

Hampshire Fire and Rescue Authority

Finance and General Purposes Committee

Item: 12

29 January 2014

Review of Contract Standing Orders

Report by the Chief Officer

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1 Summary

- 1.1 The Authority's Financial Regulations and Contract Standing Orders have remained largely unchanged since November 2008 when the financial Limits were changed. Although they have been subject to regular updates, these have been piecemeal rather than the result of an overall review. The original Contract Standing orders and financial limits were essentially those adopted from Hampshire County Council when HFRA became a combined fire authority in 1997.
- 1.2 The review that has been undertaken has therefore been a thorough one, although no amendments to the financial limits have been changed during this review. The proposed revision of the Contract Standing orders, and their incorporation in revised Financial Regulations, requires approval from the Authority.

2 Recommendations

That it be a recommendation to the Authority:

- 2.1 That the revised Contract Standing Orders set out as Appendix 1 to this report be approved.
- 2.2 That confirmation is given that the Chief Officer and the Clerk and Monitoring Officer have the delegated authority to issue and update the Procurement Practice Notes from time to time.
- 2.3 That confirmation is given that the Head of Finance and Head of Facilities have the delegated authority to amend the Financial and Procurement Guidance Notes for managers (Service Order 2/2) from time to time.

3 Background

- 3.1 The Authority has had its own Financial Regulations and Contract Standing Orders since April 1997 when it became a combined fire authority. These were based on those of Hampshire County Council and, whilst the current versions date from 1 April 2005, they have been regularly updated in line with changes in legislation,

guidance, personnel, and structure.

3.2 In Jan 2012, the Financial and Procurement Guidance Notes for Managers (Service Order SO/2/2) were reviewed and amended in order to improve democratic and business processes by reducing bureaucracy. It made sense to follow this good practice and to take the opportunity to review the Authority's own Contract Standing Orders as the documents are linked.

3.3 As part of the Joint Working in Hampshire project, interim working arrangements for procurement are seeking to align policies, where appropriate, including Contract Standing Orders. When that process is complete, the new policies will come to this Committee.

4 Summarised Changes to Contract Standing Orders

	CSOs dated 1 Jan 2009	Proposed amendments
	Chief Officer has been changed to Authorised Officer throughout the document	
1.6	These CSOs should be read in conjunction with the detailed practice notes	These CSOs should be read in conjunction with any detailed practice notes
1.8	Throughout these CSOs "Officer" is a general term covering all staff with budgetary responsibilities.	Throughout these CSOs "Officer" is a general term covering all staff with budgetary or procurement responsibilities.
After 1.8	sub heading: Pre-contract procedures	Heading deleted
2.4	The Chief Officer will keep registers of contractors who, following limited financial and other checks, are deemed suitable for consideration as contractors for construction, buildings' repairs and maintenance. There are also other registers available from other sources such as government and local government consortia (eg G-Cat, S-Cat). Budget holders should . . .	The Authorised Officer will keep registers of contractors who, following limited financial and other checks, are deemed suitable for consideration as contractors for construction, buildings' repairs and maintenance. There are also other registers available from other sources such as government and local government consortia. Budget holders should . . .
2.5	Call-off or framework contracts for supplies and services should be used where they exist, regardless of value. Countrywide or regional arrangements for routine supplies and services and department-specific contracts, eg call-off	Call-off or framework contracts for supplies and services should be used where they exist, regardless of value. Countrywide or regional arrangements exist for routine supplies and services and department-specific contracts.

	contracts for stationery and Firebuy contract for BT telecoms fall into these definitions.	
2.6	A tender book will be maintained by the Head of Financial and Office Services. All new contracts . . .	A tender book will be maintained by the Procurement and Contracts Manager. All new contracts . . .
7.7	This evaluation, to be carried out by three appropriate senior officers nominated by the Chief Officer, scores tenders objectively . . .	This evaluation, to be carried out by at least three appropriate senior officers nominated by the Chief Officer, scores tenders objectively...
7.9	Inserted	The commencement of a procurement process for a contract is subject to the prior approval of the relevant Authorised Officer who has the authority to give such approval under the Authority's scheme of delegation. The giving of approval is subject to the expenditure involved having been included in approved estimates and sufficient budgetary provision having been made.
8.1	Where EU thresholds are reached, tendering procedures should meet the requirements of EU directives as well as CSOs. Although the procedures are similar to the open, restricted, and negotiated procedures described above, there are more complex requirements which must be followed.	Where EU thresholds are reached, tendering procedures should meet the requirements of EU directives as well as CSOs. Although the procedures are similar to the open, restricted, and negotiated procedures described above, there are more complex requirements which must be followed. The thresholds and procedures are dealt with in detail in a practice note issued by the Clerk and Monitoring Officer. (See Code of Practice, Practice Note 4)
13.1	As stated in paragraph 1.7 above, these CSOs apply to all contracts entered into by the Authority. In some circumstances, however, . . .	In some circumstances, however, exceptions may be granted and the general approach to this . . .
13.4	. . . he may accept it provided that it complies in all other respects with the appropriate parts of these Standing Orders and the Code of Practice.	. . . he may accept it provided that it complies in all other respects with the appropriate parts of these Standing Orders.

5 Procurement Practice Notes

- 5.1 In addition to the Contract Standing Orders, there are Procurement Practice notes and Service Order SO/2/2 that give further detail of procurement best practice that officers dealing with procurement issues must be familiar with.
- 5.2 Following consideration as part of this review, it is considered to be appropriate for the practice notes to be updated to give more detailed guidance regarding the various procurement processes. It is recommended that the Authority confirm that the Chief Officer and the Clerk and Monitoring Officer have the delegated authority to issue and update from time to time these Procurement Practice Notes and that the Head of Finance and the Head of Facilities have the delegated authority to amend the Service Order SO/2/2, Financial and Procurement Guidance Notes.

6 Contribution to corporate priorities and aims

- 6.1 The proposed revision of the Contract Standing Orders aims to improve democratic, governance and business processes by:
- Simplifying the number of different documents
 - Expanding areas with more detail while clarifying current processes in line with legislation.
 - Focusing attention on decisions where cost is significant in financial terms
 - Removing the administrative burden of the full tender process for the lower value purchases.

7 Risk Analysis

- 7.1 It is important that Contract Standing Orders are up to date to ensure that our procurement processes are compliant.

8 Resource Implications

- 8.1 There are no specific resource implications resulting from the changes to the documents.

9 People Impact Assessment

- 9.1 There are no adverse impacts arising from the revisions to the documents.
- 9.2 The proposals within this report are considered compatible with the provisions of equalities and human rights legislation.

10 Consultation

- 10.1 The Solicitor for the Clerk to Hampshire Fire and Rescue Authority has been

consulted during this review.

Background Information (Section 100D of Local Government Act 1972)

The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

None

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.

Appendix 1 - Contract Standing Orders (dated February 2014)