

## **Slough Borough Council**

<b>REPORT TO:</b>	Cabinet
<b>DATE:</b>	21 <sup>st</sup> September 2022
<b>SUBJECT:</b>	Update on the procurement forward plan for services in excess of £180,000 and works in excess of £1 million in 2022/23
<b>PORTFOLIO:</b>	Cabinet Member for Customer Services, Procurement and Performance – Councillor Ajaib
<b>CHIEF OFFICER:</b>	Steven Mair – Executive Director – Finance and Commercial (S151)
<b>CONTACT OFFICER:</b>	Clare Priest – Group Manager - Commercial
<b>WARD(S):</b>	All
<b>KEY DECISION:</b>	Yes
<b>EXEMPT:</b>	No
<b>DECISION SUBJECT TO CALL IN:</b>	Yes
<b>APPENDICES:</b>	'A' - List of services to be procured in 2022/23 in excess of £180k (services) and £1m (works) – updated and new contracts

### **1 Summary and Recommendation**

- 1.1 To seek authority from Cabinet for commencement of procurement for contracts of an estimated value of over £180k (services) and £1 million (works), that are proposed to be let in the 2022/23 financial year, detailed in Appendix A, this includes:
- the forward plan for services or works to be procured for the remainder of the financial year or before the cabinet meeting in April 2023, that were not identified in early 2022 when the May Cabinet report was written.
  - updates to contracts reported at May Cabinet where there have been significant changes, such as revised procurement start dates or contract values.

## **Recommendations**

Cabinet is recommended to:

- (a) authorise commencement of procurement for the list of goods, works or services set out in Appendix A;
- (b) delegate authority to the Executive Director for Place and Communities following consultation with the Cabinet Member for Customer Services, Procurement & Performance to award contracts, to the best value bidder, for the Bulk Liquid Fuels contract over £500k indicated in Appendix A, as requiring delegated authority to award contracts due to tight timescales involved.
- (c) delegate authority to the Chief Operating Officer following consultation with the Cabinet Member for Customer Services, Procurement & Performance to award contracts, to the best value bidder, for the Enterprise Resource Planning, corporate telephony, Wide Area Network, data centre hosting, cloud hosting of IT systems and disaster recovery of IT systems contracts over £500k indicated in Appendix A, as requiring delegated authority to award contracts due to tight timescales involved.

## **Reason**

- 1.2 To ensure that Cabinet has proper oversight of planned procurement activity and delegated authority is allowed where timescales are insufficient. As the Council improves its contract register and procurement planning, these delegations should not be required in the future.

## **Commissioner Review**

Commissioners have reviewed this report.

## **2 Report**

### **Introduction**

- 2.1 The Council has reviewed its contracts register to identify those contracts that are due for renewal or require a new procurement. This has enabled the Council to establish a procurement programme for 2022-23 and the forward plan was approved at May Cabinet. Further service plans have been developed, which have identified 6 additional contracts and 11 revised ones, and it is therefore necessary to bring an updated plan to Cabinet.

### **Options considered**

#### **Option 1:**

- 2.2 Approval of the updated procurement forward plan. The Council's contract procedure rules require cabinet authority for procurements with a total value of over £180,000 (services) and £1 million (works). This demonstrates good governance

and allows Cabinet to consider whether it wants further oversight of any specific proposals. This is the recommended option.

### **Option 2:**

- 2.3 To authorise each new procurement not reported at May Cabinet or since amended on a case by case basis. This would require separate cabinet reports setting out details of each procurement. Whilst this would allow more detail to be provided, this would result in a high number of individual reports. This is not an efficient use of Cabinet time and is not recommended. It should be noted that contracts for services valued over £500,000 and for works valued over £1million require a separate cabinet approval prior to award of contract.

### **Background**

- 2.4 The Council's Contract Procedure Rules require that each procurement project over £180,000 (services) and £1 million (works) must be on the forward plan approved by Cabinet to authorise commencement of procurement. For projects with a total value under £500,000 (services) or £1 million (works), the award of contract following procurement is delegated to an Executive Director. For any contract over these sums, a separate report will be presented to Cabinet seeking authority to award the contract.
- 2.5 The scope of some procurement exercises stated in Appendix A has changed significantly from that in the May cabinet report, and this is a supplementary report to cabinet that contains further details for approval.
- 2.6 Cabinet is reminded that to aid the Council in its improvement of contract management and visibility of procurement projects to cabinet, enhancements have been made to the collection of anticipated procurement activity data over £180,000 (services) and £ 1 million (works) for 2022/2023. This includes more detail on the deliverables and outcomes for each procurement, expected contract duration and timescales.

## **3 Implications of the Recommendations**

### **3.1 Financial implications**

- 3.1.1 The planned procurements set out in the Appendix are included in approved revenue budgets. For capital funded projects, the funding is included in the capital programme.

### **3.2 Legal implications**

- 3.2.1 In accordance with the Procurement Application and Authorisation Table set out in the Council's Contract Procedure Rules, all Service Contracts over £180,000 and Works Contracts over £1 million must be on the Forward Plan presented to Cabinet each year in order to authorise commencement of procurement. A report was presented in May 2022, however not all intended procurements were included on the procurement forward plan at that point. Appendix A sets out the new procurements

that require approval. This plan may need to be updated and approved throughout the year.

3.2.2 Full business cases should be reviewed by the Council's internal procurement review board. IT projects should also be reviewed by the Council's internal Information Governance Board. Any project funded by capital should be reviewed by the Council's Cabinet Monitoring board and included in quarterly reporting of the capital programme.

3.2.3 All service contracts over £100,000 should be sealed and contract documentation should be reviewed by HB Public Law. For works contracts, an appropriate model form contract such as JCT or NEC should be used.

3.2.4 As well as compliance with internal procurement rules, the Council must ensure compliance with procurement law. The procurement review board will consider this on a case by case basis.

3.2.5 The Council should also consider and build the following into procurement processes:

- stakeholder engagement
- efficient commissioning and sourcing arrangements
- best value considerations, including social and environmental value, as well as economic
- contract management.

### 3.3 Risk management implications

3.3.1 There are no specific issues arising directly from this report, however good forward planning will ensure that procurement activity is done in a timely way, which will lead to better value for money.

### 3.4 Environmental implications

3.4.1 There are no specific environmental implications arising directly from this report.

### 3.5 Equality implications

3.5.1 The equality implications will be considered on a case by case basis. The revised best value statutory guidance confirms that authorities should avoid imposing onerous contractual requirements on private and voluntary sector contractor, over and above those necessary to comply with the Equality Act 2010, as this can become a barrier to entry to the market for small and medium size firms and the voluntary sector. As part of commissioning arrangements, authorities are also expected to take steps to avoid commissioning services from individuals or organisations which actively or vocally oppose fundamental British values, including democracy, the rule of law, individual liberty, and mutual respect and tolerance of different faiths and beliefs; or which call for the death of members of British armed forces.

### 3.6 Procurement implications

3.6.1 A business case for each procurement project will be developed which will consider the most appropriate procurement route according to the Council's contract procedure rules, UK Procurement regulations and will need to follow public

procurement principles of value for money, equality of treatment, transparency, proportionality.

### 3.7 Workforce implications

3.7.1 Workforce implications will be considered upon the letting of each contract.

### 3.8 Property implications

3.8.1 Property implications will be considered upon the letting of each contract.

## **4 Background Papers**

None