THE SCOTTISH FIRE SERVICE
Best Practice in Procurement

Fire Service Inspectorate (Scotland)
Central Scotland Fire Brigade
Dumfries and Galloway Fire Brigade
Fife Fire and Rescue Service
Grampian Fire Brigade
Highland and Islands Fire Brigade
Lothian and Borders Fire Brigade
Strathclyde Fire Brigade
Tayside Fire Brigade
Scottish Fire Service Training School
Fire Authorities are responsible for significant public expenditure, a substantial part of which is devoted to procurement of goods and services from third parties. The Scottish Executive gives considerable importance, through its commitment to Best Value, to these acquisition issues and encourages the development of common purchasing arrangements that help achieve effective public spending. The Executive also recognises the importance of ensuring commercial contracts and arrangements are explicitly described and specified so that when goods and services are delivered and provided they fully meet the customer’s expectations.

It is interesting to note that the fire service in Scotland has been working collectively to improve its own procurement arrangements since 1998. The establishment at that time of a Purchasing Arrangements Working Group was a welcome step. The Group, which is now publishing its conclusions as a Best Practice Guide to Procurement, has therefore helped by adding further insight to the overall public procurement process.

I am sure practitioners will find this Guide a useful source of knowledge.

Dr Richard Simpson MSP
Deputy Minister for Justice
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Introduction

1.1 A review of Purchasing Arrangements was initiated following a meeting between Firemasters and the then Scottish Office Home Department’s, Fire Service and Emergency Planning Division (FSEPD) on 2nd March 1998. It was agreed that a Working Group should be established to look at common purchasing arrangements as part of the Comprehensive Spending Review.

1.2 The terms of reference of the Purchasing Arrangements Working Group (PAWG) were to:
   - identify common purchasing arrangements within the Scottish Fire Service; and
   - to consider the Ministerial requirement that the Scottish Fire Service should progress opportunities to improve the overall effectiveness of the Service within resource restraints.

1.3 There have been numerous studies carried out in recent years on Purchasing and Procurement but none has had a more poignant effect than the ‘Review of Civil Procurement in Central Government’ by Peter Gershon and also the further studies that have ensued from that original published work. The most recent publication being A Uniform Approach – A Study of Fire Service Procurement in England and Wales, by the Audit Commission. There are many lessons to be learnt from all of these studies and there are many parallels with the purchasing and procurement functions carried out by the Fire Service in Scotland.

1.4 Efficient procurement entails the professional identification of the users requirements and the selection and subsequent management of the best supply strategies to meet them. Carried out effectively this enables optimum use to be made of available budgets that will assist in the provision of extra capacity to achieve other priorities. A clear strategy is required to achieve this which, needs to recognise the way brigades spend their resources and the increased complexity of the procurement activity.

1.5 At an early stage, the PAWG concluded that it would be appropriate to develop and publish a Best Practice Guide to Procurement for use by the Scottish Brigades.

1.6 The Guide is not intended to represent a definitive system for procurement but is offered to provide a focus in the pursuit of more efficient and effective purchasing arrangements.
2.0 Purpose of Procurement

2.1 The purpose of procurement is to meet the user’s requirement. The requirement, including any specified level of quality or standard of service, must be tested critically for need, cost effectiveness and affordability under whatever arrangements are in place for financial approval and the separation of functions.

3.0 Procurement Strategy

3.1 What is a procurement strategy? The objectives of a procurement strategy, simply put, are to ensure that the correct goods and services are delivered to the correct person(s) at the correct time in the most effective way.

3.2 It should also be stressed that the strategy should apply to all goods and services acquired. Although it is appreciated that considerable management time is devoted to the procurement of large capital purchases, there is little strategic focus on the procurement of non-operational and lower value goods and services. The prioritisation of certain purchases is to be commended, however, the procurement of other goods and services should also receive corporate attention.

3.3 The procurement strategy should assist in achieving Best Value and it is considered the following key issues should form part of the process:

- an analysis of the key goods and services, and their cost, which are required to deliver the required outputs;
- an assessment of the way in which the goods are purchased;
- the performance of key suppliers;
- working with suppliers;
- the scope for price reductions and improvements in the quality of service;
- the performance of purchasing unit(s) and the potential to reduce processing costs by utilising electronic commerce, procurement cards and framework agreements;
- the setting of efficiency targets;
- the scope to adopt innovative approaches to improve procurement;
- increased collaboration; and
- encouraging procurement staff to become professionally qualified.
3.4 An illustration of a procurement strategy is provided in Appendix A.

3.5 A survey of expenditure on procurement in Scottish Brigades has been conducted, the details of which is contained in Appendix B.

4.0 Best Value

4.1 Perhaps one of the biggest drivers for changes in procurement and purchasing practices within the Fire Service is Best Value, as it demands a very wide view of the activities of the whole Organisation. Best Value has a longer-term view of the overall value a particular service has in terms of both monetary value and political and social value. Assessing this value is complicated and how it should be measured is currently being considered by the service.

4.2 Among the questions to be answered are:

■ should services be compared individually, like for like, or across brigades and against the full range of services being offered; and
■ how can you measure the overall value to the public as a whole?

4.3 The concept of ‘standardisation’ features heavily in achieving Best Value but is sometimes difficult to achieve and on occasions may also be undesirable. Any approach proposed in this direction must ensure that it does not impinge on the operational autonomy of Fire Authorities nor stifle innovation and creativity.

4.4 Better value for money from procurement can be achieved in many ways by improvement in efficiency and effectiveness, for example:

■ getting an increased level of quality of service at the same cost;
■ avoiding unnecessary purchases;
■ ensuring that user needs are met but not exceeded;
■ specifying the purchasing requirement in output terms enabling suppliers to recommend cost-effective and innovative solutions to that need;
■ optimising the cost of delivering a service or goods over the full life of the contract rather than minimising the initial price;
■ introducing incentives into the contract to ensure continuous cost quality improvements throughout the period of the contract;
■ aggregating transactions to obtain volume discounts;
■ collaboration with other brigades or agencies to ensure that the best prices are obtained and better discounts from bulk buying are obtained;
■ reducing the cost of buying goods or services by streamlining procurement and finance processes; and
■ reducing the levels of stock held.
Collaboration on procurement and purchasing arrangements is designed to achieve benefits of economies of scale and also to achieve better value for money. All procurement of goods and services should be based on value for money, having due regard to propriety and regularity.

Value for money being the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user’s requirement.

The achievement of value for money is crucial to the wider objective of using resources effectively in the delivery of public services. It is essential, therefore, that purchasers develop clear strategies for continuing improvement in the acquisition of goods and services.

Sound practice for the pursuit of value for money will contribute to the competitiveness of suppliers, contractors and service providers. Assisting the competitiveness of suppliers will also assist purchasers to obtain future value for money and security of supply in a competitive market.

By greater collaboration between brigades the Fire Service in Scotland has the opportunity to demonstrate Best Value whilst still preserving individual identities. Collaboration in this way would also satisfy the Government’s objectives.
5.0 Key Principles of Procurement

5.1 In achieving Best Value, brigades need to seek economies, efficiencies and innovations across all activities performed. Central to achieving these objectives is procurement. It is vital for brigades to obtain the necessary goods and services of the right quality, at the right price and at the right time.

5.2 Procurement is a 'cradle to grave' title that encompasses the business case, procurement strategy, the entire purchasing function, stores, transportation, quality control, performance monitoring and payment.

5.3 The whole purpose of procurement is to meet the user’s requirement. Any requirement including any specified level of quality or standard of service must be tested critically for need, cost-effectiveness and affordability under whatever arrangements are in place for financial approval and separation of functions.

5.4 Brigades must have a Procurement Policy that has as its base the requirement that the procurement of all goods and services achieves value for money, having due regard to propriety and regularity. Value for money is the optimum combination of whole-life cost and quality (fitness for purpose) to meet the user’s requirement. The achievement of value for money is crucial to the wider objective of using resources effectively in the delivery of services.

5.5 Brigades should aim to:

- deliver a continuous year-on-year improvement in the efficiency and the effectiveness of procurement expenditure;
- maximise on the use of Information Technology for procurement needs; and
- make more use of collective purchasing power and expertise;

5.6 A sample Procurement Procedure is provided at Appendix C.

6.0 Dealing with Suppliers

6.1 In all dealings with suppliers and potential suppliers brigades should preserve the highest standards of honesty, integrity, impartiality and objectivity. In particular brigades should aim:

- to be fair, efficient, firm and courteous;
- to achieve the highest professional standards in the award of contracts;
to publicise procurement contact points and make available as much information as suppliers need to respond to the bidding process;
■ to notify the outcome of bids promptly and, within the bounds of commercial confidentiality, to debrief successful and unsuccessful bidders on request on the outcome of the bidding process to facilitate better performance on future occasions;
■ to achieve the highest professional standards in the management of contracts; and
■ to respond promptly, courteously and efficiently to suggestions, enquiries and complaints.

7.0 Separation of Duties

7.1 In the procurement process there are two key distinguishable roles:
■ the budget holder/customer who perceives the need and makes out the business case to obtain any necessary approval to spend, then commissions the procurement service, and normally gives final approval to the recommended choice; and
■ the purchaser who fulfils the procurement role (including making the legally-binding commitment to the chosen supplier) and is responsible for ensuring that the procurement process fully complies with procurement policy.

7.2 It is generally considered that these two roles should be separated. However, in all but the simplest cases, the customer and purchaser should be working together as a team throughout the procurement process. In more complex cases, the team is likely to be expanded to include financial, technical and legal assistance. The final sourcing decision being agreed by all parties involved.

7.3 Neither of the above roles includes the authority to make payments in connection with the contract entered into by the purchaser. Actual payments should be handled in accordance with the financial regulations governing the respective brigade.
8.0 Competition (including non-competitive action)

8.1 Goods and services should be acquired by competition unless there are convincing reasons to the contrary.

8.2 Whether or not there is any legal requirement for it, the advertisement of proposed contracts can be a useful means of ensuring that the potential of the market is fully tested. Purchasers, in consultation with customers, are responsible for identifying suppliers most likely to offer Best Value For Money (VFM) and for encouraging them to tender.

8.3 In general a minimum of three tenders/quotations should be provided.

8.4 Non-Competitive Action (NCA) also known as Single Tender Action can be utilised when procurements need to be made which cannot satisfy the minimum competition requirements. Care needs to be exercised when adopting such action as it remains essential to achieve Value for Money (VFM) and that the procurement process is fully defensible. NCA may be justified in the following situations:

- for work of exceptional urgency caused by unforeseeable circumstances where competitive tendering would cause unacceptable delay (e.g. after breakdown, storm, fire, etc.);
- the proposed supplier is by recent experience (within three months) the Best Value for money supplier and would be likely to remain so in another competition; and
- the proposed supplier is the only one known to possess unique or specialised capacity, or the articles are unobtainable from any other source and there are no satisfactory alternatives.

9.0 International Obligations

9.1 Brigades are responsible for ensuring that they comply appropriately with their legal obligations.

9.2 Within the European Union a series of Procurement Directives (known as EC Procurement Directives) apply to promote fair and open competition. These require public authorities to publish details of contracts above specified thresholds, which they intend, to place, and to follow other specified procurement procedural rules.

9.3 The legal framework for public procurement includes:

- EC and other international obligations, as implemented in UK legislation or by virtue of direct effect;
- specific domestic legislation, for example, on corrupt gifts or unfair contract terms;
- contract and commercial law in general; and
- domestic case law, for example the Blackpool case in which the Court of Appeal held that there was an implied contract governing the process for awarding a contract.
The UK’s EC and international obligations include:

- **EC Treaty Provisions** which prohibit:
  - discrimination on grounds of nationality, either directly or indirectly;
  - restrictions on the free movement of goods and services;
  - restrictions on the freedom of establishment of service-providers; and
  - measures of equivalent effect.

- **The EC Procurement Directives** which:
  - reinforce the above Treaty provisions for contracts above certain values;
  - are based on principles of equal treatment, transparency and competitive procurement;
  - establish a framework of rules to which procedures for the award of supplies, works and certain services contracts by public bodies and various utilities must be adapted; and
  - are implemented by Regulations made by the Treasury.

- **The EC Remedies Directives** which provide that, where the Procurement Directives apply:
  - suppliers harmed or at risk of harm from a breach of the EC rules (the Directives, the Regulations which implement them or any other relevant Community law, including the Treaty) are to have access to rapid and effective review systems with powers to grant interim and final remedies including powers to suspend the award procedure, to set aside decisions and/or to award damages; and
  - a corrective mechanism under the European Commission can draw attention to alleged breaches and accelerate its consideration of infraction proceedings against the Member State in the European Court of Justice (ECJ). In addition to powers to determine whether there has been a breach of Community law by the Member State, the ECJ has powers to grant interim remedies or to order that the contract is not to be performed.

- The UK Regulations give effect to these provisions by:
  - providing for relevant suppliers to bring proceedings against the purchaser before the Court of Session. They provide for injunctive relief and/or damages, but with damages to be the only remedy if the contract has been entered into; and
  - imposing an obligation on purchasers to provide information needed for the purpose of responses to the Commission.

- **The European Economic Area Agreement and various Europe Agreements** under which purchasers have the same obligations towards suppliers from other European countries as they do to suppliers from other EU Member States. The UK Regulations identify the countries concerned and provide for the same remedies.
10.0 Selection of Bidders

10.1 In contract award procedures which involve the selection of suppliers to be invited to tender or negotiate, the selection should be made on the basis of objective criteria, taking account of the evidence permitted under the EC rules where they apply. Purchasers should ensure that, consistent with their legal obligations, any minimum standards of financial or economic standing and technical capacity, are proportionate to the contract(s) in question and that in selecting participants undue emphasis is not placed on size.

10.2 In all cases, and throughout the procurement process, purchasers should consult their local Standing Orders to ensure that both their legal and financial authority is being complied with.

11.0 Awarding Criteria

11.1 In determining the criteria for the award of contracts, purchasers should rarely rely on price alone. In most cases VFM (most economically advantageous offer in EC terms) will involve other factors such as whole-life cost, quality and delivery against price.

12.0 Evaluation of Bids

12.1 Appropriate investment appraisal techniques should be used in assessing which compliant bid offers Best Value for money:

- on the cost side, the relevant factor should be whole-life cost, not lowest short-term price. Whole-life cost takes into account all aspects of cost over time, including for example capital, maintenance, management, operating and disposal costs, whenever they fall. For complex procurements, including large supplies and services contracts and construction projects, whole-life cost may be very different from, and only loosely related to, initial price; and

- on quality, higher expenditure on better quality might well be offset on a whole-life-costing basis, for example by lower maintenance costs; longer life or higher residual value and therefore justified on cost grounds alone. However, a better quality solution to the requirement, for example in terms of service standards, might add to the whole-life cost. In all cases it is for the purchaser to consider carefully whether increased benefits justify higher cost, providing better VFM in meeting the requirement.

13.0 Payment on Time of Valid Invoices

13.1 Brigades should ensure their suppliers are paid on time. Where there is no contractual provision or other understanding, Brigades should preferably pay suppliers within 30 days of receipt of the goods or services, or the presentation of a valid invoice or similar demand for payment, whichever is the later.

13.2 The aim should be to pay on time, never late but not unnecessarily early unless some early payment discount or other benefit has been agreed.

13.3 It should be noted that the time taken to pay invoices is regarded as a standard performance indicator and will be subject to benchmarking.
14.0 Environmental Issues in Procurement

14.1 In line with Government Policy, brigades must ensure that environmental issues are a key factor of their procurement policy. In particular specifiers and purchasers must:

- consider the environmental impact of purchasing decisions; and
- minimise adverse impacts through buying products wherever possible which have least impact on the environment.

14.2 The policy must allow purchasers to specify goods and services that take account of their environmental impacts, provided a balance is struck between costs, benefits and other relevant factors. Full life cycle costs, including disposal, must be taken into account and, other things being equal, the choice should favour the option that minimises any adverse environmental effect. Purchasers should also encourage suppliers to minimise any adverse environmental effects of their activities, and also encourage suitable new technology.

15.0 Equality and Human Rights Act 1998

15.1 Brigades must ensure that all procurement strategies and processes comply with the spirit of Equality and the requirements laid down by the Human Rights Act 1998.

16.0 Purchaser’s Role

16.1 The following are considered to be the key elements of the purchaser’s role in the procurement process:

- assist the customer with the preparation of the business case e.g. information on prices, markets, etc.;
- propose tender strategy, for approval by customer;
- contribute to the specification to ensure that it is best suited to attract competition;
- manage the competitive tendering process, including advertising, evaluation of suppliers and choice of tenderers, preparation of the Invitation To Tender (ITT) based on customer’s specification and agreed contract terms and conditions, determination of agreed evaluation criteria, tender opening and organising evaluation;
- organise and conduct any post-tender clarification needed, and undertake any appropriate post-tender negotiation;
- recommend the best choice;
- in all the above, ensure that any other experts needed have been approached for advice and assistance as required;
- when satisfactory agreement has been reached with the customer, and any others involved in the evaluation, make the formal commitment with the chosen supplier;
- finalise the contract which must be in writing;
ensure there is a clear audit trail;
debrief unsuccessful bidders on request; and
agree with the customer arrangements for contract management.

17.0 Business Case

17.1 It is considered best practice that a formal business case be prepared to justify the purchase of any goods or services with a value in excess of for example £10,000 (exclusive of VAT), and may also be considered for lower value items where the impact on a brigade is potentially substantial. The customer should prepare the business case, after first seeking advice from the purchaser.

17.2 Whilst the business case need not be elaborate, the following issues should be considered and recorded:

■ the purpose of the purchase (terms of reference could be used where appropriate);
■ the benefits to be derived and when they are likely to accrue;
■ the expected deliverables;
■ where appropriate, the proposed project management arrangements, including confirmation that a sufficiently senior, experienced and competent project manager is being assigned to the project;
■ the proposed division of work between the supplier and in-house staff;
■ the expected costs;
■ confirmation that financial resources are available to meet the estimated cost of the requirement;
■ a systematic assessment of the alternatives that have been considered;
■ how evaluation of tenders will be undertaken; and
■ how eventual implementation would be handled.

17.3 The business case should contain sufficient information to demonstrate that the proposed purchase of goods or services offer value to the brigade(s).

18.0 Defining the Business Need – The Specification

“A statement of needs to be satisfied by the procurement of external resources. It defines what the customer wishes to buy and what the provider is expected to provide. A specification should be sufficiently tight so that the service or product fits the user’s needs but not so explicit that it prevents negotiation and discourages the provider from using expertise to propose innovative solutions and offer better value for money.”

18.1 General – Defining the business need is probably the most critical stage of procurement, particularly when requirements are complex. An ill-considered, vague or misleading statement of requirements can be very costly to correct at a later stage or, worse, may provide end users with an unsatisfactory product or service.
18.2 Defining the business need is, therefore, the first step in the procurement process. It is achieved by producing a specification. When defining the business need, it is important that the best VFM is always considered. It is essential to differentiate between needs and wants if value for money is to be achieved. It may be that a customer wants to specify a particularly high standard of service or product simply because funds are available, whereas the real business need could be satisfied by something less extravagant and expensive.

18.3 The business need should always be carefully considered, as in some instances there may not be a justifiable requirement.

18.4 **What is a Specification** – It is a description of requirements and standards to which the product or service should conform. It is a vital document in the tender process, as the supplier’s performance will be measured against it. Any product or service must be described in such a way that the tenderers can respond fully and unambiguously, but at the same time be innovative and develop new techniques and, where possible, identify where there is opportunity for VFM improvements.

18.5 The specification must:

- clearly describe what the supplier is expected to provide;
- focus squarely on outputs, detailing what is required but without being prescriptive as to the method the supplier should use to provide it;
- provide a standard by which it is possible to measure the quality of what is being provided against what is contractually required;
- include performance targets or include criteria for acceptance of the products or services;
- act as a tool for contract monitoring;
- avoid over-specification of performance (more than “Fit for Purpose”) to ensure procurement at the optimum cost;
- take account of environmental policies as well as relevant legislation on, for example, health and safety;
- not be written in a way that favours monopolies or single sources of supply;
- be sufficiently tight so that the product or service fits the user’s needs, but not so explicit that it discourages the supplier from proposing innovative solutions that optimise VFM;
- either identify any optional “bells and whistles” which would add value, or give the supplier the opportunity to do so;
- be realistic in specifying requirements including limits, tolerances, deliverables and timescales;
- encourage a structured method of tender evaluation; and
- be able to, and form the major part of, the formal contract between the purchaser and the contractor. Once the specification has been included as part of the contract it can be changed only by agreement with the contractor. **Changes to specifications after the contract has been agreed can be expensive.**
If the specification is wrong, inadequate or unnecessarily tightly drawn it may result in:

- unsuitable tenderers submitting bids or suitable tenderers submitting unsatisfactory bids;
- suitable tenderers being precluded from bidding;
- tenderers wrongly or variously interpreting the requirement;
- major difficulties in evaluating the bids;
- wrong or unsuitable products/services being offered/supplied or services not meeting the actual requirement; and
- claims of unfair treatment being made by tenderers.

Output/Performance Specification – To the greatest extent possible, the specification should be expressed in terms of output and performance to avoid any suggestion of favouritism and to provide scope for innovative solutions. The specification should be built around a description of what is to be achieved rather than a fixed description of exactly how it should be done. Requirements should be specified by reference to recognised standards, where relevant, making provision for equivalents to be offered, where appropriate.

In very exceptional circumstances, for a limited number of products and services, a design specification may be unavoidable. As the term implies, such a specification starts with exact details of the physical dimensions, the materials used, the manufacturing processes required and so on. The nature of the requirement may make it essential to narrow the options by writing a detailed full design specification. Care requires to be taken when adopting this procedure, particularly when EC Regulations apply, as a design specification may restrict competition.

It is generally recommended that wherever possible, specifications on an output/performance basis rather than in design terms be issued.

Technical Specifications and Standards – In the context of specifications, a standard is a technical specification or other document available to the public. Standards are based on the consolidated results of science, technology and experience, aimed at the promotion of optimum commercial benefits and approved by a body recognised at the national, regional or international level.

There is now a legal obligation, as well as the requirement contained in the EC Directives to use European standards where they exist, except in a few specified instances. There are two criteria that must be satisfied before you may specify any particular make, source, process, trademarks, patents, types, etc.:

- the reference must be justified by the subject matter of the contract; and
- the subject of the contract cannot otherwise be described in a manner, which is sufficiently precise and intelligible to all potential providers.
Any such reference must be qualified by 'or equivalent'. The use of this kind of reference is something the European Commission and the European Court of Justice are extremely strict on, even where the words 'or equivalent' are used, if both the criteria identified are not satisfied. Where European standards do not exist, other recognised standards may be specified provided the words 'or equivalent' follows them.

19.0 The Procurement Process

19.1 Although the whole area of procurement can be extremely detailed, involving many numbers of staff of varying levels of expertise and different management systems, the complete process, when broken down can be summarised into three stages:

1. Pre Purchase – The Best Value Review

2. Stages up to Purchase – Determining a Need
   Formulation of a Specification
   Project Planning
   Evaluation and Decision to Purchase

3. Buying and Supplying – Tendering and Contract Award
   Supply
   Monitoring and Evaluating Effectiveness
   Contract Renewal

19.2 A number of the factors which should be considered in the above processes have been detailed in the previous chapters, however, in order to facilitate the processes, a number of checklists have been developed by the Audit Commission which are reproduced at Appendix D.

19.3 These are not exhaustive in defining the exact processes an Organisation should go through however; they will enable the brigades to assess their progress against good practice.
20.0 Strategic Procurement

20.1 Strategic items would be contracts that are high in value relative to other contracts and which would involve considerable developmental work between the contractor and the client. Precise figures are not available but it is estimated brigades spend in the region of £18 million per annum on these types of goods and services, e.g. premises, mobilising/communications systems and appliances, etc. Strategic procurement probably offers the greatest potential for price savings by greater collaboration in design and purchase of the goods and services, the use of standard specifications and the use of different procurement routes.

21.0 Non-Strategic Procurement

21.1 These items would generally be relatively high volume contracts for goods and services that are less complicated to specify than strategic items. Goods in this category would include personal protective equipment, operational and non-operational equipment. It is estimated that approximately £9 million is spent annually by brigades for goods and services classified under this category. Again, it is considered significant savings could be achieved on this form of procurement by collaboration by brigades, use of consortia and increased use of framework agreements.

22.0 Routine Procurement

22.1 Routine procurement refers to the ad hoc purchase of low value items with a value of £100 or less. Not all brigades were able to identify the number of orders placed in this category however, of the three that could, the approximate total value was £2 million. It has been estimated that the processing cost of making purchases of this type can range from £25 to £100. These processing costs could be significantly reduced if brigades were to make greater use of communication by electronic networks, utilised electronic commerce, utilised procurement cards and made wider use of framework agreements.

23.0 Value for Money Savings

23.1 Brigades should, through target setting and monitoring processes, be able to demonstrate progress in achieving VFM savings. Procurement savings are important for the following reasons:

- improved VFM – savings created by improvements in performance will release resources that can be deployed elsewhere;
improved efficiency and quality – purchasing savings can be a reflection of improvement in the efficiency and quality of goods and services bought; and

- the stimulation of further savings – a successful savings regime will motivate those undertaking the purchasing to continue to search for improvements.

Savings may be classified as being either cost avoidance or cost reduction.

Savings can be achieved by some of the following methods:

<table>
<thead>
<tr>
<th>Examples of Cost Avoidance</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elimination of end-user requirement</td>
<td>Avoiding the need to purchase unnecessarily</td>
</tr>
<tr>
<td>Agreed change to specification</td>
<td>Avoiding unnecessary over-specification or creating wider competition</td>
</tr>
<tr>
<td>Standardisation/variety reduction</td>
<td>Using standard items/services, or less extensive range, to avoid purchasing minor variants of a generally acceptable specification</td>
</tr>
<tr>
<td>Agreed substitution of lower cost items or services</td>
<td>Obtaining user agreement to revise their requirement as a result of information regarding cheaper alternatives</td>
</tr>
<tr>
<td>Savings based on analysis of whole life costs</td>
<td>Avoiding higher long-term cost by using whole life costing methods to analyse bids from suppliers</td>
</tr>
<tr>
<td>Use of items deemed surplus elsewhere</td>
<td>Locating an item not used, or under-utilised, that is acceptable to the user</td>
</tr>
<tr>
<td>Use of refurbished or second-hand items in preference to purchasing new</td>
<td>Avoiding the generally higher cost of buying new, when acceptable lower cost alternative can be provided through the refurbishment/reconditioning of a previously purchased item or by buying second hand</td>
</tr>
<tr>
<td>Elimination/reduction of a requirement to hold stock</td>
<td>Avoiding costs of storage and distribution by maintaining stocks unnecessarily</td>
</tr>
<tr>
<td>Elimination</td>
<td>Removal of restrictive features from the specification e.g. time tolerances and references to proprietary equipment</td>
</tr>
<tr>
<td>Short-term hire/lease</td>
<td>Avoid the need to buy items which are only needed for short term</td>
</tr>
</tbody>
</table>
### Examples of Cost Reduction

<table>
<thead>
<tr>
<th>Examples of Cost Reduction</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregation of purchasing power</td>
<td>Using combined requirements at the purchase planning stage to achieve better prices</td>
</tr>
<tr>
<td>Aggregation of orders</td>
<td>Reducing costs by placing aggregated orders rather than numerous smaller orders to achieve, for example, improved volume discounts</td>
</tr>
<tr>
<td>Improved sourcing</td>
<td>e.g. introducing alternative suppliers, greater competition, etc.</td>
</tr>
<tr>
<td>Negotiated price reductions</td>
<td>Reducing price through discussions with suppliers</td>
</tr>
<tr>
<td>Negotiated improvements in other terms and/or conditions</td>
<td>Reducing costs in areas other than price, (e.g. transportation, accommodation, etc. through discussions with suppliers)</td>
</tr>
<tr>
<td>Post-tender negotiation</td>
<td>Avoiding unnecessary cost by improving contract terms through discussion, after receipt of formal bids, but before contract award</td>
</tr>
<tr>
<td>Using prompt invoice settlement arrangements</td>
<td>Taking advantage of discounts for prompt payment</td>
</tr>
<tr>
<td>Savings achieved through inter-brigade purchasing arrangements</td>
<td>Collaborating with other brigades over the purchase of common requirements</td>
</tr>
<tr>
<td>Substitution</td>
<td>Replacement of existing requirement with cheaper but acceptable equivalent</td>
</tr>
<tr>
<td>Middle Man</td>
<td>Purchasing direct from manufacturers instead of wholesalers or vice versa</td>
</tr>
<tr>
<td>More streamlined ordering procedures</td>
<td>e.g. by use of Procurement Cards or by consolidated invoicing</td>
</tr>
<tr>
<td>Trade in</td>
<td>Utilising equipment to be replaced in part exchange</td>
</tr>
</tbody>
</table>

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### 24.0 Supplier Appraisal

#### 24.1

The objective of supplier appraisal is to identify companies, which can provide quality goods and services at competitive prices throughout the life of a contract. Supplier appraisal measures the potential suitability of suppliers in performing the requirements of a contract.
24.2 The depth of the appraisal will be dependent on the value of the purchase, its sensitivity, estimated risks and the complexity of the requirement or previous experience of contracting with known suppliers. For many, small value purchases of standard items or simple services the supplier appraisal may be no more complicated than confirming potential tenderers are experienced in their business and can supply the requirement. Equally, a small value purchase could involve some detailed supplier appraisal work should the item be of strategic importance or involve a frequent servicing commitment.

24.3 The following are general guidelines that should be adhered to in any appraisal process:

24.4 **Requirements of an Appraisal** – As a minimum it should be ensured that suppliers are:

- technically sound;
- equipped with the skills required;
- managerially competent;
- adequately resourced;
- committed to continuous improvement;
- financially stable;
- reliable;
- reputable; and
- easy to deal with.

24.5 **Role of Purchaser** – Purchasers should complete an appraisal when an appropriate number of suppliers have been identified.

24.6 To demonstrate a fair and open process for the selection of tenderers the purchaser must determine and document the supplier appraisal criteria before potential suppliers are evaluated.

24.7 Any supplier appraisal process should record:

- the companies subjected to the appraisal criteria;
- the appraisal criteria;
- the identity of those conducting the appraisal;
- the results of the appraisal; and
- the companies invited to tender or quote following the appraisal.

24.8 It is important that suppliers do not become over reliant on brigades for their survival. Purchasers should monitor the percentage of the supplier’s business that their requirement represents.
References – References should generally be obtained for all suppliers and should be recorded in writing. A request for ‘supplier references’ from existing or previous customers can also prove useful. Purchasers should view references with caution; potential suppliers will probably provide names of organisations that are likely to give a favourable response.

Financial Status – Financial checks are designed to assess whether firms are financially viable. If financial status checks are necessary, a copy of the latest audited accounts/bankers statements should be requested, then consideration should be given to the following:

- what is the firm’s assessed turnover;
- is it making a profit or loss, what is the relationship between gross and net profit;
- what is the value of capital assets and return on capital employed;
- what are the scale of borrowings and the ratio of debt to assets;
- what is the ownership, equity or the structure;
- is there a take-over or merger activity, which could affect supply capability; and
- does the supplier have a broad or narrow customer base?

Management and Workforce – The following are the recommended checks on all aspects of the supplier’s personnel:

- what is the management structure;
- what is the firm’s approach to recruitment, training and development, and health and safety;
- what is the turnover of staff; and
- has the potential supplier been convicted of any criminal offence relating to the conduct of its business or profession?

Capacity – The answers to all of the above checks may be satisfactory but does the supplier have the capacity to handle the Brigade’s orders alongside other orders, existing or prospective?

- what is the present level of capacity utilisation;
- what is the state of the future order book; and
- what would be the impact on the Brigade’s business?

Technical Capacity – The supplier may have sufficient physical capacity to meet the Brigade’s requirements, but are they technically able to provide a satisfactory standard of goods and services? The checks here are:

- are responses to enquiries satisfactory and timely;
- does the supplier understand the requirement;
- is the firm experienced, or new to the product/service area;
- does the firm produce to International, European or National standards, are its products independently certified as conforming to the relevant standards;
how does the firm approach service or production planning;
what is the condition of the plant, machinery and other equipment and of the premises;
what use does the firm make of sub-contractors and how do they manage them; and
what are the firm's sources of supply of raw materials, parts, components, etc., are they reliable and are there alternatives?

24.14 Quality Assurance – Checks on a potential supplier's quality assurance should include:

- does the supplier work to an independent quality standard;
- what system of quality management does the supplier use; and
- does the supplier implement a recognised continuous improvement programme (e.g. European Foundation for Quality Management (EFQM) or Total Quality Management (TQM))?

24.15 Delivery Performance – A supplier might produce satisfactory goods, but is their delivery service adequate? References from other customers should be used to determine:

- whether delivery is reliable; whether delivery is to the correct address with the right items, in the right quantities at the right time; how the firm respond to faults/queries and in what timescales;
- does the supplier have a history of delivery to time;
- what procedures are in place to ensure the service is delivered as tendered;
- what are the firm's transport and distribution arrangements; and
- is packaging adequate?

24.16 Site Visits – It is essential that the assessment of suppliers' capability, particularly for the more complex and critical purchases or services are as objective as possible. To achieve this there is often a requirement for field research in the form of site visits to potential supplier's premises, the results of which should be recorded in writing and retained on file.

25.0 Performance Monitoring/Measurement/Benchmarking

25.1 If brigades are to have assurance that they are getting the best deal from their procurement of goods and services in terms of price, quality of service and supplier performance they need to have reliable information and systems to assess the performance of all stages of the procurement process. Without such information it is very difficult to benchmark prices to ensure that they remain competitive, to track whether each year the procurement of goods is improving, and that efficiency targets and savings are being realised.
26.0 Supplier Performance Measurement

26.1 Supplier Performance Measurement is a technique of measuring a supplier's actual performance against a list/set of agreed criteria then awarding 'marks' according to the quality of performance.

27.0 Objectives

27.1 The objectives of using Supplier Performance Measurement are:

- to ensure we get what we are paying for;
- to maintain and improve suppliers performance thereby ensuring VFM;
- to assist supplier development;
- to catch any performance problems early and remedy them; and
- to create and maintain central intelligence on supplier performance for brigades' use.

27.2 It also gives a benchmark from which to measure improvement. Suppliers, too, need to know how well they are performing and to have the opportunity to meet the needs of brigades better. In the rare event that supplier performance is so poor that the contract needs to be terminated and/or damages sought, vendor rating provides objective documented evidence of unsatisfactory performance.

28.0 When should Supplier Performance Measurement take place?

28.1 Supplier Performance Measurement takes place after the order/contract has been placed for the products or services required and is therefore part of managing the contract whereas Supplier Appraisal is carried out prior to inviting tenders.

29.0 Performance Criteria

29.1 Suppliers should be told that vendor rating is being used. Performance criteria should normally be included in the specification: these should be measurable qualities expected so that the supplier can take these into account in the bidding process, and so form part of the contract. The supplier’s performance against these qualities should be recorded.

29.2 The criteria for assessment against the specification shall normally include:

- quality;
- timeliness of delivery;
- customer relations;
- responsiveness to change;
- technical knowledge (if applicable);
- professional knowledge; and
- innovation.
The scores achieved by the supplier, on the various aspects of performance, are totalled to give indicator of overall performance. Aspects of performance critical to the purchaser can also be ‘weighted’ to stress their importance.

30.0 Key Requirements

30.1 Within major contracts, the supplier’s performance measurement should be given to them regularly in writing and contract review meetings should be held with the supplier to consider the results and agree action plans, where necessary, for improving performance.

30.2 Like supplier appraisal, supplier performance measurement should be a team activity, particularly seeking input from customers.

31.0 Customer Rating

31.1 The most successful contracts occur when both parties realise that they have a major role to play in the performance of the contract. Assessing performance should be a two way process. Many customers think that their part is over when the contract is signed. Having a mechanism for suppliers to assess the customer means that you get the information you need to improve purchasing performance and the supplier should feel more comfortable about criticising its ‘source of income’.

32.0 Records

32.1 Formal records are essential supporting evidence in the event that a contractor seeks a price variation, or if it proves necessary to take formal action to terminate the contract, as well as providing a full audit trail. A comprehensive account of the performance is also valuable when the contract needs to be re-let; and if other brigades or agencies seek references on a particular contractor.

33.0 Better Measurement

33.1 The Excellence Model developed by the European Foundation for Quality Management is recognised as the leading guidance to be utilised as a means of measuring procurement performance and for making comparisons between Brigades or agencies.

34.0 Partnerships/Collaboration

“A management approach used by two or more organisations to achieve specific business objectives by maximising the effectiveness of each participant’s resources.”

Existing Arrangements – To date there has been modest inroads made regarding collaboration between brigades and between brigades and other emergency services in relation to procurement. However, the level of collaboration has not manifested itself to the level first envisaged whereby significant financial savings and more efficient use of resources would be achieved.
Brigades are obviously responsible for the management of their resources, including what they purchase and from whom, and are accountable for what they do. However, from a procurement perspective this can result in duplicated activity, poor use of (or wasted) resources, poor value for money and an uncoordinated approach when dealing with suppliers.

**34.3 Effective Collaboration** – Collaboration and partnerships in procurement can operate at a number of levels, including:

- **within a brigade**, in particular where day-to-day procurement is undertaken by cost centres/budget holders, operating within delegated levels, either from centrally let contracts or framework agreements, or through direct (sometimes *ad hoc*) procurement;
- **between brigades** in the form of dialogue regarding procurement strategies, or the development of joint working or contracts (e.g. consortia), or the use by one brigade of another brigade’s contract; and
- **between a brigade or brigades and Central Procurement Agencies** such as The Buying Agency (TBA) or the Central Computer and Telecommunications Agency (CCTA).

**34.4** To be effective, collaboration and joint procurement needs:

- full and reliable information regarding who is purchasing what, from whom and through what means. This would require brigades to agree some form of common coding system. A common coding system can enable cost comparisons of the price paid for an item by other brigades, easier exchange of procurement information and aggregation of demand to provide for greater procurement leverage;
- effective management of that information both within and between brigades and an overview of the extent to which collaboration is being used, to what effect and how it might be developed further;
- a willingness by departments to share information, trust each other and demonstrate the same willingness in their dealings with suppliers, where procurement rules allow;
- in the case of ‘piggy backing’ onto another department’s contract, a contractual relationship and terms which allow the interests of the authorised user of that contract to be protected as those of the main signatory;
- a clear understanding of the added value role of ‘central procurement agencies’ in achieving effective procurement;
- recognition that collaboration could involve the ‘lead’ brigade in additional cost and a mechanism for dealing with this;
- agreement on joint funding of the procurement/implementation process; and
- procuring such technical or other support as is necessary that cannot be met from within the participant brigades.
Developing and Extending Collaboration – Appendix B provides an overview of expenditure by brigades on procurement activities. There has been an increase in the willingness of brigades to network and share information (CACFOA Networking Arrangements) where it is available and there has also been willingness under the auspices of CACFOA – Scottish Region, to extend this and collaborate further.

Given the Brigade’s willingness to develop and extend collaboration, how can this best be progressed? It should be possible to build on existing examples of successful inter-brigade co-operation and collaboration. For example: a joint framework agreement is already in place with the police service for the purchase of cars and light commercial vehicles, there are Associations involving a number of brigades that have been formed for the purposes of co-ordinating the purchase of fire appliances and equipment. In addition CACFOA – Scottish Region are collaborating on standard specifications for Fire Appliances and Personal Protective Equipment (PPE).

Where collaboration involves the use of another brigade’s or department’s contract or the establishment of a ‘lead’ brigade or department that brigade/department will need to consider whether it wishes to ‘sell’ those services.

Lead Buying – There is a risk that ‘lead buying’ might not match entirely individual brigade’s needs and that local purchasing might achieve better prices. It is considered the following advantages will outweigh these potential risks:

- the ability to take advantage of the purchasing expertise and skills of the lead brigade/department where those skills may not be available in-house and have to be bought in; this saves on the overhead cost incurred both in tendering and managing the contract;
- the ability to take advantage of prices and VFM achieved through the negotiating position and power of the lead brigade/department; and
- the ability to use the lead brigade/department’s contract as a benchmark.

Framework Agreements

Operation of Agreements – Framework Agreements are contracts, which are let competitively for a period, usually three to five years. Such contracts can cover a range of low and high volume goods and services. Prices will be agreed when the contract is awarded however, on some occasions there will be a provision for price increases to cover inflation. The supplier will provide goods in required quantities when needed. The use of Framework Agreements within the Service is increasing and covers such items as vehicles, tyres, electronic equipment and stationery.

Framework Agreements can offer the prospect of substantial savings if applied to the area of high volume procurement. However, on major purchases such as fire appliances there may only be negligible actual cost savings but when viewed over the whole life cost of the vehicle along with minimal administrative costs, significant savings may be realised.
35.3 The main benefits of framework agreements are:

- more effective negotiation of terms (including prices) with suppliers by acting together as one large purchaser rather than a number of smaller purchasers;
- brigades will have a reduced stockholding as suppliers are contracted to provide goods within a set time period, to meet brigades’ requirements;
- as brigades can order directly from the supplier internal purchases processing requirements and time are reduced;
- if managed well, longer-term framework agreements can give brigades more influence to improve the quality of service which suppliers provide. This is because the supplier has a guaranteed business for a number of years and has more of an incentive to work with brigades in improving quality; and
- central contracts for goods and services must comply with European Commission tendering requirements, which can be expensive and time consuming. Framework agreements let by the European Commission procedures enable brigades to jointly purchase goods and services under that agreement without also having to let individual contracts in accordance with European Commission requirements.

35.4 Over the last five to 10 years brigades and government purchasing organisations such as The Buying Agency have established framework agreements from which goods and services can be purchased on a call-off basis when required. Brigades are increasingly utilising such arrangements, the following two types of agreements being typical of those in place:

(a) The Fire Service Procurement Association (FSPA) – The Association being formed for the purposes of co-ordinating the purchase of fire service appliances and equipment by a number of fire brigades.

Following advertisements in the *Official Journal of the European Union* the Association has entered into framework agreements with a number of selected suppliers. The framework arrangements are based upon jointly developed call off contract arrangements where members are not committed to purchase every year or from the same suppliers within the product range.

Costs are determined against the supply of a basic fire appliance with a menu approach being utilised for purchasing options.

(b) Government Telecommunications Contracts (GTC) Services – CCTA, the Central Computer and Telecommunications Agency has launched GTC Services.

GTC is a series of framework contracts for the provision of telemetric infrastructure services. Predominantly based on telecommunications and value added network services, these frameworks provide the benefits of aggregated procurement power to obtain value for money and the provision of services under government terms and conditions.
GTC is a Modern Procurement for Modern Government. The Government's Modernising Agenda has set a wide range of challenges for the whole of the public sector. This major change programme will increase the need for the telemetric services that lie at the heart of modern business systems. In the public sector the increased tempo of both technical and commercial change requires a more flexible approach to the procurement of telemetric services. GTC contracts can deliver the infrastructure on which government will be modernised.

36.0 Standard Specifications

36.1 One of the tasks of the Purchasing Arrangements Working Group was the production of standard specifications, which was allocated to Grampian Fire Brigade to progress further. Grampian Fire Brigade working in conjunction with the Appliances Equipment and Uniform (AEU) Committee, a sub-group of CACFOA – Scottish Region has made considerable progress regarding this matter. Standard specifications for a Type 'B' Water Tender and also for a Compact Appliance have been agreed an example of which is provided in Appendix E.

36.2 As a result of these generic specifications there are now strong incentives for brigades to collaborate on a regional basis for the purchase of these items.

37.0 Procurement Card

37.1 Corporate procurement cards have been on the scene for a number of years but it is only recently that customer numbers for either Visa or American Express have begun to accelerate in the United Kingdom. Should the use of these cards be accelerated in the Fire Service along with the increased use of electronic commerce? The most obvious reason for doing so would be in the basic cost savings. It has been estimated that up to 85% savings can be achieved on processing costs, an average saving of £15 to £60 per transaction. A more fundamental impact of this technology has been its contribution to wider changes in the way organisations manage their relationships with suppliers.

37.2 To date there has been a general reluctance by brigades in introducing procurement cards however, they should be seen as a tool to free purchasers, empower users and make accounts payable redundant.

37.3 The procurement card is similar to charge cards operated by most commercial businesses. Designated staff within a brigade are given a card which they can use to order goods and services by telephone, fax written purchase order or in person. Cards usually have some restriction limiting the holder to the types of goods they can purchase up to a certain monetary value. The price of the item is charged to the card and at the end of an agreed period the Brigade will receive a statement listing the purchases bought so that they can be verified. The Card Company sends a consolidated invoice to the Brigade, which is settled by one payment. The main benefits of utilising procurement cards are:

- reduced purchasing costs. Card-holders purchase direct from a supplier; they do not have to complete purchase request forms that have to be processed by purchasing staff;
speedier delivery. Cardholders can order and receive items more quickly – often the same day. The need for large stock holdings is consequently reduced;

- improved efficiency. Less time is spent checking and authorising purchases. This becomes a monthly task when the Card Company issues a statement and consolidated invoice; and

- risk of impropriety is minimised. With proper safeguards procurement cards are as secure as any other procurement method.

38.0 Electronic Commerce

38.1 The Information Age

“The Internet is now dramatically altering the way Businesses operate and communicate not only within their own Departments but also with their suppliers, individual consumers and their partners. By integrating communications via the Internet costs can be reduced and efficiency can be increased. No longer should it take days for paper to be shuffled from desk to desk waiting for bureaucratic processes to be fulfilled. Why should it take a week for a file to be transported from one side of the country to the other when it can be done instantly by electronic mail (email)? In addition, why should we need to search through complicated brochures in order to select a product, then order it, only to be told a day later that it was out of stock. This can also be done automatically via the Internet, by quickly searching for an item, checking the availability and ordering it, all in a matter of seconds.”

Fact or Fiction

38.2 E purchasing must be a cornerstone of any procurement strategy. It brings an opportunity to transform front-line service delivery, by taking advantage of Internet technology. It also provides both a duty and an opportunity to transform the administration of brigades, to take advantage of this technical revolution, by sharing more information and establishing common back-office processes that reduce the administrative burden.

38.3 Although it is perceived as a technology revolution, the real changes are about people. Change on this sort of scale is not achieved by implementing new systems alone but is achieved by recognising that we are changing the way people work and their role in the delivery of services. This rapid change will impact on almost all employees and the impact on them must be considered in advance and managed equally as carefully as the introduction of the technology.

38.4 Electronic Commerce must replace the existing procurement paper trails, as the potential savings are huge. Currently available technology must be harnessed now to:

- enable procurement expertise to be concentrated in the main on strategic procurement;
- undertake joint procurement across brigades and possibly other organisations;
- scope the world marketplace;
run competitive tendering; and
use shared information to make the brigades the best informed and most
efficient buyers in a way that is open and auditable.

38.5 Objectives of Electronic Commerce – Conducting procurement by electronic
means will result in considerable savings through eliminating paperwork and
bureaucracy. More importantly, it can facilitate the fundamental reshaping of
processes. Applied to procurement, electronic commerce can:

- support processes designed to enable procurement professionals to concentrate
  on activities which are both strategic and add value;
- allow budget holders and end users to purchase goods and services easily
  whilst obtaining Best Value For Money (VFM) and meeting EC and other legal
  obligations;
- give a wide range of suppliers convenient access to information in order to
decide quickly whether to bid;
- provide efficient means of ordering and payment, reducing costs for both sides;
- provide effective management information to heads of procurement, budget
  holders and centre; and
- provide collaborative procurement facilities.

38.6 In addition, electronic systems support the development and maintenance of a
cohesive, well-informed and professional procurement community.

38.7 The integration of the procurement card within an e-purchasing system can
provide significant benefits to both the supplier and the consumer.

38.8 Electronic purchasing automates the selection, requisition, approval, and delivery
of orders, while the procurement card provides the automated payment
functionality of the system. This combined solution automates the cumbersome
reconciliation process, from order to payment, while maintaining important
corporate controls.

38.9 With procurement cards and electronic purchasing, the need for a three-way
match, cheque production, and cheque reconcilement is eliminated. Security is
also improved and transaction costs are lowered, because payment is automated
and no checks are needed. Automating both the front-end and the back-end
processes saves time and resources, while giving a brigade more control over
purchasing.

38.10 Value for money and cost-reduction targets are met through better control and
information eliminating unnecessary paperwork, and facilitating more effective
use of resources.

38.11 Increased compliance with EC Procurement Directives and best practice
procurement along with the introduction of a less fragmented procurement
process that follows a managed structured path will lead to the transmission of
quality information to and from suppliers whilst also enabling clearer
understanding of both requirements and proposals.
The Electronic Communications Act 2000 will accelerate the adoption and acceptance of digital signatures. By putting forms on-line and adding powerful features like digital signatures brigades will be able to quickly exploit gains in productivity and to curtail costs and inefficiencies. The Act will give brigades the power to overcome obstacles in existing laws that insist on the use of pen and paper, giving people the electronic option wherever possible. This should lead to many changes in the way brigades deliver their services.

Technical and Infrastructure Developments – Infrastructure and software that will facilitate electronic procurement is now widely available in both public and private sectors. These systems have been developed for the Internet, are suitable for multiple purposes, are based on open standards and are comparatively cheap. Increasingly, they are being deployed on Intranets networks that uses Internet standards but are available only to a known group of users and provide guaranteed levels of security and service. For example; the Government Secure Intranet (GSI), which provides a secure network linking government departments and agencies and gives access to the Internet and various added-value services.

Electronic Catalogues – Electronic ordering from catalogues has been possible for a number of years. A number of alternative routes have been tried: the most popular have been electronic ordering of goods illustrated in a paper catalogue, via a modem link and text-based interface and the combined use of a CD-ROM, containing details of the goods or services, and a modem link. These systems have achieved some success and have allowed substantial savings to be made in a number of areas. There have, however, been a number of difficulties: in general, a stand-alone PC has been required, with consequent implications for both purchase costs and maintenance: the need to circulate paper or CD-ROM catalogues has remained: there has been no integration with existing departmental systems: and the interface to each supplier’s catalogue has been different.

To overcome these difficulties a number of web-based catalogues have now been developed, accessible via a web browser interface. These overcome the need to circulate catalogues: do not require special-purpose client software: have an attractive interface and can be accessed, via the Internet or GSI, from machines connected to departmental networks. They offer a number of features, such as the ability to search for products meeting a particular specification or to compare the features of two products. Authorised users enter a name and password, are able to place an order and if desired, a consolidated invoice may be issued.

The latest systems also have available added management features, such as the ability for orders to be ‘suspended’ until approved by a nominated official and the ability for the procurement organisation’s management to interrogate the supplier’s database, via the web interface, to obtain management information.
Maximising Procurement Efficiency and Effectiveness

39.0 Methods of Achievement

‘Government Policy is that all procurement of goods and services should be based on value for money.’

39.1 The intention of this document, therefore, is to provide guidance to brigades on how best to build on, and add to, the efficiency gains already being achieved in their procurement activities and to identify particular areas and action where further significant gains may be achieved.

39.2 The following areas are considered to have the potential to increase the efficiency of procurement operations within brigades:

- a Best Value Review to be undertaken by brigades of their procurement function with particular emphasis on how this function is delivered;
- the establishment of a common strategic framework covering standard procurement processes, common standards and common performance measures within which all brigades conduct their procurement activities;
- doing business electronically offers the potential of faster purchasing, more reliable up-to-date information to secure better prices and process cost savings;
- mechanisms in place to capture and analyse spend information in a way that enables Senior Management to understand what is being purchased, from whom and whether the most effective methods are being utilised;
- procurement activities being given an increased profile with regular reports being submitted to Senior Management;
- a greater willingness to share information to avoid duplication and wasteful activity;
- the adoption of policies of wider and fuller collaboration with others whenever this offers equal or better value for money;
- the provision of an electronic register that contains details of collaborative projects and contracts. Brigades to provide data for this register in the form of details of new projects or contracts within one month of award;
- the adoption of a common procurement measurement system (based on the Business Excellence Model) to ensure improved effectiveness in all areas of spend influenced by procurement techniques, enhanced learning, dissemination of best practice and increased probity;
- the development of credible key performance indicators for the procurement function;
- the benchmarking of prices with others to ensure that they remain competitive, to track whether each year the procurement of goods is improving and that efficiency targets and savings are being realised; and
- the recruitment and retention of professional procurement staff who have access to a continuous professional development programme.
Introduction

Tayside Fire Brigade is committed to ensuring that the best possible value for money is gained in all its activities. A major contribution to the Best Value agenda within the Fire Service is to maximise efficiency, effectiveness and economy in the procurement process.

In line with Tayside Fire Brigade's current service plan, it is felt that now is an appropriate time to set out a procurement strategy for Tayside which encompasses both the local procedures in operation and the strategy through which Best Value will be achieved by the Brigade.

Objectives

The objectives of a procurement strategy, simply put, are to ensure that the correct goods and services are delivered to the correct person at the correct time in the most cost-effective way.

Strategy

The objective detailed above will be achieved by a more strategic approach to procurement, which will, in turn, assist the Brigade in obtaining better value for money in their acquisition of goods and services. This strategy should ensure that the ways in which we do things are continually reviewed and improved.

It should also be stressed that this strategy should apply to all goods and services acquired. Although it is appreciated that considerable management time is devoted to the procurement of large capital purchases, there is little strategic focus on the procurement of non-operational and lower value goods and services. The prioritisation of operational purchases is to be commended, however, the procurement of other goods and services should also receive corporate attention.

The strategy is that:

(i) All goods considered for acquisition are required by the Brigade in order to meet Brigade Service Plan objectives.

(ii) A planned corporate approach to procurement is delivered through the use of expertise within and without the Brigade.
(iii) Collaborative and partnership approaches are fostered and encouraged both within the Service nationally and with other public and private bodies, and all other stakeholders to the Brigade.

(iv) All relevant staff are consulted regarding their requirement for goods and services.

(v) Current technology is utilised to establish an effective internal and external communications network involving suppliers, customers, internal departments and Brigade policy makers.

(vi) Procurement systems, both electronic and administrative, are developed to provide a more streamlined service and useful performance information.

(vii) The use of modern supplies management techniques is considered when the decision is being made to procure goods and services.

(viii) Standardised reporting procedures, acquisition processes and specifications are developed, and collaborative arrangements are considered, where appropriate.

(ix) A procurement approach to be adopted which takes into account environmental, equality, social and ethical issues.
Expenditure on Procurement in Scottish Brigades

The following is the approximate estimated expenditure by Scottish brigades on procurement of goods and services for 2000/2001:

<table>
<thead>
<tr>
<th></th>
<th>2000/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE BUDGET EXPENDITURE ON:</strong></td>
<td></td>
</tr>
<tr>
<td>Operational Equipment</td>
<td>£1,168</td>
</tr>
<tr>
<td>Personal Protective Equipment (PPE)</td>
<td>£993</td>
</tr>
<tr>
<td>Non-operational, Uniform and Personal Equipment</td>
<td>£459</td>
</tr>
<tr>
<td>IT Equipment</td>
<td>£445</td>
</tr>
<tr>
<td>Communications Equipment</td>
<td>£687</td>
</tr>
<tr>
<td>Consumables</td>
<td>£579</td>
</tr>
<tr>
<td>Stationery</td>
<td>£237</td>
</tr>
<tr>
<td>Other</td>
<td>£2,681</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£7,249</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CAPITAL BUDGET EXPENDITURE ON:</strong></th>
<th>2000/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firefighting Vehicles</td>
<td>£5,870</td>
</tr>
<tr>
<td>Other Vehicles</td>
<td>£429</td>
</tr>
<tr>
<td>Personal Protective Equipment (PPE)</td>
<td>£1,433</td>
</tr>
<tr>
<td>Operational Equipment</td>
<td>£1,348</td>
</tr>
<tr>
<td>IT Equipment</td>
<td>£480</td>
</tr>
<tr>
<td>Communications</td>
<td>£1,500</td>
</tr>
<tr>
<td>Premises</td>
<td>£8,171</td>
</tr>
<tr>
<td>Other</td>
<td>£617</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£19,848</strong></td>
</tr>
</tbody>
</table>
1.0 Purpose

1.1 To ensure that all purchases made by the Brigade conform to standing orders and financial regulations set by the Fire Board and embrace our management principles.

1.2 An integral part of this procedure is the provision of a process which not only caters for the purchase but also the introduction, use and eventual replacement of the required item.

2.0 Scope

2.1 This procedure covers the procurement of all materials, equipment (including appliances), services and supplies required by the Brigade from an external supplier, and includes the procurement of items for evaluation purposes.

2.2 It covers the processing of such procurements from the identification of their need to the submission of an authorised requisition order to the Purchasing Manager. The Purchasing Manager has sole responsibility for the purchase of goods and services for the Brigade. It follows that budget holders cannot enter into contractual arrangements with suppliers direct.

3.0 Responsibilities

3.1 The BUDGET HOLDER is responsible for progressing procurement arrangements within their area of responsibility, taking account of Brigade priorities and available allocated budgets. In all cases it is the responsibility of the appropriate budget holder to ensure that sufficient resources are available to fund an intended purchase.

3.2 The CORPORATE GROUP is responsible for giving consideration to, and approval for, the acquisition of goods and services which are not in accord with the approved Investment Plan and Revenue Budget and be satisfied that sufficient resources are available to fund acquisition.
4.0 Definitions

4.1 **Budget Holder** – A Functional or Service Delivery Manager who holds control over a devolved budgetary allocation.

4.2 **Requirement Analysis** – An analysis, which seeks to show Best Value by the provision of information on the financial and organisational options of a particular need.

4.3 **Specification** – A detailed statement defining in as precise terms as possible what is required and the specified standards to which it is required.

4.4 **Conditions of Contract** – The standard conditions under which all contracts are let – as specified by the Fire Board Solicitor and issued by the CPS.

4.5 **Standing Orders** – The standing orders and financial regulations of the Lothian & Borders Fire Board

5.0 References

5.1 Standing Orders and Financial Regulations; *The Lothian & Borders Fire Board*

5.2 Managing Devolved Budgets; Functional Guidance Paper – *Finance*

5.3 Stores Manual; *Purchasing and Supplies Manager, 19 January 2001*

5.4 Best Value Service Review Framework; *D Millar, L&BFB paper, 2nd draft 1998*

5.5 Guide to Service Planning; *D Millar, L&BFB paper, 2nd Rev. 1999*

5.6 Station Inventory List & Authorised Signatures; *Memo from D.O. Campbell, Operations Co-ordination, 9 December 1997*

5.7 Code of Practice; *Chartered Institute of Purchasing and Supply*

5.8 2001 Avoidance of Discrimination in Tender Documents (EEC Directive); *FSC3/1992*

5.9 Article 21 of the Public Supply Regulations 1995/201

6.0 Procedures

6.1 As stated, this procedure is designed to cover the procurement of goods and services, from an external source, which are required by the Brigade in order to function. Budget holders utilising this procedure may also have to take into account the principles of managing devolved budgets and of service and capital planning. Within those areas there are audit and monitoring arrangements, which are applicable to this procedure.

The Finance Manager will supply a monthly budget statement, which will assist each budget holder to determine appropriate actions.
6.2 The internal path taken for the procurement of goods and services will vary according to the strategic importance or value of the goods or services concerned. There is an obvious waste of resources in conducting extensive research into goods or services that are of low value or importance. However, there is a risk of greater inefficiency where it is accepted that this generic arrangement will be open to interpretation and will be used as a guide rather than a formal procedure when determining the appropriate course of action to suit the circumstances of a particular procurement need. This arrangement will result in the development of responsibility for a large part of the Brigade's financial resources to Functional and Service Delivery Manager level. Accordingly, they, as budget holders, will be held accountable for their own decisions and take responsibility for their own actions. Under no circumstances, however, should this arrangement be used to circumvent the service or capital planning process except where it has been so approved by the relevant Head of Function or the Corporate Group, as appropriate.

6.3 The decision to replace existing materials, equipment or services used in the brigade with something else which can perform the same or a similar function must be based on one or more of the following criteria:

a) The existing materials, equipment or services (or parts thereof), has become obsolete or unobtainable;

b) The cost of maintaining the existing specification or item has become unreasonably high;

c) Evaluation of the efficiency, effectiveness and/or down-times of existing item or specification show it to be unacceptable;

d) Research identifies an alternative, which potentially affords better value for money;

e) The user-requirement changes;

f) There are indicators of high failure rates with existing items or there is a non availability of replacements for existing items.

6.4 Where any of the above criteria apply this should be taken as an identification of need and the provisions of Sections 7, 8 and 9 require to be included within the procurement arrangements.

6.5 Where existing equipment is due for normal replacement but a specification does not exist in the format or to the standard detailed in Section 8 of this document, the replacement should be processed in accordance with the requirements of Sections 8 and 9.

6.6 Where an existing item is due for normal replacement, and the above criteria do not apply, and the existing specifications are not being changed, the replacement should be processed in accordance with the requirements of Section 9.

6.7 The procedure for conducting post tender/contract negotiations is contained in Section 10 and includes the award criteria that should be applied to tenders and the need to ensure quality control in procurement arrangements.
6.8 Section 11 gives details of purchasing ethics.

6.9 Section 12 identifies the need to make proper arrangements for the introduction of a new item to the Brigade.

7.0 Procurement of New Materials, Equipment or Services

7.1 Identification of Need

7.1.1 The initial stage in the procurement process is the recognition of a problem followed by the identification of a need. Although the problem is normally caused by a deficiency within the workplace, its identification may come from any number of sources. For example it may show up in a debriefing report indicating a failing in an operational procedure; or in a financial audit reporting unexpected rising costs for maintenance work; or from an external paper proposing the application of new standards.

7.1.2 Where the identification of need has arisen due to a performance assessment under the Brigade’s Review Programme it may incorporate where appropriate the relevant parts of these procedures but should follow the Service Planning process.

7.1.3 A preliminary study of the situation should be carried out in order to decide exactly what the problem, and consequently the need, is and it should be based on one or more of the criteria listed in paragraph 6.3.

7.1.4 The preliminary study should be documented by the budget holder. In cases where a problem or need is identified by a source which is not the budget holder then any preliminary study should be forwarded to the appropriate Function or Service Manager (normally the budget holder responsible for the provision of the goods or service required), who, if in accord with its findings, will assume the role of procurer.

7.1.5 Where it is considered necessary the preliminary study will be developed to produce a detailed assessment of what is needed and the standard it should meet – a specification.

7.2 Feasibility Study

7.2.1 In tandem with the development of the preliminary study a ‘requirements analysis’ should be carried out by the responsible budget holder. Its purpose will be to investigate the ‘need’ to ensure it is realistic in relation to its organisational and financial requirements. This should enable the budget holder to assess whether or not they can go ahead with the proposal.

7.2.2 The extent and format of the analysis will vary dependent on the nature of the objective, whether it is for the provision of materials, equipment or services. There may be a requirement in some cases, before setting out specific objectives, to consider the wider environment within which its function and/or the service operates. Consideration may have to be given to existing policies, aims and
In most cases, such issues as the development/evaluation; training/storage; and maintenance/replacement; etc. of the procurement may not only require to be considered in relation to the provision of their utility but equally analysed with regard to the implications of them. Where, following this analysis, a proposal is not considered feasible in light of research carried out, a report to this effect shall be filed with all relevant papers on the subject and held for a period of not less than three years. Where appropriate, a copy of the report should be forwarded to the originator of the proposal where this is not the budget holder.

Where a requirements analysis confirms viability, this will lead to the formation of a feasibility report.

7.3 Feasibility Report

7.3.1 The production of a Feasibility Report is the formal outcome of the financial and practical analysis into the feasibility of the ‘requirement’ and will report on all the issues involved covering procurement, introduction, support and replacement. It is a documented proposal for either a change or a provision of materials, equipment or services and will be compiled by the responsible budget holder. It should be done in conjunction with any other budget holder whose area of remit is affected by the proposal and on completion, and should be published within the Brigade for comment or submitted through the service planning process.

7.3.2 The report is required to cover all relevant issues and consequences involved in the procurement of any goods or services and should be laid out in the following manner:

a) Introduction – this may consist of the initial preliminary study but can take the form of a brief outline of the objective;
b) Background – the events or circumstances that caused the identification of need (may be included in the preliminary study);
c) Objective – the specific aim or purpose identified to meet the need. Where it is considered appropriate this may consist of or include a specification, or an amendment thereto (Where only an approval to progress is being sought, the provision of a detailed specification may be postponed until such time as final approval is required.);
d) Support Factors or Options – the consequences of progressing the objectives with regard to organisation and funding (this should be contained within the requirements analysis) in relation to:

Purchasing implications – arrangements for:

■ the funding for, and purchase of, the goods or services; and
■ the maintenance of stock or service levels.

Introduction implications – arrangements to:

■ receive, record or mark the procurement on delivery;
■ provide or alter storage or stowage facilities; and
■ provide or alter training or technical information.
Support implications – arrangements for:

- checking;
- testing and maintaining a record of the results of such tests;
- for routine maintenance; and
- repairing.

Replacement implications – arrangements for:

- the replacement of lost, damaged or worn-out items; and
- the automatic replacement after a stated period of time.

(Not all elements of the list will be relevant to every procurement. This list is neither prescriptive nor exhaustive.)

7.3.3 It is essential that in the development of a procurement proposal that budget holders are able to provide not only a statement on the need for such a procurement but also how it is intended that it and all its supporting structure will be funded. The feasibility report should encompass all management principles related to health and safety; equal opportunities and ‘Best Value’.

7.3.4 For the analysis to be considered valid, all options must have been explored and information on each should be given within the report. Where there is a preferred option this should be stated in a summary.

7.3.5 Consultation must be carried out with any Function who may be affected by the proposal in order that the progression of the separate parts of a procurement exercise is in harmony. Any Function so affected will confirm the findings of the originator’s feasibility report by carrying out their own requirement’s analysis.

7.3.6 Where a Function considers that their involvement does not require any change to their existing arrangements, procedures or plans and therefore a feasibility study is unnecessary, a statement to that effect will be required for attachment to the feasibility report of the originator. Such a statement must contain an accurate assessment of their ability to include the objectives (in relation to their own remits) within either existing arrangements or in current or future functional plans and the consequences of such action.

7.3.7 Following corporate approval, the user requirement will be developed into a detailed specification and/or agreement by the budget holder and cover all those areas referred to in the Feasibility Report involving the provision and/or storage; training and/or use; maintenance and/or replacement of the required goods or service.

7.4 Service and Financial Planning Requirements

7.4.1 Where Corporate approval has been sought and obtained, the relevant budget holder(s) will require to draw up detailed action plan(s) in accordance with service planning procedures to include methodology, task stages, resource requirements, timescale and anticipated outcomes. Where it is considered appropriate there should be nominated a lead budget holder who will be responsible for the
compilation of the individual Function action plans into one master plan. The lead budget holder will normally be the one who initiated the proposal.

Each project should have its own audit trail clearly written including all the steps taken in making a specific purchasing decision. All papers are to be kept available for audit and kept in a project file, one of which must be compiled for every procurement project. Where there is a lead budget holder, they will be responsible for the maintenance and custody of project files.

The timescale for completion of a service plan relating to the introduction of a new specification must take account of the essential need to produce a high quality content which fully reflects the needs of the Brigade. The timescale must also recognise financial planning requirements. For monitoring purposes the completed specification or contract must receive approval of the owning Head of Function prior to initiation of procurement purchasing. Reports of progress for capital funded items will be made via the Capital Review Group to the Corporate Group.

It should be noted that revenue and capital planning is done on a three-yearly basis therefore, the service planning process will be supported by financial information for that same time scale. In order to tie in with the time requirements of the City Council and our other constituent councils for budgeting purposes, we require to determine our proposed acquisitions in terms of this procedure by the end of September each year, i.e. user requirements require to have Corporate approval by that time if they are to be included in financial plans for the following year. This time is needed to facilitate consideration by the Capital Review Group, Corporate Group (at the strategic level of investment) and constituent councils (if required), and the Fire Board.

8.0 Specification Guidance

The specification should be descriptive and specific to the user requirement unless this is technically impossible, in which case equivalency as agreed with the end user will be deemed appropriate. The specification must also refer to, and comply with, appropriate legislation and associated codes of practice relating to the goods or services required.

Effective research allied to a clear understanding of what is required should result in the compilation of a detailed, unambiguous specification of requirements for each procurement. Where any component is not specified, suppliers are entitled to a degree of discretion and may provide a part which subsequent evaluation may confirm to be inadequate. An element of balance following a cost/benefit assessment of the research and work involved, levels of competence and the potential gain will determine the level of detail in the specification, but it should include the following specific information, as appropriate:

a) Introduction;
b) General Conditions of Contract;
c) Special Conditions of Contract;
d) Instructions to Suppliers/Tenderers;
e) Overview – of material, equipment or service;
f) Specification – of material, equipment or services;
8.3 Specifications must avoid the use of brand names as they narrow the field too much, and their use (in an aggregated sense) is unlawful because of the provisions of EC procurement directives. The standard terms of contract used by the Fire Board will form part of tender documentation. These may be supplemented by other specific conditions.

9.0 Procurement Guidance

9.1 General

9.1.1 Most purchases will be made through the Central Purchasing Services (of The City of Edinburgh Council) who act as the purchasing agent for the provision of materials, equipment and services including transport items for the Fire Brigade. This is tempered by the proviso that the Firemaster retains control and responsibility for purchasing arrangements and is empowered to select the purchasing method for any contract, the estimated cost of which does not exceed the limit laid down in the EC Services and Supplies Directives as specified in Standing Orders.

9.1.2 Where there is a regular turnover of consumable material or equipment, consideration should be given to an arrangement of a term contract between the Brigade and a suitable supplier. Any such proposal must be established by means of formal selective competitive tendering, taking into account the specification, costs, quality, availability and lead times. (Operational equipment presently provided to the Brigade under term contract include uniforms, breathing apparatus and oxygen equipment).

9.2 Requisitioning

9.2.1 For the procurement of materials, equipment or supplies the following forms should be used:

- Stores Material Requisition.
- Uniform and Personal Equipment Requisition.
- A.1.

9.2.1 For procurement of services the following additional forms may be used:

- Property and Fittings Repairs Requisition and Job Sheet (LB255).
- Equipment Defect Report Form.

In all cases it is essential that the cost centre and subjective codes are clearly indicated.
9.2.2 If a requisition is not signed or countersigned at the appropriate level, or is signed by someone who is not part of the department whose cost centre is annotated on the requisition, or if cost centre and/or subjective code(s) are missing, the requisition will be returned to the originator.

9.3 Authorised Signatures

9.3.1 It is required for audit purposes that those individuals authorised to requisition Stores for supplies are identified. In order to be valid all requisitions must be signed or countersigned by the workplace manager (budget holder) or in their absence the workplace supervisor who has responsibility for the workplace. In addition the name of the signatory should be clearly and legibly printed.

9.3.2 The workplace supervisor may requisition goods and services up to a value of £75. This limit does not apply where essential safety or operational equipment is being requisitioned to replace equipment missing from a workplace or appliance.

9.3.3 Budget holders and the Purchasing Manager shall ensure that there are monitoring and communication systems in place within their respective workplaces to check for abnormalities or irregularities regarding authorisation.

9.4 Financial Limits

9.4.1 All procurement requisitions must be processed through the Purchasing Manager who will utilise one of the following procedures based on the anticipated cost of the items/contracts:

(a) Where the estimated cost of an item does not exceed £500 – such items will normally be issued by Brigade Stores. Where an item is not held in Brigade Stores, the Purchasing Manager will either submit an official order to Central Purchasing Services which should include details of the requirement i.e. description and specification; or order direct from standing contracts or the supplier.

(b) Items/contracts of a value greater than £500 up to and including £2,000 – will normally require to be purchased through the Central Purchasing Services, who will, where practicable and possible, seek a minimum of four prices. Prices will generally be sought from suppliers best able to deal with the Brigade’s requirements and with a sound ‘track record’. The budget holder, on advice from Central Purchasing Services, and the Brigade Finance Manager as appropriate, will select the successful supplier. Where appropriate and where the procurement involves other Functions in its operation, all should be consulted prior to final selection.

(c) Items/contracts of a value greater than £2,000 up to and including £100,000 – the internal requisition form should be countersigned by the relevant Head of Function prior to processing. The Central Purchasing Services will, where practicable and possible, seek a minimum of four prices. Prices must generally be sought from suppliers best able to deal with the Brigade’s requirements and with a sound track record. The budget holder, on advice from
Central Purchasing Services and the Brigade Finance Manager as appropriate, will select the successful supplier. Where appropriate, and where the procurement involves other Functions in its operation, all should be consulted prior to final selection.

(d) Items/contracts of a value greater than £100,000 up to and including the EC limit – shall be subject to formal competitive tendering procedures. The C.P.S. shall invite applications for tender forms by advertisement in at least one newspaper (e.g. The Scotsman) and one appropriate trade journal (e.g. Fire Magazine). Where practicable and possible, a minimum of four tenders will be sought. Tenders must generally be sought from suppliers best able to deal with the Brigade’s requirements and with a sound track record. The Central Purchasing Service may receive and open tenders. The budget holder on advice from Central Purchasing Services and the Brigade Finance Manager as appropriate, will select the successful tenderer. Official orders in this section require to be authorised by an Executive Officer or the Head of Finance and Administration.

(e) Items/contracts of a value greater than the EC limit – shall be subject to formal competitive tendering. The C.P.S. shall invite applications for tender forms by advertisement in at least one newspaper (e.g. The Scotsman) and one appropriate trade journal (e.g. Fire Magazine), as well as by a notice in the official journal of the European Community. Where practicable and possible, a minimum of four tenders will be sought. Tenders will generally be sought from suppliers best able to deal with the Brigade’s requirements and with a sound track record. Sealed offers shall be lodged with The Chief Executive and Clerk to the Board and opened in the presence of a Member of the Board. The Board shall be responsible for selecting the successful tenderer. The Solicitor to the Board shall arrange for acceptance thereof.

After acceptance of the tender the budget holder should send a purchase requisition, either electronically or by paper to the Purchasing Manager so that details can be input to the financial system for budgetary control purposes.

10.0 Tender/Contract Negotiations

10.1 General

10.1.1 The budget holder will normally have the discretion to decide upon the suppliers with whom they wish to negotiate after tenders are returned, and the form such negotiations will take, but no information given in confidence by a supplier to an Officer or other official of the Brigade can be disclosed to another supplier in order to improve the Brigade’s position, during the course of any post-tender negotiations.

10.1.2 All post-tender negotiation meetings will be held with the budget holder and at least one other Officer and/or official of the Brigade in attendance, one of whom must take notes of the meeting; arrange for them to be typed-up; get the formal agreement of the relevant supplier(s), in writing, as to the contents; and obtain

1 Refer also to the Information Note on Contract Arrangements
Corporate approval, where it was given to the original specification, for any proposed changes.

10.1.3 Post-tender negotiations by telephone or facsimile can only be acceptable if the firm is unable to visit the Brigade in the time between tender acceptance and selection. A formal note of any agreements, or copies of all facsimile documents, must always be taken contemporaneously and submitted to the project file for audit purposes.

10.1.4 The budget holder, on advice from Central Purchasing Services, shall be empowered to re-negotiate any aspect of a tender, adopting an equitable procedure, which accords with:

a) The principles of competitive tendering;
b) Any directions contained in the purchasing procedures approved by the Treasurer;
c) The terms and conditions included in the tender documents;
d) The guidelines code of practice published by the Chartered Institute of Purchasing and Supply.

10.1.5 Nothing in this section impacts on the normal practice of seeking clarification from manufacturers or suppliers about specific points from their submitted tender.

10.2 Award Criteria for Tenders

10.2.1 In respect of the tender evaluation process, certain criteria must apply to any decision to award a contract. The primary criteria may only be based on either the ‘lowest-priced’ or the ‘most economically advantageous’ tender or tenders. The latter criterion should be adopted, with account being taken of the following secondary criteria:

i) Perception of ‘value for money’ and ‘added value’.
ii) Technical ability of Tenderer.
iii) Tenderer’s record in conducting previous Brigade business.

In order to confirm ii) above, and to assist in the evaluation process, all relevant information pertaining to any one requirement of the specification must be compiled together within the tender documents in the order in which it is required and not accessed by means of cross references, appendices, etc. (for example by statements of compliance, proposals, technical data and brochures). The following responses are to be indicated against each numbered paragraph of the specification:

1. Comply – The requirement can be provided as detailed and is included in the offer.
2. Noted – All information given is understood (this response is not to be used if either a) or b) above is relevant).
3. Not Comply – The Tenderer cannot meet the requirement.
4. Proposal – The Tenderer proposes an alternative solution (this response may be used in conjunction with those above).
5. Not Applicable – Does not apply.
10.3 Quality Control

10.3.1 Details concerning inspection of the equipment, testing and acceptance by the Brigade will be included in the specification.

10.3.2 Where considered appropriate by the Brigade, the successful Tenderer must provide facilities for the equipment to be inspected by representatives of the Brigade at any time during the construction phase.

10.3.3 Prior to official acceptance by the Brigade, the equipment will be inspected and evaluated by the end-users against the requirements of the specification. It will also be tested in accordance with Technical Bulletin 1/1994 and/or whatever test required by legislation or deemed appropriate by the Brigade and detailed in the specification. Where the equipment in the opinion of the Brigade, does not meet the required standards detailed in the specification it will not be accepted and will be returned to the supplier. Official written acceptance, or rejection will be the responsibility of the Firemaster and will be confirmed in writing to the supplier.

11.0 Conduct and Purchasing Ethics

11.1 All personnel involved in any aspect of the purchasing must follow, in every detail, the Code of Practice published by the Chartered Institute of Purchasing and Supply, especially with reference to:

- hospitality; and
- gifts of any sort.

11.2 Specifically, personnel involved in procurement or purchasing shall never use their authority or offices for personal gain and shall seek to uphold and enhance the standing of the Brigade by:

- maintaining an unimpeachable standard of integrity in all their professional relationships both inside and outside the Brigade;
- fostering the highest possible standards of professional competence amongst those for whom they are responsible;
- optimising the use of resources for which they are responsible to provide the maximum benefit to the Brigade;
- complying both with the letter and spirit of Scots Law and all contractual obligations; and
- rejecting any business practices which might be deemed improper.

11.3 Any personal interest which may impinge, or might reasonably be deemed by others to impinge, on impartiality in any matter must be declared to the Firemaster or, in the case of the Firemaster, the Clerk to the Board.

11.4 The confidentiality of information received in the course of duty, must be respected and must never be used for personal gain. Information given in the course of duty, must be true and fair and never designed to mislead.
11.5 Whilst bearing in mind the advantages to the Brigade in maintaining a continuing relationship with certain individual suppliers, any arrangements, which, in the long term, might prevent the effective operation of fair competition, must be avoided.

11.6 Business gifts, other than items of very small intrinsic value, such as diaries or calendars, must not be accepted. When it is unclear as to whether a gift or hospitality must or must not be accepted, the matter must be referred to the Firemaster in writing for a decision. No requests to visit suppliers, nor any offer by them that might be adjudged to infer hospitality of any sort, may be accepted without the prior permission of the Firemaster.

11.7 It is important that any employee of the Brigade who has any involvement in purchasing procedures and has interests, of whatever nature in any business or firm, either by means of family links, investment capital, shareholding, etc., must declare to the Firemaster such interests and stand back from involvement.

11.8 Failure by staff to observe any element of these ethical standards may lead to formal disciplinary action being taken under the Fire Services (Disciplinary) (Scotland) Regulations 1985 or the Non Uniformed Discipline Procedures as appropriate.

12.0 Introduction Into The Brigade

12.1 Where appropriate, the Feasibility Study and subsequent Report referred to in Section 7 will include details of how the materials, equipment or services are to be introduced into the Brigade, taking account of, and harmonising, the respective and potentially conflicting requirements of differing Functions.

12.2 In respect of items intended for operational use, where, due to unforeseen circumstances, a conflict of priorities becomes apparent, the Head of Operations, following consultation with all interested parties, will determine the appropriate process.

In respect of other items not intended for operational use the project manager/budget holder will agree the appropriate process with their line manager.

12.3 Consideration should be given to the need to ensure, where necessary, goods are marked either for the purpose of providing a means of identification for inventory purposes or as a requirement under health and safety legislation. In particular, equipment of a safety-critical nature may require to be marked with an individual and unique serial number before it is issued, to enable it to be traced and linked to test and maintenance records.

12.4 Where new materials, equipment, etc. are being issued, consideration should be given to the need for information such as Manufacturers’ Technical Data Sheets or Guidance Notes. Where there is an external procedure for the recording of such items in a workplace inventory, then an instruction to this effect should be included.
12.5 All new procurements will be made subjected to an evaluation process following their introduction. The type and duration of the evaluation will be dependent on the nature, complexity and use of the goods or services but will be in a formal, structured and documented format, agreed by both the relevant Function or Service Delivery Manager and the end-users. Details of the evaluation proposed shall be included in the Feasibility Report referred to in Section 7. In the case of operational equipment, the evaluation process will be conducted by Operational Research.

12.6 Where new material, equipment or services are being introduced, documented arrangements should be in place for the testing and routine maintenance of such items, and for the recording and/or reporting of the results of all inspections, tests and maintenance.

12.7 Where new material, equipment or services are being introduced, documented arrangements should be in place for the replacement of such items at the end of their service life or where they are found to be unrepairable. Where such equipment of a safety critical nature, there may be a requirement to make provision for the emergency supply of such items and for the impounding for investigation purposes.

12.8 Where new material, equipment or services are being introduced, documented arrangements should be in place for their ultimate disposal when no longer required.
Extract from the Lothian & Borders Fire Board Standing Orders: Section 8:
Contracts (the numbering is that used in the Fire Board Standing Orders)

**Policy Statement**

(1) It shall be the policy of the Board to accept the most economically advantageous tender or tenders, which will normally be the lowest or lowest satisfactory tender taking into account the relative merits of specification, sample, quality, delivery and appropriate aspects of performance having regard to the differing categories of contract concerned.

(2) Any contract not awarded to the lowest tenderer must be approved by the Board, or reported to the Board, by the appropriate officer or the Firemaster.

**Purchasing Arrangements**

The Firemaster, on advice from the CPS, will be responsible for the purchasing arrangements on behalf of the Board which involve contracts for the supply of goods, materials and services (including the appointment of all consultants.)

**Tendering Arrangements**

(1) Except where the Board otherwise resolves, the Firemaster shall be empowered to select the purchasing method for any contract, the estimated cost of which does not exceed the limit, for the time being, laid down in the EC Services and Supplies Directives. Due regard must be taken of analysis of the costs and benefits to the Board of a range of available purchasing methods.

(2) Except where the Board otherwise resolves, the procedures for placing contracts, the estimated cost of which exceeds £100,000 shall be by way of selective competitive tendering. (Whilst this is the Board expectation in practical terms where the estimated cost is >£2,000 but <£20,000, an enquiry to prospective suppliers will suffice. A contract >£20,000 will normally be subject to a full tender process. Note: the value of the contract is the total value even if it extends to two, three or more years.)

(3) Except where the Board otherwise resolves, a minimum of four competing enquiries or tenders will be sought with respect to contracts the estimated value of which exceeds £100,000.

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*The procedures for tender arrangements are detailed in Section 8 of the Stores Manual*
(4) Where the estimated cost of any individual purchasing contract exceeds the EC limit for the time being, the tendering arrangements shall take into account all the requirements of relevant EC Public Procurement Directives (SO54(4)). Currently, this requires that notice shall be given in the official journal of the Community (OJEC) and tender forms shall be sent to all Contractors responding to such notice. The Public Supply Regulations 1995/201, incorporating the Supplies Directive (93/36/EEC) of the European Union, provide that specific procurement procedures have to be adopted if the aggregated annual expenditure on a particular contract or purchase exceed a threshold of 200,000 ECUs (currently £156,000). The amount fluctuates depending on the value of the euro but the Purchasing Manager can advise at any given time. Note that any advert placed in OJEC must remain in place for 52 days to allow prospective suppliers to respond. After such a response is received the tender documentation and specification must be sent within three working days.

**Submission of Tenders**

(1) Where the estimated cost of any one contract does not exceed the limit, for the time being, laid down in the EC Services and Supplies Directives, the CPS shall be authorised by the Board to receive and open tenders.

(2) Where the estimated cost of any one contract exceeds the limit, for the time being, laid down in the EC Services and Supplies Directive, sealed offers shall be lodged with the Clerk and shall be opened in the presence of a Member of the Board in accordance with any rules laid down by the Board.

**Acceptance of Tenders**

(1) Where the tender sum in respect of any one contract does not exceed the EC Directive limit, for the time being, the Firemaster shall be empowered to select the successful tender.

(2) Where the tender sum in respect of any one contract exceeds the EC Directive limit for the time being, the Board shall be responsible for selecting the successful tender.

(3) Where the tender to be accepted exceeds the EC Directive limit, for the time being, the Solicitor shall arrange an acceptance thereof. In all other instances the Firemaster shall be empowered to accept the successful tender.
Tender Negotiations

(1) The Firemaster, on advice from the CPS, shall be empowered to negotiate any aspect of a tender. An equitable procedure must be adopted which accords with:

- the principles of competitive tendering;
- the directions contained in the purchasing procedures approved by the Treasurer;
- the terms and conditions included in the tender documents; and
- the guidelines published by the Chartered Institute of Purchasing and Supply.

Contract Negotiations

The Firemaster, on advice from the CPS, shall be empowered to re-negotiate any aspect of a contract at any time after that contract has been awarded provided that there are justifiable reasons for doing so.
Checklists for Action from the Good Practice Guide –
*A Uniform Approach*, published January 2001, which is reproduced courtesy of the Audit Commission for Local Authorities and National Health Service in England and Wales

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### Checklist for action: Throughout the BVR process

<table>
<thead>
<tr>
<th>Has the authority...</th>
<th>Yes/No/Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>...challenged the need for the procurement function?</td>
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<tr>
<td>...considered how the function might be delivered by external providers or through some form of partnership arrangement with other authorities?</td>
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<tr>
<td>...defined the scope of the review sufficiently broadly in order to encompass all aspects of their procurement activity?</td>
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<tr>
<td>...obtained access to accurate information about its own procurement performance and compared it with that of other authorities?</td>
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<tr>
<td>...consulted widely with staff, other best value authorities, current suppliers and other commercial organisations and the public as part of the BVR?</td>
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</tr>
</tbody>
</table>

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1 Best Value Review (BVR)
### Checklist for action: Determining need

<table>
<thead>
<tr>
<th>Can the authority...</th>
<th>Yes/ No/ Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>...demonstrate the link between recent major purchases and strategic plan objectives?</td>
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<tr>
<td>...show that its research resources are targeted at high-value procurement projects, including high-value, non-operational goods and services?</td>
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<tr>
<td>...be confident that it has access to up-to-date information on legislative, market or technological changes and that it has assessed any impact on procurement?</td>
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<tr>
<td>...be confident that changes it makes to policy or strategic direction take account of procurement implications?</td>
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<tr>
<td>...show that users of goods and services have open and accessible channels through which to provide feedback and that the feedback is acted on?</td>
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</tbody>
</table>
### Checklist for action: Formulation of specification

<table>
<thead>
<tr>
<th>Does the authority ensure that...</th>
<th>Yes/No/Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
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</thead>
<tbody>
<tr>
<td>...specifications for goods and services are formulated in consultation with:</td>
<td></td>
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<tr>
<td>■ other authorities?</td>
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<tr>
<td>■ users?</td>
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<tr>
<td>■ technical experts?</td>
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<tr>
<td>■ suppliers?</td>
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<tr>
<td>...service requirements are specified in terms of output and performance, rather than how the contractor is to go about providing the service?</td>
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<tr>
<td>...opportunities for the standardisation of goods and services requirements between different departments/divisions of the authority are vigorously pursued?</td>
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<tr>
<td>...specifications are drawn up in accordance with relevant UK and EU legislation and standards?</td>
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<td>...it does not deter voluntary sector organisations, smaller firms and new entrants to the market, by specifying unnecessary requirements?</td>
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<tr>
<td>...deliver new goods and services to users within budget and on time?</td>
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<tr>
<td>...have a project plan for all on-going procurement projects?</td>
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<tr>
<td>...approve only those procurement projects that are identified in the business plan?</td>
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<tr>
<td>...know who is involved in what project and for how long?</td>
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<tr>
<td>...know when decisions and funds are required?</td>
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<td>Does the authority ensure that...</td>
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<td>Does the authority...</td>
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<td>What Further Action is Needed?</td>
<td>By Whom?</td>
<td>By When?</td>
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<td>------------------------------------------------------------------------------------</td>
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<tr>
<td>...thoroughly evaluate different options for meeting performance specifications, including an appraisal of technical, market, financial and risk matters?</td>
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<tr>
<td>...require that a detailed business case be prepared for all major procurement projects?</td>
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<tr>
<td>...involve members and senior management in considering business cases for high-value, strategically important purchases?</td>
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<tr>
<td>...delegate other ‘in principle’ purchasing decisions to a level appropriate to the value and strategic importance of the goods/services?</td>
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</tbody>
</table>
### Checklist for action: Tendering and contract award

<table>
<thead>
<tr>
<th>Does the authority...</th>
<th>Yes/ No/ Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>...have financial standing orders that set out how contracts for the supply of goods and services are to be procured, ie, where competitive quotes will suffice and where formal tendering is required?</td>
<td></td>
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<tr>
<td>...promote strong competition for highly specialised products and services by drawing up a shortlist of potential bidders?</td>
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<tr>
<td>...ensure that its competitive processes comply with UK and EU legislation?</td>
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<tr>
<td>...subject all potential service providers, including any in-house bid teams, to the same requirements?</td>
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<tr>
<td>...enter into dialogue with bidders in order to clarify requirements and deal with queries?</td>
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<tr>
<td>...evaluate tenders systematically and objectively demonstrating a clear and logical audit trail?</td>
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<tr>
<td>...when comparing costs take into consideration:</td>
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<td></td>
<td></td>
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<tr>
<td>■ acquisition costs;</td>
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<tr>
<td>■ operating costs;</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>■ maintenance and replacement costs; and</td>
<td></td>
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<td></td>
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<tr>
<td>■ training costs?</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Does the authority...</td>
<td>Yes/ No/ Partly</td>
<td>What Further Action is Needed?</td>
<td>By Whom?</td>
<td>By When?</td>
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<tr>
<td>-------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>...ensure that all contractors and suppliers (including in-house providers) are committed to, and operate in accordance with, the principles of equality of opportunity?</td>
<td></td>
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</tr>
<tr>
<td>...handle TUPE(^1) effectively (where outsourcing is proposed), so as to allay workforce reservations about transferring to new employers?</td>
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<tr>
<td>...use standard conditions of contract in all routine procurement?</td>
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<tr>
<td>...make joint commitments with its major suppliers to service improvement and supply chain cost reductions during the life of the contracts?</td>
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</tr>
<tr>
<td>...involve users and suppliers in working out detailed service standards within the framework of a flexible performance contract?</td>
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<tr>
<td>...allow sufficient flexibility on price to enable suppliers to be rewarded for exceeding targets?</td>
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</tbody>
</table>

\(^1\) Transfer of Undertakings Protection of Employment (TUPE)
<table>
<thead>
<tr>
<th>Does the authority...</th>
<th>Yes/ No/ Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>...secure longer-term (5–10 years) contracts, with strategically important suppliers that include a commitment to volume?</td>
<td></td>
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</tr>
<tr>
<td>...keep the number of suppliers used to the minimum required to meet business needs and sustain competition?</td>
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<tr>
<td>...maintain the minimum stock of essential goods necessary to ensure continuity of service delivery, with the majority of items supplied direct to end user?</td>
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<tr>
<td>...use ‘call-off’ arrangements for all high-volume, low-value orders?</td>
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</tr>
<tr>
<td>...ensure that supply is accompanied by appropriate and sufficient risk assessment, including the issue of technical or health and safety guidance?</td>
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<tr>
<td>...reduce administrative costs through automated requisitioning, ordering and payment, including the use of charge cards?</td>
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</tr>
</tbody>
</table>
### Checklist for action: Monitoring and evaluating effectiveness

<table>
<thead>
<tr>
<th>Does the authority...</th>
<th>Yes/ No/ Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>...obtain feedback from users and communicate it to suppliers in a structured manner dealing with quality issues as they arise?</td>
<td></td>
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<tr>
<td>...pay invoices promptly, taking full advantage of early payment discounts?</td>
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<tr>
<td>...co-operate with suppliers to minimise the time and cost of contract management and monitoring?</td>
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<tr>
<td>...develop key performance indicators with suppliers and ensure that monitoring reports are regularly produced and acted on?</td>
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<tr>
<td>...ensure consistency in the management and monitoring of in-house and external providers?</td>
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<tr>
<td>...ensure that performance reporting reflects the chain of accountability – members receiving the highest level of indicator and operational managers the most detailed?</td>
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<tr>
<td>...use monitoring information to help it manage and control usage and demand?</td>
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</tbody>
</table>
## Checklist for action: Contract renewal

<table>
<thead>
<tr>
<th>Does the authority, before contract renewal...</th>
<th>Yes/No/Partly</th>
<th>What Further Action is Needed?</th>
<th>By Whom?</th>
<th>By When?</th>
</tr>
</thead>
<tbody>
<tr>
<td>...market test other supply options?</td>
<td></td>
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<tr>
<td>...expeditiously extend contracts for short fixed periods to accommodate impending organisational changes?</td>
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<tr>
<td>...leave ample time to negotiate a new contract before the old one expires?</td>
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<tr>
<td>...fully appraise the strengths, weaknesses, opportunities and threats of existing procurement arrangements?</td>
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<tr>
<td>...review the existing service specification and performance standards?</td>
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<tr>
<td>...involve existing and potential suppliers and users in these reviews?</td>
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</tbody>
</table>
NOTES ON TENDER DOCUMENT

GENERAL NOTES

1. It is of importance that the weight is distributed symmetrically about the centre line of the vehicle.

2. Tenderers are required to provide projected service 15 years/50,000 miles clearly specifying the work to be carried out, components to be replaced and recommended service intervals by both time and mileage. Availability of spare parts must be guaranteed for a minimum of 15 years and tenderers must state whether or not they can meet this requirement.

3. All modifications made to the chassis must have the prior approval of the chassis manufacturer.

4. Generally, the appliance should provide stowage that will enable brigades to meet the requirements of manual handling regulations in terms of equipment.
### SPECIFICATION FOR WATER TENDER CHASSIS (DAY CAB ONLY)

<table>
<thead>
<tr>
<th>Specification</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight</td>
<td>Minimum 14,000 kg - 16,000 kg.</td>
</tr>
<tr>
<td>Wheelbase</td>
<td>3.9 - 4.2 metres.</td>
</tr>
<tr>
<td>Engine</td>
<td>Turbo-charged Intercooled Diesel 240 - 260 BHP.</td>
</tr>
<tr>
<td>Gearbox</td>
<td>Allison World Series with integral retarder (or similar gearbox). Must be capable of driving PTO to power main pump – output minimum 2,250 LPM.</td>
</tr>
<tr>
<td>Axle – rear</td>
<td>Single reduction with differential lock.</td>
</tr>
<tr>
<td>Steering</td>
<td>Hydraulically-powered steering. Turning circle not exceeding 14 metres.</td>
</tr>
<tr>
<td>Suspension</td>
<td>Anti-roll bar fitted front and rear. Hydraulic shock absorbers front and rear. Steel springs all round. Optional price to be supplied for rear air sprung suspension.</td>
</tr>
<tr>
<td>Braking System</td>
<td>Dual control circuit brakes with ABS and Traction Control. 625 litres per min. compressor with air drier. Spring parking brakes on rear axle (optional prices to be supplied for both axles). Braking system to comply with JCDD specification.</td>
</tr>
<tr>
<td>Wheels and Tyres</td>
<td>275/70R 22.5 Tyres on 7.50 x 22.5 wheels. Seven tyres including spare (no carrier).</td>
</tr>
<tr>
<td>Electrical</td>
<td>24 volt negative earth system. 2 x 180 amps per hour batteries (low maintenance). Heavy-duty alternator providing minimum of 90 amps. Lighting must comply with all statutory requirements currently in force in the UK.</td>
</tr>
<tr>
<td>Fuel</td>
<td>Minimum tank capacity 130 litres. Gauge in driver’s compartment to indicate contents. Tank should not encroach on space where bodywork is to be fitted and give maximum ground clearance.</td>
</tr>
<tr>
<td>Power take-off</td>
<td>Webster – Allison World Series (or similar), clutch operated and constant engagement. Control lever located in driving compartment, electric/air operated and fitted with safety guard and warning light to indicate when PTO is engaged. This should only be operated in neutral, have an auto disengage facility and be linked to the handbrake.</td>
</tr>
<tr>
<td>Cooling System</td>
<td>Must be such as to permit continuous stationary running of the engine without overheating when the PTO is engaged.</td>
</tr>
<tr>
<td>Autolubrication</td>
<td>An automatic chassis lubrication fluid grease system is to be fitted and designed to operate only when the handbrake is disengaged.</td>
</tr>
<tr>
<td>Exhaust</td>
<td>The exhaust system must be taken off the vehicle's offside and forward of the rear wheels. It must be capable of adaptation to fit exhaust extraction systems. Optional price required for stainless steel.</td>
</tr>
<tr>
<td>Towing Eyes</td>
<td>Towing eyes must be fitted onto each end of each chassis member and designed for use as an anchor point in conjunction with a tirfor winch. The design and method of the attachment of the drag eyes must be such that overloading of the chassis frame will not occur when used for this purpose.</td>
</tr>
<tr>
<td>Mud Flaps</td>
<td>Must be fitted front and rear giving adequate protection to body work and conform with regulations in respect of 'anti-spray'.</td>
</tr>
</tbody>
</table>
DAY CAB SPECIFICATION

1. All welded, rust proofed, safety manufacturer's day cab, with tilt mechanism to 55 degrees.

2. Cab width not to exceed 2,490 millimetres.

3. Warning devices installed for speed, brake system, engine, transmission, and cab tilt mechanism lock.


5. No speedlimiter.
<table>
<thead>
<tr>
<th><strong>SPECIFICATION FOR WATER TENDER CHASSIS CAB</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Weight</strong></td>
</tr>
<tr>
<td><strong>Wheelbase</strong></td>
</tr>
<tr>
<td><strong>Engine</strong></td>
</tr>
<tr>
<td><strong>Gearbox</strong></td>
</tr>
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</tr>
</tbody>
</table>
CAB SPECIFICATION (SUPPLIED WITH CHASSIS)

The chassis should be fitted with a four-door, six-persons safety crew cab of proven design. The cab should offer excellent conditions for the firefighters in respect of space, vision, vibration, noise, heating, ventilation, access and protection from injury. It will provide adequate seating for six persons, the driver and one other in single seats in front compartment and a four-person, forward-facing bench seat in rear compartment.

The cab is to be constructed throughout of steel components as supplied by the original chassis manufacturer and protected against corrosion. The cab must carry a five-year corrosion guarantee. The full crew cab is to be of one-piece construction and capable of tilting to 35 degrees to allow access to engine and gearbox for maintenance purposes. However, all daily checks should be made without requirement to tilt the cab.

All parts necessary for maintenance and repair, including doors, hinges, frames, locks and trims should be standard components as currently supplied on new vehicles by the original chassis manufacturer.

Adequate heating and ventilation to be provided with special attention being given to de-misting capability.

The cab must possess such structural strength and be securely mounted on the chassis so that firefighters in the cab are adequately protected against injury in the event of the vehicle being involved in an accident.

Additional required features:

1. Central locking fitted to all doors, lockable from inside. Optional price for motion locks fitted to prevent inadvertent opening during transit.

2. Both front seats and crew seats to be fitted with inertia reel lap and diagonal seatbelts and head restraints. Optional price for four-point fixing seatbelts to be supplied.

3. Six pre-tapped holes on roof for ladder gantry.

4. Grab-handles and illuminated access steps to allow firefighters to mount and dismount in safety. Step to be of sufficient depth to allow safe use.

5. Heavy-duty ribbed rubber or checker plate floor covering to be provided in rear cab.

6. Additional fitted floor mats for front compartment.

7. Map reading lights to be fitted – two front and two rear compartment, fitted so that they can be used by seated personnel.
8. Central interior lights front and rear to be operated by doors with individual switches.

9. Overhead console to facilitate fitting of radio and ancillary equipment.


11. B.A. set location frames in rear wall to be provided. These should be manually height adjustable to allow for varying heights of crewmembers.

12. Four-person split bench in rear, with storage facility underneath.

13. External sunvisor or sunstrip on upper screen.


15. Fuel tank, batteries and air tanks all to be relocated within cab line, giving bodybuilder clear frame behind crew cab.

16. All glass, including windscreen and windows, to be shatterproof safety glass. Any rear window in crew cab to be replaced with steel panel.

17. The Driver’s Instrument Panel to contain the following:

**Gauges**
- Speedometer/Odometer to be electronic. MPH to be predominant figures where dual marked
- Water Temperature (Celsius)
- Oil Pressure (Kg/cm)
- Fuel Gauge (litres)
- Engine Hour Meter
- Battery Condition Indicator
- Ammeter 100-0-100
- Transmission Temperature Gauge (colour-coded)
- Air Pressure Gauges, 1, 2 and 3
- Engine – Rev. Counter
- Clock

**Warning Lamps**
- Indicators
- Ignition Oil Main Beam
- PTO – Engagement*
- Fog-rearguard
- Anti-skid System*
- Do not shift (Transmission)*
- Headlamps On
- Fog Lamps Front
- Six-way Hazard Flashers
- Handbrake On
- Retarder On*
Retarder Temperature*
ASR On/Differential Lock In*
Low Level Warning Lights
Engine Coolant
Transmission Oil
Power Steering Fluid
Fuel Level
Front Brake Wear
Rear Brake Wear
Air Pressure

* Where fitted

A lamp test facility must be provided for all warning lamps. The PTO engagement and handbrake, warning lamp, which can be on for long periods of time should be lit by a light emitting diode or similar lamp which does not generate heat.

**All Switches to be Rocker Type Safety Switches**
Battery Master Switch
Lighting Switch
Windscreen Wiper and Wash
Rearguard Fog Lamps
Front Fog Lights
Driving Lamps (where fitted)
Panel Lights
Ignition/Starter
Engine Stop
Main Beam Flasher
Six-way Hazard Flashers

All to be suitably marked and illuminated via the panel light with the warning light to operate when the switch is in the ‘on’ position.
CAB SPECIFICATION (CREW CAB)

Four-person safety crew cab of proven design. The cab should offer excellent conditions for the firefighters in respect of space, vision, vibration, noise, heating, ventilation, access and protection from injury. It will provide adequate seating for four persons on a forward-facing bench seat in rear compartment.

The cab is to be constructed throughout of steel and protected against corrosion. The cab must carry a five-year anti-corrosion guarantee. The full crew cab is to be of one-piece construction and allow access to engine and gearbox for maintenance purposes.

All parts necessary for maintenance and repair, including doors, hinges, frames, lock and trim should be standard components as currently supplied on new vehicles by the original bodybuilder.

Adequate heating and ventilation to be provided with special attention being given to de-misting capability.

The cab must possess such structural strength and be securely mounted on the chassis so that firefighters in the cab are adequately protected against injury in the event of the vehicle being involved in an accident.

Additional required features:

1. Central locking fitted to all doors, lockable from inside. Motion locks to prevent accidental opening whilst vehicle is in motion.
2. Crew seats to be fitted with inertia reel lap and diagonal seatbelts and head restraints. Optional price required for four-point seat belts.
3. Six pre-tapped holes on roof for ladder gantry.
4. Grab-handles and illuminated access steps to allow firefighters to mount and dismount in safety. Steps to be of sufficient depth to facilitate safe use.
5. Heavy-duty ribbed rubber floor covering throughout cab.
6. Map reading lights to be fitted in rear compartment which may be used by crewmembers whilst seated.
7. Central interior lights front and rear to be operated by doors with individual switches.
8. B.A. set location frames in rear wall to be provided to accommodate four BA quick-release brackets. A safety frame should give protection from rear impact.
9. Four-person split bench in rear, minimum 310 mm height, with storage facility underneath (padded seat).
10. All glass to be shatterproof safety glass.
11. Shelf with padded front above BA frames for facemasks. Storage height required – minimum 170 mm.
SPECIFICATION FOR COACHWORK, FIRE ENGINEERING AND ‘TOOLBOX’ ON
SUPPLIED CHASSIS CAB

Finished appliances must comply with Home Office specifications JCDD /3/1 and 4. Any non-compliance should be noted within the tender.

The completed vehicles must comply with all current statutory requirements, in particular the UK ‘Road Traffic Acts’, ‘Motor Vehicle – Construction and Use Regulations’ and the ‘Road Vehicle Lighting Regulations’.

The Fire Brigade will supply free issue “***** Model and Make *******” crew cab chassis incorporating the following features.

***** Specification as supplied *****

FIRE ENGINEERING

Fire Engineering

Main Pump
A light alloy ultra-high-pressure multi-pressure pump capable of delivering a minimum of 2,700 LPM (with automatic prime) with four female instantaneous deliveries to be fitted. Details of pump performance are to be supplied for the pump type specified.

Bodybuilder to fit suitable drain pipes and plugs to base of pump for maintenance purposes. By-pass drain valve pipework to extend to ground level.

Pump Mounting and Driveline
The pump is to be mounted at the rear of the vehicle allowing clearance for a three way radial collection head to be fitted to the pump with the pump bay door in the closed position. The pump inlet is to be fitted with a 100 mm screw thread connection.

The pump drive is to be by a short shaft from the PTO to the step up, ratio box, thereby achieving as straight a line into the pump as possible. The step-up ratio will be determined by the pump requirements.

Water Tank
1,800 litre capacity tank complete with two transverse baffles and 150 mm spring-loaded filler caps. Steel tank options to be fully-welded hot-dip galvanised.

Water Tank Mountings
The tank is to be mounted on four flexible rubber mountings at chassis width, in accordance with standard procedure. The mounting should be capable of restraining the tank in position if the appliance has been involved in a vehicle impact at a minimum speed of 30 mph. Extra middle support bracket to be fitted.

Automatic Priming System
A suitable automatic priming system applicable to the type of pump is required. If required, a header tank for the primer of a suitable capacity must be built into the main tank.
Tank to Pump Pipework
75 mm diameter bore flexible rubber hose with a 64 mm butterfly type valve, with no serration between open and shut, sited on the left-hand side of the pump.

Tank Filler Pipework
50 mm diameter bore flexible rubber hose with a 50 mm ball type valve and terminating in a 64 mm male instantaneous coupling incorporating a mesh strainer.

Tank Overflow Pipework
An anti-surge overflow arrangement in or above the tank is to be incorporated, avoiding road spillage on appliance braking.

Delivery Pipework
The pump is to be fitted with four instantaneous delivery valves.

Pump Control Panel
The standard open aspect, split control panel manufactured from checker plate aluminium, is to be fitted and is to incorporate the following:

(a) Pump Low Pressure Gauge
(b) Pump High Pressure Gauge
(c) Pump Compound Gauge
(d) Pump Speed Tachometer
(e) Engine Water Temp – Warning Light
(f) Engine Oil Pressure – Warning Light

(All instrument readings to be in metric).

All gauges and controls are to be adequately labelled, utilising white, self-adhesive and riveted plastic labels with black engraved lettering. All gauges should be of high quality and designed to minimise fluctuation.

Water Tank Contents Gauge
A water tank sight gauge with a minimum diameter 50 mm containing a coloured float is to be fitted to the left-hand box, the feed pipe to the sight gauge is to incorporate an isolating valve. The top of the gauge is to be fitted with a detachable vent cap and the vent pipe is to be terminated at the top of appliance preventing drain off. The gauge is to incorporate labels designating:

Empty, 1/4, 1/2, 3/4 and Full.

The contents gauge is to be calibrated accurately to tank contents.

Hose Reel Installation
The pump to reel pipework is to be formed with ‘hydraulic hose’ assemblies and is to incorporate a 25 mm ball valve adjacent to each hose reel.

Air Operated Reel, to be fitted into each rear locker mounted in a position to enable easy access for maintenance and as close as possible to the top of the locker and to be fitted with roller guides.
Manual winding provision angled at 45° is to be fitted in case of a failure to enable recovery of the hose reels.

Winding handles are to be supplied and fitted within the rear lockers.

Each reel is to be fitted with 3 x 20 m lengths of 19 mm high-pressure hose, Specification JCDD/7. Short lengths of hose are to be fitted to the hose reel drum (2m) and the hose reel branch pipe (500 mm).

Each length of hose is to be connected with appropriate couplings, secured to the coupling tails by swedge rings.

Each hose reel is to terminate with a high-pressure hose reel branch. Type to be advised.

Some brigades utilise ‘pulsing techniques’ when operating hose reels at up to maximum operating pressures. This involves rapidly opening and closing the branch. All fittings and couplings must remain secure during such operations.

Drain Taps
One drain tap is to be fitted in the bottom of the pump volute casing.

Pipe Lagging
All pipework associated with the tank and pump is to be suitably lagged for insulation purposes.

Throttle Control
Standard cable operated throttle control arrangements are to be provided, mounted in the pump bay on the O/S. This throttle should only be capable of operation when the PTO is engaged.

ELECTRICAL

Vehicle Lighting
The rear light clusters are to be vehicle manufacturers’ light assemblies, mounted flush into the rear bodywork.

Emergency Audible Warning Devices
One set of two-tone horns (not ‘snail’ trumpets) are to be supplied and fitted. Optional price to be given for provision of ‘white noise’ audible warning system.

The horns are to be controlled by a hand switch on the ancillary control panel and a separate switch panel accessible to the officer.

The horn compressors are to be mounted outside of the driving cab fitted on the front bulkhead behind the radiator grille.

One 24v, 100W, Siren System with Speaker (Wail/Yelper/Two-Tone System) to be fitted. Exact positioning to be discussed with Brigade engineer during build.
The siren to be controlled by a hand switch situated in the officer’s switch panel on the N/S of the cab. A foot switch is to be fitted for the use of the driver. Positioning to be discussed with the Brigade.

Optional price to be provided for an air-operated Bullhorn to be fitted to the O/S front cab roof and be switched separately from the Wail/Yelper system. The switch must be of the non-locking type. This switch must also be duplicated on the N/S for the officer.

All switches, other than the audible and visual warning system, multi switches, are to be standard vehicle manufacturer switches, supplied by bodybuilder. All gauges and switches to be illuminated.

**Emergency Visual Warning Devices**
A full cab width Light Bar, 24 volt is to be fitted to front cab roof rails and wired in series with the grille fasteners, c/w switch panel, in the cab.

Two strobe lamps are to be fitted inside the front grill, one on each side of the grille above the headlamps. Also the lamps are to be controlled by a separate switch, independently switched of the blue light bar. An alternating flasher unit is to be incorporated in the circuit to enable the lamps to flash alternatively.

Two strobe blue flashing lights are to be fitted to the rear of the appliances, one on each body box positioned so as to be clearly visible when the ladder gantry handles are fitted – front and rear to be independently switched. All strobes should comply with current legislation.

Electrical relays sited by builder to have good access for future maintenance by the Brigade.

The Headlights are to be wired through a suitable alternate flasher unit to enable the headlights to flash alternately on full beam.

**Handlamps-BA Torches**
Four BA torches and chargers (per appliance) will be supplied. Location to be discussed with the Brigade.

Handlamps and charging units to be discussed with Brigade.

**Battery Charger**
An Automatic Battery Charger, 24v, 10 amp is to be fitted on the ancillary service shelf. Additionally, a suitable battery charger is to be mounted at top of locker for use with a portable pump.

**Ancillary Switch Controls**
Ancillary switch controls are to be fitted into the existing vehicle dash and are to incorporate self-contained warning lights to indicate when circuit is live.

Appropriate switches (supplied) by bodybuilder are to be used.
All switches are to be clearly labelled to indicate their functions and layouts are to be discussed with the Brigade.

Fuse boxes for the circuits are to be fitted in an accessible location. Each fuse is to be identified as to which circuit it covers by way of engraved labels.

Situated below the above switches and reading from right to left are to be the following:

(a) Master Switch on Warning Light
(b) 240 volts Main Warning Light

**Locker Lighting**
Fluorescent waterproof type, locker lamps are to be fitted and switched through the ancillary switch controls.

**Pump Bay Lighting**
One fluorescent-type locker lamp is to be mounted in the pump bay and wired through a switch, mounted on the pump bay control panel.

**Water Tank Contents Gauge**
Two suitable lamps to be provided and wired into the pump bay light circuit.

**Number Plate Lighting**
One suitable lamp is to be fitted on the outside edge of the O/S body box.

**Radio Provision**
A 24-/12-volt converter is to be mounted in the seat box on the left-hand side of the vehicle.

The following are free issue by the Brigade:

(a) Radio, Co-Axial Cable.
(b) Radio Aerials.

The co-axial cable is to be installed by Contractor and routed as instructed by the Brigade.

**Master Switch**
A suitable Master Switch is to be fitted and switched from the driver’s console, to isolate the vehicle battery from the electrical system.

**240 Volt Input Socket**
To be discussed with Brigade i.e. battery charger (vehicle).
Ancillary Compressor
A good quality, robust compressor is to be mounted on the ancillary services shelf (must fold down for access) in the O/S No. 1 locker. The compressor is to be connected into the vehicle's braking system to maintain the air tanks at operating pressure when the vehicle is left unattended.

The compressor is to be wired directly into the mains and is not to incorporate a switch.

Repeater Loudspeaker
An 80 ohm, 5 Watt, weatherproof speaker is to be mounted in the pump bay compartment. Wiring (to be in two-core, 14/03 double-sheathed cable) is to be taken from the speaker and is to terminate at the left-hand upper radio control.

Reverse Warning Siren
A reverse warning siren is to be fitted operating direct from the reverse gear switch. A night silencing capability is to be incorporated.

Lighting Mast
A twin or triple head mast is to be supplied and fitted with 10 m of supply cable to terminate in a nearby locker supplied with 110-v plug. Optional price to be supplied for 24 volts.

Lights
Four 24-v scene lights are to be fitted to the header rail, two at each side of the vehicle, fitted centrally above the front and rear lockers respectively. They are to be switched as per side i.e. N/S - O/S from the driver's ancillary switch control panel.

Wiring Loom
All electrical wiring is to be colour-coded as to its function and all wiring is to be in accordance with standard automotive wiring procedures. Two copies of the wiring diagram are to be provided.

CAB/CREW COMPARTMENT

Breathing Apparatus Stowage
A substantial frame exists behind rear bulkhead trim to accommodate the secure attachment of a single unit incorporating storage of four BA sets with quick release fittings and three spare cylinders.

A 250 mm-deep shelf the full width of the cab and incorporating a padded front edge (headrest) is to be fitted above the BA bracket.

The padded headrest is to be trimmed in matching vinyl. Headrest to be minimum 100 mm deep.
Shoulder pads, all being trimmed in vinyl, to be provided for each crew member, angled to shoulder height.

The Brigade will supply one Breathing Apparatus set and one spare cylinder for fitting purposes. BA board storage brackets are to be supplied and fitted.

Guard Rails
Safety rails are to be fitted; one horizontally across each rear crew cab window and one at a suitable height across the N/S area of the driving cab in front of the officers seat. Rails to be anodised alloy or black finished steel.

Substantial padded transverse crash bars will be required between the driving and crew, cabs. Positioning should be discussed with the Brigade.

BODYWORK

Body Boxes
The body box framework is to be constructed from aluminium alloy extrusions. The exterior front face of the body boxes is to be panelled in smooth aluminium and all external joints are to be butted and sealed with mastic compound and covered with half round polished aluminium moulding.

The rear of the body box to be finished in smooth aluminium plate 10 swg. Capping to be fitted to cover the edge joint.

Each body box is to incorporate three exterior lockers.

Standard body galvanised mounting brackets utilising chassis manufacturer's approved fixing points are to be used.

Any interface between the body box framework (aluminium) and ferrous materials (body mounting brackets, chassis, etc.) is to be protected by suitable materials to prevent corrosion.

Standard suction tunnels are not required due to the beam gantry, ladder stowage system being used.

Lockers
The vertical backs and partitions are to be formed in 10 swg, bubble aluminium.

All shelves are to be formed with 10 swg, peg board aluminium and are to be height adjustable.
A separate price is required for the following number of shelves suitable for fitting to the respective lockers:

a) N/S 1 three full depth
b) N/S 2 one full depth
c) N/S 3 two full depth
d) Pump Bay one half depth
e) O/S 1 two full depth + 1 half depth plain aluminium hinged shelf for ancillary equipment (compressor, charger, etc.)
f) O/S 2 one full depth
g) O/S 3 two full depth

Drain holes to be fitted to all locker floors.

All side lockers are to be enclosed by roller shutters with lift bar closing and an anodised finish.

The pump bay is to be enclosed by a folding or other door with anodised finish. Details to be discussed with the Brigade.

Hose Stowage
O/S and N/S rear locker floors are to be used for carrying hose. The floor of these lockers will be troughed to locate hose.

A fill panel in 10 swg plain aluminium is to be supplied for the rear N/S locker floor.

Access Ladders
No access is to be provided to the roof, consequently neither ladders, nor steps, are required.

Ladder Stowage Centre
Central ladder brackets or a beam gantry system, of Angus Sacol manufacture, are to be provided to accommodate an Angus 464 ladder.

The ladder brackets are to be positioned so that the distance from the ground to underside of the stabiliser bar of the 464 ladder does not exceed 2.0 m in the laden position.

Ladder Stowage N/S
An Angus Sacol beam gantry is to be fitted on the N/S box. The beam gantry is to carry a 9.0 m or 10.5 m extension ladder.

Ladder Stowage O/S
An Angus Sacol ‘Piggy Back’ beam gantry is to be fitted to accommodate a folding roof ladder and a short extension ladder.
**Roof Storage Box**
A roof top storage box is to be created between the two panniers above the pump bay/water tank for the storage of four off 100 mm suction hoses, each 2,500 mm long to be supplied, and a selection of large/long hand tools (brooms, ceiling hooks, hay drags, etc.). This box is to be formed from aluminium panelling and angles fitted to the inner faces of the panniers. It is to be fitted with a hinged, rear-drop-down, full-width door secured by a spring-loaded shoot bolt accessible from ground level. When the door is in the open position, it must not foul the pump bay doors.

**Extension Cradles**
Full length, sliding cradles are to be fitted in the foot of both front lockers. Peg-board shelving to be provided for upper shelves. These cradles should be capable of carrying a weight minimum 150 kg in the extended position and be operable without undue effort by personnel.

**Rear Wheel-arch Valance**
A GRP wheel-arch valance is to be provided with sufficient clearance for the tyres of the outer rear wheels when the suspension is in the laden condition. Anti-spray suppression materials to be fitted.

**FINISHING DETAILS**

**Crew Cab**
The crew cab is to be finished in ‘colour’.

**Chassis**
After the fitting of the body and tank support brackets, etc., and prior to the body being fitted, the chassis is to be sprayed with two coats of chassis paint.

**Signage**
One label signifying ‘DIESEL’ is to be fitted adjacent to the fuel filler cap.

**High Visibility Materials**
Brigades will discuss the matter of high visibility marking materials directly with manufacturers.

**Labels**
All controls and functions are to be labelled in accordance with standard practice.

**Bollards**
Sixty off 60 x 75 mm + forty off 40 x 50 mm complete with fittings.

**Undersealing**
Underside of the body is to be undersealed, in accordance with Brigade requirements.

**Ladder Brackets**
Unfinished ladder brackets to be painted. Brigade will specify colour.
Pump
To be finished in a colour to be specified by the Brigade.

Pump Bay
Any exposed steelwork is to be finished in paint finish. Also brackets for blank cap plus brackets for suction wrenches to be supplied and fitted.

CONSTRUCTION

Materials
Although this specification indicates the use of traditional construction techniques and materials, alternatives (accompanied by full product specifications and construction details) may be offered.

Proprietary Names
Any reference to proprietary names is for specification purposes only and, as such, suitable equivalents may be offered. Where alternatives are offered, **full specifications** must accompany the tender document.
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