

Cambridgeshire and Peterborough Fire Authority
Procurement Strategy 2006 - 2009

INTRODUCTION

Cambridgeshire and Peterborough Fire Authority (The Authority) is committed to ensuring that the delivery of service to the community it serves is performed in the best possible way. A strategy for the procurement of external goods and services is considered to be of paramount importance to support this goal.

The Local Government Act 1999 placed a requirement to achieve Best Value on Fire Services. This, in conjunction with the National Framework for Fire Authorities, requires every Fire Authority to consider all relevant options for the delivery of its goods and services to ensure best value and continuous improvement are achieved.

The Authority's strategic objectives are defined in the Corporate Plan, which sets out the actions that the Authority and its key partners will take to deliver an effective and responsive Fire and Rescue Service.

Other key plans which have an impact on this procurement strategy include the Fire Authorities Financial Strategy, Integrated Risk Management Plan, Equality and Diversity and Asset Management Plans as well as Local Strategic Partnership and collaborative arrangements.

THE PROCUREMENT STRATEGY

The aim of this Strategy is to promote and establish the importance of all purchases taking place within a corporate procurement framework of best practice, that achieves probity, value for money and continuous improvement, whilst conforming with the Authority's Regulations and EU directives to support the delivery of the Corporate Plan. Within this framework, the Finance and Contract Management Group will operate to:

- Support the objectives of the Authority in devolving responsibility to District Manager, Heads of Groups and budget holders in determining which goods and services are needed for operational and other requirements;
- Set out rules on probity and public accountability to help protect or reduce the Authority against risk and litigation.

This Strategy will only succeed with the co-operation and support of the Senior Management Team, Elected Members and all other officers and staff who currently have an involvement in procurement.

THE FIRE AUTHORITIES OBJECTIVES ARE TO:

- Purchase goods and services from suppliers that provide value for money including the use of eProcurement;
- Purchase goods and services from suppliers that operate sound environmental policies and whose national and international practice is ethically sound;
- Purchase goods and services from suppliers who have a commitment to equality of opportunities for their workforce, their suppliers and their customers;
- To assist the development of small and medium size enterprises represented within the regions diverse communities and encourage them to tender for Fire Authority Contracts;
- Develop partnerships where appropriate with expert businesses;
- Secure its purchase of goods and services as efficiently and effectively as possible;
- Where possible use collective bargaining power of the region or FiReBuy to secure economic high value purchases;
- Secure fair employment terms and conditions of service for employees delivering in house or externalised services.

ACTION PLAN – THE FIRE AUTHORITY WILL ACHIEVE THESE OBJECTIVES BY:

- Establishing and maintaining a select list of providers of goods and services to ensure fast track and open procurement procedures for smaller scale contracts;
- Joining Office of Government Commerce Buying Solutions (OGC), Blue Light Procurement Database (BLPD) in addition to purchasing through Eastern Shires Purchasing Organisation (ESPO) to enable fast track and open procedures for larger scale contracts;
- Integrating its environmental and equal opportunity policies within its procurement code, including building in clear tender evaluation criteria;
- Monitoring and reporting on its letting of contracts to have a visible picture of spend across the organisation available for audit and review;
- Effective contract management and measure in place to address areas of non compliance;
- Following best practice on nurturing supplier diversity;

- Devising an annual plan of procurement requirements and tender opportunities to be advertised on the website;
- Issuing and following best practice guidance along with “Intelligent Customer Training” to District Managers and Heads of Groups.

ROLE OF CONTRACT AND PROCUREMENT SERVICES IN ACHIEVING THE AIMS OF THE AUTHORITY

Within this strategy, Contract and Procurement Services (C&PS) must play a key role in all procurement issues, considering corporate objectives and the Integrated Risk Management Plan whilst including equality, sustainability and environmental issues. In addition, C&PS should develop effective (but reciprocal) integration with other strategies, such as ICT, Property and Estates Management, Fleet and Equipment Services, Human Resources, etc. and work in collaboration with budget holders and stakeholders to:

- Encourage collaboration across the Authority and, where possible, the region to deliver best value services and build capacity
- Embrace joint procurement initiatives between Districts, Local Authority's and regional partners wherever appropriate to secure economies of scale
- To influence employer practice by supporting fair employment terms in all procured contracts.
- Actively support supplier diversity initiatives
- Dynamically support environmentally sound provisions in all procured contracts
- Provide a sound competition policy guiding decisions on in-house or externalised service provision based on best value and quality.
- To adopt and adhere service wide to procurement best practice and codes of ethics.
- To assist in buying and sourcing strategies for strategic, operational , routine and bottleneck goods and services; (regularly reviewing Options);
- Put in place corporate controls, decision-making frameworks and flow charts for District Managers/Heads of Groups, Budget Holders and Contract and Procurement Services to work within;
- Set up a procurement sourcing group to maintain controls at critical points of the buying process (pre-tender, tender, evaluation, award, and requisitioning);

- Review and amend Contract and Procurement Policy & Procedures detailing the role and actions of Contract and Procurement Services and devolved budget holders.
- Market & disseminate information: Contract and Procurement Services will actively market the procurement function, assist with research on products and services and provide suitable information and access to databases to assist District Managers/Heads of Groups and budget holders in making effective procurement decisions.
- Establish a procurement sourcing group at District/Heads of Group level to take responsibility for the procurement objectives.

MECHANISMS

The Service has revised the Contract Management Standing Orders and developed a procurement guidance note which sets out detailed organisational procedures and best practice for procuring goods and services

This guidance note sets out

- The financial thresholds for purchasing goods and services
- The Authority's terms and conditions of contract
- The procedure for opening tenders, evaluating and letting contracts
- The non commercial considerations that need to take place in advertising tenders and tender evaluation

GOOD PRACTICE

The Authority subscribes to the Fire Service National Procurement Strategy on the principles of good procurement, namely:

- Procurement processes should provide for sufficient information to form a view of potential service providers competence
- Potential service providers should understand clearly from the outset what categories of information and standards may be expected, in the first instance from the website and once into tendering stage be provided with adequate accurate and timely information at all the relevant stages of the procurement process.

- All potential service providers will be subject to the same requirements to ensure fair competition and shall be treated equally and with transparency throughout the procurement process.
- Where possible to use output specifications, therefore avoiding to take too narrow a view of how the service might be delivered as this may limit the options and deter potential providers. Standard terminology should be used.
- To ensure that procurement procedures have been undertaken in an open and transparent manner the Fire Authority will ensure that bidders are fully aware of the basis for bid evaluation and that all stages of the procurement process are recorded and easily auditable with reference to the policies on evaluation of tenders and awarding of contracts – these documents will be made publicly available on the authorities website and made available to all bidders.

COMPETITION POLICY

The Authority has no presumption on the best mode of service delivery whether this is through in house services, externalised services, partnership or shared service arrangements. Its policy is to:-

- Procure contracts through open competition
- Determine contracts based on best value, quality and most effective delivery of service.

For very high risk/high value consideration shall be given to collaborative arrangements.

Existing partnerships/collaborations and contracts are not exempt from the competition requirement and will be reviewed regularly to assess whether they continue to deliver best value or whether changes should be made.

CONTRACT MONITORING

At least annual reviews of existing contracts for goods and services, ensuring specifications are correct, products and services are being delivered and are meeting requirements through a “Contracts Data Base”

Regular reviews with budget holders, customers and suppliers to identify any areas for best value and continuous improvement to goods and services;

Use of 'benchmarking' with similar Fire Authorities, emergency services and other organisations, to compare costs of not only bought-in goods and services, but also internal structures and techniques;

CONTROLS, STANDARDS AND RISK MANAGEMENT

To ensure that procurement processes are legal, ethical and transparent and that risk in procurement activity is managed appropriately, risk management of contracting with suppliers will be explored, this will include provision that previous experience outside of this country or that suppliers without long term experience but able to demonstrate capability will be considered.

In these circumstances the need to demonstrate financial and economic standing by requesting three years final accounts will be reviewed to introduce some flexibility and hence avoiding discriminating against smaller and new suppliers and minority groups.

EQUALITY AND DIVERSITY AND INCLUSION

This Authority will promote procurement practices and policies which contribute to the Authorities priorities on diversity equality and inclusion and will therefore encourage applications for inclusion in its tendering processes from all diverse communities and minority groups. It will seek to appoint contractors who are committed to promoting equality of opportunity in their own employment practices and service delivery methods and who can demonstrate the ability to assist the Authority achieve its statutory responsibilities in this important area.

Monitoring will take place on the diversity of businesses securing contracts and fair employment provisions will be required in all C&PFA contracts and supplier policy statements will form part of the evaluation criteria of tenders.

Safeguards will be built into relationships with contractors and providers to ensure good practice as regards to race, sex and disability discrimination and ensure the Authority fulfils its duties under Race Relations Act.

FAIR EMPLOYMENT

The Authority does not seek the procurement or outsourcing of services driving down terms and conditions of service for employees.

The Authority therefore will invite tenders from contractors who are prepared to employ the staff engaged on the contract work on the terms and conditions of service which are no less favourable than those of the Authority. For this purpose, terms and conditions of service shall include all provisions relating to salary, benefits, entitlements, hours of work, holiday entitlements and pension rights.

The Authority will consider such tenders in so far as they are compatible with achieving best value.

PARTICIPATION IN THE NEW NATIONAL PROCUREMENT STRATEGY

The Authority will both continue and seek to collaborate nationally and/or with other regions, Authorities and agencies, where it is most economically advantageous to do so.

The Authority has already begun work with other Authorities within the Eastern Region and beyond for goods and services, which could be procured through collaborative arrangements.

PURCHASING CARDS

The Authority seeks to issue procurement cards further into the organisation as an alternative method of paying for low value infrequently supplied goods in order to streamline the order and payment processing, therefore reducing volume of invoices and paperwork and assisting small businesses by faster payment terms.

STANDARDISATION OF GOODS AND SERVICES

The Authority will support standardisation taking precedence over individual preferences, resulting in a:

- reduction in the number of suppliers and contractors used;
- reduction in costs through economy of scale;
- reduction in the number of orders raised and invoices processed; and
- simplification of the monitoring processes (i.e. fewer contracts).

SUSTAINABILITY

Although the primary aim of procurement must be to achieve value for money the Authority will positively encourage legitimate requirements that influence the development and use of goods and services that are more sustainable.

The Authority shall seek to minimise the environmental impact of its purchases / procurement through the adherence to environmental and sustainability purchasing guidance. It will seek to ensure that all suppliers and contractors have relevant policies wherever possible and are working towards EMAS or an equivalent.

The Authority will seek to ensure that in all contract work the environmental/ sustainability dimension is fully taken into account, as an integral part through specification drafting, pre-tender / tender evaluation criteria and contract conditions that give adequate prominence to the environmental dimension.

Contract monitoring methods will be established to ensure that the desired impact takes place and assistance offered to existing suppliers to make progress in this area.

TRAINING AND ADVICE

This Strategy can only be delivered with training given to staff at all levels who are involved in procurement. Therefore the Authority will ensure a structured approach to education, training and development of skills and capabilities for those with procurement responsibilities to better understand and explore supply markets and make use of innovative procurement processes through training and issuing of guidance notes to support an interactive flow chart for use by budget holders. The training should cover:

- best practice purchasing techniques;
- responsibilities of budget holders and Contract Services;
- overview of EU directives, Standing Orders, Contract Procedures and Policy;
- role of procurement in achieving the Authority's Best Value objectives and outcomes;
- on-going training to keep staff updated (i.e. continuous staff development).

SUMMARY

Authorities most likely to achieve VFM and Best Value solutions from procurement, exhibit the following characteristics:

- An overarching procurement strategy linking to clear guidance notes and policies;
- employment of CIPS professionally trained procurement specialists;
- procurement staff actively advising on/ involved in major procurement decisions;
- appropriate management information system that includes an integrated Financial & Purchase Ordering/Stock Control system; and contract register and
- devolved budget holders working within a clearly defined framework of policies and procedures to support them in their specialist roles.

The Authority will strive to achieve these characteristics as it recognises the importance of procurement in the delivery of service to the communities it serves.