

**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 expenditure on the contract listed in Annex 1;
2. approve an exception to Contract Procedure Rules to not access a pre-existing framework agreement for the purchase of the contract listed in Annex 1 and instead directly award a contract to Unit 4 through a negotiated procedure without a call for competition.
3. gives authority to the relevant Director or Assistant Director to finalise detailed terms and conditions 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. This contract was included on the Annual Procurement Plan approved by Cabinet in March 2024, however due the circumstance set out below, the contract requires additional approval.

2. The constitution includes Contract Procedure Rules which lay down the processes for procurement including the requirement to competitively tender for goods/ services and works or alternatively access pre-tendered framework agreements. The framework agreement available for this contract referenced on the Annual Procurement Plan does not provide value for money and there is insufficient time to undertake a full tender before the current system becomes 'unsupported' by end of 2024. Therefore, officers have entered into a negotiated procedure without a call for competition directly with Unit 4 and achieved a substantially reduced pricing framework.
3. To comply with the Public Contract Regulations 2015 and for transparency purposes, the Council is required to publish a Voluntary Ex-Ante Transparency Notice (VEAT) which provides the opportunity for the wider market to challenge the proposed decision to award a contract directly to Unit 4. For information, the challenge period is limited to 10 calendar days from the day after the notice is published. The contract cannot be concluded until after this period.

### **FINANCIAL IMPLICATIONS**

4. 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**

5. 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.
6. 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**

7. 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

**Name of Contact Officer:** Martin Skipsey  
**Post Title:** Assistant Director Procurement and Governance  
**Telephone No.** 01642 5356364  
**Email Address:** [martin.skipsey@stockton.gov.uk](mailto:martin.skipsey@stockton.gov.uk)

**Annexe 1**

<b>Contract Title: Finance ERP System</b>	
1. The council will enter into contract with Unit 4 to purchase a finance ERP system, due to the de-support of the existing hosted system at the end of 2024. The contract will be on behalf of Stockton Borough Council, Darlington Borough Council and Tees Valley Combined Authority.	
2. The contract will commence on 01/01/2025 with a 5-year term.	
3. The anticipated annual spend is circa £230k (Stockton costs 58%, Darlington costs 34.5%, TVCA 7.5%)	
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, Procurement and Legal Services.	