

EAST SUSSEX FIRE AUTHORITY

Panel Scrutiny and Audit

Date 11 November 2021

Title of Report Contract Standing Orders - Waivers Summary July 2020 to date

By Duncan Savage, Assistant Director Resources / Treasurer

Lead Officer Claire George, Procurement Manager

Background Papers None

Appendices None

Implications (please tick ✓ and attach to report)

CORPORATE RISK		LEGAL	
ENVIRONMENTAL		POLICY	
FINANCIAL		POLITICAL	
HEALTH & SAFETY		OTHER (please specify)	
HUMAN RESOURCES		CORE BRIEF	
EQUALITY IMPACT ASSESSMENT			

PURPOSE OF REPORT: To apprise the Panel of the waivers granted in the remainder financial year 2020/21 and thus far in 2021/22, as required by Contract Standing Order (CSO) 7.4

EXECUTIVE SUMMARY: The Treasurer, after consultation with the Procurement Manager, Deputy Monitoring Officer and the Chairman has approved a total of five waivers from July 2020 to date.

Each was considered on the basis that the Authority could achieve value for money, where below the threshold of the Public Contract Regulations 2015 and therefore subject to internal governance arrangements only.

No waivers were granted on the basis of expediency alone. In the main, the waivers were granted in order to secure best value, to leverage efficiencies via standardisation and to mitigate limited market options and/or any risk to supply, including those resulting from the impact of the Covid 19 pandemic, particularly where the ability of potential bidders to adequately conduct site visits was impeded.

RECOMMENDATION: To note the contents of this report & consider whether any further information is required.

MAIN ISSUES

1 Summary of waivers granted

- 1.1
1. Mechanical Works - TSS Facilities Ltd (March 21)
 2. Electrical Works - Openview Security Solutions Ltd (March 21)
 3. Wildfire Vehicle – Emergency Group One Ltd (July 21)
 4. Telematics – Ctrack UK Ltd (Sept 21)
 5. Finance Officer – RM Recruit Ltd (Oct 21)

2 Summary of each waiver granted

2.1 Mechanical Works - TSS Facilities

Background

TSS Facilities are our Term Contractor for any mechanical works across our Estate.

The original intention to award a new contract at the point of contract expiry of the TSS Facilities' contract was hampered by resource challenges due to Covid 19 and a need to significantly update the technical requirements. The new ITT had already been advertised via the e-tendering Portal and the first batch of questionnaires from suppliers were being assessed. As such there would be no new provider appointed until later this year and there would be a gap in service provision.

A gap would bring a risk and therefore we requested sanction to extend the existing direct award to TSS Facilities a new interim Contract by for a period of 4 months.

The current monthly contract costs for reactive repairs is in the region of £7000.00 per month, with estimated the costs for the proposed extended time therefore of £28,000.00, in addition to any planned works required in the 4 month period, at a value of £20,000.00.

Reasons for Waiver Request

- During the new tendering process TSS Facilities contract extension would ensure we do not risk any loss in service;
- The current supplier had been providing 24-hour service at a very competitive cost;
- The current Supplier is familiar with our Estate, its mechanical systems and has been inducted into the way we work, thus reducing induction cost & resources;
- Benchmarking suggested a short-term contract with an alternative supplier would increase costs;
- A new supplier would be likely to offer slower response times due to unfamiliarity with the Estate.

Contract value: £48,000.00

2.2 **Openview - Electrical Services**

Background

Openview are our Term Contractor for any electrical works across our Estate. Their contract was due to expire and under the terms of the contract there was no provision for further extension. The original intention to award a new contract at the point of contract expiry of the Openview contract was hampered by resource challenges due to Covid 19 and a need to significantly update the technical requirements.

We requested sanction to direct award to Openview a new interim Contract for a period of 6 months to mitigate the risk of a gap in service.

The current monthly contract costs for reactive repairs is in the region of £7000.00 per month, with estimated the costs for the proposed extended time therefore of £28,000.00, in addition to any planned works required in the 4 month period, at a value of £20,000.00, plus the first quarterly Fire Alarm and Emergency lighting testing which forms part of their planned annual maintenance visits of £3000.00

Reasons for Waiver Request

- During the new tendering process Openview contract extension ensured no risk to loss in service;
- The current supplier had been providing a 24 hour service at a very competitive cost;
- The current Supplier is familiar with our Estate, its electrical systems and has been inducted into the way we work, thus reducing induction cost & resources;
- Benchmarking suggested a short term contract with an alternative supplier would increase costs;
- A new supplier would be likely to offer slower response times due to unfamiliarity with the estate.

Contract value: £51,000.00

2.3 **Wildfire Vehicle - Emergency Group One Ltd**

Background

Our Land Rover Defenders, used for off road wildfire fighting, are beyond the end of their expected life but we are unable to replace them directly as Land Rover no longer provide a Defender in the same way. As a result we looked at alternatives which could carry the same weight, to avoid compromising the amount of water that can be carried. Similar vehicles in the same class such as the Ford Ranger, do not carry the same weight, however, it was identified that the Mercedes Sprinter van had similar payload capabilities and could be sourced direct from the manufacturer, in a 4 x 4 chassis variant.

A single example was purchased. We worked with Emergency One on this developmental vehicle with approval from Claire George under 13.3 (d) of the Contract Standing Orders as the expected vehicle cost was due to be under £50,000. During development we discussed some enhancements including

lockers and integrating the same eCab/ePump pumping system in use on the appliances. The vehicle is now complete and delivered and we are looking to replace the remaining three vehicles with vehicles of a similar design.

The three additional chassis' have been ordered and we are awaiting delivery for free issue to the bodybuilder selected to build the vehicles. Emergency One have confirmed that they would build additional identical vehicles with all the current options selected for £58,500 per vehicle.

We therefore requested that we direct award the build of all three vehicles to Emergency One (UK) Ltd.

Reasons for Waiver Request

- Direct award of 3 vehicles allowed us to achieve our stated aim of moving steadily to a uniform fleet, which reduces training costs and allows firefighters to be flexibly deployed;
- The ePump option which is identical to using a pump on an appliance is a bespoke E1 enhancement, that cannot be sourced from other suppliers;
- With the replacement Animal Rescue Vehicle in build at E1, in addition to the appliances and Aerial Ladders Platforms, the progress of these vehicles in build can be monitored and approved without the need for additional supplier trips, reducing travel costs and time out of the office;
- Every new vehicle type we introduce, requires to be tested and certificated by the Vehicle Certification Agency. The vehicle built by E1 has already been certified at a cost of £6,750. If a visibly identical vehicle was built by another supplier, the test would need to be repeated, incurring extra cost;
- With only 4 capable suppliers on the framework available, interest may be limited in a niche, developmental product. We assessed that in competing, there was a significant risk that E1 would identify there is unlikely to be any real opposition and would bid a higher price and still be successful. Our market intelligence indicated that in this instance, a competition would not drive down the price secured;
- ESFRS will benefit from enhancements based on the development work E1 have already conducted with Cornwall FRS.

Contract value: £175,500

2.4 Telematics – Ctrack UK Ltd

Background

Our telematics contract has been extended with Ctrack UK Ltd a number of times while the decision of how we integrate cameras and telematics jointly across our regional FRS peers and Sussex and Surrey Police, as part of the joint Integrated Transport Function (ITF) project, was progressed. As the selected supplier was not able to support the specific requirements of a Fire Appliance, this joint solution did not materialise for ESFRS or our neighbouring FRS's.

In order for us to proceed, a paper was taken to SLT. The decision was made to separate the telematics and the camera provision into two separate requirements and proceed with each independently. It was also decided that to avoid wholesale change, and to reduce fleet downtime, that we would maintain

our current telematics provider until a new opportunity surfaces in the future, whereupon we can jointly tender for a replacement supplier.

As a result, we sought advice from the Crown Commercial Service and opted to direct award under their RM6143 Telematics framework, which was permissible under the following conditions:

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b) If you feel that your current situation justifies making a direct award without further competing your requirements, and that the achievement of best value is not served through running a further competition. This can be the case when organisations already have telematics equipment installed across their fleet that are still within their usable life cycle and which continue to meet their needs. In these circumstances the financial cost of changing supplier may negate any savings that could be gained from going back to market, and may actually cost the organisation more due to the costs associated with de-installation and reinstallation of kit, plus the purchase of replacement equipment. Another factor to consider is the operational cost to the business due to the associated downtime of the fleet in having these changes implemented and the retraining of staff to be able to use a new software system.

The position of ESFRS directly mirrored the conditions outlined and we therefore assessed the risk of challenge associated with direct award as low. Further, where an EU compliant framework permits direct award (based on the organisation properly evaluating & being able to evidence its position in terms of switching costs/integration and consistency), suppliers are aware from inception that direct awards will occur under certain and prescribed conditions, which also considerably lessens the risk/likelihood of any challenge.

Reasons for Waiver Request

- ESFRS have perfectly satisfactory telematics kit already installed in all vehicles and are satisfied with its capability;
- We would incur significant downtime to change that equipment for a new solution across the fleet;
- We could compliantly direct award via an existing, pre-competed framework;
- We have a successful long term relationship with the current supplier;
- Benchmarking the costs against the ITF alternative were in line. We assessed savings would be minimal and negated by the cost to change.

Contract value: £65,160

2.5 Finance Officer – RM Recruit Ltd

Background

Waiver in relation to an agency appointment to the role of Senior Finance Officer via the recruitment agency RM Recruit. The appointment is to 31 March 2022 and is intended to provide additional capacity to support the Finance Team.

10 CVs were received from agencies on the contracted ESFRS framework, however, the majority of candidates did not have the relevant skills or experience required for the role and only 2 were interviewed. The subsequent candidate interviewed via from RM Recruit scored 13% higher than the second placed candidate following the previous interviews.

Reasons for Waiver Request

- RM Recruit are not on our current agency framework, although they are in the process of applying for inclusion. Spend with this supplier is not expected to exceed £50k threshold at which CSOs require a formal tender and is well below the current EU threshold;
- Benchmarking indicates the rate agreed for this individual is consistent with the market rate and that they have the skills required for this work;
- On the basis that there will be no further spend with RM Recruit without prior consultation and on the proviso that the assignment is limited to the end of the financial year, the requirement for a further competition was waived, in order that we may directly appoint RM Recruit for provision of this service.

Contract value: c£31,000