

Executive Decision Report

PROCUREMENT PLAN 2015/16

Decision to be taken by: **City Mayor**
Decision to be taken on: **25 March 2015**
Lead director: **Alison Greenhill**



City Mayor

Useful information

- Ward(s) affected: **All**
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- Report version number: **002**
- Date of report: **5th March 2015**

1. Summary

- 1.1 The Council's Contract Procedure Rules require Executive approval of a Procurement Plan – a list of forthcoming procurement activity above EU thresholds anticipated in the coming year. This requirement aligns with the government's requirements of local authorities under the Transparency agenda.
- 1.2 Inclusion of a contract in the Plan does not necessarily mean that the procurement will go ahead. As with all expenditure, anticipated contracts will be subject to ongoing challenge as to whether they are required, and whether/how they should be procured. This review process may impact on the anticipated value and/or duration of contract.
- 1.3 The purpose of this report is to obtain approval to the 2015/16 Procurement Plan and to inform the City Mayor and Executive of the potential up and coming major procurement activity across the Council, which includes renewal of existing contracts for ongoing requirements (e.g. maintenance and service provision contracts) and one-off major capital projects.

2. Recommendations

- 2.1 The Executive is recommended to:
 - i) Approve the attached Procurement Plan and delegate the letting of contracts to Divisional Directors subject to consultation with relevant Executive Members where appropriate;
 - ii) Approve the delegation of individual contract awards for Large Contracts in 2015/2016 to Divisional Directors in consultation with the Head of Procurement and relevant Executive Members where appropriate.

3. Supporting information

- 3.1 The Procurement Plan serves two principal purposes:
 - a) To inform potential suppliers of major future market activity, including meeting the statutory requirement to publish planned procurement over the EU thresholds; and

- b) To provide the Executive and other readers with an overview of significant procurement activity and to enable links and efficiencies to be achieved.
- 3.2 The Plan is based on information from Directors and from reviewing the database of existing contracts approaching expiry. Entry on the Plan does not guarantee that procurement will happen and the actual costs may vary from the estimates.
- 3.3 Timely processing and approval of the Plan ensures better procurement planning and allows the market to consider upcoming opportunities, in line with the transparency agenda.
- 3.4 The scope of the Plan can be affected by major reviews across the Council, leading to the extension of existing contracts and uncertainty for including future procurements, with less procurement activity than might usually be expected. It will also be noted that the procurement approach and timing, contract term and values are still to be determined for some procurements, whilst review work takes place.
- 3.5 As required by the Contract Procedure Rules, the Plan (attached at Appendix A) includes details of expected procurement processes for contracts valued at over the relevant EU threshold.
- Social & Other Specific Services £625,050
 - All Other Goods & Services £172,514
 - Works £4,322,012
- 3.6 Entries on 2014/15 Procurement Plan (as updated) have not been included again on the 2015/16 Plan if they have already been advertised in 2014/15.
- 3.7 The Procurement Plan will be updated and reported to the Executive and Audit and Risk Committee approximately half way through the financial year. The Plan will subsequently be updated on the Council's website.
- 3.8 A "Procurement Pipeline" is also being produced which includes details of expected procurement processes for Large Contracts (between £70,000 and the relevant EU threshold). However, the quality of this information is variable and the list is not considered to be exhaustive. Work is progressing to improve this, and, when ready, this will be published on the Council's website for potential suppliers to gain advance notice of the Council's intentions and to comply with transparency requirements.
- 3.9 The Contract Procedure Rules provide delegated authority to Divisional Directors to award contracts over the EU threshold, in consultation with Executive, so long as those contracts are included in the Procurement Plan – Appendix A (or the updated version reported to the Executive). Any other proposed contract award over the EU threshold must be the subject of a specific report to the Executive which seeks formal approval to add the procurement exercise to the Plan.
- 3.10 The Executive is asked to approve delegated authority for the award of Large

contracts to Divisional Directors in consultation with the Head of Procurement and relevant Executive Members where appropriate to ensure operational efficiency and expediency in the award of normally routine contracts. This delegated authority is requested because of an ambiguity in the Contract Procedure Rules regarding their inclusion in the Procurement Plan.

- 3.11 It is anticipated that proposed changes to the Contract Procures Rules will be drafted over the coming months and presented to Council for approval before the end of 2015. This will resolve the ambiguity described above and ensure the Contract Procedure Rules align to the new Public Contract Regulations 2015 which come into force on 26th February 2015.

4. Details of Scrutiny

- 4.1 As required by the Contract Procedure Rules, the Procurement Plan will be reported to the Audit & Risk Committee on 31st March 2015. Scrutiny Committees are invited to use the Procurement Plan to identify any entries they wish to review at Scrutiny.

5. Financial, legal and other implications

5.1 Financial implications

- 5.1.1 Inclusion of contracting activity on the attached Plan is a statement of intent and is subject to the necessary funding being available. The Plan provides a basis for challenge and a more strategic approach to achieving value for money through major procurement activity.

Colin Sharpe
Head of Finance
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5.2 Legal implications

- 5.2.1 Each procurement will need to follow due process in accordance with internal and legislative requirements, with advice from Procurement Services and Legal Services.

5.3 Climate Change and Carbon Reduction implications

- 5.3.1 There are no significant climate change implications arising directly from this report.

5.4 Equality Impact Assessment

- 5.4.1 These will be considered a part of each procurement process, as appropriate.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

5.5.1 Procurement is used to drive wider social value, i.e. to bring about improvements in economic, social and environmental well-being.

6. Background information and other papers:

6.1 None.

7. Summary of appendices:

7.1 Appendix 1– Corporate Procurement Plan 2015/16.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

8.1 No.

9. Is this a “key decision”?

9.1 No.