

## ABERDEEN CITY COUNCIL

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|---------------------------|---|
| <b>COMMITTEE</b>          | Strategic Commissioning Committee   |
| <b>DATE</b>               | 24 February 2022  |
| <b>EXEMPT</b>             | <p>Not exempt:</p> <ul style="list-style-type: none"><li>- Covering Report</li><li>- Appendix 1 – Workplan Public</li><li>- Appendix 3 – Summary of 4.1.3 Forms</li></ul> <p>Exempt: Yes – Paragraph 8</p> <ul style="list-style-type: none"><li>- Appendix 2 – Workplan Private</li><li>- Appendix 5 – 12 Business Cases</li></ul> <p>The exempt appendices refer to the amount of expenditure proposed to be incurred under contract for the supply of goods or provision of services, disclosure to the public of the amount referred to would likely give an advantage to a person or organisation entering, or seeking to enter, into a contract with the Council.</p> |
| <b>CONFIDENTIAL</b>       | No  |
| <b>REPORT TITLE</b>       | Work Plan & Business Cases – Revenue  |
| <b>REPORT NUMBER</b>      | COM/22/056  |
| <b>DIRECTOR</b>           | Gale Beattie  |
| <b>CHIEF OFFICER</b>      | Craig Innes   |
| <b>REPORT AUTHOR</b>      | Melanie Mackenzie   |
| <b>TERMS OF REFERENCE</b> | 3.1.1   |

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement workplans where expenditure is included for the Customer, Operations and Resources Functions to committee for review and to seek approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

### 2. RECOMMENDATIONS

It is recommended that the Committee: -

- 2.1 reviews the workplans as detailed in the Appendices;
- 2.2 approves the procurement business cases, including the total estimated expenditure for the proposed contracts; and
- 2.3 notes the content of Appendix 3 –Summary of 4.1.3 Forms (Technical Exemption).

### 3. BACKGROUND

- 3.1 The ACC Procurement Regulations 2021 require that authority to incur expenditure must be sought prior to any invitation to tender or contract entered

into. The method of authorising depends upon the contract value, with contracts above £50,000 (supplies/services) or £250,000 (works) to be listed on a workplan with an associated Procurement Business Case and submitted by the relevant Chief Officer to the Strategic Commissioning Committee (Revenue budget only), and/or to City Growth and Resources Committee (Capital and Capital with Revenue implications). The approval of the applicable Committee is required prior to the procurement being undertaken.

3.2 The ACC Procurement Regulations 2021 also require that if aggregated expenditure via framework agreements will exceed £50,000 (supplies/services) or £250,000 (works), then the authority of the Strategic Commissioning Committee to incur the expenditure must be obtained in advance of the applicable thresholds being exceeded. Aggregate expenditure via framework agreements will be reported annually by the Commercial & Procurement Shared Service where expenditure is recurring, though expenditure will be cross council in many cases.

3.3 Committee is asked to review the Customer, Operations and Resources Functions work plans and to approve the expenditure detailed in the Procurement Business Cases appended to the report.

#### 4. FINANCIAL IMPLICATIONS

4.1 The indicative value of the proposed contracts is shown within the workplan in the Appendices. The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach. The refreshed approach to governance ensures that all contracts are aligned to the approved budget provision for each financial year with controls in place for flexibility if required. This also assists the Council in meeting its statutory duty to keep a Contracts Register.

#### 5. LEGAL IMPLICATIONS

5.1 The contracts shall be procured in accordance with procurement legislation and the Commercial Legal Team within C&PS shall provide legal advice where necessary.

#### 6. MANAGEMENT OF RISK

| Category       | Risk  | Low (L)<br>Medium (M)<br>High (H) | Mitigation  |
|----------------|---|-----------------------------------|---|
| Strategic Risk | Contract expectations not being monitored/managed | M                                 | Employees involved in Procurement Activity are required to complete online training modules in Contract Management. |

|                            |   |   |  |
|----------------------------|---|---|--|
| <b>Compliance</b>          | Failure to comply with internal procurement regulations and procurement legislation | L | Engagement with the Commercial Legal Team within the Commissioning Function.                   |
| <b>Operational</b>         | Unable to control demand  | M | Ongoing focus on demand reduction strategies, contract terms developed to be more flexible     |
| <b>Financial</b>           | Escalation of costs   | L | A strong focus on value for money in all commissioning activities.                             |
|                            | Differing market conditions depending on commodity/service                          | M | Use of Business Intelligence to help predict market changes and trends.                        |
| <b>Reputational</b>        | Insufficient information provided by officers, lack of transparency                 | M | A scrutiny process has been established to ensure sufficient/relevant information is provided. |
| <b>Environment/Climate</b> | Failure to consider sustainable options.  | L | Ensure all contracts consider environmental considerations.                                    |

## 7. OUTCOMES

| <b><u>COUNCIL DELIVERY PLAN</u></b>                 |  |
|---|--|
|   | <b>Impact of Report</b>  |
| <b>Aberdeen City Council Policy Statement</b>       | The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.                          |
| <b>Aberdeen City Local Outcome Improvement Plan</b> |  |
| Stretch Outcomes (Prosperous Economy/People/Place)  | Community Benefits requirements are incorporated into all ACC Procurement Activity, consideration is given to the Stretch Outcomes within the LOIP at the development phase. |
|   |  |

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|--|---|
| <b>Regional and City Strategies</b>                      | The proposals within the business cases appended to this report support Key Regional and City Strategies, details of anticipated outcomes are contained within each the business cases. |
| <b>UK and Scottish Legislative and Policy Programmes</b> | Each of the business cases appended to the report contains details of the legislative and policy programmes to be complied with.  |

## 8. IMPACT ASSESSMENTS

| <b>Assessment</b>                        | <b>Outcome</b> |
|--|----------------|
| <b>Impact Assessment</b>                 | Not required   |
| <b>Data Protection Impact Assessment</b> | Not required   |

## 9. BACKGROUND PAPERS

None.

## 10. APPENDICES

### **Public**

Appendix 1 – Workplan Public

Appendix 3 – Summary of 4.1.3 Forms

### **Private**

Appendix 2 – Workplan Private

Appendix 4 – Business Case Priority Families Service

Appendix 5 – Business Case Cashless Catering System

Appendix 6 – Business Case Additional Supports Needs Advisory Project

Appendix 7 – Business Case Childminder Support Service

Appendix 8 – Business Case Intensive Support Service for Children

Appendix 9 – Business Case Early Help to Children, Young People & Families

Appendix 10 – Business Case Children’s Residential Care Framework

Appendix 11 – Business Case Wi-Fi Hardware and Services for Cults Academy

Appendix 12 – Business Case – AD Plant Feedstock Supply

## 11. REPORT AUTHOR CONTACT DETAILS

|                      |  |
|----------------------|--|
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