPO233 Retrofit and Decarbonisation Works Framework. The project is to improve the EPC rating to Private Sector Housing properties, helping to reduce household bills. The Council will be the lead Authority on the TV collaborative procurement.

Update on Procurements previously designated as Strategic

16. There is no further update on the strategic procurement activity detailed in the previous update.

Procurement Board waiver decisions

17. 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.
18. 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.
19. 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 October 2024 to March 2025.

Procurement Act

20. The Procurement Act 2023 came into force on 24 February 2025.
21. The main changes following the implementation are:
- (a) Enhanced transparency
 - (b) Flexibility in Procurement Procedures
 - (c) Support for SMES and Local Businesses and only providing organisation information once via the CDP (Central Digital Platform)
 - (d) Award criteria moving from MEAT (Most Economically Advantageous Tender) to MAT (Most Advantageous Tender).
22. Procurement Officers are updating the Intranet pages, documentation, processes and providing specific training to Procuring Officers on specific procurement activity.
23. The Procurement Team are working with the Business Growth & Investment Team on a future supplier event, to highlight the changes to the procurement process following the implementation of the new legislation, in the coming months.

Open E-Tendering System

24. The Council have now moved all procurement activity over to the new e-tendering system Open, with the first opportunity being published in early February 2025.
25. NEPO and the 12 North East Authorities have been sending out communications to suppliers to encourage them to register on the system over the last 12 months and

will continue with this going forward.

26. The Procurement Team are working with the Business Growth & Investment and Communications Teams to ensure that the Darlington supplier base and wider region are aware of the changes and are encouraged to register on the system.

Procurement Strategy

27. The Procurement Strategy 2025-2027 has been developed to ensure the Council procures goods, services and works in line with the Procurement Act 2023, the Council Plan and the Key Objectives. This will ensure collaboration, value for money, supplier engagement and social value within the Borough of Darlington and wider region. The key objectives of the strategy are:
 - (a) Working Together
 - (b) Delivering quality and value for money
 - (c) Social Value
 - (d) Climate Change
 - (e) Governance and Compliance
 - (f) Local Economy and SME
 - (g) Innovation, improvement, and forward planning
28. Consultation has been carried out with Economy and Resources Scrutiny on 30 January 2025, where it was approved for onwards submission to Cabinet for approval.

Social Value

29. Details of the social value achieved in procurement exercises will be provided in the October update report.

Outcome of Consultation

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