

REPORT OF THE TREASURER

SPECIAL EXEMPTION FROM STANDING ORDERS RELATING TO CONTRACTS

1 Purpose of Report

To advise Members of special exemptions from Standing Orders Relating to Contracts, which have been agreed by the Chief Fire Officer and the Treasurer, after consultation with the Chair of the Fire Authority.

2 Recommendations

Members are asked to:

- a) Note the special exemptions from Standing Orders relating to Contracts, which have been agreed by the Chief Fire Officer and the Treasurer, after consultation with the Chair of the Fire Authority; and
- b) Consider whether they believe the exemption procedure has been applied appropriately and offer advice on future implementation of the procedure.

3 Standing Orders relating to Contracts

The Fire Authority's Standing Orders relating to Contracts require the Chief Fire Officer to obtain tenders prior to awarding a contract for £10,000 or more, unless the contract falls within the scope of Standing Order G – When Tenders Are Not Required – of those Standing Orders.

Clause G1 states that a tender is not required 'If an exemption from a requirement to tender has been obtained as in Special Exemptions above (Standing Order D)'.

Standing Order D states:

- D1 Exemptions from this Standing Order may be obtained where there are special circumstances justifying such exemption, or in cases of urgency. The Chief Fire Officer and the Treasurer, after consultation with the Chair of the Fire Authority, may exempt any contract from any such provision. All such exemptions shall be reported to the next meeting of the Authority.



D2 In seeking such an exemption it must be clearly stated in the report to the Authority or relevant Committee those paragraphs of this Standing Order for which an exemption is requested and the reasons therefor.

Clause G4 states that a tender is not required:

- I. Where there is only one acceptable supplier and no acceptable alternative.
- II. Where it has been decided to standardise by buying from only one supplier.
- III. For the extension of, addition to, or maintenance of, existing goods or materials or services, where this can only be done satisfactorily by the original contractor or supplier.

4 Maintenance of Breathing Apparatus

Contractor: Interspiro Ltd, 7 Hawksworth Road, Central Park, Telford
Value: £25,800 per annum (£129,000 over 5 years)
Works: Maintenance of breathing apparatus

The Service currently uses the Interspiro Spirotronic breathing apparatus set, which was purchased 5 years ago with a 5-year total care maintenance package. This contract has now expired and it has been necessary for us to agree a new contract.

Due to the difficulty in identifying an alternative service provider it was agreed, in principle, that a new contract should be awarded to Interspiro, subject to the asset and Procurement Manager's being able to demonstrate that it represents value for money.

After protracted negotiation a contract has now been agreed on the following basis:

The Service's 200 sets will be maintained to the required standards for a total cost of £129 per set per annum over a 5-year contract. This compares with a contract cost of £126.27 for the Eastern region breathing apparatus set supply and 10-year maintenance contract recently awarded to Interspiro for similar equipment. The reasons for the slightly higher costs are cost increases in the 6 months since that contract was awarded and the greater average age of our sets.

Five years is considered an appropriate length for a contract of this type due to the lifing policy applied to some of the major components used in the set and the uneven spend incurred in each year. The Service's previous contract was also for 5 years and the combined contracts will match the contract length of 10 years identified as appropriate by the Eastern region.

The total value of this contract is considerably higher than our normal tender limit of £10,000 but we are legally able to award a contract in this way without following the formal European Union (EU) notification and negotiation procedure since it falls below the £153,376 EU tender threshold for services.

In addition, we have negotiated the loan of 100 communications headsets for the contract period, saving approximately £25,000 for the 2006/7 capital programme.

An exemption was agreed under Clauses G4 i, ii, and iii.



5 Hydraulic Rescue Equipment

Contractor: Fire Safety Equipment Ltd, Wilford Industrial Estate, Nottingham
Value: Approximately £62,000
Works: Provision of upgraded hydraulic rescue equipment

The need to upgrade of the Service's road traffic collision equipment to match the increased strength of modern vehicles is included in the capital programme for years 2005/6, 2006/7 (brought forward to 2005/6) and 2007/8.

The current hydraulic rescue equipment is manufactured by Holmatro and supplied by their UK distributor, Fire Safety Equipment Ltd. Hydraulic rescue equipment is available from a number of other manufacturers, but none of the equipment is compatible with that from another manufacturer. For economic reasons officers do not propose to replace all of the equipment on appliances, but just to upgrade those components for which upgraded versions are available. In order to implement this approach and ensure the compatibility of equipment at incidents, which could be attended by a number of appliances, it was decided that the Service should source the new equipment from Holmatro based on a single tender.

The Holmatro equipment is well regarded by users and maintainers and is considered to be similar in terms of cost and performance to that of other manufacturers. In order to demonstrate that value for money has been achieved officers have obtained evidence from Holmatro that the price agreed is reflective of the current market cost in a competitive situation – in this case a comparable tender for provision to the Isle of Man Fire Service.

The total programme of works is more extensive than just the provision of hydraulic rescue equipment. It is anticipated that the other items required will be procured in accordance with the Authority's Standing Orders for Contracts.

An exemption was agreed under Clauses G4, I and ii.

6 Legal Comment

The Fire Authority's Standing Orders permit the procedures and decisions as described in this report.

7 Background Papers

Shropshire and Wrekin Fire Authority
Standing Orders Relating to Contracts

8 Appendices

There are no appendices attached to this report.

For further information about this report please contact Keith Dixon, Treasurer, on 01743 260202 or Andrew Kelcey, Asset and Procurement Manager, on 01743 260240.

