

Lancashire Combined Fire Authority

Audit Committee

Meeting to be held on 29 November 2022

Contract Standing Orders – Proposed Amendments

Contact for further information:

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Executive Summary

The Authority is a Contracting Authority as defined within the Public Contracts Regulations 2015 (PCR), and therefore required to comply with the procedures and award of contracts as set out in these regulations.

Under PCR 2015, “contracting authorities” means, “the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law and includes central government authorities”.

Where those regulations do not apply (for contract values below EU thresholds) the Authority has its 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, align with our regional partners, enable resources to be better focused, and reflective of the current financial and economic climate.

Recommendation

It is recommended that Audit Committee approve the amended Contract Standing Order thresholds and amendments as outlined in the report.

Information

It is proposed that these thresholds are amended as detailed below, which also reflect current external EU thresholds: -

Please note ‘Find a Tender’ replaced OJEU for the UK as part of Brexit arrangements as set out within The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020.

FOR ALL GOODS & SERVICES & CONSULTANCY

Up to £25,000:	With the exception of public utility Services i.e., gas, electric and periodical payments goods services or consultancy may be procured using an official order (PO).
Between £25,001 and £75,000:	At least three (3) written request for quotations (RFQ) must be requested. Procurement Department can assist, best value should be evidenced.

Between £75,001 and £213,477	A Tender process is required with Procurement Department involvement. This will be a ' <u>Non-Find a Tender</u> ' process with a minimum of three (3) invites.
Over £213,477	A Tender process is required with Procurement Department involvement. This will be a ' <u>Find a Tender</u> ' process, Regulations must be followed and with a minimum of three (3) invites. Find high value contracts in the public sector - GOV.UK (www.gov.uk)

FOR ALL WORKS

Up to £50,000	May be purchased using an official order (PO), best value should be evidenced.
Between £50,001 and £100,000	At least three (3) written request for quotations (RFQ) must be requested. Procurement Department can assist, best value should be evidenced.
Between £100,001 and £5,336,937	A Tender process is required with Procurement Department involvement. This will be a ' <u>Non-Find a Tender</u> ' process with a minimum of three (3) invites.
Over £5,336,937	A Tender process is required with Procurement Department involvement. This will be a ' <u>Find a Tender</u> ' process, Regulations must be followed and with a minimum of three (3) invites. Find high value contracts in the public sector - GOV.UK (www.gov.uk)

All Contracts above £25,000k must still be published as an opportunity on Contracts Finder and a Contract Award notice still to be completed.

[Contracts Finder - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

In addition, it is also proposed to: -

- Increase the Member Tender Panel approval level from £100k to £175k
- Increase the High Value Procurement Report threshold from £100k to £175k

Note these thresholds have already been discussed with the Chair and Vice-Chair of Resources Committee who are supportive of the proposal.

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 and environmental issues are considered during the procurement pack development with internal customers.

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.

Promoting equality and diversity throughout the procurement process and supply chain is a crucial objective for the Authority. Fairness, transparency, honesty, integrity, impartiality and objectivity must be evidenced in all procurement processes and decisions.

Compliance with the requirements of the Equality Act 2010 is mandatory and will be considered appropriately in procurement processes, requiring all suppliers to self-certify meeting requirements and checks if deemed required.

For each procurement project, the internal customer/ lead stakeholder is responsible for completing an Equality Impact Initial Screening and subsequent Assessment where deemed required. Where an assessment is required and undertaken, the internal customer/ lead stakeholder must ensure this is done pre-procurement and any required changes are made to their specification/requirements before any exercise progresses.

All procurement activity must comply with internal Contract Standing Orders, Financial Rules/Regulations (both within the Authority and Home Office) and relevant legislative requirements (the Framework of rules for procurement is determined by UK and European Law and any Domestic and European Procurement Directives must be complied with). All procurement exercises are carried out transparently and fairly in line with these.

HR Implications

None identified.

Local Government (Access to Information) Act 1985

List of background papers

Paper:

Date:

Contact:

Reason for inclusion in Part 2 if appropriate: N/A