



## **Collaborative Purchasing The UK Experience**

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Projects – Firebuy (UK)

### Drivers

- Bain Review – Industrial Action
- Gershon Review – Public Sector Efficiency
- Local Govt Procurement Strategy
- Audit Commission Reports – 1995 & 2000
- Central Govt Dept Review
  - Consultants – survey, interviews, focus group
  - Central focus
  - Step change

### Agenda

- Why National Procurement?
- Drivers for collaborative procurement
- Process & consultation for the first National Procurement Strategy for the Fire & Rescue Service
- Formation of Firebuy Ltd
- Formation of the Chief Fire Officers' Association (CFOA) National Procurement Board
- Formation of the Fire & Rescue Suppliers Association (FIRESA)
- Projects undertaken by Firebuy Ltd
- Issues & Constraints
- Private Sector perspective of collaborative procurement

### 1st NPS

- Draft National Procurement Strategy - Sept 2004
- FRA / Industry Briefing Days
- Consultation closed December 2004
- Delays
- Strategy launched November 2005

### Why National Procurement?

- Maximise purchasing power
- Inter-operability & standardisation
- Reduce training materials / delays
- Share reserves - equipment compatibility may reduce reserves & equipment
- Market development
- Avoid reinventing the wheel
- Become a strategic fire service function
- Potential savings – not all about price

### Formation of Firebuy

- Hosted by London Fire – 2005/06
- Government wanted:
  - Non-Departmental Public Body and company Limited by Guarantee
  - Chair & 6 Directors – Open appointment
  - Ex-officio Directors – CFOA, LGA & LFEPFA

## FIRESA

- Formation of the Fire & Rescue Suppliers Association (FIRESA)
  - Highlighted during NPS consultation process
  - Represents companies that manufacture or supplies goods and services to the FRS
  - Concerted industry voice
  - Seat on CFOA National Procurement Board (& vice versa)

## Firebuy Projects

- Integrated Clothing Project (ICP)
- Vehicles Workstream
  - Pumping Appliances
  - Other Projects
- Respiratory Protective Equipment
- Long Term Capability Management
- Fireguard
- Framework Agreements
- Telecommunications
- Technical Services
- (APPFS)

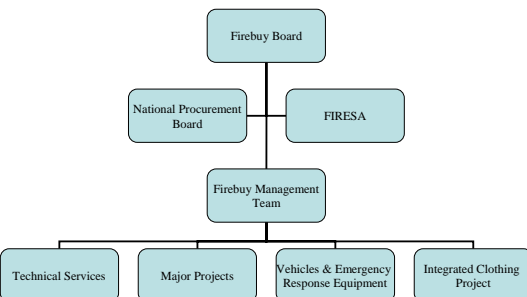
## CFOA NPB

- The Chief Fire Officers' Association (CFOA) National Procurement Board
  - 'intelligent client' function
  - 'conduit' for consultation with FRS
  - ratification of User Requirements
  - Principal Officer + Procurement Officer for each of the 9 English Regions
  - Officers from Firebuy
  - Officer from FIRESA

## ICP

- Provision of PPE and Workwear – Supply / Supply & Maintain / Fully Managed Service
- Private Finance Initiative (PFI) bid
- \$500K+ spent by Firebuy on garment trials
- Recommendation on preferred bidder approved by ICP Board 9<sup>th</sup> March
- Firebuy Board approval to preferred bidder 15<sup>th</sup> March
- Work proceeding to finalise contract with Bristol Uniforms
- Legal challenge

## Org Chart



## Pumping appliances

Framework Agreement's Awarded to 6 UK Fire Vehicle Manufacturers for the Supply of Pumping Appliances by the Firebuy Board on 11 January 2007.

Key features:

- Firm contractual agreements with key sub-contractors
- Market testing / benchmarking exercises by suppliers
- Independent whole vehicles type approval
- Increased warranties
- 24hr delivery on critical parts and services

## Next Key Contracts

- Operational Equipment
- Light Vehicle conversion
- Aerial Appliances

Frameworks to be Completed by April 2008

## Long-Term Capability Management of New Dimension's Assets

- Maintenance, Repair and Overhaul of New Dimension vehicles and the specialist equipment carried in the vehicles
- Customer and Management Support Services, including 24/7 technical helpdesk
- Operational Logistics Support
- Support and configuration of specialist mobile communications (e.g. satcom)
- The services may also include the provision of certain statutory training for specialist equipment

## RPE project

- Respiratory Protective Equipment
  - Next generation of RPE – wider than Breathing Apparatus
  - User Requirements endorsed by CFOA
  - Respirators – BA – Compressors – Gas Tight Suits - Telemetry
  - Revision of technical guidance (TB 1/1997)
  - Key issues are interoperability and equalities



## Long-Term Capability Management

- Firebuy's role is to let a prime contract to deliver the LTCM services on behalf of the DCLG and will also undertake the future contract management



## RPE project

### TIMETABLE

- Completed PQQ marking/User Requirement sign off
- Informed six pre-qualified bidders
- Invitation to Tender (ITT) sent out
- Technical Mtg with pre-qualified bidders
- 11 Oct - ITT return date
- 31 Jan 08 - Contract award
- April 08 - Contract commencement
- Framework – 3+ suppliers

## Fireguard

- Project to provide resilience in the event of pandemic flu / sustained terrorist attack / industrial action
- 29 FRAs participating
- Project board overseeing work led by CFO Dixon – Greater Manchester
- Tender issued
- Contract to commence mid 2008

## Frameworks

- A number of Framework Agreements from OGCbuying.solutions have been novated to Firebuy
- These include fire related contracts: foam / hose / ND contracts / fire extinguishers
- Additional to those already in place:
  - Smoke Alarms (400,000 @ £2.4m - £120K saved)
  - Fireground Radios (9,000 @ £1.4m - £238K saved)
- Other areas
  - Fire retardant bedding
  - Fitness Equipment



## Technical Services

- Central focus for coordination of Research & Development projects for FRAs
- Act as a single 'conduit' for suppliers to approach Service with new / innovative ideas in confidence
- Represent Service on BS / EN Committees
- Transfer of staff from Her Majesty's Fire Service Inspectorate

## Telecoms Project

### Defence Fixed Telecommunications Service

- MOD Contract for all communications
- Largest single BT contract / lowest tariffs / highest security
- Fixed / mobiles / blackberrys / video conferencing / mobile workers
- Available to UK FRAs
- Firebuy acting as intermediary
- Significant savings (25%+)

## APPFS

- Association of Procurement Practitioners in the Fire Service
  - Launched Oct 2006
  - Over 50 members
  - Raising profile of procurement
  - Networking events
  - Links to professional organisation - CIPS

## Insurance mutual

- Alternative Risk Treatment
  - Traditional insurance via broker
  - Set up a company (FRA Mutual Ltd)
  - 10 FRAs signed up
  - Significant savings to be made



## Issues & Constraints

- Future funding - £2m (\$5m) annual budget
  - Commission / Direct Charge?
- Departmental / Ministerial changes
- Lack of powers
- Resistance to change
- Delays in demonstrating benefits
- Delays in income

## Private Sector

- Bradken Resources Pty Ltd
  - Australia's leading supplier of differentiated consumable products to the resources industry
  - One of the world's largest steel foundry groups
  - Sales \$640m – Net Profit \$49m
  - 2900 personnel in 20 facilities (Aus / NZ / USA / UK / China)
- Group Supply (\$400m spend controlled)
  - Small central team
  - 3 x Regional Supply Managers
  - Plant based Supply Officers

## Private Sector

- Group Supply Agreements
  - Single sourcing (Dual sourcing where critical)
- Regional / Local Supply Agreements
- Subject Matter Experts – key products
- Group level demand / forecasting
- Focus on process / transaction costs
  
- Top level ownership

## Summary



- Collaborative procurement can and does work in all sectors
- Need top level buy in
- One size / model does not fit all
- More than price on invoice
- Make procurement a strategic function