

Guildford Borough Council

Report to: Executive
Date: 9 January 2025
Ward(s) affected: All
Report of Strategic Director of: Finance
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Lead Executive Member: Cllr. Richard Lucas
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Status: Open
Key decision: No

Procurement Pipeline and Delegation of Authority to award contracts

1.0 Executive Summary

- 1.1 The Council defines a key decision, in terms of procurement, as those with a financial consequence of £200,000.
- 1.2 Under the new Contract Procedure Rules (CPRs) approved by Council earlier this year, Executive authorisation must be sought by Procurement to tender for and award contracts with a value greater than £200,000.
- 1.3 This report:
 - 1.3.1 Seeks authority to commence procurement activity with a value greater than £200,000 as listed in Appendix 1. These are in addition to the procurement pipeline approved by Executive on 3 October 2024.
 - 1.3.2 Seeks approval of the suggested approaches to sign-off the award of contracts for the procurements listed in Appendix 2.
 - 1.3.3 Seeks delegated authority for the Strategic Director for Finance and Resources to proceed to procurement in consultation with the Lead

Councillor for Finance and Property where there have been minor financial adjustments to the anticipated costs, or proposed minor changes to the timescales, as set out in this report in Appendices 1 and 2.

2.0 Recommendation to Executive

The Executive is asked to:

- 2.1 Approve the procurement procedures listed in Appendix 1 to this report;
- 2.2 Delegate authority to the Strategic Director for Finance and Resources to proceed to procurement in consultation with the Lead Councillor for Finance and Property where there have been minor financial adjustments to the anticipated costs, or proposed minor changes to the timescales, as set out in Appendices 1 and 2; and
- 2.3 Delegate authority to award the contracts as listed in the final column of the table in Appendix 2 to this report.

3.0 Reasons for Recommendations

- 3.1 Executive authority is required to approve all key decisions with financial consequences of £200,000 or more. It is good governance therefore to provide Executive with a summary of all proposed forthcoming procurements, that individually are estimated to amount to a total value of £200,000 or more, prior to procurement procedures formally commencing.
- 3.2 Planning procurement activity ensures:
 - effective stakeholder management
 - effective procurement and sourcing
 - compliance with relevant procurement legislation and the Council's own CPRs
 - how best value is to be achieved is clearly defined including how contract management will ensure that the Council attains best value during the life of the contract.
- 3.3 As Executive authority is required in respect of the award of any contract above £200,000, Appendix 2 to this report recommends three approaches to signing off such contracts:

- Executive
 - Delegation to Portfolio Holder and S151 Officer
 - Delegation to S151 Officer
- 3.4 The proposals in this report will avoid the need to submit multiple individual requests for approval to procure and award contracts, therefore being more agile in the approval process in relation to procurement activity.

4.0 Status of Report

No part of this report is considered to be exempt.

5.0 Strategic Priorities

This report helps meet various strategic priorities of the Council as planning procurements in a strategically forward planned manner, well in advance, reflects a well-managed council. In addition, by strategically planning we can seek every opportunity to reduce our procurement timescales and consider how to attract suppliers to do business with us. We also design our procurement activities in such a way that they do not have any perceived barriers to small medium enterprises (SMEs) and the voluntary, community and social enterprise (VCSE) sector including local suppliers; a requirement under public sector procurement legislation which will have a stronger obligation under the forthcoming Procurement Act 2023. Moreover to explore opportunities to collaborate with Waverley Borough Council and looking how we can be more innovative in how we procure and contract.

6.0 Background

- 6.1 Prior to the CPRs being introduced, authority to enter into contracts was delegated to different individuals.
- 6.2 The CPRs now require that Procurement obtain Executive approval prior to tendering for any contract over £200,000 and authority for any award.
- 6.3 Procurement are now establishing a pipeline of activities to be undertaken over the short and medium term, which will enable

Procurement to prioritise their resource, as a shared function, to both Guildford Borough Council and Waverley Borough Council.

- 6.4 As with other local Councils (e.g. Surrey County Council) it is considered good practice to submit a forward procurement plan (i.e. Procurement Pipeline) to Executive to obtain permission to proceed to tender and delegate contract award (where appropriate), rather than submit individual items as and when required.
- 6.5 There is also the potential that if in year spend on Suppliers is greater than £100m, under the Procurement Act 2023, the Council would have to publish individual pipeline notices of future procurement activities, over 18 months, which have an estimated value over £2m. This is an additional reason why, as a Council, there is requirement to strategically forward plan procurement activity.
- 6.6 This report does not commit the Council to undertaking the procurements in the list, nor use the route to market stated, and it is possible that items may be withdrawn, expedited, or deferred.
- 6.7 This paper only seeks to obtain the necessary approval from Executive for permission to tender and award contracts as required under the CPRs. All other governance required (e.g. financial approval, any board approval necessary) is out of scope of this report.

7.0 Options

7.1 The following options considered by this report are:

For permission to tender:

- a) Bring a consolidated pipeline of procurement activity at periodic intervals, saving Officer and Executive time, and reducing the time taken to procure, reflecting a more strategic planned approach.
- b) Bring each individual item to Executive, which will incur more time and cost writing individual reports.

For Contract Awards:

- a) Seek delegated authority for selected procurements to be given as per Appendix 2, saving Officer and Executive time, and reducing the time taken to contract award following conclusion of procurement activity.
- b) Bring each individual item to Executive, which will incur more time and cost writing individual reports.

8.0 Consultation

Any public consultation required for each tender (e.g. Section 20 for Housing Contracts, Public Sector Equality Duty) will be conducted at the appropriate time pre-tender.

9.0 Key Risks

- 9.1 The major risk is that the new CPRs will require more resource from Procurement to draft papers for Executive, and more resource from services areas as well being the subject experts of the requirements needed to be procured.
- 9.2 Failure to adopt the recommendation will mean longer timelines to procure goods, services and works for the Council.
- 9.3 Without planned procurement pipelines and approvals there is a heightened risk of non-compliant spend as contracts may expire prior to procurement taking place within timely and manageable timelines. Also will reduce our ability to be pro-active in early market engagement with suppliers and explore opportunities in relation to how we procure and contract with suppliers.

10.0 Legal and Governance Implications

There are no legal implications for this report as this is in relation to our internal governance. Any legal implications specific to each procurement will be considered by the relevant project team as part of the business case / project initiation and rationale for each procurement.

11.0 Financial Implications

There are no financial implications for this report, financial approval will be sought prior to any tender commencing. Implications to be considered by the relevant project team as part of the business case / project initiation and rationale for each procurement.

12.0 Human Resources Implications

There are no HR implications for this report. Implications to be considered by the relevant project team as part of the business case / project initiation and rationale for each procurement.

13.0 Equality and Diversity Implications

No Equality and Diversity Implications for this report. Implications to be considered by the relevant project team as part of the business case / project initiation and rationale for each procurement.

14.0 Climate Change and Sustainability Implications

No climate change implications for this report. Implications to be considered by the relevant project team as part of the business case / project initiation and rationale for each procurement.

15.0 Next Steps

If approved, Procurement and the Services will proceed to market for the procurements listed in Appendix 1 and to proceed to award in due course for the procurements listed in Appendix 2.

16.0 Background Papers

None.

17.0 Appendices

Appendix 1 – New inclusions for Procurement Pipeline

Appendix 2 – Proposed delegated authority

Report clearance progress:

Portfolio Holder	Cllr Richard Lucas	20 December 2024
Strategic Director	Richard Bates	20 December 2024
Finance	Jo Knight	20 December 2024
Governance	John Armstrong	20 December 2024
Legal	Tom Edwards	20 December 2024
Human Resources	Francesca Chapman	20 December 2024
Equalities	Ali Holman	20 December 2024