



Buckinghamshire & Milton Keynes Fire Authority

Meeting and date: Executive Committee, 17 November 2021

Report title: Exemption from Standing Orders Relating to Contracts: –

- **Resource Management System**
- **Premises Risk Management System**
- **Asset Management System**

Lead Member: Councillor David Hopkins

Report sponsor: Anne-Marie Carter, Head of Technology, Transformation & PMO

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Action: Decision

Recommendations:

It is recommended that in accordance with Standing Orders Relating to Contracts, Standing Order 4(a) that:

- 1) the Resource Management System contract with FireServiceRota be renewed for a further three years until 7 November 2025
- 2) the Premises Risk Management System contract with Active Informatics be renewed for a further three years until 31 March 2026
- 3) the Asset Management System contract with Redkite Systems be renewed for a further two years until 31 March 2025

Executive summary:

The Service has a number of business-critical systems that help meet our Strategic Objectives and enablers.

Following competitive tendering exercises undertaken 4-5 years ago, the Authority moved the following systems to new suppliers:

System	Supplier	Commencement	Term (years)	Current End Date
Resource Management System	FireServiceRota	08/11/2017	4+1	07/11/2022
Premises Risk Management System	Active Informatics	01/04/2018	4+1	31/03/2023

Asset Management system	Redkite	01/04/2019	3+1	31/03/2023
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The challenge faced is that all these systems are due to come to the end of their contract over a period of six months; and the respective contracts did not provide for modifications, which would allow for their duration to be extended, any further, as part of the initial procurement exercise. These systems are business critical to the operation of the Service

Replacing systems is a costly and time-consuming process, that has a large impact on teams as they deliver and learn a new system alongside their day job.

Officers have assessed two options:

- a) To retender for each system over the next 24 months at significant expense (approx. £350k upfront) and Service wide impact or
- b) Complete a contract modification to extend the current contract agreement in accordance with the Public Contracts Regulation 72(1)(b) PCR 2015, which allows the Authority to extend a contract provided certain criteria are met and the increase in price does not exceed 50% of the value of the original contract.

It is recommended that the Authority extends the contracts with the three existing contract providers for the following terms:

System	Supplier	Extension Term (Years)	New End Date
Resource Management System	FireServiceRota	3	07/11/2025
Premises Risk Management System	Active Informatics	3	31/03/2026
Asset Management system	Redkite	2	31/03/2025

All three systems are used by other fire and rescue services and other public sector organisations, and this extension would allow us to continue to collaborate with the other Services to develop these systems. There is a separate budget challenge submission to support ongoing development.

As the total value of the contract extension is over £50,000 the Authority's Standing Orders Relating to Contracts require the Authority to follow a publicly advertised competitive tender process under Standing Order 8 unless an exemption is approved by a Committee of the Authority.

Financial implications:

The current contracts relating to the three systems equates to an aggregated annual cost of £57,000 per year. It is anticipated that the contracts could be extended at a similar rate, and therefore the whole-life cost of the new contracts will be circa £200,000.

Based on the competitive tenders previously undertaken for this service, it is unlikely that alternative providers would provide the service for less than the amount we are currently paying.

A move to new supplier(s) for any of these three systems would incur set up costs of circa £350,000 plus additional internal resource costs and there is no guarantee that the ongoing costs would remain as-is.

Risk management:

Extending the existing contracts would avoid the risks associated with changing system providers.

Not undertaking a competitive tender increases the risk of not achieving value for money, although based on the previous competitive tendering exercise, it is unlikely another provider would provide the same level of service at a lower cost.

The Authority will publish contract modification notices for each contract, in accordance with the Public Contracts Regulations 2015, which does carry the risk of a supplier challenging the justification for the contract modification. Officers believe this to be low risk and in the event a challenge were made, the early publication of the intention to modify the contracts does allow the Authority adequate time to reconsider a competitive process.

Legal implications:

The contract extensions are permissible under the Public Contracts Regulations 2015 Regulation 72(1)(b) (as amended by the Public Procurement (Amendments, Repeals and Revocations) Regulations 2016):

72.—(1) Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:—

[...]

(b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing

equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority,

provided that any increase in price does not exceed 50% of the value of the original contract;

Standing Order 4 allows for exemptions for contracts to be placed by direct negotiation with one or more suppliers rather than in accordance with Standing Order 8 (cited above).

Prior approval of a Committee of the Authority is required if the value of the proposed contract is over £50,000 if one of the following criteria is met:

a) special expertise [...] is required for which only one source has been identified. In this case a written quotation shall be obtained from that source;
or

b) special expertise [...] is required which is only available from such a limited number of sources that competitive tendering is not practicable. In this case all sources shall be invited to provide quotations.

Privacy and security implications:

All Systems have a Data Protection Impact Assessment in place. These will be reviewed and updated regularly and if any changes are made to the system.

Duty to collaborate:

Approval of the exemption would allow the Authority to continue to work with other Fire and Rescue services and organisations that also use the systems.

Health and safety implications:

There have been no health and safety implications identified.

Environmental implications:

There have been no environmental implications identified.

Equality, diversity, and inclusion implications:

There have been no equality, diversity and inclusion implications identified.

Consultation and communication:

Stakeholders of the systems have been part of the review and decision-making process and champion the extension of the three contracts.

End users of the system should not be impacted by the contract extensions.

The paper has followed the agreed governance process and has been presented to:

Board	Date	Feedback
Business Transformation Board	7 October 21	
Senior Management Board	19 October 21	

Next steps -

- If approved, publish a contract modification notice for each contract, in accordance with the Public Contracts Regulations 2015

Background papers:

Standing Orders relating to contracts:

https://bucksfire.gov.uk/documents/2020/03/contract_standing_orders_-_february_2020.pdf/

Appendix	Title	Protective Marking
N/A		