

Categories and Terminology – explanatory note to Annex 1

This note explains the new arrangements made in section 1.6 of the new Procurement and Contract Standing Orders.

Under previous arrangements, members were asked to approve the award of contracts over £500k. This sometimes meant that it was too late for members to influence the outcome effectively.

The new Orders put an Annual Procurement Forward Plan (APFP) before Cabinet, which provides early visibility of what procurement activities will be carried out, allowing much more time for discussion with the Services concerned.

All the contracts in the plan have been classified under the three categories:

Renewal of Existing: to fulfil a continuing requirement by a new contract or contracts

Replacement with New Service: where requirements have changed, through a different strategy being adopted such as moving to a digital service, to seek different contracts

New Procurement Requirement: where a need for new service has been identified

Cabinet is asked to provide 'Approval to Procure' for the projects listed on the Interim Procurement Forward Plan, which means that contracts can be sourced and awarded without further individual Cabinet member or Cabinet approval at the award stage provided they are within +/-5% of the agreed budget. However, the early notice of the projects means that members are able to shape the strategy with Services before the project begins, and to receive updates on progress from the Services during projects.

Annex 1 - Annual Procurement Forward Plan for financial year 2020/21 is attached to the Cabinet report

Please note the contract values included in Annex 1 are aggregated over the contract duration (including any in-built extensions) and based on a 4 year period for the majority of contracts.

The **rows highlighted in grey** in Annex 1 are where officers have made an initial indication of those contracts that could be of interest to Members (i.e. Cabinet could choose to reserve the right to review the commissioning and procurement strategy before going out to market).

The APFP for FY2021/22 will be developed next year during the business planning cycle alongside commissioners and planners, to ensure good alignment with Service strategies and the priorities set by the Council, and to enable the cost of contracts to be factored into budgets.

Unplanned projects arising during the year will require an individual Approval to Procure.

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