



SCOTTISH
FIRE AND RESCUE SERVICE

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FINANCE & CONTRACTUAL SERVICES

FINANCE & PROCUREMENT

PROCUREMENT PRACTICE NOTE NO.1

SFRS PROCUREMENT GOVERNANCE MODEL AND DELEGATED PROCUREMENT AUTHORITY

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1. Introduction

- 1.1 Procurement is the whole process of obtaining goods, services and works from third parties; from the consideration and identification of the need, specification of relevant requirements, supplier selection, contract award and invoice payments. It is an important enabler of SFRS organisational objectives and Scottish Government National outcomes.
- 1.2 Embedding good procurement practice and organisational capability involves a focus on the development of an appropriate procurement governance model which minimises risk to SFRS and enables the development of relevant skills and capability of those involved in the procurement process, clearly articulated and aligned organisational procurement objectives and intended outcomes, procurement processes which deliver efficient procurement and are at all times relevant and proportionate, communication and engagement with priority internal and external stakeholders including suppliers and monitoring and reporting of organisational and contractual performance.

2. Aims of the Procurement Governance Regime

- 2.1 SFRS procurement governance model aims to ensure that SFRS procurement activity meets corporate objectives and is aligned to Scottish Government Model of Procurement and National Outcomes.
- 2.2 SFRS aims to ensure that commercial excellence is embedded throughout the organisation, Best Value is delivered and excellence is embedded in commercial, and commissioning practices and skills.
- 2.3 SFRS is committed to the following, which must be adhered to by everyone involved in the procurement process, whether as an individual with Delegated Procurement Authority, budget holder or end user:
- Continual improvement in organisational procurement capability and systems as demonstrated through the Scottish Government Procurement and Commercial Improvement Programme (PCIP);
 - Staff undertaking procurement decisions have the appropriate authority and capability;
 - Demonstrate leadership and the highest standards of honesty, integrity, impartiality and objectivity in all our dealings with suppliers and potential suppliers;
 - Procurement to be conducted through open competition unless exceptional reasons exist;

- Improve supplier access to SFRS contracts, including the publication of contracts on Public Contracts Scotland and to be business friendly, enabling SMEs, third sector and supported businesses to compete for work, either as a contractor or sub-contractor;
- Deliver efficiencies and savings while ensuring value for money, consideration of whole life costs the best price-quality ratio in procurements;
- Embed sustainability in procurements in a relevant and proportionate manner through the use of Scottish Government sustainable procurement tools and Flexible Framework as required by the Procurement Reform (Scotland) Act 2014) and Statutory Guidance;
- Compliance with the Public Contracts (Scotland) Regulations 2015, The Procurement (Scotland) Regulations 2016, the Procurement Reform (Scotland) Act 2014, and all other relevant legislation or regulations;
- Undertake consultation with key internal and external stakeholders, including early engagement to ensure relevant risks and opportunities are considered in commodity strategies;
- Collaborate with other contracting authorities where appropriate including relevant use of sector or National Frameworks and sharing of best practice;
- Payment of suppliers on time in accordance with contractual arrangements;
- Monitor and report performance annually against SFRS Procurement Strategy and intended objectives.

2.4 This Procurement Practice Note describes for SFRS staff the governance model which requires to be observed for all SFRS procurement activity and the scheme of Delegated Procurement Authority assigned to those individuals who undertake SFRS procurement activity.

2.5 The contents of this Practice Note will be observed in all procurement activity undertaken by SFRS.

3. **Procurement Responsibility**

3.1 The Director of Finance and Contractual Services is responsible for all procurement and tendering arrangements for goods, services and works and has the sole authority to assign to nominated individuals (Responsible Officers) appropriate level of Delegated Procurement

Authority which is the right to commit SFRS to enter a legally binding contract with a third party and / or undertake the procurement activity of the Service.

- 3.2. Non-Competitive Action (NCA) is excluded from Delegated Procurement Authority. The Director of Finance and Contractual Services has the sole authority to approve any NCA unless specifically delegated to named individuals.
- 3.3 The Director of Finance and Contractual Services or the Head of Finance and Procurement will chair the Corporate Procurement Steering Group (CPSG) which will support SFRS in achieving its corporate procurement objectives by promoting excellence in procurement.

4. Delegated Procurement Authority (DPA)

- 4.1 The Director of Finance and Contractual Services will be responsible for maintaining a scheme of Delegated Procurement Authority (DPA) which will apply across all Scottish Fire and Rescue Service Directorates.
- 4.2 DPA is the authority that permits an individual to enter into a contract for goods, services and works and / or administer the process leading up to and including the award of a contract and any subsequent contract changes.
- 4.3 Appendix A states the Scheme of Delegated Procurement Authority which will operate for SFRS.
- 4.4 DPA is granted solely by the Director of Finance and Contractual Services (or their nominated representative) and will be based on the business need and professional qualification / training / experience of staff concerned as stated in the Standing Orders for the Regulation of Contracts.
- 4.5 Staff to whom DPA is assigned are referred to as Responsible Officers in the Standing Orders for the Regulations of Contracts, will have the level of authority assigned to them confirmed in writing by the Director of Finance and Contractual Services.
- 4.6 DPA is personal to an individual only whilst occupying their current position unless they are seconded to another post within the SFRS to carry out their procurement role in that post. DPA does not automatically transfer to a successor should an individual leave their current post nor does it transfer with them to another post. If DPA is to be withdrawn by the Director of Finance and Contractual Services for any reason this will be confirmed in writing.

- 4.7 DPA is not to be confused with financial/budgetary authority which is detailed in the Scheme of Delegated Financial Authority, which does not confer any ability to undertake any process leading to the award of contract and any subsequent variation to contract.
- 4.8 DPA is not required to place orders against contracts that have been awarded after a competitive process nor single supplier framework agreements awarded or approved by the SFRS.
- 4.9 DPA does not convey any authority to approve a contract without following a genuine and effective competition - Non-Competitive Action (NCA). As stated in paragraph 2.2 above, the Director of Finance and Contractual Services has the sole authority to approve NCA's.
- 4.10 No individual may undertake procurement activity outwith / in excess of their specific delegated authority.

5. Administration of the SFRS Procurement Governance Model

5.1 Development and Modification of Standing Orders for the Regulation of Contracts and the Issue of Procurement Practice Notes and Guidance

- 5.1.1 The Director of Finance and Contractual Services has the responsibility to ensure that the proper procurement governance model is in place to ensure that SFRS procurement activity is undertaken in a manner which will be responsible for the development of the Standing Orders Relating to Contracts.
- 5.1.2 The Director of Finance and Contractual Services or the Head of Finance and Procurement will be responsible for the issuing of Standing Orders for the Regulation of Contracts and associated documentation related to the procurement governance model.
- 5.1.3 The Head of Finance and Procurement has the responsibility to manage and develop the Finance & Procurement function's policies and procedures to meet the business needs of the Scottish Fire & Rescue Service.
- 5.1.4 The Procurement Manager will be responsible for the development, implementation and monitoring of SFRS procurement governance regime.

5.2 Undertaking of SFRS Procurement Activity

5.2.1 The Procurement Section and Property Services Section will co-ordinate and /or undertake all procurement activity on behalf of the SFRS.

5.2.2 Appendix B and C details the key elements of Procurement and the Client Department's role in the procurement process.

5.3 Purchase Order Commitment Up To £4,000 (Goods and Services)

5.3.1 Budget Holders or Authorised Signatories have the necessary authority to commit the organisation to purchase orders from Contracts or Framework Agreements, where these have been approved for use by the Director of Finance and Contractual Services, to a value up to and including £4,000.

5.3.2 No verbal instruction will be given to any organisation to proceed with the supply of goods, and/or services prior to the issue of an official purchase order unless such verbal instruction is given to ensure the operational effectiveness of the Service E.g. Out of Hours Breakdown Recovery request.

5.4 Purchase Orders (Goods and Services) in Excess of £4,000

5.4.1 All purchase orders for goods and services in excess of £4,000 will be authorised by Procurement other than the following exceptions:

- Fuel orders placed by Stations to the nominated fuel contractor.
- Orders placed through Tech Forge (or any subsequent property management system) as operated by Property Services.

5.4.2 These exceptions must follow the general principles of separation of duties as stated in paragraph 6 of this Practice Note and must be in compliance with Standing Orders for the Regulation of Contracts and Financial Regulations.

5.4.3 Orders over £4,000 will be routed automatically by the Finance System to the Procurement Section for consideration and authorisation.

5.4.4 No verbal instruction will be given to any organisation to proceed with the supply of goods and/or services prior to the issue of an official purchase order unless such verbal instruction

is given to ensure the operational effectiveness of the Service E.g. Out of Hours Breakdown Recovery request.

5.4.5 In all instances where Procurement are requested to authorise retrospective orders related to verbal instructions being given to organisations to proceed with the supply of goods and services, then these instances will be noted as “maverick spend” with the exceptions of those instances stated in Paragraph 5.4.1 or where operational effectiveness requires to be maintained. Where maverick spend is identified, this will be reported to the Line Manager of the relevant individual and further reported to the Corporate Procurement Steering Group (CPSG) and the Corporate Assurance Board (CAB).

5.5 Works Orders / Instructions

5.5.1 All Works Orders or Instructions, no matter the value, will be co-ordinated and administered by the Property Services Section.

5.5.2 To assist in this process, any requirement for property adaptation to meet local service requirements should be detailed and submitted to the Property & Facilities Helpdesk using the pro-forma attached in Appendix F.

5.6 Award of Contracts up to the Value of £122,976 (Goods and Services) / £100,000 (Works)

5.6.1 The Procurement Manager (goods and services) and the Property Services Manager (works) are authorised to commit the Scottish Fire and Rescue Service to contractual obligations of up to £122,976 (goods and services) / £100,000 (works).

5.6.2 The Category Lead is authorised to commit the Scottish Fire and Rescue Service to contractual obligations of up to £49,999 (goods and services).

5.6.3 All necessary approvals will be obtained prior to the signing and issue of any letter of award in relation to contracts of the value stated in paragraphs 5.6.1 and/or 5.6.2.

5.6.4 Sufficient numbers of staff in all Directorates will be provided with relevant training in the preparation of “Invitation to Quote” documentation for goods and services. They will also be trained in the use of Public Contracts Scotland Web Portal in order to undertake the “Quick Quote Process” which will be undertaken in accordance with Procurement Practice Note no.2: Contracts Below £50,000.

- 5.6.5 Individuals who undertake such activity in relation to goods and services with a value less than £50,000, will be required to submit a report detailing the procurement process undertaken and recommendation for award to the relevant Category Team for consideration together for the reasons for non-award to unsuccessful bidders.
- 5.6.6 The relevant Category Team will review the paperwork received and issue letter of award / debrief letters for signature for all contracts for goods and services with a value of less than £50,000.
- 5.6.7 Property will be responsible for the preparation of all reports / letters of award / unsuccessful letters for all works procurement activity.
- 5.6.8 Such reports will not be progressed until all relevant paperwork in support of the procurement decision has been received and verified.
- 5.6.9 The Director of Finance and Contractual Services or the Head of Finance and Procurement will approve all tender outcome reports, no matter their value where the Procurement Manager and /or Property Manager have undertaken the tender process.
- 5.6.10 The Procurement Manager and/or Property Manager will not sign any letter of award where they have undertaken the procurement process. In such circumstances the Director of Finance and Contractual Services or the Head of Finance and Procurement will sign the letter of award.
- 5.6.11 The Category Lead will not sign any letter of award where they have undertaken the procurement process. In such circumstances the Procurement Manager or the Head of Finance and Procurement will sign the letter of award

5.7 Award of Contracts in excess of £122,976 (Goods and Services) / £100,000 (Works)

- 5.7.1 Letters of award relating to all contractual commitments in excess of £122,976 (goods and services) / £100,000 (works) can only be signed and issued by the Director of Finance and Contractual Services or the Head of Finance and Procurement in accordance with the Scheme of Delegated Procurement Authority (Appendix A).

5.7.2 All necessary approvals as required by the Standing Orders for the Regulation of Contracts, and relevant Procurement Practice Notes will be obtained prior to the issue of any letter of award in relation to contracts of this value.

5.8 Call-Off Contracts / Framework Agreements

5.8.1 Individuals can only utilise such arrangements where use of the Call-Off Contract / Framework has been approved in accordance with the Scheme of Delegated Procurement Authority and /or where their use has been approved in the approved Commodity Strategy.

5.9 Contract Variations and Extensions

5.9.1 All requests for variations or extensions to contracts will be made in writing to the Procurement (Goods and Services) or Property (Works) to ensure a record of all such changes is maintained.

5.9.2 Such requests will only be authorised where the variation requested is within the scope of the contract. Variations / extensions outwith this scope will not be permitted.

5.9.3 Variations / Extensions in relation to contracts for goods and service will be requested by the Contract Administrator using the standard templates and submitted to the Category Lead for consideration.

5.9.4 All variations / extensions for goods and services will be issued in writing and issued by either the Director of Finance and Contractual Services, the Head of Finance and Procurement, the Procurement Manager or Category Lead dependent upon the value of the original contract and the aggregated value of the amended contract.

5.9.5 Variations in relation to works contracts will be issued by either the Director of Finance and Contractual Services or the Head of Finance and Procurement or the Property Services Manager (or their designee) depending upon the value of the original contract.

5.9.6 Variations will only be approved where the necessary budget provision has been accounted for and/or approved.

5.10 Leasing / Rental Agreement (Goods and Services)

5.10.1 Such Agreements will be submitted to the Procurement Section for approval in all instances.

5.10.2 This includes agreements relating to such items as the lease / rental of water coolers, franking machines, photo copiers, vehicles. This list is not exhaustive but merely represents the type of agreement that require the prior approval of the Procurement section prior to SFRS committing themselves to the terms of the lease / rental agreement.

5.10.3 Such Agreements will be signed off by Director of Finance and Contractual Services or the Head of Finance and Procurement or the Procurement Manager depending upon value and whether the relevant procurement process has been conducted in accordance with Standing Orders Relating to Contracts.

5.11 Service Level Agreement (Goods and Services)

5.11.1 Service Level Agreements will be submitted to the Procurement Section (Category Lead) for consideration and approval prior to signature.

5.11.2 Such Agreements will be signed off by Director of Finance and Contractual Services, the Head of Finance and Procurement or the Procurement Manager.

5.12 Authorised Signatory

5.12.1 Authorised signatory designation gives the individual the necessary approval in relation to the authorisation of purchase orders, expenditure and access to financial systems. It does not confer DPA to any individual to enable them to commit the SFRS contractually to any contract, framework agreement or other contractual agreement other than that described in Paragraph 5.3 above.

5.13 Commodity Strategy Sign-Off

5.13.1 A Commodity Strategy is required for all procurement activity in excess of £50,000 (goods and services) and will be signed off by appropriate representation of the Client Department and the Head of Finance and Procurement (or their designee) in accordance with the Scheme of Delegated Procurement Authority and relevant Procurement Practice Note/s.

5.14 Tender Outcome Reports for Contracts in Excess of £50,000 (Goods and Services) / £100,000 (Works)

5.14.1 The Responsible Officer who has undertaken the procurement process for goods and services will prepare and submit a report to the Procurement Manager (goods and services up to a value of £122,976) or the Director of Finance and Contractual Services or the Head of Finance and Procurement for all projects above this value detailing the outcome of the procurement process undertaken and recommendations for award.

5.14.2 The Property Services Manager (or their designee) will prepare a report for submission to the Director of Finance and Contractual Services, detailing the outcome of the procurement process undertaken and recommendations for award for all Works contracts.

5.15 Leasing / Rental / Servitudes / Sharing Agreements - Property

5.15.1 Such Agreements have particular legal, financial, liability and insurance issues and will be submitted to SFRS Property Manager and/or Legal Services Manager for consideration in all instances.

5.15.2 This includes leases, rentals, servitudes, wayleaves or any other building or site sharing agreements relating to any building or site within the SFRS property portfolio or any proposal relating to use of non SFRS estate or other temporary accommodation.

5.15.3 Such agreements require the prior approval of the Legal Section and Property & Facilities Section before SFRS can commit to the terms of any agreement regardless of value or financial consideration.

5.15.4 Proposed agreement will be brought to the attention of SFRS Risk and Audit Manager and SFRS insurers as appropriate.

5.15.5 Such Agreements will be signed off by Director of Finance and Contractual Services, the Head of Finance and Procurement or the Property Manager depending upon value/terms.

5.16 Procurement Activity Below £4,000 (Goods and Services)

5.16.1 DPA is not required for undertaking procurement activity with an aggregated value of less than £4,000. However, the overarching principle that will apply to procurement activity of this value is still to seek value for money which may require the use of a quote process.

The quote process need not be undertaken through PCS but a record will be maintained for audit purposes and forwarded to Procurement on completion of the process undertaken.

5.16.2 Spend under £4,000 will normally be non- repetitive and the value of the requirement will not be artificially dis-aggregated (ie split into separate requirements) to allow the value of the procurement to fall below the relevant threshold.

5.16.3 Excessive patronage shall not be shown to any one organisation.

5.16.4 Where an existing contract is in place for the goods and services being considered, then this must always be used.

6. Unauthorised Procurement

6.1 Any agreement, commitment, order for goods/services/works or changes to existing contracts by any individual who does not have the necessary DPA to commit the SFRS to such arrangements, will be deemed to be an unauthorised procurement.

6.2 Procurement transactions and/or the undertaking of procurement activity in excess of an individual's level of authority are also considered unauthorised.

6.3 Unauthorised procurement will not be binding upon SFRS. Individuals who breach this policy may be subject to individual liability for the value of the procurement and /or disciplinary action.

6.4 Staff are required to report instances where unauthorised procurement occurs to the Director of Finance and Contractual Services in accordance with the Standing Orders for the Regulation of Contracts.

7. Separation of Duties

7.1 It is the SFRS policy that to ensure propriety in the procurement process, that there will be at least two clearly defined roles in the procurement process, these being:

- The **Procurer** who has the necessary DPA and fulfils the procurement role by ensuring that the procurement process complies fully with all internal and external

procurement regulatory and legislative requirements. Appendix B states the key elements of the Procurer's role in the procurement process.

- The **Client (or Project Owner)** who perceives and defines the need, develops the business case to obtain the necessary approval/budget allocation and makes the request to Procurement / Property to undertake the tender process to procure the required goods / services / works. Appendix C states the key element of the Client's role in the procurement process

7.2 In all but the simplest cases, the Client and the Procurer will work together throughout the procurement process. In more complex or strategic instances, this is also likely to involve other directorates from within SFRS. In national tender processes where the SFRS are either leading and/or involved in the procurement process, this may also involve input from other UK Fire and Rescue Services and /or public bodies. A User Intelligence Group (UIG) will be formed to progress the requirement for goods and services with a value of £50,000 or greater with the purpose of developing the Commodity Strategy and the Invitation to Tender (ITT). All UIG activity will be undertaken in accordance with relevant Procurement Practice Note.

7.3 The Procurer will not authorise any orders or be responsible for any other financial approvals connected with the contracts that they have progressed. In such circumstances, orders in excess of £4,000 will be authorised in all instances by Category Lead / Procurement Officer other than that individual who progressed the requirement and /or Procurement Manager.

7.4 In respect of purchase orders, the same individual will not raise an order, authorise the order and then approve the invoice for payment. Rather the order will be completed, then submitted to the Budget Holder or an Authorised Signatory for authorisation.

7.5 Exceptions to this general rule are:

- i. Property Service staff on call rota, have the authority to engage a contractor / supplier to ensure operational effectiveness and obtain a price for works and issue an order within the following authorisation levels:

- Property Manager £100,000
- Development Manager /
Asset and Performance
Manager / Regional Property £50,000

Manager

- Property Development Officer <£4,000
- Property Officer <£4,000

ii. All other SFRS staff, on call rota, where the goods and / or services are urgently required to ensure operational effectiveness.

8. User Intelligence Group (UIG): Goods and Services

8.1 For any procurement exercise to succeed, it is important that key individuals from across the organisation are involved in developing the strategy for the goods / services to be procured.

8.2 The involvement of key stakeholders from across the organisation will ensure that the resulting contract can fully meet the end-user's requirements and as a result, should lead to greater levels of contract compliance.

8.3 To achieve the proper level of stakeholder involvement, a cross-functional team or User Intelligence Group (UIG) will be established to progress the procurement requirement where the project has a value of £50,000 or more.

8.4 In all but exceptional circumstances, determined on a case by case basis by the Director of Finance and Contractual Services, Procurement will lead the UIG and facilitate the procurement process.

8.5 On those occasions where Procurement do not lead the UIG, they will be represented on the Project Group established to progress the organisation's requirement.

9. Capital Programme (Tender Costs)

9.1 Where the actual tender costs of a project substantially exceed the provision made and cannot be contained within the overall Capital Programme, approval must be obtained from the Director of Finance and Contractual Services before the project can proceed.

10. Non- Competitive Action (NCA)

- 10.1 It is SFRS policy that goods, services and works must be bought by genuine and effective competition. NCA, whereby a contract is awarded without competition, will only be granted in exceptional circumstances. It is strictly limited to situations where competition is not deemed appropriate and is dealt with on a case by case basis.
- 10.2 The Procurement Manager, will in all instances be consulted about any proposal to award a contract without competition before submitting an application for the approval of the NCA.
- 10.3 The Director of Finance and Contractual Services has the sole authority to approve NCA's to a value of up to £25,000 (excluding VAT). Such approval must be obtained in advance from the Director of Finance and Contractual Services or the Head of Finance and Procurement prior to the issue of the letter of award and/or order.
- 10.4 All requests to proceed with NCA for procurements over £25,000 must be progressed in accordance with the Scottish Fire and Rescue Service Governance and Accountability Framework and approved in advance by the Scottish Government (Procurement and Commercial Directorate). Procurement shall be responsible for the submission of paperwork in support of such submissions in all instances.
- 10.5 NCA template that will be used in all instances is detailed in Appendix D.

11. Consultancy Services

- 11.1 SFRS will observe the requirements of the Scottish Fire and Rescue Service Governance and Accountability Framework, Scottish Public Finance Manual, Scottish Government Consultancy Procedures, SFRS Scheme of Delegations (incorporating matters reserved to the Board) and Standing Orders for the Regulation of Contracts.
- 11.2 Scottish Government policy is that robust procedures must be followed for the engagement of consultancy services to ensure that these resources are used sparingly, appropriately and effectively.
- 11.3 As such and before any procurement process takes place, a business case must be prepared and approved based on the amount that the SFRS expects to pay for the requirement (Appendix E). This will be submitted to Procurement in all instances.

11.4 After approval has been granted, a procurement exercise to identify the most competitive provision of service will be undertaken.

12. Procurement Planning

12.1 The Procurement Manager will be responsible for the planning of all non-works procurement activity on a rolling three-year basis and will engage with relevant staff in all Directorates to ensure the proper planning of contract provision and resources to ensure the optimum solution for the SFRS.

13. Training

13.1 All staff will, prior to being allowed to exercise the level of authority assigned to them by being assigned DPA, undertake appropriate training to ensure their competency in the performing the duties assigned to them.

14. Contact Information

14.1 Please contact the Procurement Manager if you require additional assistance in relation to the interpretation of this Practice Note.

Appendix A: Scheme of Delegated Procurement Authority

(Refer to Spreadsheet)

Appendix B:

Roles & Responsibility in the Procurement Process (Goods & Services)

Key elements of the Procurer's role

1. Assist the Client Department, where relevant, with the preparation of the business case eg information on prices, markets, alternative solutions.
2. Manage the timetable for the project.
3. Where a User Intelligence Group (UIG) is proposed, lead the Group in the procurement of the organisation's requirement.
4. Ensure that all relevant Sustainability legislative requirements are embedded throughout the procurement process.
5. Determine the appropriate commodity strategy in consultation with the UIG members
6. Ensure that proper representation is maintained on the UIG.
7. Contribute to the production of the specification to ensure that it will attract effective competition, and to challenge elements where appropriate to ensure that it reflects actual need, and that it is consistent with corporate standards.
8. Lead all aspects of the procurement process, including the management of the UIG, the placement of all contract notices, the selection of tenderers, drafting and issue of the ITT, preparation of tender evaluation models, all communications with suppliers, ensuring that the correct procurement processes are followed.
9. Organise and conduct any tender clarifications with bidders required and undertake any appropriate post tender negotiations.
10. Prepare all reports and make a contract award recommendation to appropriate person / body dependent upon contract value:
11. When the contract award recommendation has been approved, undertake the Mandatory & Voluntary Standstill Period where appropriate and then issue of award letter to the preferred bidder. Undertake supplier debrief upon request and within agreed timescales.
12. Undertake appropriate tasks to finalise the contract, which must be in writing.
13. Ensure that there is a clear audit trail in respect of all aspects of the procurement process undertaken with appropriate records maintained.
14. Where appropriate, participate and /or undertake a procurement project review / lessons learned.
15. Ensure a Contract Administrator is appointed from Client Department and assist in the implementation of contract.
16. Ensure clear guidance and instruction is given to the Contract Administrator in relation to the contract management tasks that they are required to undertake.
17. Maintain appropriate procurement representation in on-going contract management and ensure that management information is recorded and reported.

Appendix C

Key elements of the Client's role

1. **Define the Business Need:** Prior to any procurement being undertaken, the actual need must be clearly defined, i.e. that it is fit for the purpose for which it is intended. If an actual requirement does exist, it must be procured by means that offer best overall value for money. SFRS sustainable procurement duty must always be considered where appropriate.
2. **Define the Extent of the Requirement:** The extent of the requirement dictates the overall contract value which, in turn, determines the appropriate procurement process. It is essential therefore that an accurate assessment of all likely/potential requirements and the total contract value is obtained prior to the commencement of any procurement activity.
3. **Prepare a Business Case:** For all strategic procurement, all requirements in excess of the current thresholds for Regulated and EU Procurement and for those requirements of a lower value that are particularly complex and/or have been assessed as high risk, it is recommended that a Business Case is produced that justifies the procurement of the goods/service/works.
4. **Ensure Appropriate Approval:** has been obtained (including of the business case where one is required) and that adequate resources (financial and staffing) are in place within the Directorate to input effectively to the procurement process before submitting a requisition.
5. **Submit Formal Request To Procurement:** all requests to procure goods/, services or works must be made to Procurement Manager / Category Leads to enable the proper planning and resource allocation to ensure that the procurement exercise can progressing within the required timescales.
6. **Agree procurement strategy and timetable with Procurement:** to ensure that adequate resources are available to meet all agreed milestones and make firm commitment to timescales and client responsibilities including the provision of appropriate staff resources.
7. **Produce a [specification](#)** (in collaboration with Procurement). A full technical specification of requirements must be produced for all requirements.
8. **Participate effectively in the procurement process, including the selection process and tender evaluation:** The client must familiarise themselves with the relevant Procurement Practice Notes relating to Selection and Tender Evaluation and will be required to attend training relating to the selection / evaluation process.
9. **Participate in the [project review](#) / lessons learned:** where appropriate SFRS may implement project review processes as part of the remit of the User Intelligence Group (UIG). The Client will be expected to participate in such review.
10. **Contractor Management:** where the Client has been assigned the role of Contract Administrator, then the Client will undertake those tasks identified in the contract documents

APPENDIX D

NON-COMPETITIVE ACTION (NCA)

It is the Scottish Fire & Rescue Service's policy that contracts for goods, services and works shall be awarded on the basis of Value for Money (VFM) following a genuine and effective competition.

However it is recognised that there may be genuine business needs which outweigh the need to follow a competitive process. Where this occurs this is referred to as Non Competitive Action (NCA) and can only be applied in **exceptional** circumstances.

NCA will only be approved when a genuine business need exists which outweighs the need to compete for the requirement. All evidence in support of NCA must stand up to scrutiny or challenge by a potential supplier.

The need to comply with EU procurement directives and Scottish procurement legislation shall be observed on all occasions where an NCA is being considered.

The following Frequently Asked Questions and answers have been put together to provide information about NCA and the process of obtaining approval to use this procedure. **These should be read prior to any NCA request being submitted.**

If you would like further information about NCA, please contact the Procurement Section (Category Lead).

Frequently Asked Questions

1. What situations will justify the award of a contract without competition?

There is no single checklist of situations or factors to be considered. The decision whether to approve a NCA request will need to be made on a case by case basis.

Some situations may include:

- Extreme urgency – competition may not be required when a contract needs to be put in place urgently to respond to a circumstance which is 'unforeseeable' by, and outwith the control of the Scottish Fire & Rescue Service (e.g. severe and unprecedented weather conditions). However, any contract awarded through the NCA process must only cover the urgent (immediate) need;

Note: This does not include situations where there is an extreme urgency to award a contract on the basis that the end user was aware of the requirement but has failed to factor sufficient time into the planning process to allow a genuine and effective competition to be undertaken.

- Only one possible supplier – objective evidence shall be required to be submitted that will withstand scrutiny and audit to support the decision that there is not an

alternative or equivalent product or service available in the market which will meet your needs;

- Additional purchases from the same supplier – after a contract has been awarded, additional requirements which have arisen through genuine and unforeseen circumstances and were not included in the original contract may, depending on the precise circumstances, be ‘added on’ to that contract. However, careful consideration should be given at the outset of the contract and in the drafting of the Commodity Strategy to avoid this circumstance, wherever possible.

Note: The need to comply with procurement legislation shall require to be observed at all times.

2. Which situations will not justify the award of a contract without competition?

These may include:

- Contract is about to end but there is an ongoing requirement – it is important that you take account of future needs at the earliest opportunity as a failure to plan for future requirements will not support the approval of NCA;
- There is not sufficient time to carry out a competition – this will not support the approval of NCA. The time taken to run a competitive process will reflect the value, nature and complexity of the purchase;
- Pressure to award this contract quickly – unless the pressure has arisen through an urgent unforeseeable situation (see 1 above) then you will need to award the contract following a genuine and effective competition;
- Used this supplier before and like what they can do – the Scottish Fire & Rescue Service requires that contracts are awarded through a genuine and effective competition. In the absence of a competition it may be difficult to demonstrate VFM
- I have been approached by a supplier and like their idea – any such approach will not result in the supplier simply being awarded a contract on a non-competitive basis. If the proposal is consistent with the business need, that need must be met by running a genuine and effective competition.

3. Who has authority to approve a NCA request?

The Director of Finance & Contractual Services has the sole authority to dispense with competition to allow a contract to be awarded following a process that does not contain a genuine and effective competition for contracts of up to £25,000.00 excluding VAT. All NCA requests above £25,000.00 can only be approved by Scottish Government.

4. What is the process to obtain NCA approval?

You need to fully complete the Application for Non Competitive Action form and submit it by email with all supporting documentation to the Procurement Manager, who shall consider the request. Where it is considered that the NCA route is the correct courses of action to be taken then the Procurement Manager will pass the request to the Director of Finance and Contractual Services for consideration.

5. What happens with my request?

The Director of Finance and Contractual Services will decide, after consultation with the Procurement Manager, whether or not to authorise the request to proceed without competition. To reach a decision, they will consider the NCA application form that has been submitted together with all supporting information.

Timescales for notification of outcome of the submission are as follows:

- Below £25,000: 2-3 weeks from date of submission
- Above £25,000: 6-8 weeks from date of submission

6. What happens if my request is not approved?

If you cannot demonstrate that there are objective and justifiable grounds to support NCA then competition will be necessary. The level of competition will depend on the value, nature and complexity of the purchase.

7. Can NCA approval carry risks?

Yes. Approval to award a contract using the NCA process does not guarantee that this will be free of challenge. A challenge can take many forms, for example, a complaint from another supplier to Scottish Ministers that they have been denied an opportunity to bid for the contract, a legal challenge in the Courts or raising the matter with the European Commission. For this reason, it is important that objective, supporting evidence is provided as part of the request for NCA.

Application for Non Competitive Action

Once completed, this form must be sent to the Procurement Manager

This form requires to be completed in all instances where the Client Department wish to utilise a supplier without using the normal competitive route and submitted to SFRS Procurement Manager who shall oversee the approval process. . Proceeding with the request without the necessary approval shall result in the process undertaken being deemed and “unauthorised procurement in accordance with Procurement Practice Note No.1

Client Department Details

Name:	
Section / Department:	
Location:	
Contact Number:	
Contact E-mail:	

Proposed Contract Details

Supplier Name:	
Contract Title:	
Type of Contract:	
Duration (Months):	
Value £ (ex VAT): (full value over the term of the contract)	
Description of Goods / Services Required:	
Type of Procurement:	

Justification of Non Competitive Action Procurement: Completion of page 2 of this form is required to justify Non Competitive Action Procurement and the avoidance of a competitive process. This should include how the Non-Competitive Action Procurement demonstrates value for money for the SFRS.

This form shall be returned to the originator where page 2 has not been fully completed.

Justification

Costs Obtained:

Benefits to SFRS:

Confirmation of comparison with Other Solutions / Market Testing Carried Out:

How Goods / Service Fits With Existing Infrastructure / Business Requirements:

Type of Procurement:

**Scope of Contract
(For Procurement Use Only)**

Is the request an amendment/change to an existing contract?	
If so, was the contract competitively tendered?	
If so, has the contract previously been amended?	
Is the request for consultancy services?	
If so, do Scottish Government consultancy procedures apply?	
I confirm that the contract cannot be delivered from an existing contract/framework?	
Type of Procurement (One Off / Repeat Order / Repair / Other)	

Procurement Approval

Date Received By Procurement:			
Date Passed to Procurement Manager:		Procurement Manager Signature:	
NCA Approved:	Yes/No		
Justification for Decision:			
Director of Finance & Contractual Services Signature:			
Returned to Department:	Yes/No		

Appendix E - Pro Forma Business Case Checklist – Use of Consultants

Title	Name of Senior Responsible Owner/Deputy Director			
Details on the alternatives other than consultancy that have been considered i.e in-house, secondment etc?				
Requirement – A brief summary including: <ul style="list-style-type: none"> • purpose of the project/assignment; • terms of reference; • expected benefits and when they are likely to be delivered; • name of the sufficiently senior, experienced and competent project manager assigned to the project; • internal resources required to support the project are available or committed; • proposed division of work between the consultant and the in-house staff; • expected outcome or deliverables; and • how the eventual consultants • recommendations with be considered and implemented. 				
Duration				
Value (£) per year, and total value of both the consultant and in-house costs <i>(years are illustrative only – additional years may be required for some projects)</i>	Current financial year	Year 2	Year 3	Total
Is the budget identified and secured?	[yes or no]			
Is the level of risk acceptable?	[yes or no]			
Have the <u>existing Scottish Procurement framework agreements</u> been considered to maximise vfm?	[yes or no]			
Has the business case been approved by the appropriate approver based on the total contract value?	[yes or no]			
Skills transfer considered?	Please provide details here			
Intellectual Property Rights assignment considered?	[yes or no]			
Will there be a clear exit strategy?	Please provide details here			

Appendix F: Adaptation Request Form

PROPERTY ADAPTATIONS

(GUIDANCE NOTE AND FORM)

ADAPTATIONS/ADDITIONS/MINOR IMPROVEMENTS TO EXISTING STRUCTURES OR SERVICES

These are client initiated and funded projects and therefore we would advise that the following procedure should be adhered to:

1. The requesting officer should initially request a site meeting with the Sector Officer to discuss the feasibility of the project, the provision of a budget cost and estimated timescale of project
2. The requesting officer is thereafter required to submit their specific requirements in writing, using the property services Adaptation Request Form
3. When completing the form the requesting officer should state what outcome is to be achieved from completing the project and detail the specific works to be undertaken providing as much detail as possible and the required timescale for provision etc.
4. The Property Services section will arrange for provision of estimated costs for the works in writing to the requesting officer.
5. The requesting officer must then arrange for a budget holder to authorise the work to proceed and to provide cost code and account code to the Property Services section in writing.
6. The Property Services section will specify, instruct and monitor the works to completion and authorise payment of accounts.

Overleaf is a sample copy of our Adaptation Request Form for your information, which can also be found on the S.F.R.S. intranet

To be completed by requisitioning officer

Adaptation Request /Description of work requirement (Continued):