

Status of Report: Public

Meeting: Corporate Governance Committee

Date: 18 November 2020

Subject: Annual Procurement Report 2019/20

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For: Information

Purpose

1. The purpose of this report is to inform the Corporate Governance Committee of procurement related activity and compliance for the financial year 2019/20.

Recommendation

2. The Committee is asked to note the summary of procurement activity in 2019/20, as required by Rule 19.2 of the Contract Procedure Rules.

Executive Summary

3. The Combined Fire Authority (CFA) agreed an updated set of Contract Procedure Rules at its meeting in December 2018. This included a new requirement at Rule 19.2, for the Corporate Governance Committee to receive a report annually to include:
 - i. EU contract procurement over the preceding 12 months;
 - ii. Compliance with these Rules, including a summary of waivers;
 - iii. Any changes to these Rules.

Background

4. Leicester City Council, led by its Head of Procurement, continued to provide strategic oversight and support for procurement activity to the CFA in 2019/20.

Procurement

5. On a number of significant tenders, the provision of initial advice led to direct involvement in the full procurement project at an additional charge to the CFA.

This included:

- i. New third-party contingency response provider;
- ii. New Learning Management System;
- iii. Replacement Payroll system;

- iv. Replacement Pensions Administrators (regional project with Nottinghamshire and Derbyshire Fire authorities).

The latter two were not planned at the beginning of 2019/20 but were required to be undertaken at short notice to meet imposed short timescales.

- 6. Two Procurement Policy Notes were issued in March 2020. Both were in relation to a response to Covid-19 and gave information on procurement processes and payment relief for suppliers. The notes did not give new powers but described how existing provisions (under the Public Contracts Regulations 2015) could be used to respond to the impact of Covid-19.
- 7. Internal Audit work has identified administrative improvements required for the retention of contract documentation and entries onto the contract register.
- 8. The contracts register identifies one procurement at the EU contract level (above £189,000) that concluded in 2019/20. This is for Personal Protective Equipment (PPE) with a contract value of £306,033 per annum over eight years effective from April 2021. This was procured through the National Fire Commercial Transformation Programme framework.
- 9. Other significant procurement, identifying the procurement route and total contract cost, are noted below:
 - i. Vehicle CCTV – procured through tender competition: (£122,056);
 - ii. Mobile Telephony – refresh of existing contract that was over 10 years old, procured through Crown Commercial Service Framework: (£128,250);
 - iii. Demountable Appliance Devices – procured through Home Office FireLink framework (£113,457);
 - iv. Fire Ground radio replacement – Upgrade required to existing analogue radios which no longer supported the channel assignments for the National Operational Guidance compliance, procured through RM3808 Lot 11 framework: (£98,191);
 - v. Replacement Payroll Provider – procured through ESPO framework for period of three years: (£113,320);
 - vi. Fleet – fire appliances and other replacement vehicles – procured through frameworks: (£2,296,957).

Waivers

- 10. The Contract Procedure Rules require a summary of waivers to be presented. The table below shows an analysis of the waivers approved during 2019/20 and is shown by departments with a broad categorisation of the reason for the waiver.

Reason for Waiver	Quantity	Value	Department(s)
One Year Contract Extension	1	£11,359	Learning and Development
Six Month Contract Extension	1	£8,925	People and Organisational Development
Four Month Contract Extension	1	£2,921	Learning and Development
One Month Contract Extension	1	£2,921	Learning and Development
Limited Supply Market	1	£11,620	Information Communication and Technology
TOTAL	5	£37,746	Not Applicable

Joint working and 2020/21

11. The service provided 2018/19 spend analysis data as part of a national exercise conducted by the national Fire Commercial Transformation Programme. With this data, fire services have the opportunity to work more collaboratively, enable savings and deliver greater value for money from procurements.
12. Planned procurement activity for 2020/21 includes:
 - Conclusion of procurement for: Third party contingency provider, replacement pension administrator and service desk management system;
 - Continued maintenance and publication of the Procurement Plan and Contracts Register;
 - The embedding of the Contract Procedure Rules and detailed procedural guidance;
 - The provision of further training where required;
 - Further review of the Contract Procedure Rules, particularly in light of any impact arising from the exit of the United Kingdom from the European Union.
13. No breaches of the rules were identified and there was no legal action taken against the CFA.

Report Implications/Impact

14. Legal (including crime and disorder)

- a. The Contract Procedure Rules form part of the Constitution of the CFA, therefore this report satisfies the Constitution requirements in relation to reporting and procurement procedures.
- b. Each procurement process will need to follow due process in accordance with internal and legislative requirements.

15. Financial (including value for money, benefits and efficiencies)

Contracting activity on the Procurement Plan is a statement of intent and is subject to the necessary funding being available. The Plan provides a strategic approach to achieving value for money through major procurement activity.

16. Risk (including corporate and operational, health and safety and any impact on the continuity of service delivery)

Ineffective procurement can lead to an inability to achieve value for money, efficiency and effectiveness, openness to fraud and loss of reputation.

17. Staff, Service Users and Stakeholders (including the Equality Impact Assessment)

Procurement is used to drive wider social value, i.e. to bring about improvements in economic, social and environmental well-being.

18. Environmental

There are no environmental implications arising from this report.

19. Impact upon Our Plan Objective

An effective procurement contributes to the Finance and Resources Strategy of achieving Value for Money and increased efficiency and effectiveness.

Background Papers

Review and Revision of the Constitution of the Combined Fire Authority (CFA report 12 December 2018): https://leics-fire.gov.uk/my-calendar/?mc_id=123

Annual Procurement Report 2018/19 (Corporate Governance Committee report 17 July 2019): https://leics-fire.gov.uk/my-calendar/?mc_id=137

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