

Cabinet 2 March 2021 Procurement Forward Plan Report – over £500k (2021-22)

For Decision

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): Cllr

Executive Director: A Dunn, Executive Director, Corporate Development

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Report Status: Public

Recommendation:

The Cabinet is asked to consider the contents of this report in respect of proposed contracts that are set out in Appendix 1 and that Cabinet agree:

1. To begin each of the procurement processes listed in Appendix 1 to the report.
2. That in each instance the further step of making any contract award should be delegated to the relevant Cabinet portfolio holder, after consultation with the relevant Executive Director.

Reason for Recommendation:

Cabinet is required to approve all key decisions with financial consequences of £500k or more. It is also good governance to provide Cabinet with a summary of all proposed procurements prior to them formally commencing.

Planning procurements effectively ensures:

- effective stakeholder management
- efficient commissioning and sourcing
- compliance with regulations and contract procedure rules
- best value for money is clearly defined

1. Executive Summary

- 1.1 The Council defines key decisions as those with a financial consequence of £500k or more. This report provides notice of the planned / known procurement activities that Cabinet will need to make key decisions on for 2021/22.
- 1.2 The Commercial & Procurement team have worked with colleagues across the Directorates to review the contracts database and establish a procurement programme for 2021/22. Procurement activity, within that programme, that are known/likely to secure contracts exceed the £500k threshold are set out in Appendix 1 for Cabinet's consideration. The information shown includes the maximum term of the proposed contracts and the estimated total value over the contract term.

Corporate Procurement Process

- 1.3 The Council's Corporate Procurement Strategy underpins all procurement activity and provides the mechanism to ensure that procurement takes place in accordance with the Council's strategic aims, that it is effective and delivers best value to Council residents. This means that procurement decisions under the corporate procurement process considers, as appropriate, quality and all the costs that will be incurred by the Council throughout the life of a contract period, or asset, not simply the price. Optimum results are achieved by early market engagement before commencing procurement, to achieve good response from suppliers. Robust contract management, in accordance with the Contract Management Procedure Guide and Guide to Managing Contract Criticality, shall ensure what has been procured is delivered to meet the initial requirements within the contracted terms and conditions, and represents value for money.

The Council's commercial approach to procurement activity is based on the requirement for efficiency, cost effectiveness and meeting needs. This approach reflects the wider economic context in which the Council operates and the risks and opportunities this offers.

- 1.4 This report is based upon the current commissioning intentions of each Directorate's concerned. As the service and transformation plans are developed it may be necessary to bring further requests to future Cabinet meetings for approval.

Urgent Decisions

- 1.5 There may be occasions where the Council has to take urgent action in response to a situation where there is not sufficient time to seek formal approval at a Cabinet meeting (which has to be called on notice) of a key decision, prior to spending over £500k.

Such occasions are usually rare, but the pandemic has meant that the Council has had to respond at scale and pace to national priorities and funding initiatives.

- 1.6 Where there is an urgency, the Scheme of Delegation within the Council's Constitution allows for such decisions to be made which can be executive or non-executive in nature, depending on the delegation given.

Part 3 of the Scheme of Delegation specifies the Chief Officers responsibilities. Paragraph 32 explains the circumstances in which the delegation can be used:

'In any cases which s/he considers to be urgent, to discharge any function and deliver any service within the Chief Officers responsibility, other than those functions which can only be discharged by the Council or a specific Committee. This delegation is subject to the following conditions:

- a) prior consultation with the Monitoring Officer and the Section 151 Officer;
- b) consultation with the appropriate Executive Member or the Chairman of the appropriate Committee; and,
- c) to the extent it will incur expenditure from working balances and/or reserves, the prior approval of the s151 Officer.'

- 1.7 An example of this urgent action was the recent direct award of contracts for community asymptomatic lateral flow testing in response to instruction from the Department of Health and Social Care for local authorities to provide this provision. This testing is particularly for people who work in critical services to support communities or respond to the pandemic and those at higher risk of infection and transmission themselves or who interact with those who are at higher risk. A provision that had to be in place by mid-February to deliver up approximately 42,589 tests over an initial 6 week period over both DC and BCP areas. The programme is being led by Public Health Dorset which is hosted by DC. The total value

could be several million of government money, depending on the uptake of the tests and whether the 6 week period is extended.

There was insufficient time to convene a cabinet meeting and therefore Part 3, para 32 is applicable and enables urgent decisions to be made.

In this example, the Council is also applying Public Contract Regulations 2015 32 "Use of negotiated procedure without prior publication" which provides lawful means to direct award contracts without competition in response to state of urgency.

- 1.6 Where urgency means that it is not possible to convene a Cabinet meeting on notice then to ensure transparency a decision notice is prepared giving details of the decision made and the reasons for it and the notice is published on the website. Call-in does not apply to an urgent decision but the relevant Chief Officer can be called to account for their decision at a meeting of the relevant scrutiny committee.

2. Financial Implications

- 2.1 Service budgets will need to incorporate funding required for the procurements set out in this report.

The following to be considered by the appropriate project team as part of the business case and rationale for each procurement:

- How will best value from the procurement / contract be achieved
- How will the contract and supplier(s) be effectively managed in order to deliver saving targets that are incorporated into the MTP
- Whether funding is available the budget for the provision, after savings have been account for

3. Well-being and Health Implications

- 3.1 To be considered by the appropriate project team as part of the business case and rationale for each procurement.

4. Climate implications

- 4.1 To be considered by the appropriate project team as part of the business case and rationale for each procurement.

5. Other Implications

- 5.1 To be considered by the appropriate project team as part of the business case and rationale for each procurement.

6. Risk Assessment

6.1 Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

Level of risk per procurement to be considered by the appropriate project team as part of the business case rationale.

7. Equalities Impact Assessment

To be considered by the appropriate project team as part of the business case and rationale for each procurement.

8. Appendices

Appendix 1 – Procurement planned for 2021-22 – exceeding £500k

9. Background Papers

None

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix 1 - Contracts 2021/2022 where the contract value is expected to exceed £500,000

Contract Description	Directorate / Portfolio Lead	Executive Director	Contract Term (max)	DC Total Spend over Contract Term	Sourcing Strategy	Public Services (Social Value) Act 2012	Risk Category
Printing of Election and Electoral Registration Materials	Corporate / Cllr Gary Suttle	Aidan Dunn	4 years	£706,000	Tender	Yes	Medium
Supply of Rock Salt	Place / Cllr Ray Bryan	John Sellgren	4 years	£800,000	Tender	Yes	High
Vehicle and Heating Fuel and Oil	Place / Cllr Jill Haynes	John Sellgren	4 years	£11,200,000	Tender	Yes	Medium
Supply of Vehicle Tyres and Associated Services	Place / Cllr Jill Haynes	John Sellgren	4 years	£1,000,000	Tender	Yes	Medium
Supply of Vehicle Parts and Associated Services	Place / Cllr Jill Haynes	John Sellgren	5 years	£7,000,000	Tender	Yes	Medium
Supply of Civil Engineering & Construction Materials	Place / Cllr Jill Haynes	John Sellgren	4 years	£3,000,000	Tender	Yes	Medium
Road Surface Treatment DPS - Renewal	Place / Cllr Ray Bryan	John Sellgren	5 years	£10,000,000	Tender	Yes	Medium
Passenger Transport DPS - Renewal	Place / Cllr Ray Bryan	John Sellgren	4 years	£20,000,000	Tender	Yes	Medium
Apprenticeship DPS – Renewal	Corporate / Cllr Gary Suttle	Aidan Dunn	4 years	£1,000,000	Tender	Yes	Low
Block Contracts for Children's Home Placements in Dorset	People – Childrens / Cllr Andrew Parry	Theresa Levy	7 years	£42,000,000	Tender	Yes	High
Sessional and Specialist Assessment Framework - Children's Social Care	People - Childrens / Cllr Andrew Parry	Theresa Levy	4 years	£1,808,000	Tender	Yes	Low