

**JOINT PROCUREMENT STRATEGY AND POLICY FOR LANCASHIRE
AND MERSEYSIDE FIRE AND RESCUE AUTHORITIES**

1.0 Introduction

This procurement strategy and policy (2009-12) sets out the priorities for Lancashire Fire & Rescue Service, and Merseyside Fire & Rescue Service, taking account of Lancashire and Merseyside's Risk Management Plans, the National Procurement Strategy for the Fire & Rescue Service in England 2009 -12, the Treasury's Operational Efficiency Programme (2009) and the OGC publication 'Transforming Government Procurement' (2007).

Both Authorities recognise the importance of a professional Procurement function to provide commercial advice and guidance in respect its activities. Each Authority is firmly committed to delivering Value for Money for the communities they serve. This strategy and the underlying policy aims to support this objective.

2.0 Applicability

The policies contained within this document:

- Applies to all external procurement of goods, services and works
- Applies to the commissioning of goods, services and works

3.0 Efficient Procurement and Value for Money

All procurement procedures and processes must be transparent, accountable and auditable. Staff must ensure that adequate audit trails exist for all procurement activities which they undertake as part of their devolved procurement responsibility.

All staff should ensure that their activities are in line with the Fire & Rescue Services Contract Standing Orders, Financial Regulations, EU Regulations and any other appropriate legislation.

3.1 Corporate Contracts

It is a management responsibility of each Department to ensure that staff utilise corporate contracts wherever possible. Failure to do so may increase transaction costs, and affect the spending power of the Authority.

If compliance is not deemed to be appropriate, consult with the Procurement Department prior to making alternative arrangements to clarify the potential exposure and risk of non-compliance to the Authority.

3.2 National & European Law

The framework of rules for procurement is determined by UK and European Union law, and staff engaged in procurement work on behalf of the Authority must comply with these requirements without exception.

The European procurement thresholds apply in aggregate for the Authority.

3.3 E-procurement

All the Authority's procurement activity shall be processed through the appropriate financial systems. The Authorities seek to process transactions electronically as far as possible.

E-procurement solutions which release resources for re-investment, or increase efficiency in the procurement process will be considered and implemented as appropriate. This includes, but is not limited to : e-tendering, p-cards and electronic posting of OJEU (Official Journal of the European Union) notices.

3.4 Consultation with Stakeholders

Appropriate consultation will take place with stakeholders when making procurement decisions that affect them. Stakeholders include : The communities of Merseyside and Lancashire, Members of the Authority, staff, service users and representative bodies. When the stakeholder group is wide and disparate, consultation with a representative sample is sufficient. The scale of consultation will be proportionate and may not take place on all low value procurement projects, or the purchase of routine supplies.

3.5 Competition and Mixed Economy Provision

The Authority recognises that competition is an important tool in the delivery of cost effective and efficient procurement and that the principles of best value should be applied to all procurement activity. The Authority's standing orders and financial regulations are based upon an assumption that as far as practicable all purchases will be subject to 'competition'.

Competitiveness should be assessed when considering the procurement options and when considering any particular service provider/method of service delivery.

3.6 Value for Money

The Authority will assess all services for services, supplies and works on the basis of 'whole life' budgetary implications. Contracts will be awarded utilising a Most Economically Advantageous basis, taking into account the Total Cost of Ownership, as well as commercial and technical considerations.

3.7 Innovative Procurement

The Authority is committed to innovation in procurement to achieve continuing performance improvement. To achieve this, the Procurement department will : explore and adopt any appropriate procurement techniques and will collaborate with other appropriate bodies to share best practice.

3.8 Joint Working & Collaboration

The Authorities will actively seek to expand its already successful working with others, both in partnership and in consortia where it will assist in achieving best value or promoting best practice.

The Authority will work regionally with other FRA's, and public sector bodies where it is appropriate to do so. The Authority will contribute to the agenda of the National Procurement Board to improve collaboration at a national level.

The Authority will seek to utilise national and regional contracts as appropriate, where it will reap commercial or cost benefit. This may include framework contracts offered by FireBuy and the Office of Government Commerce – Buying Solutions.

3.9 Training & Development

The Authority is committed to training its staff in all aspects of modern procurement best practice appropriate to their specific role.

The Procurement department will deliver any Procurement Training at a local level for colleagues within the Authority to raise awareness and improve compliance with Procurement rules and regulations.

4.0 Controls, Standards & Risk

Business Continuity Planning

Business Continuity Planning is an integral part of the business planning strategy utilised throughout the Authority. Procurement projects must seek to protect all services and functions within the Authority by increasing levels of preparedness and reducing levels of risk to the organisation via a pro-active approach to BCP.

Risk Management

Procurement is subject to risk and uncertainty. The risk that procurement outcomes will not match the initial objectives needs to be recognised from the outset, and suitable risk management responses developed.

Commercial risk to the organisation should be managed effectively through the robust procurement processes in place.

Fraud Avoidance

The Authorities recognise that when procuring of goods, services and works there may be potential for fraudulent activity to occur. The Authorities are committed to ensuring that fair and transparent procurement processes are followed, to minimise this risk.

The detection, prevention and reporting of fraud is the responsibility of all Members and Employees of the Authority. The Authority expects Members and Employees to:

- Act with Integrity
- Comply with the 7 principles of public life developed by the Nolan Report
- Adhere to the Code of Conduct
- Comply with Contract Standing Orders and Financial regulations
- Raise concerns as soon as impropriety is suspected

Members, employees and the general public are encouraged to raise any concerns they may have in respect of fraud and corruption via:

- Line Managers
- Internal Audit
- Directors
- Chief Fire Officer
- Members

The Authority's Whistleblowing policy gives further guidance on how to raise concerns and the support and safeguards available to those who do so.

5.0 Social Responsibility

Sustainability and environmental procurement

Both Authorities are committed to minimising the effect their fire services have on the environment. To achieve the Authority's objectives relating to environmental sustainability, all staff with a procurement responsibility must consider the Sustainable Procurement Policy as part of the procurement process.

Equality & Diversity

Promoting equality and diversity through procurement matters. Everybody in our communities has a right to expect that public money is spent on goods and services which meet their needs, and that it is spent in a way which promotes equality of opportunity.

Specific guidance on equality and diversity in procurement can be found in the document 'Equality and Diversity within Procurement'.

Fair Treatment of Suppliers

When dealing with suppliers and service providers the Authority will ensure that they are treated fairly, to ensure the highest standards of honesty, integrity, impartiality and objectivity.

The Authorities are committed to looking for ways to support local Suppliers, and support local economies where no legal framework impedes them from doing so.