



AGENDA ITEM: 11

NORTH WALES FIRE AND RESCUE AUTHORITY

17 December 2012

NATIONAL PROCUREMENT SERVICES

Report by Dawn Docx, Deputy Chief Fire Officer

PURPOSE OF REPORT

- 1 Members are asked to consider approving that the Authority signs up to the National Procurement Service, based on the attached letter in Appendix 1. The National Procurement Service will provide the Welsh Public Sector with a strategic vehicle for the procurement of common categories of goods and services.

BACKGROUND

- 2 The 2010 review 'Buying Smarter in Tougher Times' recommended that contracts for common and repetitive spend should be set up on a 'Once for Wales' basis. The National Procurement Service model has delivered significant benefits to other devolved governments within the United Kingdom. It is a proven approach to maximising procurement benefits and is a model used in the majority of global private sector businesses.
- 3 One third (approximately £4.3billion) of the public sector's budget is spent on external goods and services per year. The public sector is facing the challenge of unprecedented budgetary pressures and, therefore, it is imperative that public money is spent wisely. Research has shown that at least 20-30% of purchases are common across organisations and are bought year on year. Common and repetitive spend categories include such things as stationery, office furniture, travel, IT hardware and software, and mail services.

INFORMATION

- 4 The National Procurement Service meets all the requirements of the Fire and Rescue Services' National Issues Committee agenda and is the outcome of a Welsh Government commissioned review of procurement in the Welsh Public Sector.
- 5 The scope of the NPS is based upon a defined category of goods and services that are currently procured. Common and repetitive spend categories have been defined as those goods and services purchased by multiple sectors each year. These are not necessarily high value or complex, but they represent 23% of public sector spend.
- 6 The NPS will be the strategic vehicle for procuring goods and services for Wales and will focus on three aspects – developing common specifications, tendering and contract management. It will seek to leverage the procurement scale of the Welsh Public Sector and will seek to develop strategies that will have a positive impact on the Welsh economy including small and medium enterprises (SMEs).
- 7 The Fire and Rescue sector participated in the two work streams, which met regularly over a number of months, to undertake the detailed research that resulted in a comprehensive business case.
- 8 All Fire and Rescue Authorities in Wales, and all other public bodies, have been asked to sign up to the National Procurement Service (see attached invitation letter at Appendix 2). The deadline for response is 14th December 2012 although it has been extended to await the decision of the three Fire and Rescue Authorities.
- 9 North Wales Fire and Rescue Service is being asked by Welsh Government to utilise the National Procurement Service framework contracts. The attached letter responds positively to this request with certain caveats.

Financial and Legal Implications

- 10 The expectation is that financial savings will be made, particularly in year one and two when the Welsh Government is funding the set up and running costs of the NPS. In years 3 to 5 the host organisation will be self-funding from the suppliers on the framework, and this may be reflected in the prices charged by suppliers, but it is still anticipated that savings will be made overall through this category management approach.
- 11 There is an expectation that the commitment is for five years. There would be a reputational risk if the service was to withdraw during these five years, however any opt out from individual contracts can be made in limited numbers by justification to the NPS Board (in addition to those already expressed in the acceptance letter). These exemptions will need to be discussed in the first instance with the category managers appointed by the NPS.
- 12 The Fire and Rescue sector has specialist contracts already in place for certain commodities, even though they fall into the common and repetitive spend category. Good examples are clothing and uniform and light vehicles but there will be others that are within the "bluelight" sector that already offer specialist contracts, for example personal protective equipment. These contracts are highlighted in the letter of response as already providing exceptional value and are unlikely to be improved upon.

RECOMMENDATION

- 13 Members are asked to approve the signing up to the National Procurement Service, with the caveats outlined in the attached letter.

DATE

Tracey Lee
Managing Director
Newport City Council
Civic Centre
Newport
NP20 4UR

Dear Ms Lee

Re: Invitation to join the National Procurement Service.

I return the response to the invitation to join the National Procurement Service.

North Wales Fire and Rescue Authority wishes to express its commitment to become part of the National Procurement Service with the following proviso.

From the outset of the project, officers from the fire and rescue sector have made it abundantly clear that for certain NPS commodities the Services will continue to utilise the national contracts which are best placed to secure value for money and provide fit for purpose goods and services for the sector.

These assumptions have been taken into account during the work undertaken to build the model compiled by the Common and Repetitive Spend task and finish group.

The following have been specifically quoted:-

Vehicle management - Fleet

- Light vehicles are sourced from the NPIA "Bluelight" framework which provides emergency service prepared vehicles at discounted rates for the Police and Fire.
- Specialist Vehicles e.g. pumping appliances (fire engines). Bodybuilders sourced from the sector specific pumping appliance framework put together by the Fire and Rescue Service in Wales and open to the sector within the UK.
- Collaborative fire sector arrangements already in place.

Clothing and Uniform

- Service specific uniform is sourced from framework contracts put in place by the sector specific national procurement group (NPG), open to all within the sector in the UK.
- Compatible with Personal Protective requirements.
- Collaborative fire sector arrangements already in place.

Fire and Emergency Response Personal Protective Equipment

- Specialist protective clothing sourced from either fire sector specific framework contracts or purchasing organisation frameworks.

There will be other examples of sector based requirements as stated in the covering letter forwarded by Tracey Lee, which can be discussed with the category managers ahead of each tender.

Yours sincerely

Chief Fire Officer