

TAYSIDE FIRE AND RESCUE



PROCUREMENT STRATEGY 2006-2009

March 2006

Tayside Fire and Rescue

Procurement Strategy

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Introduction

Tayside Fire and Rescue (TFR) recognises the importance of review and forward planning in its activities. This Procurement Strategy provides a view of where we are in relation to our objectives in procurement issues along with an Action Plan to assist in planning to achieve these objectives. The initiatives designed to promote and support this strategy will be contained within the annual Technical Services Departmental Plan which, in turn will support the strategic objectives contained within the Towards a Safer Tayside Action Plan.

Purpose of the Strategy

This document aims to provide a framework for the full range of procurement activities carried out across Tayside Fire and Rescue and ensure that procurement contributes effectively towards achieving our corporate aims and objectives.

It will provide an opportunity not only to co-ordinate current processes but also provide a clear pathway for identifying and securing improvements to ensure that Best Value is being obtained consistently when goods and services are purchased.

This document sets out Tayside Fire and Rescue's vision for the future with regard to procurement and hopes to communicate this vision to all personnel so that they may contribute effectively towards achieving its aims.

The implementation of this strategy is necessary to ensure that Tayside Fire and Rescue achieves value for money in relation to our expenditure on the purchase of goods and services.

It should be noted that this document is not a Procurement Manual. Guidance on new Procurement Procedures is contained within a separate document.

Objectives

Through the application of our Procurement Strategy, Tayside Fire and Rescue will attempt to secure effective procurement through the application of prudent and effective management and practices, thereby achieving best value from all non-salary related expenditure, both in terms of capital and revenue.

The objectives of Tayside Fire and Rescue's Procurement Strategy are:

- To continue to secure commitment to effective procurement in all areas of TFR.
- To align procurement activities with other strategies adopted by TFR and to ensure that these activities contribute towards the achievement of our core values, corporate aims and strategic objectives.

- To ensure that good practice examples within procurement are identified and applied consistently across the organisation.
- To ensure that current and future activities are planned, monitored, reviewed and lead to continuous improvement.
- To promote opportunities for co-operative procurement arrangements in order to widen the scope for maximising purchasing power and identifying innovation.
- To develop procurement practices which contribute to the sustainability of the environment.
- To ensure that Tayside Fire and Rescue Board's Financial Regulations are adhered to in all procurement.
- To promote the development of e-Procurement strategies in order to achieve efficiencies in the procure-to-pay cycle including securing a reduction in cycle time and transaction costs.

Benefits

In adopting this strategy, Tayside Fire and Rescue can expect to realise the following benefits:

- Improved value for money.
- More efficient procurement.
- Improved safety, consultation and adherence to agreed procedures.
- Improvements in procurement outcomes.
- Effective partnerships to be developed with suppliers and other service providers.
- Integration with Tayside Fire and Rescue's corporate aims and objectives will ensure that the Procurement function contributes effectively towards "Protecting the Community" and assists in working "Towards a Safer Tayside".

An Action Plan outlining the initiatives, which will be required to be pursued to realise the intended benefits, is contained within Appendix A to this Strategy Document.

Best Value and Statutory Obligations

Fire and Rescue authorities are responsible for significant public expenditure, a considerable part of which is devoted to the procurement of goods and services from third parties. The Local Government in Scotland Act 2003 places a duty of Best Value upon

Fire and Rescue Services. This represents the formalisation of a process that has been ongoing since 1997.

Prior to the introduction of this Act, a review of local government procurement was carried out by a taskforce chaired by Sir Ian Byatt, commonly referred to as the Byatt Report. It was tasked with considering recommendations and principles that would both assist in strategy development and also raise procurement standards overall. This review was concerned with public procurement in England and Wales.

There are, however, implications for public services within Scotland as its recommendations are based on the requirement to ensure Best Value is achieved in the procurement practices employed by public bodies. The Byatt Report notes that “good procurement can raise the quality of services for citizens by buying goods, works and services that better meet their needs”.

The Byatt Report notes that "the duty of Best Value requires local authorities to make decisions on what services should be provided and how much they should pay for them, after consulting service users and others with an interest, within certain national constraints. Without an effective procurement strategy in place, a local authority will not achieve Best Value".

It is important to ensure that the principles of Best Value (Challenge, Compete, Compare, and Consult) are embedded within Tayside Fire and Rescue’s normal business practices and not just the subject of periodic reviews.

In addition to the Byatt Report, cognisance has been taken of other relevant reports where appropriate, and in particular, Building a Better Scotland: Efficient Government — Securing Efficiency, Effectiveness and Productivity published by the Scottish Executive in 2004 as well as “A Uniform Approach – A Study of Fire Service Procurement” published by the Audit Commission in 2001 and the Scottish Fire Service’s “Best Practice in Procurement”. The Scottish Executive’s Fire and Rescue Framework for Scotland also details its expectations for procurement and e-Procurement within the fire and rescue service.

Until recently, there were three directives which regulated public procurement within the European Union; the Public Works Directive, the Public Services Directive and the Public Supplies Directive. In an effort to simplify the regime, the Consolidated Procurement Directive combines into one directive, the rules relating to the procurement of Works, Services and Supplies in the Public Sector. This new Directive will affect areas such as Framework Agreements, e-Procurement and Competitive Dialogue.

Other relevant legislation includes:

The HSE Legal Compliance of the Provision and Use of Work Equipment Regulations (PUWER).

The Race Relations (Amendment) Act 2000 gives Tayside Fire and Rescue a legal duty to have due regard to the need to:-

- Eliminate unlawful discrimination
- Promote equality of opportunity and good relations between people of different racial groups.

It is essential that Tayside Fire and Rescue continues to focus upon procurement as a major opportunity to reduce budgetary pressures. Potential cost savings can be made as a consequence of local authorities and other public bodies modernising their procurement processes. It has been suggested that these bodies need to examine the effectiveness of their procurement processes, manage their supply chain more effectively, use technology and collaborate more in order to unlock the benefits of effective procurement.

There are high expectations for procurement to deliver efficiencies. The Scottish Executive has an expectation for procurement to deliver savings in cost efficiencies and cost reductions in goods and services procured. As such, procurement is an integral feature of Best Value. It is a fundamental part of the performance review process for services delivered by Tayside Fire and Rescue, as well as an integral part of the acquisition and management of external resources. This strategy seeks to address issues raised in all these reports and reflect good procurement practice.

In his 2001 review of local government procurement, "Delivering Better Services For Citizens", Sir Ian Byatt used a broad definition of procurement. It was defined as "... encompassing the whole process of acquisition of goods, services and works from the initial assessment of a business need through to the end of the useful life of an asset or end of a service contract."

In the context of a procurement process, obtaining "best value for money" means choosing the bid that offers the optimum combination of whole life costs and benefits to meet the customer's requirement. This may not be the lowest initial price option and requires careful assessment of the ongoing revenue/resource costs as well as initial capital investment. Consideration must also be given to the social and environmental impact of the good or services being procured and their alignment to Tayside Fire and Rescue's strategic objectives.

Leadership and Responsibility

Currently, procurement is carried out by various members of staff in all of Tayside Fire and Rescue's departments. A significant part of the Procurement and Engineering Manager's role is to develop and maintain procedural documents, designed to assist in the adoption of best practice by departments.

Implementation of this strategy requires functional responsibility to be assigned for procurement at corporate, departmental and operational level:

- Strategic Responsibility – Head of Technical Services
- Tactical Responsibility – Procurement and Engineering Manager
- Operational Responsibility – All TFR Personnel

Revised job descriptions are currently being prepared for Head of Technical Services and Procurement and Engineering Manager. The impact of this document, the associated action plan and subsequent annual departmental plans require to be reflected in the revised job descriptions.

Categories of Procurement

Procurement can be broken down into two broad categories:-

- *Routine Procurement* - This sets out the processes supporting routine/low cost purchasing and procurement and ways of developing/improving the effectiveness of these activities.
- *High Value/Strategic Procurement* - This is where procurement is planned for specific projects and needs to take account of specific issues e.g. tendering requirements and legislation, contract management and monitoring.

Although some aspects of good practice will be common to both types of activity, the support required and the processes adopted will differ and this has been taken into account in the development of the strategy.

Routine Procurement

General Principles

Procurement of low value items by individual managers accounts for a significant proportion of TFR expenditure when aggregated across the organisation. Whilst flexibility needs to be maintained to ensure that managers can respond to their own requirements, there needs to be sufficient co-ordination to allow good practices to be shared, benefits to be accrued from economies of scale, and targets and improvement to be identified and achieved.

The focus for procurement needs to be on outcomes i.e. meeting TFR corporate objectives, ensuring departmental needs are satisfied and achieving value for money.

Data Collection & Analysis

In order to effectively monitor the organisation's purchasing expenditure, analysis needs to be carried out annually of goods and services procured. In order to identify opportunities to maximise efficiency of expenditure and procurement processes and procedures, consideration of the following data categories requires to be carried out:

- Frequency
- Annual expenditure
- Types of spend
- Supply Method
- Supplier Base
- Partnership Developments

Analysis of this information will assist in the identification of opportunities to set targets for improvement, aggregate expenditure to achieve economies of scale and provide information on suppliers that can be shared across the organisation. This information should be collated by the Procurement & Engineering Manager, assisted by Finance and reported annually to the Management Team as part of the requirement to achieve Best Value. Included in this report should be recommendations to assist in securing Best Value.

Although the action outlined above will lead to procurement which is more efficient, it is reactive and post-event in nature. In order to reduce maverick spending, increase the aggregation of items being procured, reduce health and safety risks, improve audit trails and financial accountability and monitoring, an additional set of actions is required.

Training will be provided for budget holders and budget managers. This will allow them to develop an increased appreciation of the organisation's procurement and financial processes and procedures and why they exist. Additionally, ordering systems will be revised in order to ensure that bypassing of the agreed purchasing protocols is eliminated. This will be linked to other initiatives such as e-Procurement.

High Value/Strategic Procurement

General Principles

Under Tayside Fire and Rescue Board's Financial Regulations, there are financial thresholds over which any contract must be openly and competitively tendered. Although there are less transactions that would meet the criteria under this category of procurement, each contract is of a higher expenditure level and carries risks if the project is not completed successfully e.g. a fire appliance construction contract. A robust guidance framework, therefore, needs to be in place.

Legal Framework

High Value projects are likely to be subject to European Union (EU) procurement regulations and lack of compliance with the legal requirements can expose TFR to a costly legal appeals process. All decisions must be transparent, objective and auditable. The EU processes specify different routes according to the type of procurement undertaken and TFR must provide clear guidance and support with regard to the legal framework, identifying as necessary how specialist legal advice can be obtained.

Further guidance regarding the letting of contracts in this category will require to be developed by the Engineering & Procurement Manager to ensure that best practice is implemented, shared and maintained.

Procurement & Evaluations of Tenders

Traditionally, tenders were assessed on the basis of the lowest price, which would often lead to false economy. Tenders must be assessed on the basis of the value for money they offer Tayside Fire and Rescue – that is, the whole life costs and benefits whilst meeting the stated requirements. There are many elements which must be taken into account when evaluating tenders considering the whole life costs. These considerations are equally applicable to general procurement of goods and services outwith the formal high-value tendering process. These include:

| | |
|--|---|
| Initial price | Maintenance |
| Quality | Energy consumption |
| Personnel skills, training and resources | Depreciation |
| Management Resources | Disposal |
| Consumables | Environmental impact |
| Availability of Spare Parts | Plans for service improvements |
| Licenses | Empathy with TFR corporate objectives and core values |
| Taxes | Innovation |
| Shared risk and reward | Legal compliance |
| Compliance to Specification | After Sales Support |
| Product Warranty | Delivery Response Times |
| Similar Relevant Experience | |

Supplier Appraisal

An appraisal of a prospective supplier's ability to fulfill the terms of the contract must be carried out. The purpose is to ensure that the supplier can provide quality goods and services to the correct specification at competitive prices throughout the life of the contract.

The depth of the appraisal should be commensurate with the value of the purchase, its sensitivity, estimated risks and the complexity of the specification.

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
- easy to deal with

Awarding of Contracts & Tenders

Subsequent to the awarding of all contracts or tenders, it is recognised good practice to provide feedback to a supplier following formal notification that they have been successful or unsuccessful. When it is requested, the Procurement and Engineering Manager and, where necessary, a representative from the specifying department will provide feedback based on the revised evaluation process.

Carrying out debriefs will have a number of advantages:

- It will assist suppliers to offer improved value for money on future procurement opportunities.
- It will allow Tayside Fire and Rescue to explain our policies on achieving Best Value.
- It will assist in improving our image as an organisation which seeks to implement industry best practice and is open, honest and transparent.
- It will allow suppliers to comment on our performance.

To comply with EU Procurement Directives and the Office of Government Commerce (OGC) guidance, a mandatory ten-day standstill period will prevail for the period between communicating the award decision to all tenderers and contract conclusion.

The mandatory standstill period does not apply in the following circumstances:

- To below-threshold procurements.
- To procurements outside the full scope of the procurement Directives.
- Where single tendering takes place under the urgent provision of Negotiated Procedure.

Notification of the Fire and Rescue Board's award decision must contain:

- The award criteria
- The tenderer's score, where appropriate.
- The name of the winning tenderer.

For tenders coming within the scope of the EU directives, Tayside Fire and Rescue Board will:

- Provide additional debriefing within the standstill period if requested by the end of the second working day of the standstill period.
- Allow three working days between this debriefing and the end of the standstill period.

The standstill period will be:

- Extended if necessary e.g. around public holidays.
- Started the day after the award decision is issued and will end on a working day.

Should it be intimated that a legal challenge may be forthcoming, Tayside Fire and Rescue Board will await until the outcome of the legal proceedings before concluding the contract.

Purchasing Guidance and Best Practice

Some purchasing guidelines relating to monetary thresholds are contained within Tayside Fire and Rescue Board's Financial Regulations. Further clarification and guidance is available from the Procurement and Engineering Manager, Finance Officer and the Head of Corporate Services.

A user-friendly Procurement Manual will be produced to clearly identify the policies and procedures in place and the means by which value for money procurement should be undertaken. These procedures require to be adopted by all TFR employees involved in procurement of goods and services, and will incorporate financial and contract procedure rules and standing orders. This information will be made available to all personnel via the organisation's intranet. It is intended to include further guidance on purchasing guidelines and limits within the Procurement Manual. This manual will be available on the TFR intranet.

e-Procurement

e-Procurement is more than simply automating the purchase order and invoice payment process. It is about using the technology available to improve the effectiveness of the whole supply chain and will have a number of building blocks. Tayside Fire and Rescue has implemented a limited number of e-Procurement initiatives.

To supplement the work already undertaken and to take full advantage of the organisation's IT infrastructure, TFR must now:

- Identify further opportunities for further automation of the procurement process.
- Work towards the implementation of electronic tendering allowing placing of supplies tenders on-line with the opportunity for tenders to be returned electronically whilst remaining secure.
- Investigate how particular suppliers could meet the requirements for e-Procurement given the variety of systems individual organisations operate.
- Enable electronic sharing of data on supplier databases with agreed consortia.

The development of e-initiatives is aimed at bringing down the cost of purchasing processes and transactions for both Tayside Fire and Rescue and its suppliers.

The e-Procurement part of the TFR procurement strategy is expected to evolve and develop rapidly whilst it responds to changing needs and emerging technologies. The overall strategy will be incremental, ensuring that risk is minimised whilst opportunities for business gain are developed and realised over time.

Purchasing Cards

A number of banks now offer opportunities for organisations purchasing low value goods by telephone, in person, or electronically, to issue employees with a payment card that can be used within defined parameters. This brings opportunities for significantly reducing the processes attached to raising individual orders. Tayside Fire and Rescue will research and implement a Purchasing Card pilot initiative, prior to rolling out the technology in order to accrue maximum benefit from this form of procurement.

Consortia, Joint Negotiations and Framework Agreements

The opportunities identified within this strategy become more powerful when shared with other fire and rescue authorities, local authorities, agencies and private sector partners to identify areas of common interest. Already, the Fire and Rescue Service within Scotland has joined together to share expertise, realise administrative efficiencies, and economies of scale for mutual benefit via the CFOA (Chief Fire Officers Association) Scotland Procurement Group. This should provide an effective forum for promoting and advancing information and procurement related initiatives.

It is Tayside Fire and Rescue's intention to collaborate and form beneficial partnership arrangements with other Fire and Rescue Services and other agencies. This may be in the form of being a signatory to a Framework Agreement which allows TFR to procure goods and services at preferential rates through the greater purchasing power of a larger consortium. Tayside Fire and Rescue must retain the right to be able to procure similar goods and services out-with Framework Agreements in order to ensure that the product or services procured represent Best Value to the organisation when viewed on a whole-life cost basis. In order to take full advantage of these Agreements, a register should be maintained by the Procurement and Engineering Manager and be published on the TFR intranet and internet sites.

Partnership Working

Partnering is more about the approach undertaken than a specific method of procurement. TFR is working with many organisations to develop co-operative procurement arrangements and develop supplier effectiveness. Exploring further opportunities to

work in partnership and achieve benefit from sharing resources, skills and expertise, will evidence this commitment.

The most prolific partnering arrangement currently in place involves the construction company Mansell, part of the Balfour Beatty group, and has been very successful in delivering many building projects on-budget, on-time and to the required specification.

The aim of a partnering initiative is for clients and service providers to work together to achieve Best Value for all parties by adopting a flexible and motivated approach unrestrained by artificial barriers and in a non-confrontational manner. Ideally, the partnership will be underpinned with a formal contract, processes and procedures document in which the ethos of the partnership is captured.

The partnering model enables customers and service providers to work together sharing risk, cost savings, innovations and best practice. The relationship is built on mutual respect and trust that develops between customer and supplier at strategic and operational levels and enables the sharing of skills, knowledge, research, development and risk. The aim is to assist partnerships to become long-term relationships where quality is enhanced, life cycle costs are driven down and customer satisfaction remains high.

Partnering principles will be applied to individual projects where it is considered practicable. It is considered that TFR will apply these principles to more strategic alliances covering areas such as:

- Medium and large scale construction projects
- Work which is more difficult to define precisely in advance such as building maintenance
- Initiatives whose priorities will develop over time requiring flexible structures
- Projects where a solution has yet to be defined such as regeneration or redevelopment projects
- Initiatives where construction is only a part of the solution and the partnership may extend into the operation of a facility or series of facilities.

Procurement undertaken in this category needs to be managed to formal project management principles, with responsibilities clearly outlined and plans must be in place setting the targets, milestones, timescales and resources required for successful completion. This applies not only to tendering processes but also to the performance of the contract once in place to ensure the desired outcomes are achieved and Tayside Fire and Rescue's objectives met. TFR has an ongoing commitment to training key employees undertaking this work to ensure that the appropriate project management skills are in place.

Risk Management

Risk Management is the ongoing process of identifying potential risks, analysing the likelihood of them occurring and their impact, controlling the risk and monitoring the process.

It is recognised that the best practice approach to risk management in relation to procurement is to identify who is best placed to manage or eliminate the risk and allocating the responsibility to them. In some cases this may be the supplier but in others this may be Tayside Fire and Rescue. Where applicable, the person responsible must be identified within action plans, project plans and risk registers.

All procurement should be subject at an early stage to the identification, quantification and subsequent management of risk. Examples of the type of risk that may need to be considered include:

- financial risk
- risk of service failure
- risk of customer dissatisfaction
- risk of poor service delivery
- risk of being locked to one provider
- risk of difficult or costly relationship management
- risk of permanent loss of permanent skills or assets

Where applicable, the details of the risks identified and any necessary management action should be documented and reviewed against targets. The benefits and opportunities that may arise will require to be analysed in order to balance such opportunities against the risks. This will ensure that all aspects of the procurement are properly weighted against each other.

As part of the risk assessment carried out, health and safety considerations must be included. This relates both to ensuring that Tayside Fire and Rescue's legal obligations are met and also that our Health and Safety policies and procedures are complied with, particularly with regard to the supply of services and provision of equipment.

Training and Development

Public sector procurement is a rapidly changing environment which requires personnel with well developed and current skills in order to ensure that legal obligations are complied with and to ensure that best value is achieved by Tayside Fire and Rescue in this sphere. The current year will see the most radical change in public procurement legislation for a decade. The new Consolidated Public Procurement Directive brings together three previous directives and provides for the introduction of new procedures and practices.

All staff involved with procurement, should discuss their training and development needs on a regular basis with their line manager. It is anticipated that these needs will require to

be met on an ongoing basis and will include areas such as tender evaluation skills, project and contract management skills, appraisal of suppliers, and risk management. Allowance will require to be made within the organisation's training and development budget for this type of training which is generally outsourced.

Sustainability & Green Procurement

Sustainable development means that economic growth, social cohesion and environmental protection must go hand in hand. There has been a duty placed upon public bodies to build sustainability into its procurement strategy, processes and contracts.

Each procurement project must take account of sustainability issues and identify whether there is scope to improve the environmental, economic and social impacts of the proposed contract. In relation to procurement, this requires a period of engagement with the supplier base to ensure that they have all the information at hand to enable them to comply with our requirements.

To assist prospective suppliers, a guide will be developed detailing "How To Do Business With Tayside Fire and Rescue". In addition, all tenders will be posted on the Tayside Fire and Rescue website.

The environmental impacts of procuring goods and services are deep and wide ranging. The key principles to consider are "reduce, reuse, recycle and rethink" – including thinking about whole life costs (noting in particular the cost of disposal). The early consideration of green issues with its emphasis on whole life costs may result in a different requirement providing better value for money.

Included in all invitations to tender will be a section which asks potential suppliers to identify the environmental impact of their processes, goods and services and how they propose to minimise them.

This will allow a wider consideration of the issues during the evaluation of tenders and will underline the commitments contained within Towards a Safer Tayside to safeguard the natural and built environment whilst providing value for money. Sustainability needs to be built into the whole procurement process to ensure that it is being considered during every action and key decision point.

The main steps involved in embedding sustainability into our Procurement Strategy are:

- To devise, adopt and publish a sustainable procurement policy.
- Map future procurement requirements.
- Risk based assessment of prioritising most important categories (e.g. construction) of procurement for targeted action.
- Develop a plan for reducing environmental impacts with monitoring targets and performance indicators.

- Increased dialogue between personnel responsible for procurement and suppliers regarding future requirements including environmental performance.
- Encourage suppliers to come forward with more sustainable product options to meet performance requirements.

Equal Opportunities

Tayside Fire and Rescue and its Board are committed to pursuing fair practices in the provision and procurement of services, selection of staff and employment policies and practices. We believe that no person should be treated less favourably because of their sex, race, colour, nationality, ethnic or national origin, marital status, disability, political or religious belief, sexual identity, gender reassignment, age, trade union activity, responsibility for dependants, employment status, or any unrelated medical condition and are committed to demonstrating equality of opportunity in all our activities.

Any supplier, contractor, organisation or agency engaged by Tayside Fire and Rescue should be in a position to demonstrate and formally confirm its compliance with all current legislation.

The legislation listed below is provided as guidance and is not exhaustive:-

- Disabled Persons (Employment) Acts 1944 and 1958
- Disability Discrimination (Employment) Regulations 1996
- Disability Discrimination Act 1995
- Equal Pay Act 1970
- Race Relations Act 1976 and Race Relations (Amendment) Act 2000
- Sex Discrimination Acts 1975 and 1986
- Sex Discrimination (Gender Reassignment) Regulations 1996

The supplier, contractor, organisation or agency must ensure that all providing, receiving or benefiting from the goods or services are treated fairly and without discrimination, either directly or indirectly. The supplier, contractor, organisation or agency shall not discriminate either on grounds of race, skin colour, nationality, ethnic or national origin, gender, sexual orientation, marital status, disability, age, religious belief or class, education, or health.

Tayside Fire and Rescue will request that any supplier, contractor, organisation or agency notes our obligations under the Freedom of Information (Scotland) Act 2002 and will assist in ensuring our compliance with this Act.

At the tender stage, TFR will seek information as to the general competence, track record, details of criminal offences and acts of grave misconduct in relation to legislation on sex, race and disability, health and safety etc. Any potential supplier, contractor, organisation or agency may be excluded if they have been convicted of a criminal offence or have committed an act of grave misconduct.

Consultation

The needs of service users must be taken account of in ensuring that the outcomes of procurement activities are realistically set and achieved. This may be internal users where procurement is carried out on the behalf of other users, or the wider community when considering the provision of specific services.

The means by which consultation will be carried out and updated to allow for improvement will continually be developed as the organisation learns from procurement implementations. It is intended to improve the general knowledge and understanding of the procurement process within the organisation by including the topic of procurement in consultative forums such as seminars and visits to stations and departments.

Where more than one suitable option is identified, evaluation field-trials may be used as a consultative measure to assist in procuring the best option.

Representative bodies such as trade unions will be consulted with regard to the introduction of new technologies and equipment.

Financial Regulations

Procurement activities will demonstrate strict adherence to Tayside Fire and Rescue Board's Standing Orders, Scheme of Administration and Financial Regulations. Regular updating of financial regulations and corporate governance is the responsibility of the Head of Corporate Services. Guidance and assistance will be required from Finance Section personnel to ensure that full advantage is taken of the opportunities to introduce initiatives and eliminate outdated practices whilst maintaining appropriate safeguards in any purchasing activity undertaken.

Particular regard needs to be paid to the effect of future developments identified within this strategy and associated Action Plans, e.g. the implications of e-Procurement, purchase cards and partnerships.

Performance Management

The work undertaken in support of this strategy needs to be capable of being measured. Indicators of success are likely to include areas such as:

- customer satisfaction
- percentage of expenditure under contractual arrangements
- size of the supplier base
- expenditure using purchase cards
- expenditure committed through partnerships/consortia
- percentage of procurement activity carried out electronically

In most cases, this will require the setting up of performance indicators and management systems that are not currently in place. As the organisation is currently about to introduce a new and wide-ranging performance management system, it is proposed to include the above areas in the new system.

Review

This strategy will need to be regularly reviewed in order to monitor the progress on the actions identified and to update the strategy as the initiatives detailed in the Action Plan are progressed. As the projects take effect, new performance targets will require to be set in order to gauge their effectiveness. This will be reported at Departmental Meetings, Service Support Meetings and, where necessary, Management Team Meetings.

APPENDIX A

PROCUREMENT ACTION PLAN

| Action | | Priority (High/Medium/Low) | Responsible Person | Target Completion Date |
|--------|---|-------------------------------|-----------------------|------------------------------|
| 1 | Develop the corporate intranet and internet sites to include a Procurement site giving details of procurement opportunities, tenders and “How to Do Business with Tayside Fire and Rescue”. | High | Proc & Eng Manager | 31.12.07 |
| 2 | Develop and publish a register of Partnerships, Collaborations and Framework Agreements. | High | Proc & Eng Manager | 31.12.07 |
| 3 | Develop and implement a revised tender evaluation system. | High | Proc & Eng Manager | 30.09.07 |
| 4 | Develop performance management systems for Procurement. | Medium | Proc & Eng Manager | 31.07.08 |
| 5 | Analyse Tayside Fire and Rescue’s annual expenditure and creditors/suppliers list to ascertain where an increase/reduction in contracts and/or partnerships would lead to efficiencies. | Medium | Proc & Eng Manager | 31.05.08 |
| 6 | Review, update and publish procurement procedures and guidelines in the form of an intranet based Procurement Manual. | High | Proc & Eng Manager | 30.06.07 |
| 7 | Carry out training of personnel with involvement in procurement, including budget managers and budget holders. | Medium | Proc & Eng Manager | 31.03.08 |

| Action | | Priority (High/Medium/Low) | Responsible Person | Target Completion Date |
|--------|---|-------------------------------|-----------------------|------------------------------|
| 8 | Develop Performance Indicators for procurement department. | High | Proc & Eng Manager | 31.03.07 |
| 9 | Investigate options for handling small value, low risk procurement. | High | Proc & Eng Manager | 30.06.07 |
| 10 | In collaboration with other Fire and Rescue Services, develop and publish a policy for Sustainable and Environmental Procurement. | Medium | Proc & Eng Manager | 31.10.07 |
| 11 | Review the structures and roles of the Resources and Procurement Sections. | Medium | Head of TS | 31.12.07 |
| 12 | Develop an e-Procurement strategy. | High | Head of TS | 30.06.07 |
| 13 | Research and implement a Purchasing Card pilot initiative, prior to rolling out the technology in order to make maximum benefit from this form of procurement. | High | Proc & Eng Manager | 30.06.07 |
| 14 | Carry out a training needs analysis and secure funding for training to ensure that personnel can access continuous professional development opportunities. | Medium | Proc & Eng Manager | 31.12.07 |
| 15 | Develop a policy on Procurement ethics which will help to ensure that conduct is fair, honest, efficient and professional and that decisions are made on the basis of Best Value. | Medium | Proc & Eng Manager | 31.12.07 |

| Action | | Priority (High/Medium/Low) | Responsible Person | Target Completion Date |
|--------|---|-------------------------------|-----------------------|------------------------------|
| 16 | Revise job descriptions to take account of requirements contained within the TFR Procurement Strategy Document, the associated action plan and subsequent annual departmental plans. | Medium | Head of TS | 31.12.07 |
| 17 | Amend tender documentation to include a section asking potential suppliers to identify the environmental impact of their processes, goods and services and how they propose to minimise them. | High | Proc & Eng Manager | 30.06.07 |
| 18 | Revise the F12 ordering system will be revised in order to ensure that bypassing of the agreed purchasing protocols is eliminated and full advantage can be taken of e-Procurement initiatives. | High | Proc & Eng Manager | 31.07.07 |

The above plan will be reviewed on a quarterly basis. This may in turn lead to a review of the contents, including target completion dates.