

Derbyshire Fire & Rescue Service



Procurement Strategy 2015 – 2019

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PROCUREMENT STRATEGY

Vision: *Securing effective service delivery for Derbyshire Fire and Rescue Service through innovative, joined up, flexible and collaborative commissioning of services.* This will be achieved by:

- Challenging the provision of the service and the need for expenditure;
- Ensure a methodology for competition and for quality;
- Encourage an open and flexible approach with users, suppliers and partners;
- Develop appropriate use of collaboration and partnership arrangements with other Fire and Rescue Services, public authorities or the private or voluntary sector;
- Make use of modern processes and techniques;
- Measure the total cost of ownership, improvements and success of the procurement process.

1. Purpose of the Strategy

This Strategy is aimed at providing a clear and concise user focused approach to procurement that harnesses regulation, policy, planning and implementation into a streamlined and cost-effective process to meet the future needs of the Service. The promotion of effective procurement across the Service requires the adoption of a flexible approach to respond to the rapidly changing environment surrounding public sector procurement.

Procurement has an important role to play in the delivery of services for the safety of our communities, workers and visitors, and ensuring value for money for our local taxpayers.

The Procurement function will be aligned to and integrated with the Service Plans and Strategic Planning Cycle to ensure that it reflects and complements the corporate initiatives and strategies of the Authority. DFRS will seek to provide and maintain a professionally strategic and structured approach to procurement activities designed to support organisational efficiency and cost effectiveness.

Delivery of this strategy will be the responsibility of the Procurement Board.

1.1 Introduction

Procurement is the process of acquiring goods, works and services from third parties. This process spans the whole life cycle from identification of need, through to the end of a service contract or useful life of an asset, including the method of recycling or disposal. It works closely with the authority's Property, Transport, Technical

Services Support Unit (TSSU), ICT, Safety and Risk Management and Prevention and Inclusion.

The strategic importance of the procurement function needs to be reflected both in the way it operates now and how it is developed in the future. This will include the continuous improvement of systems and procedures to maximise opportunities for applying good practice and technological developments, driving down transaction costs with no deterioration in service quality. The introduction of a new finance/procurement system during 2011 has provided the platform on which to review and streamline all procurement processes across the organisation.

This strategy includes a commitment to the development of socially responsible procurement, assessing whole life costs together with social, environmental and economic impact. Sustainable procurement initiatives will be based on national and regional drivers, best practice and the recommendations made by the Government's Sustainable Procurement Task Force. This will include an approach to procurement which involves the development of collaborative initiatives and commissioning opportunities within and across public authorities and partner organisations to achieve economies of scale.

2. Aim of the Strategy

The aims of this Strategy are to:

- 2.1 Ensure adherence to all Financial Regulations, Standing Orders and audit requirements, as well as compliance with all legal requirements under UK and EU Procurement Regulations.
- 2.2 Underpin the corporate aims of the Authority through robust procurement policies, procedures and processes that are transparent, evaluated on the basis of whole life costs, and make the most of the resources available.
- 2.3 Ensure that procurement planning aligns to and supports the overall business planning and strategic planning cycle.
- 2.4 Support the commissioning of services by the most appropriate method for the particular requirement.
- 2.5 Underpin a commitment to effective and efficient procurement from members and officers at all levels of the organisation and empower individuals to act in the best interests of the service.

- 2.6 Strive to continually improve the quality of services provided to all customers, internal and external, offering procurement guidance and support, and the effective management of contracts and projects to improve quality and deliver sustainability.
- 2.7 Encourage commitment to strategic procurement issues, identifying and promoting the benefits of strategic procurement.
- 2.8 Increase supplier awareness and compliance with DFRS policies on Health and Safety, Inclusion and Environmental aspects of any tendering exercise, including ongoing contract management.
- 2.9 Consider the sustainability of service provision. Where this is consistent with procurement regulations, local and regional suppliers will be utilised in order to promote the local economy, taking into consideration the social and environmental impact of procurement decisions.

3. **Business Drivers**

3.1 External

- Local Government Act 2010
- National Procurement Strategy
- East Midlands Regional Procurement Strategy
- Fire and Rescue Service National Framework
- Fire and Rescue Service Equality Framework (FRSEF)
- Comprehensive Spending Review
- External Audit Reporting
- Equality Act 2010
- Property Asset Management Plan

3.2 Internal

- Corporate Risk Register
- Corporate Plan
- Procurement Equality Impact Assessment
- DFRS Environmental Strategy
- Financial Regulations/Standings Orders
- Audit Regulations
- Alignment with the principles of best value
- Strategic Planning Cycle
- Internal Audit Reports
- Asset Management Plan
- Transport Strategy

3.3 Financial Regulations and Standing Orders

DFRS has in place Financial Regulations and Standing Orders providing a framework of control within which employees must operate. These Regulations apply to all employees and anyone acting on behalf of the Fire Authority.

Fire Authority Members have agreed to follow their own code of conduct to ensure high standards in the way they undertake their duties.

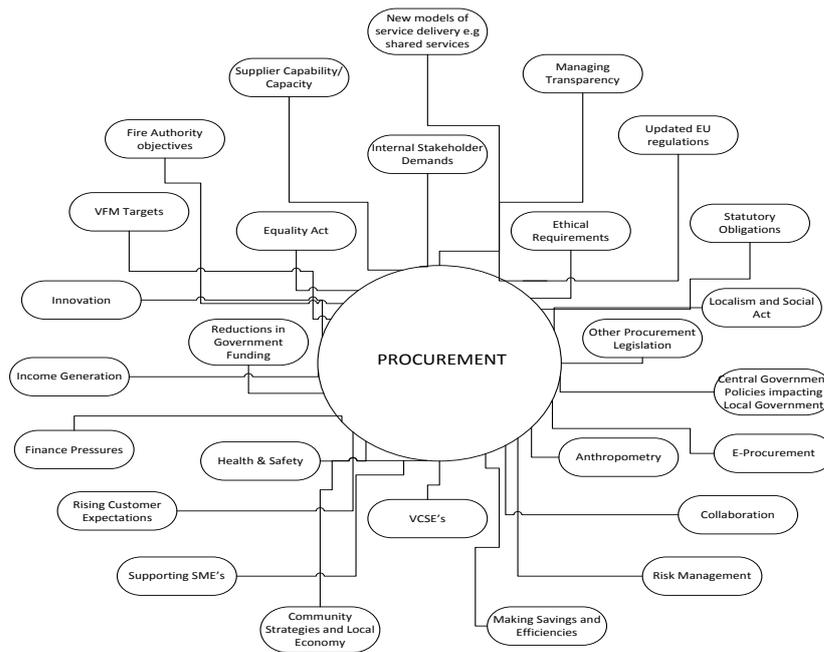
Managers shall be responsible for ensuring that all employees within their sections comply with all Financial Regulations, Standing Orders, contracts and award procedures.

3.4 Procurement Regulations

In addition to the Financial Regulations and Standing Orders outlined above, the UK Public Contracts Regulations 2015 and the EU Public Procurement Directive must be adhered to for procurements in excess of predetermined thresholds. These regulations are based on the underlying principles of non-discrimination and equality of opportunity on the grounds of nationality, transparency and competitive procurement.

Current thresholds levels can be found at www.gov.uk

This diagram illustrates the policy related developments and internal and external factors of Procurement



4. Benchmarking Procurement through the use of VFM Indicators

Auditors have an important role to play in promoting improvements in Procurement by highlighting good practice and ensuring that value for money is being achieved.

Whatever approach is adopted there are a number of key principles and key indicators:

Key principles

- To have a strategic approach to Procurement
- Make appropriate use of electronic commerce
- Manage Procurement risks
- Develop contract strategies and manage supplier relationships
- Develop partnerships and longer term collaboration with suppliers when appropriate
- Carefully manage major procurement projects
- Ensure there is reliable procurement financial and management information
- Measure and evaluate procurement performance

Key indicators:

- Is the procurement function used by the organisation cost effective and appropriate?
- Does the procurement effectively support the delivery of the organisations strategic objectives?
- Are procurement processes operated in an efficient, timely and effective manner?

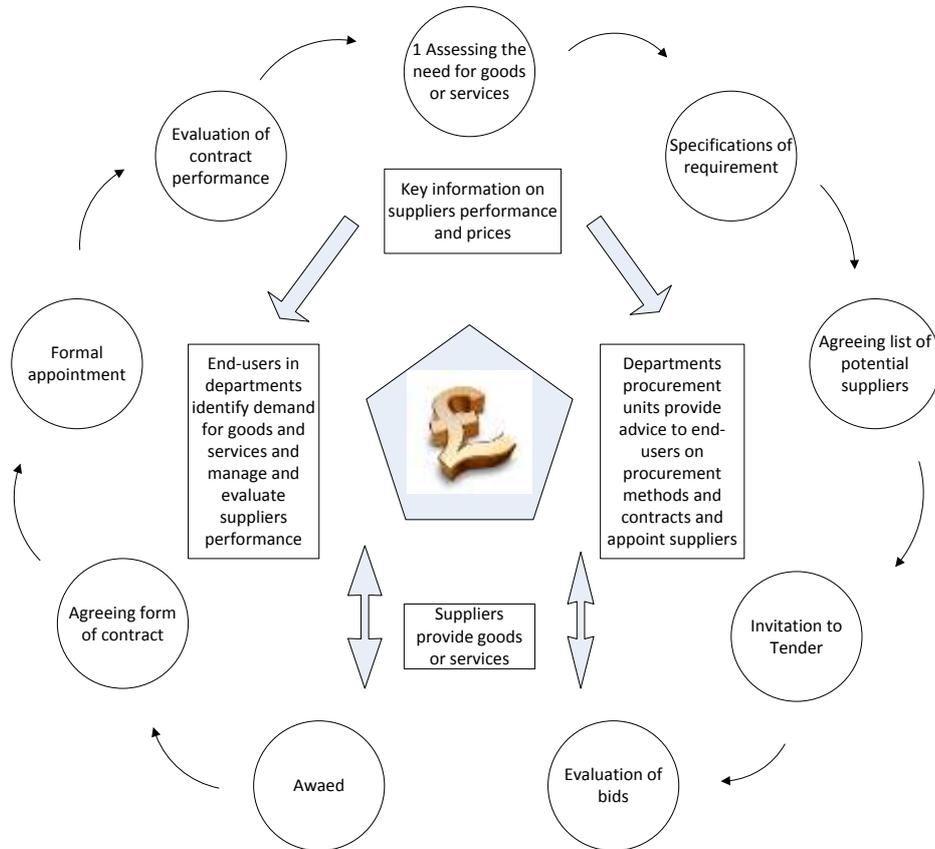
- Does procurement understand the requirements of the demand and business requirements for goods and services?
- Does procurement have a good understanding of markets and effectively manage supplies?
- Is appropriate use made of technology to support the procurement activity to achieve efficient and effective delivery?
- Is procurement effectively supporting the organisation in achieving cost reduction?
- Is corporate social responsibility a serious consideration in the procurement of goods and services including sustainability and ethical procurement?
- Are internal customers/end users satisfied with the services provided by procurement?

Purchasers need to purchase goods and services of the right quality, at the most cost effective price, in the most economic quantities ensuring that they are available when needed.

Value for money

All public procurement of goods and services, including works, must be based on value of money, having due regard to propriety and regularity. Value for money is not about achieving the lowest initial price; it is defined as the optimum combination of whole life costs and quality. Goods and services should be acquired by competition unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the procurement and barriers to the participation of suppliers should be removed.

Typical Stages in Competitive Procurement



Better value for money from procurement can be achieved in many ways for example:

- Getting increased level of quality of service at the same cost
- Avoiding unnecessary purchases
- Ensuring that user needs are met but not exceeded
- Specifying the purchasing requirement in output terms so that suppliers can recommend cost effective and innovative solutions to meet that need
- Sharpening the approach to negotiations to ensure departments get a good deal from suppliers
- Optimising the cost of delivering a service or goods over the full life of the contract rather than minimising the initial price
- Collaborating with other departments to obtain the best prices and secure better discounts from bulk buying
- Reducing the cost of buying goods or services by streamlining procurement and financial processes

Improvements for value for money fall into:

1. Those aimed at reducing the cost of purchasing and the time that it takes for example, the administrative effort in processing an order, seeking and evaluating tenders, and taking delivery of goods ordered. This is the procurement overhead and can typically add between 10 to 50 per cent to the cost of buying goods and services.
2. Those aimed at getting more value for money by negotiating improved deals with suppliers (reduced cost and/or better quality) or aggregating demand to get greater leverage on suppliers and
3. Those aimed at improving project, contract and asset management

The complexity of procurement needs can make it more difficult to measure whether value for money is being achieved. The wide diversity in value and type of goods and services which departments purchase mean that no one single procurement method is appropriate to promote value for money.

5. Staff Training and Development

The progressive development of an efficient and effective procurement service able to provide robust protocols and guidance on procurement issues is an essential criterion to meet the continually evolving requirements of the Service. To facilitate this, the ongoing professional development of all staff involved within the procurement function will be an essential requirement for those involved in the process. The level of expertise will range from knowledge of basic procurement techniques, to formal procurement qualifications and progressive experience.

This will broadly encompass the essential professional capability enabling implementation and delivery of key objectives within this strategy.

6. National/Regional/Local Procurements

National framework contracts negotiated by organisations on behalf of all Fire and Rescue Services will be used for the procurement of high risk, strategically important and high cost fire specific operational equipment, where this is appropriate to the requirements of the Service. Existing framework contracts will continue to be available for use through an externally managed contract.

Other framework agreements which are accessible by DFRS will be utilised as appropriate, where they offer more efficient procurement of standard commodities. The monitoring of existing framework agreements will be undertaken by the Procurement function on a regular basis.

The Regional Procurement Strategy is committed to the development of collaborative procurement activities and processes to achieve efficient and effective joint regional procurement wherever feasible. This will include but

not be limited to, information sharing, best practice, aggregated spend opportunities and the potential for shared stockholding.

A regional group comprising of procurement practitioners from the five regional services will work together to identify opportunities to collaborate, where it is identified that they equate to best value and support the vision of the constituent authorities. Opportunities for collaboration can be extended across Derbyshire and may include:

- More efficient procurement of standard commodities.
- Greater standardisation of specifications.
- A reduction in the development and procurement costs associated with independent research.
- The provision of a more standardised range of products and equipment.
- Aggregated demand and the reduction of costs by the establishment of central contracts.
- A reduction in the administration costs associated with the tender process and other procurement activities.
- Regional and collaborative stock sharing, where feasible, to enhance resilience and reduce stockholding costs.

7. National Procurement Strategy

Sets out 4 areas:

Making Savings

The FRS is having to deal with significant financial pressures resulting from reductions in government funding and rising demand by:

- Developing & using more standard specifications
- Through effective collaboration or by sharing services
- Gaining the most value from contracts
- Implementing effective performance monitoring & transparency
- Having an appropriate approach to risk management, identifying and reducing fraudulent procurement processes

Supporting Local Economies

Spend with Small and Medium Enterprises (SME's) and Voluntary Community and Social Enterprises (VCSE's) can be a significant contribution to local economic growth. This includes Social Value Act duties. FRS should reduce waste by making sustainable choices when procuring products and services – helping them to cut costs and meet their social, economic and environmental duties.

Improving access for SME's and VCSE's through the use of portals to advertise tender opportunities is also encouraging. FRS should identify forward spends wherever possible and use this data to inform pre market engagement and supplier planning.

Leadership

Procurement should be seen as strategically important in each authority and seen as a driver to implement authority policies. Better Procurement competences should be built across the organisation by ensuring staff are equipped with the knowledge, training and practical skills needed to derive maximum benefit from Procurement practices. The authority will then be more influential with suppliers through taking a more commercial approach to Procurement.

Modernising Procurement

- In terms of scope, responding to financial pressures through commercialisation and income generation by understanding how contracts can be developed to generate income and encouraging suppliers to meet new challengers through all stages of the procurement cycle.
- Adopting e-procurement to increase efficiency and consider how e-invoicing will help the authority and suppliers to streamline administration processes and improve supplier liquidity.
- Taking advantage of the opportunities presented by the new EU directives which will allow procurement processes to be quicker, simpler and less costly to run.

8. Commissioning Services

The commissioning of services will be undertaken by the most appropriate method for the particular requirement and will need to be developed to encompass the third sector and reflect the governments aims through the 'big society'. Commissioning will be dependent on factors such as the output specification, the level of spend and the prevailing market conditions. This will be facilitated in adherence to Financial Regulations/Standing Orders in a variety of ways including but not limited to:

- Spot buying;
- Written quotations;
- The use of existing local, regional and national framework agreements;
- Service Level Agreements
- Negotiated local authority agreements;
- Regional and partnership collaboration;
- Competitive advertising;
- Full tendering procedure;

Where appropriate, output specifications will be devised by cross functional working teams comprising of representatives of all relevant sections in order to add valuable skills and experience to the process.

9. **Supplier Selection**

Supplier selection is based on overall value for money. Whilst price is important, consideration will also be given where appropriate to other factors such as quality, reliability, safety, timely delivery, maintenance, after sales support and end of use disposal options, whilst also considering the Social Value Act (2012)

Where possible and consistent with sustainability and environmental strategies, additional factors may be considered as part of the procurement process. These will include:

- The incorporation of social and environmental benefits into contracts where appropriate.
- Consideration of the environmental impact involved in the transportation of goods.
- The utilisation of local framework agreements and collaborative contracts where these align with the principles of best value.
- The use of procurement cards for the purchase of low value goods through local outlets or via the internet.
- Working closely with suppliers to develop a local supply chain to facilitate the delivery of a better service after contract award.
- Engaging with local suppliers for the provision of low value goods and services as appropriate.
- The adoption of the SME Concordat.

10. **Equality & Inclusion**

DFRS is fully committed to equality and diversity by the provision of policies, practices and procedures to create a stronger, more enriched and well informed organisation, and is proactive in its approach to obligations arising from the Equality Act 2010. Our commitment is demonstrated in our own Equality Framework.

We believe procurement has an important role to play in the delivery of services for the safety of our communities, workers and visitors also ensuring value for money for our local tax payers.

All organisations providing services or goods to DFRS are expected to share our commitment to equality and carry out their duties in accordance with UK legislation

and must be able to demonstrate that all reasonably practicable steps are taken to allow equal access and equal treatment in employment and service delivery for all.

All potential contractors will be required to provide detailed information at the prequalification stage of any tendering process, which will then form part of the selection process.

A Procurement Equality Impact Assessment has been undertaken to identify areas of compliance that need to be considered as part of the procurement process. A copy can be found on Fireview. The identification of potential equality and diversity issues are considered routinely through the Procurement Board which reflects our commitment to ensure effective engagement and consultation is at the heart of the development of our framework.

11. **Sustainability, Environmental and Ethical Considerations**

Sustainable procurement takes a wider view and incorporates the net benefits for both the buyer organisation and the wider world. They consider the impact of environmental, economic and social factors along with price and quality. This is important in terms of how the buyer conducts their relationship with suppliers, including contract negotiation especially when sourcing with unfamiliar work cultures.

It is becoming more fundamental for purchasing professionals to ensure the practices it undertakes in business are above reproach. They must be aware and lookout for signs of unacceptable practices in the supply chain such as fraud, corruption, modern-day slavery, human trafficking and wider issues such as child labour.

As a purchasing professional you should take the time to understand the fundamentals of ethical behaviour when selecting and managing suppliers as well being aware our own personal responsibilities and demonstrate integrity at all times.

Sustainable procurement is the process whereby organisations meet their procurement needs in a way that achieves value for money on a whole life cost basis, providing benefits not only to the organisation but to society and the economy, whilst minimising damage to the environment.

To achieve this it is necessary that sustainability and environmental issues are considered throughout the procurement cycle from identification of need to disposal and end of life management. The key principles to consider are – reduce, reuse, recycle and rethink. Environmentally friendly goods and services will be purchased where this is consistent with fitness for purpose and best value.

Procurement will therefore deliver the service in conjunction with the DFRS Environmental Strategy, aligning its processes and procedures with the actions and objectives as identified in the Environmental Action Plan.

Where there is a risk of a negative impact, actions will be identified to reduce this through supplier pre-qualification, specifications, evaluation criteria, supplier monitoring and contact management.

All major procurements shall have due regard to the principles of sustainability and consider environmental and social issues. Recognition will be given to those suppliers whose products and services offer the greatest potential in terms of sustainability benefits.

Additional sustainability considerations will include:

- Cost/benefit evaluation.
- Reduction of consumption where possible.
- Options appraisal in terms of 'green' products, suppliers, transportation.
- E-procurement facilitation.
- Reduction in packaging.
- Recycling/reuse/disposal options of goods and materials.

12. Waste Management and Recycling

DFRS is committed to dealing with the management of waste in a more sustainable way, in accordance with the WEEE Directive, ensuring that the reduction of waste becomes standard practice. It will do this by:

- Reducing consumption where possible;
- The identification and implementation of a variety of recycling initiatives, in line with DFRS Environmental Strategy and Action Plan;
- The reuse or recycling of goods and materials, including furniture, paper, cardboard, toners, batteries, light bulbs and plastic;
- Striving to identify and introduce a broader range of 'green' products as an ongoing process;
- Reducing or recycling packaging.

13. Supporting the Local Economy

Through its procurement processes DFRS aims to maximise efficiency and cost-effectiveness to achieve best value for the authority. We do recognise that as a buyer of goods and services the decisions taken when awarding contracts can impact on both local communities and the local economy both in a positive fashion, through increasing business and jobs amongst local suppliers, but potentially also negatively, as a contract might be lost by a local contractor.

SME's and VCO's can play an important role in helping deliver services to the local community by offering goods, services and works at better value for money than the larger competitors by:

Specialising - many small businesses survive by offering specialist products or services that larger suppliers find unattractive, for example because of limited demand.

Innovation - small businesses can bring innovation through, for example, the early exploitation of new technology, providing products or services in new or underdeveloped markets, or by using innovation to differentiate themselves from established market players.

Bringing greater competition to the market place - this helps drive costs down.

Lower Cost - administrative overheads and management costs are typically lower for smaller organisations which may result in lower prices.

Quality of Service - small businesses can often offer more personal levels of service.

Responsiveness - shorter management chains and approval routes allow a quicker response to changing requirements.

Flexibility - small businesses are normally more willing to tailor a product or service to meet the customer's needs than a large firm that sells an established offering.

The Authority recognises that there are many barriers facing SME's / VCO's when endeavouring to win business with local authorities, and hopefully this guidance will help to reduce some of these.

DFRS strives to pursue positive action in relation to the regeneration impact of procurement decisions without being anti-competitive, and a number of steps have been taken to help us in this respect:

- Developing our website to provide information on how to sell to, and contract with the Council.
- DFRS has signed up to the national Small Business (SME) Friendly Concordat, which provides a series of commitments that aim to increase the local regeneration impacts of procurement decisions.
- The introduction of a page on our website advertising all current tender opportunities.
- Fostering strong links with local business organisations such as local councils and partners
- DFRS uses the Contracts Finder website portal to advertise all tender opportunities, which is a dynamic new government-backed service designed specifically to give companies easy access to lower-value contract opportunities (typically worth under £100,000) offered by the public sector.
- DFRS has been working to develop their Pre Qualification Questionnaires (PQQ's) that are designed specifically to try and reduce the amount of

information and documentation that is traditionally requested at the 'pre-tender' stage, thereby reducing the time and cost to suppliers.

DFRS employs a philosophy of continuous improvement and we are always happy to hear your views on how we could improve our procurement processes - we particularly welcome the views of current, past, unsuccessful and potential suppliers.

14. Corporate Social Responsibility

The corporate social responsibilities of the Service integrate with and align to other elements of this Strategy.

The commitment to the development of socially responsible procurement necessitates adherence to both internal and external public procurement regulations to ensure appropriate use of public funding.

Awareness of and compliance with all applicable Standards in terms of the provision of suitable workwear and Personal Protective Equipment (PPE), is considered an essential element for reducing the risk to front line personnel and specialist support staff, enabling all to safely undertake the duties commensurate with the role.

Responsibility within the supply chain includes the development of a supplier evaluation toolkit to ensure an appropriate audit trail is carried out for all potential new service providers, including evidence of existing policies and procedures ensuring compliance with health and safety and the Equality Act 2010.

A practical and mutually supportive approach to service providers will be developed as appropriate to the anticipated level of business and the criticality of supply. Such an approach will include suitable performance indicators capable of measurement to ensure continuity of supply, and the fair and open treatment of suppliers.

All major procurements shall have due regard to the principles of sustainability and will consider environmental and social issues, as well as the management, minimisation and disposal of waste.

15. Procurement advice to Budget Managers

Budget Managers should be aware of the Authority's expectations of them contained in the latest version of the Budget Manager's Handbook, and act in a manner appropriate to these requirements. Further information or advice can be sought from members of Corporate Financial Services Team.

17. **Tendering**

All procurements will be evaluated on the most economically advantageous tender, taking into consideration the evaluation criteria published as it relates to the particular procurement, and according to whole life cost principles.

Where the value of the procurement exceeds the threshold at which the European Regulations come into force, such as a new station build, a prequalification questionnaire will be used as part of the selection process. Full details of the requirement will be advertised in the Official Journal of the European Union, and a selected number of potential contractors meeting the evaluation criteria will be invited to participate in the subsequent tender process.

Evidence of satisfactory policies and procedures relating to inclusion and health and safety will be a prerequisite for the provision of services to DFRS. Supplementary information relating to an organisation's financial standing may also be requested as part of this process.

To ensure a fair tender process DFRS will:

- Advertise suitably to generate competition;
- Ensure equal access to information during the pre-procurement and tender stage;
- Treat all suppliers fairly and openly;
- Publish pre-qualification and tender evaluation criteria.
- Provide honest and constructive feedback to unsuccessful tenderers as requested.

18. **Contract Management**

Effective management and monitoring throughout the duration of the contract can mean the difference between success and failure.

Where appropriate, contracts should include quality and performance standards capable of regular monitoring and measurement. Such standards will be specific to the contract and established in order to effectively demonstrate supplier performance. These will include a commitment to:

- Ensuring continuity of supply.
- The establishment of appropriate performance indicators.
- Conduct regular supplier review meetings.
- The fair and open treatment of suppliers.
- The provision of honest and constructive feedback.

- Swift resolution of disputes wherever possible.
- The establishment of robust business continuity procedures for risk critical goods and services.
- Prompt payment for goods and services, against undisputed invoices, within 30 days as detailed in the Authority's Financial Regulations.
- Consultation with end users and customers.
- The use of constructive feedback to inform future decisions.
- Ensuring continuous value for money.

19. **Contracts Database**

Wherever possible, appropriate contracts will be established to monitor supplier performance and expenditure. A central contracts database will be maintained and regularly reviewed and updated by the Procurement Manager.

20. **E-Procurement**

E-Procurement is the process of using an electronic system to acquire goods, works, services and payments from third parties, sometimes also expressed as the 'Procure-to-Pay' cycle. The maximisation of e-procurement opportunities to develop more efficient systems and procedures through technological advancement is intended to reduce transaction costs and continually improve the procurement process. Some of the solutions considered for the utilisation of e-procurement systems include:

- The delivery of savings through streamlining internal procurement procedures and processes.
- E-sourcing or tender portal methods, such as modules used to seek tenders or quotations.
- E-market places, which are web-based systems that enable ordering from approved catalogues.
- Procurement cards, used predominantly for low value ad-hoc purchases and payments.
- Payments made through the banking automated clearing system (BACS).

21. **Business Continuity**

For those suppliers whose goods or services are considered to be risk critical, the establishment of procedures for business continuity will form part of the overall contract management process. Any measures established will be appropriate to the level of impact that any failure would have on the current provision.

22. **Anti-fraud and Corruption**

The anti-fraud and corruption strategy of the Authority includes a duty to ensure effective stewardship of public money and other assets or resources for which it is responsible.

This strategy should be read in conjunction with the Authority's Whistle Blowing Policy, which identifies the procedures to be followed in the event of any suspicion of fraud, theft or corruption.

23. **Code of Conduct**

The procurement function must preserve the highest standards of honesty and integrity, impartiality and objectivity. All procurement activity will be undertaken to the highest standards of ethics and probity, in line with the Chartered Institute of Purchasing and Supply Code of Professional Ethics.

24. **Back Office review of Procurement Collaboration**

It is clear and where appropriate collaborative procurement is one way to achieve procurement savings.

In collaborative procurement two or more entities with a similar need agree to purchase together and sometimes, share the use of goods and services they require. This is expected to bring a number of benefits:

1. If the procurement involves fixed costs, they can be shared
2. Economics of scale can be achieved because of the higher number of goods or services bought
3. Operational benefits can be gained from the use of the same products or contracted services
4. It can help to build longer-lasting partnerships with suppliers

It has been recognised however, that collaboration is not always possible and 'one size does not fit all', sometimes, by geographic location, sometimes on spec, sometimes on volume. DFRS do have some positive Procurement Collaboration. Through our fleet framework a 'one stop shop' is available to all UK and NI fire services where DFRS worked closely with NFRS, LFRS, NIFRS, for fire vehicles such as pumping appliances, aerial ladders platforms or specials. Greater savings will be made not only with the vehicles themselves but also on parts, maintenance, training and through availability of a mini competition pack.

- DFRS also work closely with the East Midlands Procurement Group, recently we have gone out to look at joint purchases on fire service operational bags, fire gloves, working shoes and consumables.
- DFRS share/swop the Titan Fire Kit where possible, ensuring shorter lead times when needed urgently.
- The Regional Procurement Group also share best practice and documents rather than inventing the wheel.
- DFRS, NFRS and LFRS have reduced transactional costs by joining together and using the same finance package – Agresso
- Similarly DFRS, NFRS and LFRS are due to go live on a new joint call out system
- Regionally we regularly compare what each other are spending and avoid paying more for the same product
- Partnership work with EMAS has been implemented, with community ambulance stations being integrated with our fire stations
- Fire/Police Limited Liability Partnership launched in December for the new joint HQ
- According to Brandon Lewis Procurement and Collaboration report (Dec 2013) PPE within the minimal level of quality can cost a FRS up to £1145, however with effective negotiations and working with our suppliers the cost to DFRS is £745 a saving of £400
- The ICT Strategy is considering all IT packages with a view to reducing to a more streamlined and cost effective approach

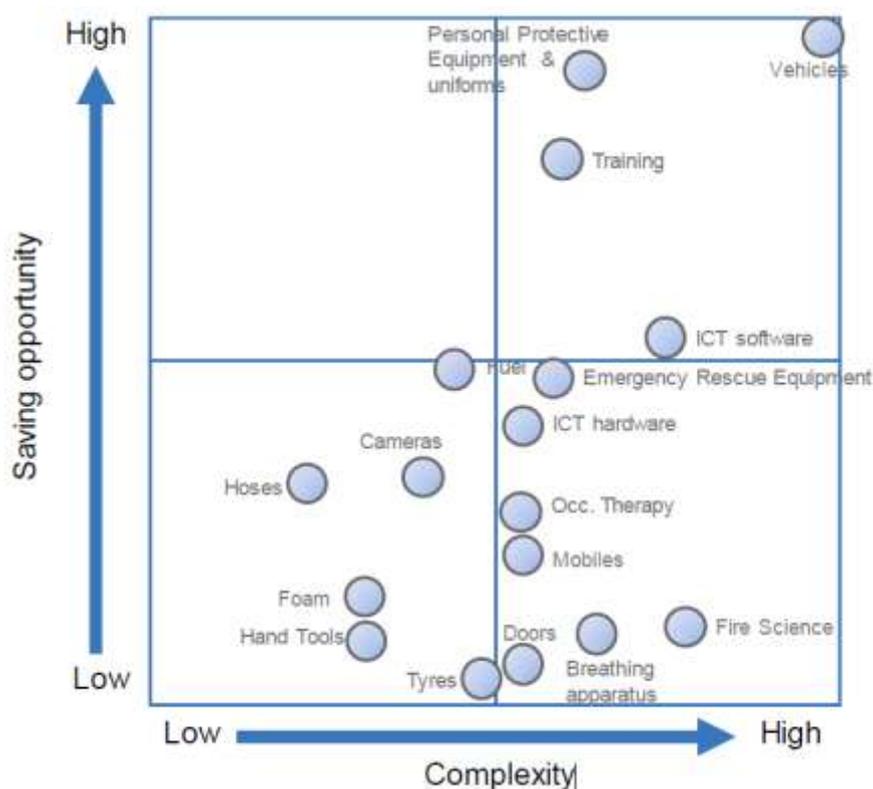
Other areas to consider:

- Using standard specifications except in exceptional circumstances
- Reducing the need for bespoke equipment
- Close management of key suppliers
- Ensure higher volume of orders to reduce not only supplier prices but carbon footprint due to less deliveries
- Coordinated/future procurement planning through the Procurement Board
- Through the new finance system and the use of a Government procurement credit card we have reduced low value invoices together with transactional costs

Like all public services, DFRS must meet the expectations of tax payers and the Government for continued improvement and value for money.

In the same government document a summary of Complexity v's Savings Opportunity was carried out.

Summary of complexity vs savings opportunity



All high complex and savings are being considered by DFRS as mentioned above with the exception of training (as there are 2 operators who currently dominate this specialist area). Work will be on-going to assess possible savings in other groups.

Public Procurement Reformed Regulations 26th February 2015

The new reforms are to make public procurement more accessible to businesses, in particular, Small and Medium-Sized Enterprises (SMEs). They came into force 26th February 2015.

The key reforms are:

1. **The abolition of PQQ's for procurements below the EU thresholds.**

In below-threshold procurements (regulation 111)

We may not include a pre-qualification stage in any procurement where the value of the procurement is below the EU threshold for goods and services, currently £172,514. In practical terms, this means that PQQs used as part of a pre-qualification stage are not permitted. However contracting authorities may ask questions relating to a potential supplier provided that the questions are relevant to the subject matter of the procurement and proportionate.

2. **A requirement for contracting authorities to insert provisions in all public contracts to ensure prompt payment through the supply chain**

Prompt Payment (regulations 113 and 122)

To help suppliers with their cash flow, contracting authorities must ensure that all public contracts contain suitable provisions stating that valid undisputed invoices will be paid by the contracting authority within 30 days. Public contracts must also contain a condition requiring contractors to include similar provisions in their contracts, and so on down the supply chain.

Additionally, each contracting authority must publish statistics showing the proportion of invoices paid in accordance with these obligations.

3. **Publishing contract opportunity advertisements and contract award information on the new Contracts Finder portal (regulations 106 and 110)**

Contracting authorities must ensure that when they advertise a new procurement opportunity above certain thresholds, that the advert is placed on the new national Contracts Finder portal <https://www.gov.uk/contracts-finder>. Authorities must subsequently ensure that contract award information is placed on Contracts Finder once the contract is awarded.

The thresholds are as follows:

Central Contracting Authorities: £10,000

Sub Central Contracting Authorities and NHS Trusts*: £25,000

4. **More Accessible Turnover Requirements**

To give smaller businesses a better chance of competing, contracting authorities cannot now stipulate that the bidder's annual turnover must be more than two times the value of the contract being tendered, except where there is justification.

5. **More, Smaller Lots**

To further encourage SME participation, contracting authorities 'are encouraged' to consider breaking contracts into smaller lots.

6. **Shorter Timescales**

Statutory minimum time limits by which suppliers have to respond to advertised procurements have been reduced by about a third. The thinking behind this is that it will help to speed up procurements deemed to be more straight-forward or off-the-shelf. Longer response times can be offered if deemed appropriate because hard pressed suppliers might well find this change hardest to bear.

Other Developments

- Authorities will be actively encouraged to include environmental and social considerations in the evaluation criteria, and can potentially exclude bidders who fail to meet specified standards in these areas.
- Poor performance on previous public sector contracts (which has 'led to early termination, damages or other comparable sanctions') can be taken into account during the evaluation stage.

Note: This is not an exhaustive list and we should refer to the Public Contracts Regulations 2015 for further information.

More Detailed Guidance on these reforms can be found here:
<https://www.gov.uk/transposing-eu-procurement-directives>