

## EAST SUSSEX FIRE AUTHORITY

**Meeting** Scrutiny and Audit Panel

**Date** 25 July 2019

**Title of Report :** Contract Standing Orders - Waivers Summary August 2018 to date

**By** Assistant Director Resources / Treasurer

**Lead Officer** Claire George, Procurement Manager

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**Background Papers** None

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**Appendices** None

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### Implications

<b>CORPORATE RISK</b>		<b>LEGAL</b>	
<b>ENVIRONMENTAL</b>		<b>POLICY</b>	
<b>FINANCIAL</b>		<b>POLITICAL</b>	
<b>HEALTH &amp; SAFETY</b>		<b>OTHER (please specify)</b>	
<b>HUMAN RESOURCES</b>		<b>CORE BRIEF</b>	

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**PURPOSE OF REPORT:** To appraise the Panel of the waivers granted in the remainder financial year 18/19 and thus far in 19/20, as required by Contract Standing Order (CSO) 7.4

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**EXECUTIVE SUMMARY:** The Treasurer, after consultation with the Procurement Manager, Deputy Monitoring Officer and the Chairman has approved a total of nine waivers from August 2018 to date.

Each was considered on the basis that the Authority could achieve value for money and that the purchase was 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 support and further enhance collaborative arrangements with our Bluelight partners, to mitigate limited market options and/or any detriment due to supply disruption.

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**RECOMMENDATION:** To note the report & consider whether any further information is required.

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## **MAIN ISSUES**

### **1 Summary of waivers granted**

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  1. Project 21 Consultancy – Option Appraisal (Aug 18)
  2. Fire and Rescue Indemnity Company (FRIC) (Sept 18)
  3. CIPFA – Financial Services Review (Oct 18)
  4. Breathing Apparatus (BA) Chambers Remedial Works Project (Jan 19)
  5. Cleaning Services (March 19)
  6. Project 21 Consultancy - Continuation (April 19)
  7. Integrated Fundraising (June 19)
  8. Tax Helpline (June 19)
  9. Preston Circus Design Consultancy (July 19)

### **2 Summary of each waiver granted**

#### **2.1 Project 21 Consultancy – Items 1 & 5**

The Authority operates mobilising services for itself and West Sussex FRS at Sussex Control Centre, under a Section 16 agreement, however this arrangement ends in May 2021 and the Authority must therefore consider options for the future provision.

Service delivery models across the sector have changed significantly since the collapse of the Regional Control Centre project and equally, the Authority's strategic objectives have evolved.

The Authority did not have the capacity or expertise to carry out a robust option appraisal and develop a transition plan and therefore acted to secure this work externally, as set out to Urgency Panel in August 2018.

Mott MacDonald were appointed by direct award, due to their significant expertise and experience in similar work, advising DCLG, Fire, Police and Ambulance services over 23 years.

The work packages defined under this waiver will see the project to completion.

Contract value: £117, 937

#### **2.2 Fire and Rescue Indemnity Company (FRIC)**

At the Fire Authority meeting of 6<sup>th</sup> September 2018, Members were asked to approve a proposal for the Authority to join the Fire and Rescue Indemnity Company (FRIC), an entity formed by other Fire and Rescue Authorities to act as a pool for insurance purposes from 1 April 2019.

The Authority purchases insurance cover to meet its statutory requirements and mitigate risk. In the past this was arranged by tendering for services using an EU compliant process with the support of a broker. The current five year agreement was due to expire on 31 March 2019 and after conducting an option appraisal, officers

selected a collaborative approach through joining a FRIC, formed by other Fire and Rescue Authorities to act as a pool for insurance purposes.

Under Pooling arrangements, all participating FRS would share the cost of establishing a pool fund from which any loss incurred by an individual member of the insurance pool would be met. The current arrangement was first established by nine FRS's in 2015 and a number of other fire authorities had either decided to join or were actively considering doing so.

Members were informed that the FRIC, with its fire specific focus had developed a risk management assessment process. It had established and supported the Fire & Rescue Risk Group (FARRG) and as a result, the process was more specifically suited to the sector. It was anticipated the collaborative learning from FARRG should help reduce the frequency and severity of claims, this would not only save FRIC money but also members operational and management time associated with incidents and related reputational impact.

The Fire Authority agreed the Authority's participation in this pooling arrangement, as full members of the Company, for an initial term of 3 years.

Members agreed to waive the Authority's existing procurement rules, which would require competing bids for the provision of insurance services, in order to achieve this. The indemnity company procure the insurance services via an OJEU compliant process.

Contract value: £983,000.

### 2.3 **CIPFA**

The Assistant Director Resources / Treasurer commissioned a review of the Authority's finance function, aimed to respond to a number of issues: to form the basis of a support service review; to assess the effectiveness of the service across both Orbis and ESFRS delivered elements; and to provide the basis for an improvement plan.

The waiver allowed us to contract direct with CIPFA. CIPFA is the professional body for finance and accounting in the public sector and has vast experience of conducting reviews of financial management across the sector. It has developed the Financial Management Model which is accepted as good practice across the public services. It is recognised by HM Treasury (UK) as setting out the fundamentals of best practice financial management within a public sector organisation. It has been chosen by HM Government (HMG UK) Finance Leadership Group (FLG) as the framework to be used for financial management self-assessments and has also recently conducted a review of Surrey CC, an independent review of PCC business cases and is currently working with Sussex Police.

The rates quoted by CIPFA are assessed as being consistent with the market rate for that level of resource.

Contract value: £20,000.

### 2.4 **BA Chambers Remedial Works Vehicle Conversions**

The original BA Upgrade project completed late summer 2017.

The facilities, following commissioning tests, failed to meet one of the primary design objectives to maintain internal space temperature of 40oC.

Following an independent review conducted by BLR Associates, a further project has been approved to address the issues with the original project – approved budget £240,000 (P&R Panel 17/01/2019).

We then needed to commission professional services to support the detail design and it was proposed that we appoint BLR Associates to carry out this detailed work on the basis that they have carried out the independent review and have detailed knowledge of the chambers and ESFRS requirements, both historic and relating to the specific defects with the existing facilities.

BLR prepared a fee proposal that met our requirements in terms of carrying out the duties of the Principle Designer under CDM Regulations, detail design works, cost planning, contract administration & site supervision.

The fee proposed aligned with the RIBA % fee scale of 10% for refurbishment works £100,001 - £200,000 with a traditional procurement route.

Contract value: £18,861 and a recommended contingency of £5,000.

## 2.5 **Cleaning Services**

ESFRS have, for the last number of years been using an East Sussex County Council (ESCC ) let contract for cleaning services and contract management

ESCC retendered the contract late in 2018 for another three years and have let the contract to Environ.

ESFRS Procurement Department requested sight of the Invitation to Tender to ensure that ESFRS were named on the tender, and therefore eligible to avail of the services let, but upon receipt it was discovered that ESFRS are not named on the tender documentation and therefore unable to avail of the contract as at 1<sup>st</sup> April 2019.

Given the urgent nature of the securing a new provision, ESFRS entered into a six month contract with Sussex Police to allow for time to prepare documentation, and run & award a specific ESFRS cleaning contract via an approved public sector framework.

It was further recommended that this new contract be aligned with the contract period for the re tender of the Sussex Police cleaning contract, to facilitate a joint tender in the future should ESFRS decide to do so.

Contract value: £61,000.

## 2.6 **Integrated Fundraising**

In February 2019 we invited an independent fundraising consultant to a meeting at Eastbourne fire station to seek advice on the opportunity to develop grant funding through sponsorship, trusts and corporates, to support the delivery of a range of our

preventative activities including health – to include the role of our Health Co-ordinator, the expansion of our innovative GP referral project, and Excess Winter Deaths; Fire Cadets, Safety in Action and community volunteering.

The consultant provided a number of examples of fundraising work undertaken for large organisations and comes with a credible background in working across the Fire sector in particular. Some preliminary scoping work and market testing were conducted to establish what opportunities were available & a decision was taken to build on the information gathered at this preliminary stage & progress the opportunities identified.

This fundraising exercise is a one-off project to provide grants to undertake our new areas of prevention work within health and to support our prevention agenda with children and young people and with community volunteers. Any further work packages related to Integrated Fundraising will be subject to a competitive process.

Contract value: £10,750.

## 2.7 **Tax Helpline**

Historically, provision of a tax helpline has been a service we have been provided with, as a consequence of a larger contract let on behalf of East Sussex CC or subsequently via Orbis as they assumed more of this responsibility from ESCC.

The latest iteration of the contract, although not required by the ESCC contract standing orders, was subject to a three quote process, with quotes being received from Ernst and Young, PST and Pricewaterhouse Coopers. From those quotes Orbis have selected Ernst and Young to provide the service for the next three years.

However, as Ernst and Young provide our external audit service, there is a local conflict of interest to have them also providing our tax advice, and as such we cannot contract with them for the same service.

The supplier previously providing this service to us was PST, and they were the supplier who came second in the recent exercise run by Orbis.

Noting the provision has already been subject to a competitive process via Orbis, a direct appointment was made to PST for a 3 year contract.

Contract value £6,285.

## 2.8 **Preston Circus Design Consultancy**

The request was to engage Mackellar Schwerdt to provide multi-disciplinary design services for the Preston Circus Refurbishment. It was proposed that these services be procured on a single source waiver via Mackellar Schwerdt due to their detailed knowledge of the project gained via RIBA stage 1 & 2 on the basis that:

- Preston Circus is a complex building – the surveys carried out by MacKellar Schwerdt at feasibility and scheme design stages contain valuable information and would, should we continue their appointment not be required to be redone
- Although the building is not nationally listed, it is locally listed, MacKellar Schwerdt have had preliminary discussions with BHCC planners, to restart this conversation with a different consultant could both be detrimental in terms

of the relationship but also cause delays as the conversations would need to start again

- The learning that MacKellar Schwerdt have with regard to design guide needs and stakeholder requirements is paramount to the success of the project

Given how crucial consistency is and recognising the value that consultants with learned experience & an established relationship add at this stage, a waiver was agreed, however Procurement have sought assurance that all future consultancies of this type will adequately assess at inception, where the most beneficial and appropriate break points lie.

Contract value: £104,441.89.