

**LANCASHIRE COMBINED FIRE AUTHORITY
AUDIT COMMITTEE**

Meeting to be held on 22 March 2018

**CONTRACT STANDING ORDERS – PROPOSED AMENDMENTS
(Appendix 1 refers)**

Contact for further information:

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Executive Summary

The Authority is a Contracting Authority for the purposes of the Public Contracts Regulations 2006 and is required to comply with the tendering and award of contracts procedures as set out in those regulations.

Where those regulations do not apply (for contract values below EU thresholds) the authority have their own procedures in place in the form of Contract Standing Orders. These form part of the Constitution along with Financial Regulations and the Scheme of Delegation.

These have been reviewed and updated to reflect current practices.

Recommendation

The Committee is asked to agree the revised Contract Standing Orders.

Information

In line with best practice financial regulations are reviewed on a regular basis.

A proposed revised version is attached as appendix 1, with changes highlighted.

The most significant changes are as follows:-

- Section 3.1, to update financial thresholds relating to the quotation procedure and separate out those relating to goods and services and works:-
 - this aligns better with Regional Partners, which will further strengthen our ability to complete joint contracts, increase purchasing leverage through volume and ensure best value (it is worth noting that Merseyside and Manchester still have higher thresholds than this);
 - this reflects capacity within the Service and enables functions, especially Procurement, to focus on contracts of a higher value thereby adding greater value.

- Section 5.4, to increase the threshold to £100,000 at which the Chief Fire Officer (CFO) and Treasurer can grant exemptions to the contract procedures, this ensures consistency of contract thresholds at £100,000 thereby reducing the level of confusion that currently occurs whereby three separate thresholds are in place, under the revisions the following will apply:-
 - the CFO & Treasurer can grant exemptions up to this figure, with any which exceed this requiring Authority approval;

- the CFO & Treasurer can enter into contracts up to this figure, with any which exceed this requiring Authority approval;
- any contacts which exceed this value are reported to the authority.
- Section 14.3 has been removed as all bids are submitted electronically on the procurement e-portal;
- Section 18.1 the threshold for completion of a post tender report has been increased to £100,000, in line with other contract thresholds.

Financial Implications

None directly arising from this report.

Business Risk

Contract standing orders form a key element of the control framework within which the Authority operates.

Environmental Impact

Health & Safety and Environmental considerations are taken into account during the tendering process - from the specification stage through to bid evaluation and contract award.

The Authority’s Sustainable Procurement Policy provides specific guidance to Officers on this matter.

Equality & Diversity Implications

The Contract Standing Orders require every contract to include an obligation on the contractor to promote race equality and not unlawfully treat an individual or group less favourably on grounds of colour, race, nationality, ethnic origin, gender, sexual orientation, religion or belief.

The Authority also has an Equality & Diversity in Procurement policy document which outlines the specific measures Officers should take to build Equality & Diversity issues in to all appropriate contract.

HR Implications

None identified.

**Local Government (Access to Information) Act 1985
List of Background Papers**

Paper	Date	Contact
Reason for inclusion in Part II, if appropriate:		