

HUMBERSIDE FIRE AND RESCUE SERVICE

PURCHASE AND SUPPLY STRATEGY

Background

Humberside Fire and Rescue Service currently spends around 13.7% of its total annual budget on bought in goods, services and works. The effective procurement of these and of other future requirements is crucial to the achievement of Best Value.

Vision

To obtain Best Value through the planned and skilful management of procurement and supply chains.

Policy and Culture

The Organisation will:

- (a) base the procurement of its requirements upon the principles of Best Value and will, as a result, continue to expect a mixed economy of provision in achieving efficiency, effectiveness and value for money;
- (b) expect that procurement will be based upon a partnering approach in which both the Authority and the supplier seek to gain maximum mutual advantage through longer term relationships and continuous improvement. In connection with this it will be normal practice to measure outcomes rather than inputs;
- (c) take a long term strategic view in respect of the procurement of its requirements, including the potential for innovative funding, the management and balance of risk and the opportunity for cross service/agency working;
- (d) expect that, when it has determined that requirements will be sourced externally, these will be acquired as the result of competition unless there are compelling reasons to the contrary;
- (e) where appropriate, seek advice from the market concerning funding, capacity, method and innovation and use its position and purchasing power to influence the development of markets;
- (f) seek to work with others and through consortia framework agreements in the procurement of its requirements, in order to widen the scope of its experience, maximise purchasing power and harness the economies of scale;
- (g) consult with its staff in accordance with its established agreements and ensure that the views of staff are considered when making procurement decisions that affect them;
- (h) consider sustainability as an important criterion in any procurement providing that the cost or availability does not prejudice service delivery.

Leadership and Responsibility

In respect of responsibility for procurement the Authority requires that:

- (a) the procurement of goods, services and works will lie with the Chief Fire Officer, who will in turn consult with and appraise relevant Fire Authority Members, as appropriate, within the Best Value framework and if necessary seek Fire Authority Member approval for larger purchases or where the future of staff might be a consideration;
- (b) sections within the Organisation act corporately in planning and carrying out procurements, drawing on existing experience and expertise. In the case of goods and services in common use the Brigade Resources Officer is authorised to act on behalf of the authority in formulating supplies contracts;
- (c) every procurement which results in a legally binding agreement will be managed and led by an appropriately skilled officer throughout the procurement process and during the life of the arrangement;
- (d) contracts will be actively managed against clear performance targets and will continue to be reviewed to determine the adequacy of these arrangements.

Rules and Best Practice

In respect of the rules and best practice the following apply:

- (a) the framework of rules for procurement are those determined by European Commission and United Kingdom law and those set out within Standing Orders and Financial Regulations, in that order of precedence;
- (b) the Authority has set and published standards for the conduct of employees and will require adherence to these at all times. In all their dealings all concerned with suppliers will ensure the highest standards of honesty, integrity, impartiality and objectivity;
- (c) in dealing with suppliers and providers the Authority will ensure that there is an equal opportunity, for all who meet the stated criteria, to participate in bidding for requirements. Whenever requested unsuccessful applicants will be provided with the reasons why and will be given feedback;
- (d) the Authority will seek to remove obstacles to conducting business and particularly in the case of local business will encourage participation in tendering;
- (e) in appointing contractors, the Authority will appraise offers received on the basis of whole life costing and will seek an appropriate balance between cost and quality in the evaluation;
- (f) in any procurement the Authority will consider the impact upon the market of particular ways of packaging and presenting requirements so that these are as attractive as possible, consistent with the needs of users.

Competencies and Training

The Authority:

- (a) has established a range of Competencies for Procurement and Client Activity and will continue to improve this. This will form the basis for procurement training and staff development;
- (b) will ensure that all officers responsible for procurement and contract management are fully trained and conversant with the principles of good procurement.

Process Management

In managing procurement processes it is required that:

- (a) records and procedures set out in Standing Orders and Financial Regulations are properly maintained, decisions are recorded and clear audit trails exist in order to ensure openness, propriety, and probity;
- (b) resources relating to procurement will be kept under review as part of the Best Value cycle and the use of electronic and other means to reduce acquisition and transaction costs will be encouraged;
- (c) the payment of suppliers is managed promptly and within the Authority's stated policy. Implicit within this is the need to continuously improve in the management and processing of invoices and to develop electronic trading.

What Is Meant By The Supply Chain?

When we talk about purchasing we tend to concentrate upon the actual buying activity but in fact purchasing is about a chain of activities and covers:

- Understanding the needs of users
- Understanding the marketplace
- Determining appropriate finance
- Specifying products and services
- Conducting competitive processes
- Negotiating contracts
- Implementing contracts
- Monitoring contractor performance
- Setting Client standards
- Managing client performance
(where devolved)
- Making payments to contractors
- Managing variations to contracts
- Renewing contracts

Best Value and Procurement

The concept of Best Value has been developed in recent years and the principles of Best Value can be summarised as:

Consult customers, residents, service users etc about services, standards and performance.

Plan at strategic level, to deliver and improve services, with service plans that include performance targets.

Test the quality and value of services against national and local standards and make other appropriate comparisons, including market testing where this is possible.

Monitor, measure and report on performance.

Where performance falls short of standards or targets, plan for improvement.

From 1 April 2000 we had a duty to deliver "Best Value" and the 4 Cs of Best Value

Challenge, Compare, Consult and Compete.

All are recognised by this Procurement Strategy.