

## **REPORT TO THE SOUTH EAST FIRE AND RESCUE SERVICES' REGIONAL MANAGEMENT BOARD**

### **PROCUREMENT WINS OVER THE LAST 12 MONTHS**

#### **KEY ISSUE/DECISION**

The Regional Management Board (RMB) is asked to note the progress and successes of the Regional Procurement Workstream over the last 12 months.

#### **EXECUTIVE SUMMARY**

Improving the approach to procurement on a regional basis is a key part of the National Framework, and also of the National Procurement Strategy for Fire and Rescue Authorities. The report highlights some of progress and procurement wins the workstream has achieved in the last 12 months, since the arrival of the Regional Procurement Manager.

#### **RECOMMENDATIONS**

The Board is requested to:

- i. note the progress and achievements of the Workstream has made over the last 12 months.

#### **REASONS FOR RECOMMENDATIONS**

To further support the work of the Regional Procurement Manager and the virtual regional procurement workstream. To enable them to continue to work as a collaborative team, identifying and maximising regional procurement initiatives. Also to engage and participate in the key procurement issues arising from the national modernisation agenda and the Integrated Risk Management Plans (IRMPs) of South East FRAs.

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LEAD/CONTACT OFFICER: Mike Smyth  
TELEPHONE NUMBER:  
EMAIL: [mike.smyth@oxfordshire.gov.uk](mailto:mike.smyth@oxfordshire.gov.uk)  
BACKGROUND PAPERS: None

## **INTRODUCTION**

The purpose of this report is to advise the Members of the “Procurement Wins” the Regional Procurement Workstream has achieved over the last 12 months.

The report provides a snap shot of progress of the Regional Procurement Workstream.

To date, the Regional procurement Manager has been focussed on raising the profile of strategic regional procurement and developing the regional procurement workstream team, accelerating the “quick wins”, progressing the targets set out by the RMB procurement workstream and developing a regional collaborative procurement strategy.

The procurement workstream still faces the challenge of poor information and capacity issues. However, after a series of presentations to each FRA Senior Management team “Raising the Profile” of strategic regional procurement we now have the full commitment and support of every FRA within the region.

The workstream has now a sound base of activity which is now starting to achieve meaningful results. These activities now underpin the development of a strategic approach to procurement at a regional level and to continuously seek to drive out efficiencies and cost reductions.

## **BACKGROUND**

A Regional Procurement Manager was appointed and started work on 2<sup>nd</sup> January 2007 on a two year fixed Contract. This post has been funded partially by the capacity building fund and supported by each FRA with the Region.

The Regional Procurement workstream has been in place in various guises for a number of years. During this time it has had some success in delivering a number of projects. In line with National Procurement Strategy for Fire, Gershon and various other reports, the role of the Regional Procurement Manager is build on that success and focus on “supply management excellence” by providing strategic procurement leadership and to put in place a program to accelerate and drive out saving and efficiencies with the South East Fire and Rescue Authorities (FRA’s).

## **ANALYSIS AND COMMENTARY**

The following work represents just the highlights to some of the work that has come to fruition over the last 12 months. Due to capacity, resource or management priorities, it must be also recognised that the 9 FRA’s within the SE are all at different stages of engagement with this process.

The main regional procurement work areas can be broken down under the following headings.

- RMB/National Procurement Work Stream targets
- Quick wins
- South East Collaborations
- External Collaborations

### **RMB/National Procurement targets**

All objectives are on target to be completed on time:

Highlights:

- Skills Analysis, Complete: Areas for training identified – a series of EU procurement training courses across the regional was completed in November 07, business case and risk assessment courses have arranged for early 2008. (Note: this is an ongoing exercise and needs to be done on an annual basis).

- Analysis of expenditure across the region: This has now been done for the last two years and has enabled the Regional Procurement Manager to start to build a picture of the regional spend patterns and suppliers. This has also enabled the first commodity strategies to be identified and developed for implementation during 2008/9. (Note: this is an ongoing exercise and needs to be done on an annual basis).
- Regional Procurement Strategy: A draft Strategy is currently in circulation within the region. It is planned to be presented to the CFO's in January 08 and to RMB for ratification in April 08.
- Interim Action Plan, identifying a work program for the next 18 months and identified savings of £0.5M.

#### **Quick wins:**

These were a number of procurement opportunities identified by the Regional Procurement Manager on his arrival.

- Defence Fixed Telecoms Service: RBFR, KFRS and HFRS have now signed up to this making a **combined saving of over £100K.**
- Government Procurement Cards (GPC): HFRS are currently rolling out (GPC's), ESFRS have just approved the business case for GPC's and will be rolling out early 2008. RBFR have a business pending. Note: **potential saving of £28.00 per transaction (Gov figs) can be made by using GPC's.**
- Fuel Card: KFRS have consolidated several fuel cards to Gov't PHH Arval fuel card, **reducing cost, administration and improving management information.**
- Travel Contracts: HFRS implemented a master vendor (single provider) for all travel, including train, hotels, vehicle hire and flights, **potential saving of up to 20% off travel costs.**
- Temporary Agency Staff: HFRS implemented Hants CC master vendor agreement for Temporary Agency Staff, **Saving 7% off rates.**

#### **South East Collaborations:**

Work areas where the SE Regional Procurement Workstream is actively collaborating.

- Regional Fire Safety Contract: KFRS led collaboration, **all SE FRA's have now signed up to this agreement, and KFRS have estimated they will save £117K over 3 years on this agreement alone.**
- Procurement Workshops: Regular procurement workshops are now run to drive and develop the procurement direction and commodity strategies. These will be included into the Regional Procurement Strategy. The workshops have now developed two subgroups, Property and Training, two areas of major spend and potentially large savings

- Energy and Water: Identified by the Procurement Property Group, OGC “best practice” Contracts available. **Minimum saving of 3% off energy costs by buying whole sale via OGC**, saving to be made via water Contract by reducing waste and leaks. RBFRS signed up to agreements, ESFRS signing up to water Contract.
- Newsletter: A quarterly procurement news letter is produced and widely circulated, both within the region and outside, updating FRA’s on the latest projects, news and opportunities available to them.
- Comprehensive Performance Assessment: OFRS have used the Regional Procurement Workstream work to support their CPA assessment.
- Other various Collaborative examples:
  - Stationery: RBFRS signed to Oxfordshire CC stationery Contract, **20% saving (£10K saving)**
  - Shared documentation: Hants CC shared docs with RBFRS, **estimated £10K saving.**
  - Occupational Health: Kent Collaboration Contract Surrey and Bucks currently evaluating, **minimum saving £10K**
  - Insurance Mutual – across 9 FRA’s, nationally saved over £2.5M

### External Collaborations:

Areas where SE Regional Procurement Workstream is actively collaborating and engaging with organisations outside of the Fire Service or Region.

- Thames Valley Procurement Forum/Berkshire Procurement Unit: We are an active member of the group and have access to working groups and resulting Contracts, examples, Slough BC Master Vendor Agreement for Temporary Staff, initial work carried out on the benefits of OGC Energy Contracts and development of standardised documentation.
- Firebuy: Working with Firebuy to evaluate a number of major tenders, also we have developed a standard tender evaluation process for the mini bid process for Firebuy Fire Appliance Contract with other Regional Procurement Managers.
- Association of Procurement Professionals in the Fire Service (APPFS): The Regional Procurement Manager is on the committee of this newly formed organisation, the main objective of this group is to raise the profile and level of professionalism of procurement within the Fire Service. The APPFS now have approx 140 members and is still growing throughout the Fire Service.
- South East centre of Excellence (SECE): We actively support SECE:
  - Access into SECE eBusiness portal.
  - The Regional Procurement Manager is on the portal user group.
  - The portal allows us to create our own SE FRA’s Contracts data base.
  - The portal allows us to advertise our Tenders/Contracts FOC.
  - The portal enables our suppliers to register and have access to other Authorities (potential wider market for Small Medium Employers SME’s)
  - Gives us access to Kent Buying Consortium Contracts, in particular their top 10 best value.
  - Access to SECE working groups and subsequent work/Contracts

## **Summary**

In summary we are pleased to report to the RMB that we now have:

- Tangible Progress - Saving/efficiencies now coming through
- Senior Management Team support.
- Draft Procurement Strategy
- Interim Action plan, work program and identified a £0.5m savings target for 2008-9.
- A formal communications medium, via the procurement quarterly newsletter.
- Collaboration - within the region and externally.
- Training - EU Procurement training taken place, business case and risk management arranged - paid by the Capacity Building Fund.
- Regular Procurement Workshops and dedicated workgroups set up.
- Consultancy help on bench marking and analysis management information to build commodity strategies – paid by Capacity Building Fund.
- Engagement with other regional work streams

## **IMPLICATIONS**

Improving regional procurement is a key way to assist FRA's to meet local government savings targets as required by the Comprehensive Spending Review 2007.

## **CONCLUSION**

The Board is requested to:

- i. note the progress being made and the "procurement win's" made over the last 12 months.