

# Proposed Standing Orders Amendment

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**Report to:**

Investment & Finance Board.....

Commissioner's Board .....

**Date:**

24 November 2022

7 December 2022

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**Report by:**

Assistant Director Procurement and Commercial

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**Report classification:**

For decision

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**For publication**

I agree the recommended decision below.



**Andy Roe**  
London Fire Commissioner

**This decision was remotely**  
**Date signed on 16 December 2022**

# PART ONE

## Non-confidential facts and advice to the decision-maker

It is proposed that 'Part 3 - Standing Orders relating to Procurement' of the London Fire Commissioner's Scheme of Governance (SoG) is deleted and replaced with an updated Part 3 as set out at Appendix 1 of this report.

In addition, it is proposed the list of definitions set out in Appendix 3 of this report be included in 'Part 7 Definitions' of the SoG .

### Executive Summary

The current Standing Orders relating to Procurement (hereinafter PSO) require the approval of the Director of Corporate Service for all purchases above £10,000. It is proposed in this report that the threshold for approval be increased and the associated procedures updated in order to increase efficiency throughout the procurement process whilst maintaining oversight and control of purchasing activity across the London Fire Brigade (LFB).

It is proposed that the current PSOs are deleted and replaced with the paragraphs set out at Appendix 1. The proposed changes at Appendix 1 have been reviewed against MOPAC audit actions and the proposed Procurement Strategy.

### Recommended decision(s)

#### For the London Fire Commissioner

That the London Fire Commissioner, having considered this report:

Approves the proposed changes to the Standing Orders relating to Procurement in Appendix 1 of this report and instructs that they be inserted into the London Fire Commissioner's Scheme of Governance in place of the existing Standing Orders relating to Procurement.

That the definitions set out in Appendix 2 of this report be incorporated into the London Fire Commissioner's Scheme of Governance.

Authorises General Counsel to make such additional minor changes to the Standing Orders relating to Procurement or the London Fire Commissioner's Scheme of Governance as General Counsel considers necessary to effect the decisions taken by the Commissioner upon this report.

# 1 Introduction and background

- 1.1 Following the findings detailed in the MOPAC report 'Review of Audit Trail for Procurements' dated May 2022 the following summarised changes to the PSO's are proposed in line with Action 3 of the report. This includes a change to spend thresholds and clarity on scope, roles and responsibilities, process and governance. The move to a single online Procurement Request Form (PRF) was completed in November 2022 to facilitate the proposal.
- 1.2 It is proposed that the current threshold described in paragraph 3.2 of the PSO be increased to £25,000 to align with the requirement under Procurement Policy Note (PPN) PPN09/21 and the Guidance on transparency requirements for publishing on Contracts Finder.
- 1.3 Purchases up to £1,000 do not require a competitive process therefore will not require any supporting documentation.
- 1.4 Purchases up to £25,000 will be approved by the budget holder. An approval form will be completed (See Appendix 2) and stored in a central location for audit purposes, along with any supplementary documentation such as email quotations, catalogue entries etc. The relevant Head of Service is responsible for ensuring compliance with this process.
- 1.5 The PSO regarding artificial disaggregation of Purchase applies to all Purchases regardless of value.

## **Purchases between 25,000 and £149,999**

- 1.6 It is proposed that Purchase between £25,000 and £149,999 be managed via an online form with approval for procurement granted by the Assistant Director Procurement and Commercial or their delegee. The Budget Holder for the purchase requestor will need to complete the relevant part of the form prior to any procurement activity or market engagement. Contract Award will be in line with Section 12 of these PSO's. The Head of Service is responsible for ensuring compliance with this process. The information requested will include:
  - A description of the need e.g. the works, goods or services required
  - Confirmation of the approved budget allocated to the request to purchase
  - Whether the purchase is considered to be novel, contentious or repercussive (in this event the Head of Service must confirm that a report has been drafted in line with the required governance process for submission to the Deputy Mayor's Fire and Resilience Board (DMFRB))
- 1.7 The subsequent purchase will be managed via a procurement procedure proportionate to the value, complexity and risk profile of the purchase. The relevant Procurement Lead will support this procedure to contract award. All purchases will include the LFB standard contract terms or appropriate alternative as agreed by the Head of Category in consultation with General Counsel.

## **Purchases of £150,000 or greater**

- 1.8 It is proposed that Purchase of £150,000 or greater be managed by an online form with approval for procurement granted by the Assistant Director Procurement and Commercial or their delegee. The Budget Holder for the purchase requestor will need to complete the relevant part of the form prior to any procurement activity or market engagement. Contract Award will be in line with Section 12 of these PSO's. The Head of Service is responsible for ensuring compliance with this process. The information requested will include:
  - A description of the need e.g. the works, goods or services required
  - Confirmation of the approved budget allocated to the request to purchase
  - Whether the purchase is considered to be novel, contentious or repercussive
  - Confirmation that a report has been drafted in line with the required governance process for submission to the Deputy Mayors Fire and Resilience Board (DMFRB)

## 2 Governance

**2.1** It is proposed that oversight of the decision to procure for procurement requests of £150,000 or more and/or that are novel, contentious or repercussive will be taken by the Director of Corporate Services via the relevant board (e.g. Finance and Investment Board, Portfolio Board etc.) and Commissioners Board prior to submission to DMFRB.

Variation of contracts

**2.2** It is proposed that, in the event that there is a change in the contract over the term of the agreement, including any change to the value, duration or scope of a contract, Procurement & Commercial must be consulted before any variation is agreed with a contractor.

**2.3** This applies to both contracts where the total contract value is £25,000 or more, and contracts below £25,000 where the impact of applying the variation will mean that the resulting total contract value will be £25,000 or more.

**2.4** Procurement & Commercial services, in consultation with the client department and, where applicable, General Counsel, will draft and issue the appropriate documentation to the Contractor  
General

**2.5** It is proposed that all references to 'EU Threshold' be updated to 'PCR Threshold'

**Table 1 – Purchase Thresholds and Procedures**

SUPPLY OF WORKS/GOODS/SERVICES						
Purchase Value Range (all values include VAT where applicable)	Quotation Tender or	Number Required	Written Evidence Required?	Business Case Required?	PCR Compliant Procurement Procedure?	DM Governance Process Required?
Purchases between £0 and £1,000	Not Required	0	No	No	No	No
Purchases between £1,001 and £24,999	Quotation	Min 1	Yes (Purchase Approval Form)	No	No	No
Purchases between £25,000 and £149,999	Tender / Request for Quotation	Min 3 <sup>1</sup>	Yes (Purchase Request Form)	No	No	No (unless novel, contentious or repercussive)
Purchases of £150,000 and over	Tender facilitated by Procurement Team	Dependent on procedure	Yes (Purchase Request Form)	Yes	Yes (dependent on PCR thresholds)	Yes

<sup>1</sup> Where the purchase is made via a compliant framework agreement the minimum number of tenders/quotes will be in line with the relevant framework procedure

### 3. Equality comments

- 3.1** The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 3.2** It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 3.3** The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.4** The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:
- eliminate discrimination, harassment and victimisation and other prohibited conduct.
  - advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
  - foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- 3.5** Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
  - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3.6** The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 3.7** Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
- tackle prejudice
  - promote understanding.
- 3.8** These changes relate to procurement processes which it is considered will not have any impact on the equalities duties of the Commissioner. Therefore an EIA has not been completed.

## **4 Other considerations**

### **Workforce comments**

4.1 Not Applicable

### **Sustainability comments**

4.2 Not Applicable

### **Procurement comments**

4.3 The revised Part 3 of the Standing Orders will apply to all purchasing activity within the LFC

### **Communications comments**

4.4 Not Applicable

## **5. Financial comments**

5.1 The Chief Finance Officer has reviewed this report and has no comments.

## **6. Legal comments**

- 6.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise their functions.
- 6.2 In April 2018, governance arrangements were put in place by the Commissioner on recommendation of the Governance and Structures Project on the establishment of the London Fire Commissioner as the fire authority for Greater London.
- 6.3 These arrangements included, amongst other things, the development of a new corporate Scheme of Governance. The Scheme of Governance includes Standing Orders relating to Procurement.
- 6.4 Following an audit by MOPAC and the updating of the Procurement Strategy the Assistant Director Procurement and Commercial has proposed amending the Standing Orders relating to Procurement as set out in this report.
- 6.5 The proposed changes are aligned with the requirements of the Public Contract Regulations 2015, the updated LFB Procurement Strategy, the relevant audit actions as recommended by MOPAC and the London Fire Commissioner Governance Direction 2018.
- 6.6 Approval of changes to the Scheme of Governance is reserved to the Commissioner.

## List of appendices

Appendix	Title	Open or confidential*
1	PART 3 – STANDING ORDERS RELATING TO PROCUREMENT	Open
2	SPEND APPROVAL FORM	Open
3	DEFINITIONS – GLOSSARY OF TERMS	Open



## Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

Is there a Part Two form: NO\*

## Originating officer declaration

Reporting officer to confirm the following by using 'x' in the box:

### Reporting officer

**The Head of Procurement** has drafted this report and confirms the following:

#### 1. Assistant Director/Head of Service

**Sally Hopkin** has reviewed the documentation and is satisfied for it to be referred to Board for consideration

X

#### 2. Advice

The Finance and Legal teams have commented on this proposal:

**Thomas Davies Legal Advisor**, on behalf of General Counsel (Head of Law and Monitoring Officer).

**Adrian Bloomfield Financial Advisor**, on behalf of the Chief Finance Officer.

X

## **APPENDIX 1**

### **PART 3 – STANDING ORDERS RELATING TO PROCUREMENT**

#### **1. Purpose**

1.1. The purpose of these Procurement Standing Orders ('PSOs') is to ensure that the Commissioner's procurement activities:

- 1.1.1. Comply with relevant laws relating to procurement and spending public money;
- 1.1.2. Ensure Best Value is achieved;
- 1.1.3. Ensure appropriate market competition through fair and transparent sourcing; and
- 1.1.4. Protect the business and reputational interests of the Commissioner through robust contracting and Contractor management.
- 1.1.5. PSOs must be complied with at all times. Non-compliance may be grounds for disciplinary proceedings under the Commissioner's disciplinary policy.
- 1.1.6. These PSOs are subject to the London Fire Commissioner Governance Direction 2018 which must be complied with in addition to any process or decision-making set out here.

#### **2. The Regulations**

2.1. Public sector procurement is a regulated sector, governed by the Public Contract Regulations 2015 ('PCR'). All officers are responsible for complying with the requirements of the PCR. Further advice is available from Procurement and Commercial Services.

#### **3. Scope**

- 3.1. These PSOs apply to the procurement of, and award of contracts for all goods, works or services, except those in paragraph 3.3 below.
- 3.2. Contracts with a Contract Value of less than £25k are only in scope of PSO5.
- 3.3. The following contracts are not subject to these PSOs:
  - 3.3.1. Contracts for the acquisition or lease of land and/or real estate;
  - 3.3.2. Employment contracts for the employees of the Commissioner; and
  - 3.3.3. Contracts for legal services or advice in contemplation of legal proceedings.
  - 3.3.4. Any other Goods, Works and Services exempt by the Regulations (PCR15).

#### **4. Estimating the Contract Value**

- 4.1. The Contract Value must be based on the full duration that the requirement may be needed including any contract extension terms and should include VAT at the prevailing rate.
- 4.2. If the duration of a contract requirement is unknown, the estimate should be based on the estimated monthly value of the contract over 48 month (four year) period.
- 4.3. When calculating the Contract Value, it must not be:
  - 4.3.1. estimated at a value as to deliberately avoid the application of the PCR or PSOs; or
  - 4.3.2. subdivided into multiple contracts to avoid the application of the PCR or PSOs.
- 4.4. PSO 4.3 applies to all Purchases regardless of value.

#### **5. General principles**

- 5.1. When procuring, or proposing to procure, officers must:
  - 5.1.1. comply with all legal requirements, including the PCR and the applicable Standing Orders contained within this Scheme of Governance;

- 5.1.2. ensure that impartiality is maintained and shown to be maintained;
- 5.1.3. ensure that no Contract is awarded unless it provides Best Value to the Commissioner having regard to a combination of economy, efficiency and effectiveness;
- 5.1.4. ensure that procurements identified as novel, contentious or repercussive are given the appropriate level of governance regardless of value;
- 5.1.5. ensure that Contractors are managed in accordance with Contract provisions, and that requisitions and purchase orders are raised in accordance with that Contract; and
- 5.1.6. ensure that all procurements and contract management are carried out in a proportionate manner.

## 6. Competition Thresholds

Table 1

SUPPLY OF WORKS/GOODS/SERVICES						
Purchase Value Range (all values include VAT where applicable)	Quotation or Tender	Number Required	Written Evidence Required?	Business Case Required?	PCR Compliant Procurement Procedure?	DM Governance Process Required?
Purchases between £0 and £1,000	Not Required	0	No	No	No	No
Purchases between £1,001 and £24,999	Quotation	Minimum Requested 3	Yes (Spend Approval Form)	No	No	No
Purchases between £25,000 and £149,999	Tender / Request for Quotation	Minimum 3 <sup>2</sup>	Yes (Request Purchase) to	Dependent requirement on	No	No (unless novel, contentious or repercussive)
Purchases of £150,000 and over	Tender facilitated by Procurement Team	Dependent procedure on	Yes (Request Purchase) to	Yes	Yes (dependent on PCR thresholds)	Yes

<sup>2</sup> Where the purchase is made via a compliant framework the minimum number of tenders/quotes will be in line with the relevant framework procedure

## 6.1. Purchases up to £25,000

6.1.1. Purchases up to £1,000 does not require a competitive process therefore will not require any supporting documentation.

6.1.2. Purchases up to £25,000 will be approved by the budget holder. An approval form will be completed and stored in a central location for audit purposes, along with any supplementary documentation such as email quotations, catalogue entries etc. The Head of Service is responsible for ensuring compliance with this process.

## 6.2. Purchases between £25,000 and £149,999

6.2.1. Purchases between £25,000 and £149,999 will be managed by an online form with approval for procurement granted by the Assistant Director Procurement and Commercial or their Delegated Authority.. The Budget holder for the purchase requestor will need to complete the relevant part of the form prior to any procurement activity or market engagement. Contract Award will be in line with Section 12 of these PSO's. The Head of Service is responsible for ensuring compliance with this process. The information requested will include:

- A description of the need e.g. the works, goods or services required
- Confirmation of the approved budget allocated to the request to purchase
- Whether the purchase is considered to be novel, contentious or repercussive (in this event the Head of Service must confirm that a report has been drafted in line with the required governance process for submission to the Deputy Mayors Fire and Resilience Board (DMFRB).

6.2.2. The subsequent purchase will be managed via a Request for Quotation (RFQ) procedure, or an Invitation to Tender (ITT) procedure dependent on the value, complexity and risk profile of the purchase. The relevant Procurement Lead will support this procedure to contract award. All purchases will include the LFB standard contract terms or appropriate alternative as agree by the Head of Category in collaboration with General Counsel.

## 6.3. Purchases of £150,000 or greater

6.3.1. Purchases of £150,000 or greater will be managed via an online form with approval for procurement granted by the Assistant Director Procurement and Commercial or their Delegated Authority. The mandate to proceed will be managed via an online form. The Budget Holder for the purchase requestor will need to complete the relevant part of the form prior to any procurement activity or market engagement. Contract Award will be in line with Section 12 of these PSO's. The Head of Service is responsible for ensuring compliance with this process. The information requested will include:

- A description of the need e.g. the works, goods or services required
- Confirmation of the approved budget allocated to the request to purchase
- Whether the purchase is novel, contentious or repercussive
- Confirmation that a report has been drafted in line with the required governance process for submission to DMFRB.

## 7. Governance

7.1. It is proposed that oversight of the decision to procure for procurement requests of £150,000 or more and/or that are novel, contentious or repercussive will be taken by the Director of Corporate Services via the relevant board (e.g. Finance and Investment Board, Portfolio Board etc.) and Commissioners Board prior to submission to DMFRB.

## **8. Roles and responsibilities**

8.1. Compliance with PSO's is necessary to ensure the correct delegations of authority between financial budget authority, procurement authority and contract signature authority.

### **Procurement and Commercial Services**

8.2. Procurement and Commercial Services are responsible for the oversight of all procurements that are subject to these PSOs. Procurement and Commercial Services are responsible for:

- 8.2.1. Managing all procurement activities over £25K and advising on the procurement process;
- 8.2.2. Providing commercial contract management advice and support;
- 8.2.3. Managing contract management arrangements for Strategic Contracts;
- 8.2.4. Overseeing that purchase orders are placed in accordance with Contract payment schedule and any applicable procurement regulations;
- 8.2.5. Maintaining a list of Contracts in accordance with the requirements stated within the Transparency Code;
- 8.2.6. Quality controlling procurement documentation and advising of market readiness. The relevant project board are responsible approval to go to market;
- 8.2.7. Deciding which route to market will likely provide a Best Value outcome.

### **Lead Client Officer (LCO)**

8.3. It is the responsibility of Lead Client Officer (LCO) to ensure the following actions are fulfilled in a timely and sufficient manner:

- 8.3.1. Initiating procurements, contract extensions and subsequent re-tendering of a Contract by submitting an online Procurement Request Form for approval in line with the processes set out under Paragraph 6;
- 8.3.2. Ensuring stakeholders are engaged appropriately in all contract strategies and contract awards;
- 8.3.3. Budget management of the procurement and their contracts;
- 8.3.4. Ownership and approval of the contract specification, ensuring it is fit for purpose, including performance management and identification of performance measures, and securing the Delegated Specification Approval (DPA) for market release. Procurement and Commercial Services will support and advise on commercial aspects of the specification;
- 8.3.5. Arranging for adhering to the governance process for approval of contract as per table 1 in PSO 6;
- 8.3.6. Providing selection criteria and award criteria, with weightings, for the Contract Award process; and
- 8.3.7. Ensuring that requisitions are raised in accordance with the Contract payment schedule and securing the Delegated Financial Authority (DFA) from the budget holder and receipting Purchase Orders in accordance with the contract delivery requirements.
- 8.3.8. Providing the procurement lead with a copy of the delegated authority documentation in relation to the procurement.
- 8.3.9. Management of all contracts in line with clause 14.

8.4. The LCO and Procurement and Commercial Services are jointly responsible for working collaboratively to develop the Contract Documentation and ensure it is fit for purpose

## **9. Contracts register**

9.1. The Assistant Director Technical and Commercial is responsible for holding and maintaining a register of all current Contracts and future Contracts for which a Procurement Request Form has been submitted.

## **10. Waivers**

10.1. Where an LCO requests to waive a competitive procurement process, approval must be sought from the Assistant Director Technical and Commercial if the Contract Value is under the PCR Threshold.

10.2. If the Contract Value is in excess of the PCR Threshold, approval to waive a competitive procurement process must be sought from the Assistant Director of Technical and Commercial Services, in consultation with the General Counsel. Permission will only be granted if the criteria stated in PCR regarding a non-competitive procurement procedure apply:

10.2.1. where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered;

10.2.2. where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:—

(i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance,

(ii) competition is absent for technical reasons,

(iii) the protection of exclusive rights, including intellectual property rights,

but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;

10.2.3. insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with.

10.3. Approval in accordance with Paragraph 10.2 above, must be granted prior to commencement of any commercial engagement with the Contractor.

10.4. All other PSOs will apply including the requirement to acquire Procurement Initiation consent and Contract Award consent.

## **11. Responsible Procurement**

11.1. Appropriate Responsible Procurement requirements must be included within all Procurement Documents to fulfil the requirements of the Responsible Procurement Policy.

## **12. Contract Award**

12.1. Prior to the award of any Contract, approval to award must be granted by the appropriate delegated authority.

12.2. When the evaluation of tenders is complete, the successful Contractor has been identified and approval to award has been granted, Procurement and Commercial Services will issue correspondence to the successful and unsuccessful Contractors.

## **13. Contract Execution**

13.1. Where provision to extend a contract exists Procurement and Commercial Services, in consultation with General Counsel, will draft and issue the appropriate Contract documentation to the appointed Contractors.

13.2. Contracts will be executed in accordance with Standing Order 2 of Part 2.

**Table 2**

<b>Purchase Value Range (all values include VAT where applicable)</b>	<b>Contract Form</b>	<b>Execution Method</b>
Purchases between £0 and £1,000	Purchase Order Agreement created via the Authority's Finance & Purchasing System	No Signature required
Purchases between £1,001 and £24,999	Purchase Order Agreement created via the Authority's Finance & Purchasing System	No Signature required
Purchases between £25,000 and £149,999	Purchase Order Agreement created via the Authority's Finance & Purchasing System	No Signature required
	Formal Contract Executed under signature	Executed by General Counsel
Purchases of £150,000 and over	Formal Contract Executed under signature	Executed by the General Counsel
	Formal Contract Executed as a Deed	Executed under Seal by General Counsel.



- 13.3. Prior to a contract being awarded, contract award consent must be granted. Approval of such an award is in accordance with the below:
- 13.3.1. Less than £100,000- Head of Service
  - 13.3.2. Less than £150,000- Director Approval or Assistant Director of Procurement and Commercial
  - 13.3.3. Greater than £150,000- Commissioner's Decision
- 13.4. If the contract is £150,000 or greater, a report will need to be submitted to the Commissioner via the LFC governance process. This will involve taking a report to the appropriate Directorate Board(s) followed by the Commissioner's Board, the Corporate Investment Board (CIB) and DMFRB.
- 13.5. Where the value of the Contract Value exceeds £500k, the contract must be executed as a Deed.
- 13.6. Where a Contract is to be a non LFC form of contract General Counsel must be consulted prior to any agreement to accept terms and conditions.
- 13.7. Where a Contract is to be terminated prior to the contract term being concluded, the LFC signatory of the contract may terminate in consultation with General Counsel and the Lead Client Officer and in line with the contractual terms.

#### **14. Contract Management**

- 14.1. The Head of Service responsible for the Contract must:
- 14.1.1. ensure that effective management arrangements are in place to secure delivery of the Contract including performance against the Contract and Contract dispute resolution in collaboration with Procurement and Commercial.
  - 14.1.2. after consultation with the Assistant Director Procurement and Commercial, Director of Corporate Services and the General Counsel as appropriate, deal with all matters arising from the management of the Contract including delays or claims by Contractors; and
  - 14.1.3. provide Procurement and Commercial with an evaluation of the Contractor's performance when requested.

#### **15. Contract Extensions**

- 15.1. Contracts which have been subject to a PCR and PSO compliant procurement process and which contain an extension clause may be extended subject to Paragraph 17 of these PSO's. In the absence of the extension clause advice must be sought from Procurement and Commercial.

#### **16. Variation of contracts**

- 16.1. In the event that there is a change in the contract terms and conditions over the term of the agreement, including any change to the value, duration or scope of a contract, Procurement and Commercial Services must be consulted before any variation is agreed with a contractor.
- 16.2. This applies to all contracts where the total contract value is £25,000 or more, including contracts below £25,000 where the impact of applying the variation will mean that the resulting total contract value will be £25,000 or more.
- 16.3. Procurement and Commercial services in consultation with the client department and, where applicable, General Counsel will draft and issue the appropriate documentation to the Contractor

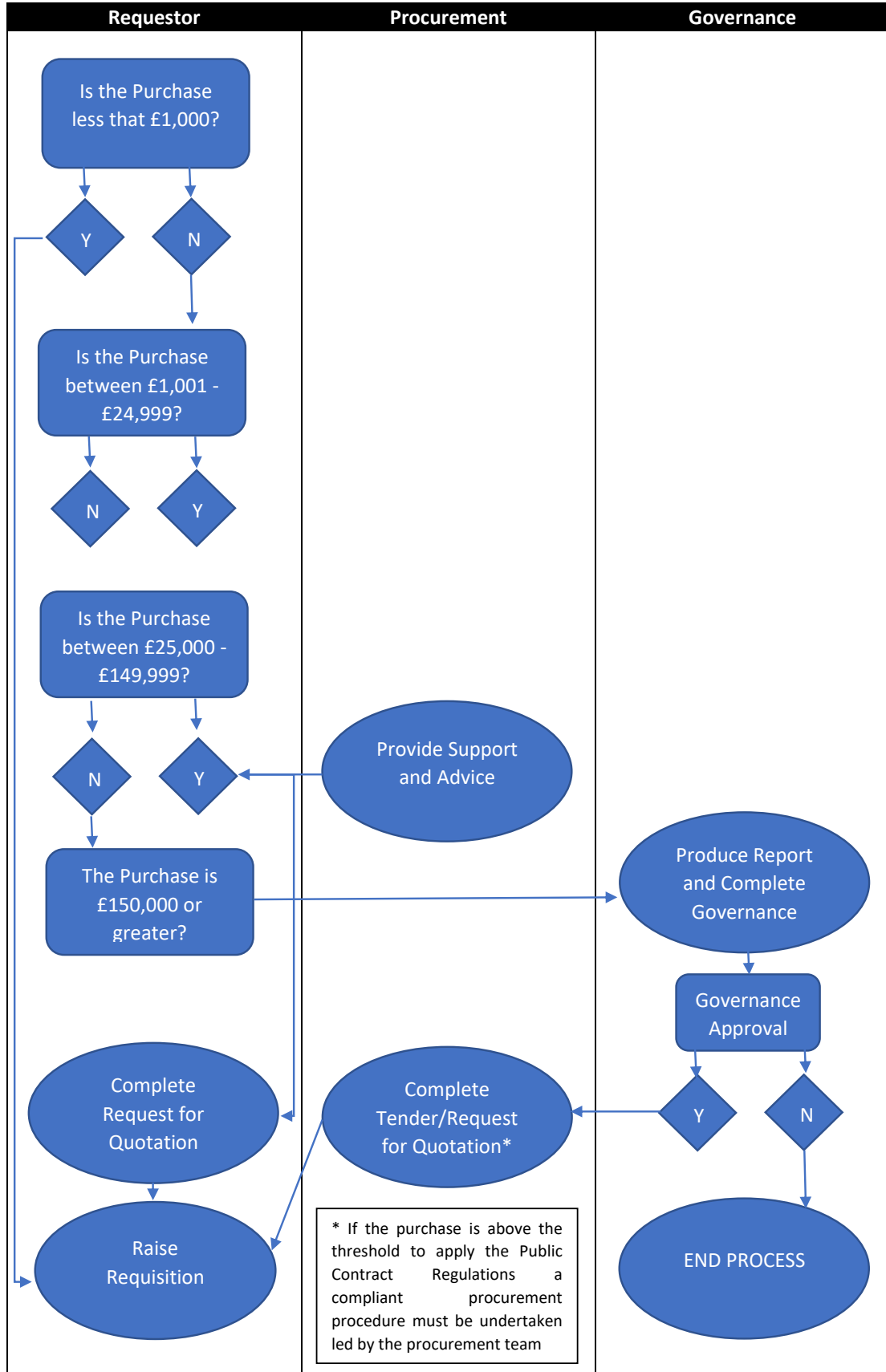
**Table 3: Contract Change Ready Reckoner**

			Compliance with PCR		Compliance with LFC Standing Orders		
Contract Provisions	Form of Change	Materiality	Permitted by PCR	Notice of Publication Required	Value of the Change	Included in the Current Budget	Approval Required
The Contract includes change Provisions and was set out in the Original Procurement Notice	Major Change	Potential for change Included in the Original Notice	Yes	No	<£10k	Yes	Head of Service/or Delegated Manager
					>£10k<£150k	Yes	Head of Service/or Delegated Manager
					>£150k	Yes	Head of Service/or Delegated Manager
					<£10k	No	Director/Assistant Director Procurement
					>£10k<£150k	No	Director/Assistant Director Procurement
					>£150k	No	LFC
	Not included in the Original Notice <50% of Value	Yes	Yes	<£10k	Yes	Director/Assistant Director Procurement	

			Compliance with PCR		Compliance with LFC Standing Orders		
Contract Provisions	Form of Change	Materiality	Permitted by PCR	Notice of Publication Required	Value of the Change	Included in the Current Budget	Approval Required
					>£10k<£150k	Yes	Director/Assistant Director Procurement
					>£150k	Yes	LFC
					<£10k	No	Director/Assistant Director Procurement
					>£10k<£150k	No	Director/Assistant Director Procurement
					>£150k	No	LFC
		Not included in the Original Notice >50% of Value	No	N/A	N/A		
		The need for change could not have been foreseen and is less than 50% of the value	Yes	No			

			Compliance with PCR		Compliance with LFC Standing Orders		
Contract Provisions	Form of Change	Materiality	Permitted by PCR	Notice of Publication Required	Value of the Change	Included in the Current Budget	Approval Required
	Minor Change	Does not exceed 10% of the contract, nature of the contract or breach any thresholds	Yes	No			
The Contract does not include Change provision and No provisions were made in the Procurement Notice	Major Change	Not included in the Original Notice <50% of Value	Yes	Yes			
		Not included in the Original Notice >50% of Value	No	N/A			
		The need for change could not have been foreseen and is less than 50% of the value	Yes	Yes			
	Minor Change	Does not exceed 10% of the contract, nature of the contract or breach any thresholds	Yes	No			
Is there a Supplier Change	Company	May require novation of contract rights	Yes	No			

# Pocurement Purchase Process Overview



**APPENDIX 2**

**SPEND APPROVAL FORM**

<b>Description of purchase:</b>			
<b>Purchase Price</b>			
<b>£</b>			
<b>Supporting evidence provided:</b>	<b>Supplier Quote</b> <input type="checkbox"/> <b>Catalogue Entry</b> <input type="checkbox"/> <b>Other (Please Describe)</b> <input type="checkbox"/>		
<b>Budget Holder Name</b>		<b>Job Title</b>	
<b>Signature</b>		<b>Date of Signature</b>	

## APPENDIX 3

### DEFINITIONS – GLOSSARY OF TERMS

In this Scheme of Governance, the following terms have the following meanings:

Term	Description
Award Criteria	The criteria used to identify the Most Economically Advantageous Tender on the basis of the best price / quality ratio. Award Criteria which must be assessed on the basis of criteria linked to the subject matter of the contract and must include the price or cost using a cost effectiveness approach.
Best Value	The duty imposed on the Commissioner by Part 1 of the Local Government Act 1999 and under which the Commissioner must seek continuous improvement in the way their functions are exercised, having regard to a combination of economy, efficiency and effectiveness and to the guidance issued by the Secretary of State and the Chartered Institute of Public Finance and Accountancy (and their successor bodies as the case may be) under Part 1 of the Local Government Act 1999.
Budget Holder	The member of staff responsible for managing a specific budget. This is often (but not always) the Head of Service.
Budget Provision	The amount identified in the Commissioner's budget for a particular purpose
Commissioner	The London Fire Commissioner created by under Part 6A S.327A(1) of the Greater London Authority Act 1999 by virtue of an amendment under S.9 of Schedule 2 of the Policing and Crime Act 2017
Commissioner's Decision	Non-operational decisions taken by: <ul style="list-style-type: none"> <li>• the Commissioner or a statutory deputy appointed by the Commissioner under Section 112 of the Local Government Act 1972 and Schedule 27A of the Greater London Authority Act 1999 as fire and rescue authority</li> <li>• in accordance with Standing Order 1 of Part 2</li> </ul>
Contract	Any agreement for the for the supply of works, goods or services to the Commissioner, including Framework Agreements, call off contracts made under a Framework Agreement and Land Transactions, but does not include employment contracts or contracts for legal services or advice in contemplation of legal proceedings.
Contract Award	The decision to award a contract of any value
Contract Award Consent	Approval to award a contract from the party that has the authority to do so (including delegated authority where appropriate)
Contract Extension	An extension to a contract term that is in line with the provision to extend within the contract.
Contractor	The other party or potential other party to a Contract.
Contract Payment Schedule	A schedule that forms part of the contract and sets out the timing, milestone triggers and payment amounts related to payment for the contract works, goods or services.
Contract Requirement	A written statement of requirement(s) that forms part of the contracted works, goods or services. Usually set out in a contract schedule that forms part of the contract.
Contract Specification	Part of the procurement document set that describes the requirements and deliverables of the works, goods or services required under the contract, including but not limited to performance management, identification of performance measures and technical requirements
Contract Strategies	The strategy document that describes the background, procedure, methodology, assumptions and decisions related to a specific procurement project.

Contract Term	The duration of the Contract from Commencement date to End date, excluding extension options.
Contract Value	The estimated value of a Contract which shall be the total anticipated Purchases under that Contract including all options to extend the term, inclusive of VAT
Contracting Authority	The State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law. LFB is a Contracting Authority.
Contractor Management	Management of the contract including but not limited to deliverables, service levels, performance measures and disputes.
Deed	A form of agreement enforceable without the need for consideration.
Delegated Authority	Authority to make decisions such as the award of contracts conferred by the person with inherent authority to another person in line with the scheme of delegation and/or governance process.
Delegated Decisions	Decisions delegated by the Commissioner to another person such as Directors and Heads of Service
Delegated Financial Authority	Authority to make financial decisions such as approval to Purchases against a budget conferred by the person with inherent authority to another person in line with the scheme of delegation and/or governance process.
Delegated Specification Approval	Authority to make contract specification decisions such as approval of functional requirements conferred by the person with inherent authority to another person in line with the scheme of delegation and/or governance process.
Framework Agreement	An agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors which establishes the terms governing call off contracts to be awarded during a given period, with regard to price and, where appropriate, the quantity envisaged.
Director(S)	The Commissioner's: <ul style="list-style-type: none"> <li>• Deputy Commissioner (Operational Delivery);</li> <li>• Director of Corporate Services;</li> <li>• Director for People; and</li> <li>• Director for Transformation.</li> </ul>
Goods	The purchase, lease, rental or hire-purchase, with or without an option to buy, of products, whether or not the contract also includes, as an incidental matter, siting and installation operations
Head(S) Of Service	the Assistant Commissioners and Assistant Directors appointed to manage the following departments: <ul style="list-style-type: none"> <li>• Fire Safety</li> <li>• Fire Stations</li> <li>• Operational Resilience and Control</li> <li>• Transformation</li> <li>• Health and Safety</li> <li>• Operational Policy and Assurance</li> <li>• Training and Development</li> <li>• Communications</li> <li>• Finance</li> <li>• People Services</li> <li>• Strategy and Risk</li> <li>• Procurement and Commercial Services</li> <li>• Property Services</li> <li>• London Resilience</li> <li>• General Counsel</li> <li>• Chief Information Officer</li> </ul>



Invitation To Tender (ITT)	The procurement document set related to a procurement project including but not limited to instructions to tenderers, evaluation criteria and methodology, statement of requirements and contract terms and conditions.
Lead Client Officer (LCO)	A senior officer designated by the relevant Head of Service, after consultation with the Assistant Director Procurement and Commercial, for the procurement of a Contract.
LFC Governance Process	The process of publishing a report to the appropriate Directorate Boards followed by the Commissioner's Board, the Corporate Investment Board (CIB) and Deputy Mayors Fire & Resilience Board for the purpose of achieving a governance decision, for example approval to delegate the award of a contract. <b>INSERT LINK</b>
Market Competition	The act of publishing a procurement project to enable suppliers to submit a tender, thereby encouraging competition.
Market Readiness	The assessment of a particular market for works, goods and/or services including but not limited to the number of suppliers, maturity of service offer, political and environmental factors
Novel, Contentious Or Repercussive	A requirement that has any aspect that could be considered to be novel, contentious or cause repercussion and therefore needs to be given oversight via the LFC Governance Process.
PCR Threshold	The threshold values for Works, Goods and/or Services at which public procurement opportunities are subject to the full suite of regulations governing public contracts
Performance Management	Management of supplier performance in line with the performance measures and targets set out in the contract.
Performance Measures	The tools and method(s) used to measure supplier performance against the targets set out in the contract.
Procurement And Commercial Services	The department within LFB that supports the organisation to deliver procurement and commercial outcomes.
Procurement Documentation	The documents used in the procurement process including but not limited to the Invitation to Tender (ITT), the Specification, the evaluation methodology, the form of tender, the bid pricing template, the terms and conditions of Contract and Contract schedules.
Procurement Initiation Consent	The process described in PSO Part 3 Paragraph 6
Procurement Request Form	The Commissioner's internal online form seeking approval to initiate a new procurement in the process described in PSO Part 3 Paragraph 6 <b>INSERT LINK</b>
Project Board	The governance board set up to provide oversight of a specific procurement project.
Procurement Lead	Any member of the Procurement team designated to lead a procurement
Public Contract Regulations 2015 (Pcr15)	UK regulations covering the purchase of Works, Goods or Services between one or more economic operators and one or more contracting authorities and having as their object the execution of works, the supply of products or the provision of services. By implication the term includes the Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 and the Defence and Security Public Contracts Regulations 2011 as applicable.
Public Contract Regulations 2015 Thresholds	The thresholds at which public procurement opportunities are subject to the full suite of regulations governing public contracts as provided for in the Public Contract Regulations 2015 and advised by the Government.
Purchase Orders	The order that describes the Works, Goods or Services purchased, volume and cost raised following approval of a requisition through the finance system.

Request For Quotation (RFQ)	A simple format procurement document set including but not limited to statement of requirements and contract terms and conditions that can be used when procuring Works, Goods or Services below the PCR Thresholds.
Responsible Procurement	A procurement methodology that considers factors such as sustainability and social value in line with the Responsible Procurement Implementation Plan <a href="#">INSERT LINK</a>
Responsible Procurement Policy	the Greater London Authority (GLA) group Responsible Procurement Policy adopted by the Commissioner as policy number 696 <a href="#">INSERT LINK</a>
Route To Market	The method used to procure a procurement project, for example via an appropriate public sector framework
Scheme Of Governance	The rules and guidance concerned with the LFC Scheme of Governance <a href="#">INSERT LINK</a>
Selection Criteria	Selection criteria set out by a contracting authority in accordance with <a href="#">Public Contracts Regulation 58</a>
Services	The provision of services other than those referred to in the definition of "Works"
Sourcing	The act of procuring Works, Goods or Services
Specification	the description of the Works, Goods or Services being procured to meet the Commissioner's stated requirements.
Stakeholders	A person with an interest or concern in the procurement or commercial project or process
Standing Orders	the Standing Orders of the Commissioner, including the Procurement Standing Orders (Part 3). <a href="#">INSERT LINK</a>
Strategic Contracts	A contract that meets specific parameters including value, complexity and level of risk in order to be classified as Strategic. This is set by the relevant Head of Category
Transparency Code	The local government transparency code 2015, as amended from time to time, which sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published.
Weightings	A factor, for example a percentage or multiplier, applied to a scored element of the evaluation criteria in order to differentiate it in terms of relative importance to the overall evaluation model.
Works	Any of the following:— (a)the execution, or both the design and execution, of works related to one of the activities listed in <a href="#">Schedule 2 of the Public Contract Regulations</a> ; (b)the execution, or both the design and execution, of a work*; (c)the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work  *the outcome of building or civil engineering works taken as a whole which is sufficient in itself to fulfil an economic or technical function