

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**30 NOVEMBER 2009**

1. **REVISION TO PROCUREMENT STANDING ORDER**

Joint report of the Chief Fire Officer and Clerk.

RECOMMENDED

- 1.1 THAT the Authority approve the revised Procurement Procedure Standing Order attached as Appendix 1 to this report.
- 1.2 THAT the Authority approve the revised terms of reference for the Executive Committee attached as Appendix 2 to this report.
- 1.3 THAT the revised tender acceptance process be reviewed after 6 months of operation and that a report on the review be submitted to the Audit Committee for consideration.

2. **PURPOSE OF REPORT**

This report is submitted to Members to seek approval to amend Standing Order 1/8 Procurement Procedures, particularly in relation to the submission, opening, registration and acceptance of formal tenders and changes to the financial thresholds for quotations and tenders in order to streamline the process.

3. **BACKGROUND**

- 3.1 At the Authority meeting on 3 December 2007 it was agreed that the Corporate Procurement Manager would review Standing Order 1/8 and the provision of procurement guidance to the Service and present any amendments to the Authority. This report seeks approval for these amendments.
- 3.2 Tenders in excess of £100,000 are currently opened by the Clerk in the presence of the Chairman, the Director of Finance and Procurement and the Chief Fire Officer (or designated officers).

Closing dates for the return of tenders are adapted to correspond with the next available Executive Committee/Authority meeting to ensure that the Chairman or their representative can be in attendance. It is considered that this arrangement would be streamlined if tender opening dates were not dependant upon Executive Committee/Authority meetings.

- 3.3 It is proposed that, in future, all tenders valued in excess of £100,000 are returned and opened at Fire Service Headquarters in the presence of the Chairman or their nominee, Clerk, Administrative Officer, Secretariat (as nominated by the Director of Corporate Services), Financial Management representative (nominated by the Director of Finance and Procurement) and the Corporate Procurement Manager (or their designated representatives). The procedure for registering the tenders would remain the same.
- 3.4 It is proposed that the financial thresholds for the application of the appropriate procurement process of £2,000 and £20,000 be increased to £3,000 and £30,000 respectively (Paragraph 2.7 of Brigade Standing Order 1/8, Procurement Procedures refers).
- 3.5 Tenders in excess of £100,000 are currently approved by the Executive Committee/Authority prior to acceptance. It is proposed to submit a report to the Executive Committee/Authority prior to the commencement of any tender exercises detailing; the rationale for the procurement, the proposed route to market and funding provisions. If the tender arrangements are approved, the Director of Finance and Procurement (or other Corporate Board Member in his absence) would be responsible for the approval process subject to:
- The contracts being awarded to the supplier submitting the most economically advantageous tender or lowest price.
  - The value of the contract being within identified funding provisions.

If either of the above criteria were not met, a further report would need to be submitted to the Executive Committee/Authority for consideration prior to the award of a contract. A further report would also be submitted to the Executive Committee/Authority prior to the award of a contract if such a requirement was indicated by Members following receipt of a pre tender report.

- 3.6 It is proposed that a retrospective quarterly summary report of tender contract awards is submitted to the Executive Committee/ Authority for information purposes and that a review of the new arrangements is presented to the Audit Committee for consideration after 6 months of operation.
- 3.7 The proposed amendments are set out in the Procurement Procedures Standing Order, attached as Appendix 1, and these regularise the position of the Authority when compared to the procurement procedures in the majority of the other local authorities in the West Midlands area.
- 3.8 If the amendments to procurement procedures are approved, it will be necessary to make appropriate amendments to the terms of reference of the Executive Committee. A draft revised terms of reference is attached as Appendix 2.

4. **EQUALITY IMPACT ASSESSMENT**

In preparing this report the Preliminary Equality Impact Assessment identified this Standing Order as low impact and a full Equality Impact Assessment is not required.

5. **LEGAL IMPLICATIONS**

The review of this Standing Order complies with the Public Contract Regulations 2006 in which Fire and Rescue Authorities are defined as Contracting Authorities.

6. **FINANCIAL IMPLICATIONS**

There are no financial implications as a result of the course of action recommended.

**BACKGROUND PAPER**

Authority meeting dated 3 December 2007 Agenda Item 7  
The Public Contract Regulations 2006

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CHIEF FIRE OFFICER

SUE PHELPS  
CLERK