

WEST YORKSHIRE FIRE & RESCUE AUTHORITY

PROCUREMENT POLICY

Introduction

The Best Value Fundamental Performance Review (FPR) process involves *challenging* the need for a service i.e. does the Authority need to provide the service under review at all, whether directly or indirectly. The starting point for the Procurement Policy is that this challenge should confirm whether or not the service is still required.

Procurement is at the heart of Best Value and will demand a new 'commissioning' approach to what the Fire Authority does. This will involve relationship building and partnership development, as it is clear that traditional procurement methods and skills alone will fail the test of Best Value. It is therefore essential that a proper strategic approach to procurement is undertaken and that it does not continue to be regarded as a necessary, but essentially routine processing task.

This will then enable the development of a capacity to undertake procurement exercises, corporately and within service units.

"What is important is that authorities develop a capacity.... to identify what the market is likely to be able to provide, as well as the means to select and manage the relationship with the best supplier(s) ... This will take time and enhanced procurement skills"¹

The Procurement Policy will apply to all procurement decisions on goods, services and capital investment and will be supported by more detailed guidance on procurement processes.

Procurement Policy

All goods and services should be provided, in an open and transparent way, so as to secure best value for money and long-term continuous improvement, taking into account: price, quality, transaction and life-cycle costs.

The following principles will provide guidance when deciding on procurement options;

- We will work in partnership with private sector, voluntary sector, and other public bodies. Our approach to this will be pragmatic not dogmatic i.e. there will be no presumption in favour of either in-house or external service provision.
- Corporate Objectives and core values of the Authority will inform the procurement process, in particular:
 - **Economic Regeneration:** local suppliers will be given every encouragement to obtain Authority business, providing that they do so competitively and in accordance with any statutory or regulatory requirements of central Government and of the European Union.

¹ - (DETR Preparing for Best Value, 9 April 1999).

- **Environmental Sustainability:** will be taken into account when determining procurement of goods and services with suppliers being made aware of the Authority's environmental policies and invited to offer goods and services that comply.
 - **Fairness at Work:** aiming to ensure that whether a service is provided in-house or externally, good employment practices are followed (e.g. equal pay, training, trade-union recognition, equal opportunities policy etc.) and the legitimate wider policy objectives of the Authority are supported.
- The Authority will use the tool(s) of competition, when, in individual cases, this can be shown to offer better quality services at optimal cost. This judgement should be based on a robust and objective comparison of the particular test of competitiveness and the alternative means available.
- The determination of whether and in what form competition will be employed will generally follow from the Authority's Fundamental Performance Review (FPR) programme, which will cover all Authority services over a five-year cycle. The Authority will remain accountable for services contracted out to an external provider (private, voluntary or other public body).
- The evaluation of any tendering exercise will be based on the Most Economically Advantageous Tender approach. This will combine cost (not just price) with quality factors such as environmental impact, sustainability and safety.
- The energy, skill and commitment of staff are recognised as the Authority's best assets in modernising public services. The development of staff potential should be a factor taken into account, when determining options for service delivery and procurement.
- The concerns of those staff affected by any change, arising from the use of competition, should be fully taken into account and properly addressed, through regular, clear and open dialogue with staff and Trade Union representatives. Full, effective and continuous communication is a key to successful improvement and change.
- In the event of a transfer of service/function and where the relevant circumstances apply, staff will be protected by the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and the consultation and information requirements of those regulations will be followed. When staff transfer from the employment of the Authority, in circumstances to which TUPE applies, the Authority will ensure that the new employers offer broadly comparable occupational pension provision or suitable compensation.
- All purchases of goods and services should be carried out in accordance with the Authority's framework of Standing Orders, Financial Regulations, any other Purchasing Procedures the Authority may approve and in compliance with British and European Union statutes and regulations.
- Procurement of goods and services shall be centrally co-ordinated, so as to maximise bulk buying power, fully utilise the Authority's negotiating expertise and

ensure that value for money is obtained. Where a service buys outside the corporate contracts it should be able to demonstrate.

- It is obtaining better value for money, in terms of quality of goods and services at optimal life-cycle cost.
- It is doing so in accordance with the Corporate Objective and Core Values of the Authority.
- All suppliers will be dealt with equally, with integrity, fairness, and courtesy and always in a professional manner. Relations with the private sector need to rest on two-way openness and trust. Unsuccessful bidders need to know why they were unsuccessful and how they could succeed next time.
- The Authority expects the highest standards of honesty and integrity from all staff involved in procurement of goods and services, both in their work and personal conduct that may be relevant to their work duties. All staff involved in procurement of services should comply fully with 'The Ethical Code of the Chartered Institute of Purchasing and Supply'.

Implementation Issues

For discussion at Best Value - Officers Policy Group meeting - 10/11/00

To fully develop the Authority's framework for procurement the following key actions are recommended: -

- Set up a Central Procurement Steering Group (CPSG), to develop procurement best practice, build capacity into services and provide a consultation mechanism.

To support this new procurement structure the following tasks should be undertaken:

- Review Standing Orders and Financial Regulations, to ensure they are updated and support the new corporate policy on procurement.
- Develop detailed guidance on procurement, in line with the Policy statement, drawing on best practice in local and central government, in particular the Most Economically Advantageous Tender model of evaluation and linking the process to the Best Value FPR system.
- Establish and maintain Approved Lists of Suppliers and Contractors for the principal Authority services.
- Set up a Buyers Forum, for service unit/team staff involved in purchasing decisions, to enable constructive consultation by the CPSG, on the specification and contracting for central supply contracts e.g. stationery and other matters of common interest.
- Develop a corporate monitoring and reporting system on the use and effectiveness of procurement arrangements.
- Improve consultation by the CPSG with service users and suppliers and regularly report on performance.

Implications for the Environment, and Equal Opportunities.

The Procurement Policy seeks to build Environmental and Equal Opportunities concerns into mainstream procurement activity. This should make a significant contribution to the Authority's corporate objectives and core values in this area.