

North Tyneside Council

Report to Cabinet

Date: 28 March 2022

Title: Procurement Plan 2022/2023

Portfolio: Finance and Resources	Cabinet Member: Councillor Martin Rankin	
Report from Service Area:	Commissioning and Asset Management	
Responsible Officer:	Mark Longstaff, Director of Commissioning and Asset Management	Tel: (0191) 6438089
Wards affected:	All wards	

PART 1

1.1 Executive Summary:

The Authority undertakes a wide variety of duties and delivers a vast range of services to the people of North Tyneside via third parties. In turn this means that the Authority continues to spend a significant proportion of its budget on goods and services. Following the return of the Procurement Service to the management of the Authority the opportunity has been taken to review and improve reporting practices.

In accordance with Contract Standing Order 8(5), as the procurements identified in appendix 1 will exceed individually £500,000, this report seeks approval to proceed with relevant procurement exercises throughout the financial year and award contracts in accordance with UK public procurement legislation to the most advantageous tenders. This will ensure contracts are procured efficiently and ensure value for money is achieved.

1.2 Recommendations:

It is recommended that Cabinet:

- 1) approve the procurement of the goods and services as detailed in appendix 1 of this report; and
- 2) delegate authority to the relevant Director in consultation with the relevant Cabinet Member, Director of Resources and Law and Governance to commence the procurements identified and award contracts to those bidders who submit the most advantageous tenders in accordance with UK public procurement legislation.

1.3 Forward Plan:

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 4 February 2022.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021 - 2025 Our North Tyneside Plan. The plan features five themes that reflect priorities aimed at creating a North Tyneside that is thriving, family-friendly, caring, secure and green. The thriving policy priority includes:

- (1) We will review how the Council purchases and contracts for goods and services to maximise value for money, social value and environmental sustainability.

1.5 Information:

1.5.1 Background

The Authority continues to spend a considerable sum on third party goods and services. The Authority's constitution requires that prior to any procurement commencing which exceeds £500,000 Cabinet approval must be obtained. Following the return of the Procurement Service to the management of the Authority the opportunity has been taken to review and improve reporting practices. To date individual reports were previously presented for Cabinet approval; once the budget is approved by Council the third-party requirements are known. The procurement exercises which will commence in the financial year 2022/2023 have been identified and are set out at appendix 1, the contract start date may be in the subsequent year due to the procurement lead in time. This approach will ensure timely procurements whilst continuing to maintain value for money. The Local Government Association issued the National Procurement Strategy in 2021, this guidance advised that local authorities should develop a pipeline of procurements, this will help the market place prepare to tender for opportunities as they arise.

1.5.2 Procurement Process

The Authority adopted its Procurement Strategy in 2017. Utilising the social value principles within the Procurement Strategy, the Authority will gain commitments of local employment and apprenticeships whenever applicable. This will contribute to the economic recovery of North Tyneside in the wake of the Covid crisis. The Authority's tendering process will be streamlined, and better information will be provided to the market. Where appropriate, lower value tenders will be issued. The Authority has seen an increase in the number of Small and Medium Enterprise's (SME's) and local suppliers it is procuring with. In 2020/21 the Authority spent with 1932 SME's and 752 suppliers within North Tyneside, whereas in 2021/22 the Authority spent with 2021 SME's and 801 suppliers within North Tyneside. The procurement exercises due to commence in 2022/23 will continue to give SME's and local suppliers the chance to work with the Authority, again enabling and encouraging smaller businesses. Working with the Business Forum and North East Procurement Organisation (NEPO), bespoke workshops will be developed to support SME's. The principles set out in the Authority's Responsible Procurement Charter will be embedded in the tender requirements. If approved the Procurement Strategy 2022-2025 will underpin the principles of the procurement process.

The relevant service area will develop tender packages and robust specifications to ensure that the Authority is protected in terms of financial and commercial risk. The

majority of procurements will be carried on an open basis as defined within the Public Contract Regulations 2015. Any pre-existing regional frameworks will be utilised as appropriate. The duration of the contract will be considered to help shape new and emerging markets; lessons learned from any previous contracts will be considered when developing the tender package. Relevant existing frameworks will be explored if appropriate to the contract. Collaborative regional working will be explored if appropriate to the contract. The contract award criteria will be developed considering social value as appropriate. Packages will be developed to support the economy in the recovery of Covid-19.

1.5.3 Consultation

Consultation prior to commencing a procurement exercise with the relevant Cabinet Members is key as this will ensure that the Authority Priorities are achieved through its contracting arrangements. The Authority's finance team will be engaged to identify any budgetary risks associated with the delivery of the service and any potential mitigations. The Authority's legal team will review the procurement process and the terms and conditions for each procurement to ensure the procurement complies with all UK procurement legislation and the Authority mitigates any commercial risk. Consultation and engagement with the market and any relevant associations will take place to ensure that the offer to the market is attractive and that a market exists to deliver the goods and services.

1.5.4 Award of contracts

An evaluation team consisting of subject matter experts and the procurement team will evaluate each bid received against the published award criteria and in accordance with UK public procurement legislation. Prior to award of any contract the evaluation result will be provided to the relevant Director to approve the award together with financial assurance that the contract value will remain within existing budgets.

The rationale behind the appropriate Director awarding contracts at the end of each procurement exercise will be duly recorded in compliance with the Openness of Public Bodies Regulations 2014.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may approve the recommendations set out in paragraph 1.2 to carry out the necessary procurement exercises during the 2022/2023 financial year.

Option 2

Cabinet may not approve the recommendations and continue to consider individual reports for each package of works and/or services. This may delay implementation of essential services and works being carried out.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

The Authority has a duty to obtain value for money. Tendering the opportunities identified in the report will meet the priorities contained within the Procurement Strategy and Our North Tyneside Plan.

1.8 Appendices:

Appendix 1: Procurement Plan 2022/2023

1.9 Contact officers:

Mark Longstaff– Director of Commissioning and Asset Management. Tel 0191 6438089
Sarah Heslop – Strategic Commercial and Procurement Manager. Tel 0191 6435456

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) [Local Government Association Procurement Strategy](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The procurement of suppliers and contractors to complement the Authority's delivery needs is a critical part of the process to enable the successful delivery of key services.

The budgets to pay for the costs of suppliers of goods and services are provided for either via the Housing Revenue Account Business Plan, the General Fund or the Capital Investment Plan.

2.2 Legal

The procurements shall be carried out in compliance with the Authority's Contract Standing Orders and Public Procurement Regulations 2015 and all other procurement legislation that may be enacted or in force from time to time.

As the estimated costs of the work/services to be procured are over £500,000 Cabinet approval is required to enable the procurement set out in appendix 1 to be progressed.

As stated in the report, there will be a requirement for the appropriate Director when exercising the specific delegated authority given to them by Cabinet to award contracts, to record the rationale behind taking their decision in a Delegated Decision report and Record of Decision in accordance with the Openness of Public Bodies Regulations 2014.

2.3 Consultation/community engagement

Consultation has been carried out with Cabinet Members. Consultation will take place with relevant business associations regarding the tender opportunities.

Where appropriate market engagement events will be undertaken prior to the tender process commencing.

2.4 Human rights

There are no human rights issues directly arising from this report

2.5 Equalities and diversity

There are no equality and diversity issues which arise directly from this report.

Equality and diversity issues will be assessed when developing the individual service specifications for each procurement and due regard will be given to the public sector equality duty under the Equality Act 2010 before awarding specific contracts.

2.6 Risk management

Any risk management issues are included within the Authority's risk register and will be managed by this process.

2.7 Crime and disorder

There are no crime and disorder issues directly arising from this report.

2.8 Environment and sustainability

Where appropriate tenderers will be obliged to commit to social value outcomes including carbon reduction and recycling to assist with the climate emergency declaration.

PART 3 - SIGN OFF

- Chief Executive
- Director(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Assistant Chief Executive