

AGENDA ITEM

REPORT TO CABINET

12 December 2024

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET / KEY DECISION

Leader of the Council - Lead Cabinet Member – Councillor Bob Cook

PROCUREMENT PLAN / HIGHER VALUE CONTRACTS

SUMMARY

This report seeks approval from Cabinet for the award of planned higher value contracts where the value exceeds the limit on officer delegated authority and which are either funded within the approved MTFP/ Capital Programme or are subject to a bid for external funding.

REASONS FOR RECOMMENDATIONS/DECISIONS

To enable Cabinet to exercise its strategic oversight of higher value planned procurement projects, in accordance with the constitution.

RECOMMENDATIONS

That Cabinet

1. approves the contracts listed in Annex 1;
2. gives authority to the relevant Director or Assistant Director to make the specific contract award decision and any subsequent contract variation, annual inflationary uplifts (where allowed in the contract terms and conditions) and extension decision in accordance with the delegations listed in Annex 1;

DETAIL

1. The constitution defines a range of decisions that require a specific Cabinet approval, the financial threshold for which is set at a level of £500k or more. Annex 1 lists contracts that exceeds the financial threshold and have not otherwise been delegated to officers.

FINANCIAL IMPLICATIONS

2. The report includes higher value contracts expected to be awarded in the 2024/25 financial year. The expenditure committed as a result of these tenders/ quotes is planned and remains within the Council's approved budget/MTFP/ Capital Programme or is subject to a bid for external funding which will ensure that at the point of contract award funds are available within the MTFP.

LEGAL IMPLICATIONS

3. Notwithstanding Cabinet approval it remains the responsibility of officers to ensure that the correct processes within Contract Procedure Rules have been followed and that where applicable the Public Contracts Regulations 2015 as amended by The Public Procurement (Amendment) (EU Exit) Regulations 2020 are complied with.
4. Where the value of goods, services or works exceeds the threshold at which the procurement process must comply with the Public Contracts Regulations 2015 either a tender exercise or the use of a suitable framework agreement will comply with the Regulations.

RISK ASSESSMENT

5. There are several risks relating to procurement. Firstly, the Council spends a considerable amount of public money on goods, services and works. Having effective Contract Procedure Rules and ensuring compliance with the Public Contract Regulations 2015 can help mitigate the risk of accusations of corruption and help demonstrate value for money and transparency. Secondly, effective tender/ quote processes and contract management also reduce the risk of poor supplier selection and subsequent performance which can impact service delivery.

WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

None specifically.

BACKGROUND PAPERS

None

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Annexe 1

Contract Title: General Network Refresh	
<p>1. The council will call off from a suitable framework agreement to allow the Council to purchase a full refresh of all general network equipment.</p> <p>2. The call off contract will be on behalf of Stockton-on-Tees Borough Council, Darlington Borough Council and Tees Active Limited and will be across 80 sites.</p> <p>3. The new contract will commence Dec 2024 with an 18-month term. This project was originally scheduled for 25/26 and was dependent on the completion of Dunedin House and core switches being procured, so not originally submitted in March 2024 Cabinet Procurement Plan. Work is now able to commence in 24/25.</p> <p>5. Estimated contract spend (5 years) is circa £829,054 (SBC - £435,021, DBC £336,128, TAL £57,904).</p> <p>6. It should be noted that purchasing all of the network refresh equipment via this supplier will ensure volume discount.</p>	
Key Decision: Yes	Funding within MTFP/ Capital Programme: Yes
Delegated Officer: Garry Cummings, Deputy Chief Executive and Director of Finance, Transformation & Performance or Ian Coxon, Assistant Director (Xentrall Shared Services)	
Checks and Balances: In consultation with other appropriate officers for professional advice to include finance and procurement.	