

SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY

Meeting	FIRE AND RESCUE AUTHORITY
Meeting Date	20 NOVEMBER 2023
Report of	CHIEF FIRE OFFICER AND CHIEF EXECUTIVE
Report Sponsor(s)	DIRECTOR OF FINANCE AND PROCUREMENT
Subject	THE PROCUREMENT SERVICE – AN ANNUAL UPDATE OCTOBER 2022 TO SEPTEMBER 2023

EXECUTIVE SUMMARY

This is an annual update on Procurement Services, its activities and how it is effectively supporting the various aspects of South Yorkshire Fire and Rescue (SYFR) business. The report includes a proposal to update the Contract Standing Orders Part 5e (CSO) at Appendix A.

Procurement is integral to delivering commercially advantageous and innovative solutions essential in meeting public expectations and in supporting front line emergency services. To this end, the majority of procurement exercises are carried out with the Most Economically Advantageous Tender (MEAT) award criteria, which looks to appropriately balance cost, quality, social value, Small and Medium Enterprise (SME) engagement and reduce SYFR's carbon footprint.

In the last year, the Procurement service has considered more closely how procurement activity can support local business in South Yorkshire. To that end, we have utilised government guidance to reserve below threshold contracts for suppliers in South Yorkshire postcode areas, and actively sought quotes for small value purchases through chamber of commerce contacts. This work is on-going with the aim of continuing to benchmark progress for our supply chain.

Other recent developments include SYFR being the first Fire and Rescue Service (FRS) to sign up to the NET Positive sustainability tool, which assists our supply chain in completing sustainability and social value action plans. The results of this initiative will enable SYFR to report carbon savings from its suppliers as part of contracts awarded.

The appointment of a Director of Finance and Procurement has provided much needed support for Procurement at a strategic level. Plans are in place to review objectives in line with annual plans, and to review the Procurement Strategy for presentation to Fire and Rescue Authority in 2024.

To align with the financial year it is proposed that a further Procurement report will be provided to Members in April 2024. Following that, an annual report will be provided that corresponds to the respective financial year in line with financial accounting.

RECOMMENDATION(S)

Members are recommended to:

- a) Note the contents of this report and endorse the ongoing positive work of the Procurement Services team.

- b) Approve amendments to Contract Standing Orders Part 5e (CSO) regarding the proposal to increase the tender threshold.
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CONTENTS

Main Report

Appendix A – Part 5e Contract Standing Orders

BACKGROUND

1. Members requested that they be given an annual update report and this report details the key activities of Procurement Services in the period October 2022 to September 2023.
2. This report will be set out as follows;
 - Information about **governance** to provide assurance to members.
 - A section to provide an update on use of **local suppliers** in South Yorkshire. This section addresses questions posed by Fire and Rescue Authority (FRA) members over the last 12 months.
 - A **category update** providing highlight information of key projects that have received procurement involvement over the last 12 months.
 - Information about the **Procurement Strategy review** that commenced in the summer of 2023.
 - An update about **sustainability**.

GOVERNANCE

3. In January 2023, the Government announced new financial limits for the publication of contract awards to Contracts Finder. This level was raised from £25k to £30k. The Procurement Manager therefore recommends that CSO be raised to this level for formal tenders to align with government guidance. Appendix A provides details of the recommendations for changes to CSO.
4. The Procurement Department manage waivers under Section 33 of the Contract Standing Orders Part 5e revised in July 2021. This governance process allows for tenders to be waived only where an emergency requirement or other reasonable justification applies below UK Procurement thresholds and after consultation with the Procurement Manager (PM). Waivers are controlled and reported to the Executive Team every 3 months. During the period of this report, 12 waivers were completed and approved under CSO.
5. To manage tenders SYFR has signed up to the Bluelight Commercial tender platform provided by InTend Ltd based in Rotherham. SYFR were the first FRS to sign up to this collaborative opportunity with the first year fees of £2495 covered by a grant from the Home Office. This annual fee compares to a fee of £5410 annually for the YORtender system that was previously utilised by SYFR, and clearly does not provide a cost effective solution to the organisation. The PM therefore cancelled the YORtender subscription and transferred to the InTend solution in January 2023.
6. With the appointment of the Director of Finance and Procurement (DFP) in June 2023, the DFP and the PM are making plans to review governance structures and objectives within the Procurement Department to ensure continued alignment with annual plans, competence and skills are maintained and a business partnering approach is followed to deliver tenders and contracts. A revised Procurement Strategy will be brought to FRA and committees in 2024 to provide continued assurance in the delivery of service.

SUPPORT FOR LOCAL SUPPLIERS

7. As part of the delivery of the Procurement Strategy, the Procurement Team considers use of local suppliers in South Yorkshire when obtaining quotes and running tender processes. To aid this process SYFR has developed links with the Chambers of Commerce in South Yorkshire to access member databases, and uses online systems to post opportunities and support supplier engagement. The buying team also keeps records of suppliers used for future reference.
8. An analysis of local suppliers has been completed on the SYFR finance system. This research concluded that the benchmark of active suppliers in South Yorkshire currently stands at 49% of total active suppliers. Discussions with regional FRS partners reveals that this figure is substantially higher than regional colleagues, e.g. West Yorkshire currently has a local spend figure of circa 35%.
9. Use of local suppliers is based on ability to provide a good commercial offer twinned with the quality expectations that are required to fulfil delivery. These factors must take precedence over location to ensure that the quality of service provided to the communities we serve is maintained at a high level.
10. An example of our commitment to support local business can be demonstrated through our use of the government guidance contained in PPN 11/20. This guidance allows for below threshold contracts to be reserved for local areas. Tenders can be limited to responses from Sheffield and Doncaster postcode areas only, in compliance with this guidance. The SYFR Procurement Team have utilised this guidance in 2022/23 to deliver refurbishment tenders for Estates minor works at Thorne and Maltby Fire Stations.

CATEGORY REPORTS

11. The following sections provide a highlight of key projects in each category over the last 12 months. Each project mentioned will provide details of the procurement involvement to support colleagues and deliver value. Outcomes and savings will be identified.

Estates Category

Estates and Facilities Management Procurement

12. **Modular project** - A key feature of procurement support in the last year has been to run tenders for the Elm Lane Fire Station modular project. The initial tender provided an award to Black Cat Consultancy Ltd for project consultancy services with a saving of £85.5k against the other bids received. This initial tender provides SYFR with specialist project advice and project management skills. The second tender issued in August 2023 is to consider an award for the modular supplier to deliver the new modular fire station. This second tender is currently being evaluated. Both tenders were issued under the NHS SBS Framework for Modular building services.
13. **Carbon reduction programme** – Procurement led two tenders to deliver consultancy services as part of an Estate's Salix funding bid within the scope of the organisational Green Plan. The awarded consultants, Lexica and Fulkers, completed surveys within the SYFR estate and delivered detailed reports for energy use, reduction of fossil fuels and decarbonisation initiatives. Final proposals included detailed design up to RIBA stage 4 and a heat decarbonisation plan. These reports will be used by the Estates Manager, to complete a new bid for further funding to

complete the decarbonisation works in 2024, with projects to be delivered within 24 months. All project costs can be included within the funding bid, so if successful delivery of these works will have no effect on SYFR funds.

14. **Grounds maintenance** – Procurement led a tender for grounds maintenance including a lot for winter maintenance and gritting to cover the whole estate. This further competition through the YPO framework delivered a call off award to Ground Control Ltd with average annual saving of £19.5K against the other bids received.
15. **Minor works** – Procurement have led on local tenders for minor works at Thorne, Maltby, and more recently the Training and Development Centre in Sheffield. These contracts will provide refurbishments by local contractors to the facilities at these sites as part of the minor works programme managed by the Estates team.

ICT category

16. **Command and Control system** - The Procurement Team actively participated in the renewal of the command and control system contract to deliver an addendum to the current contract. Initial discussions with the system provider, Systel, suggested a new agreement was required to continue delivering service to SYFR. Procurement added value to this project by providing expertise and advice through a review of the original contract. As the original contract agreement was still active, only an addendum was required to avoid two sets of terms being in operation at the same time. This project demonstrates the value that qualified procurement staff bring to the organisation in navigating often complex procurement issues with clarity and insight.
17. **Support for cyber security** – The Procurement Team have supported ICT by providing routes to market for the introduction of a mobile phone filter and security tool, and anti-virus software for computer systems. These contracts strengthens security of SYFR communications and technology systems as a guardian for everyday work activity.

Supplies and Services category

Supplies

18. The year-end stock check was completed in March 2023. The value of stock at year end 2022/23 was £552K.
19. **Uniform** - The major project delivered in the last 12 months has been outcomes of the uniform review project. A new contract was awarded in October 2022 to Cooneen at Work for the supply of station wear and uniform. This award provides a compliant contract for the supply of all garments to SYFR and replaces all previously expired arrangements. A sizing exercise was completed in the summer of 2023 for delivery of new polo shirts and cargo trousers in October 2023. The tender delivered a saving of £42,951 for the winning bidder against the average of other bids received.

Services

20. **Equality and Diversity training** – Procurement managed a tender for the Organisational Development Department to deliver a training provider for Equality and Diversity training to all staff. The tender was a further competition through the YPO training framework and delivered an award to Eliesha Ltd. The award was made on a price quality split of 40% / 60%, with Eliesha Ltd providing the most

economically advantageous bid. This contract will allow for all staff members to receive a formal training course and maintain Equality, Diversity and Inclusion (EDI) delivery targets as part of commitments to equality and inclusion.

PROCUREMENT STRATEGY REVIEW

21. The Procurement Strategy 2021 – 2024 is currently being reviewed to ensure a high level approach is followed regarding tender process, routes to market, local procurement and collaboration. A revised strategy will be brought to FRA for agreement in 2024.
22. The work plan in this strategy will be removed and held as a live document as part of the strategy review to ensure progress on delivery is both recorded and reported annually.
23. A key feature of this strategy is an approach to contract management, which will address the findings of the Internal Audit report in 2022. During the last year, a contract management e-learning module has been developed by the PM to provide an understanding of contract management roles and responsibilities for contract leads and to aid delivery of the procurement strategy. The PM is working with the Organisational Development and People functions to review contract management roles in job descriptions and to ensure that training is identified as a requirement of training plans for key roles.
24. Through an analysis of supplier spend data the PM has reviewed the profile of suppliers under the procurement Strategy to identify higher and lower value suppliers and contracts. The vast majority of supplier spend is below £50k per year, so the PM has considered contract risks as a key focus for effective contract management. This analysis has identified a list of 18 contracts covering ICT, Estates, Fleet and Supplies where department leads can undertake a responsibility for contract management and assurance.

SUSTAINABILITY

25. SYFR are the first FRS in the UK to sign up to the NET Positive sustainability tool. This system allows the supply chain to SYFR the ability to create and deliver action plans that provide sustainability and social value benefits. The system is being rolled out in October 2023 and will provide the ability to design and create reports that deliver sustainability data to map the carbon footprint of our suppliers.

IN CONCLUSION

26. The Procurement Team continues to provide category support to ensure that service delivery outcomes have been achieved that represent best procurement practice, achieving value for money outcomes.
27. Contract management issues, risk and opportunities are actively being identified and managed accordingly with new training for lead managers.
28. The Service continues to explore opportunities to invest in its community and ensure local suppliers are key to its Service delivery, with government guidance used to good effect to ring fence contracts for businesses in South Yorkshire.
29. Objectives and strategies are being reviewed to ensure alignment with corporate plans.

CONTRIBUTION TO OUR ASPIRATIONS

- Be a great place to work**- we will create the right culture, values and behaviours to make this a brilliant place to work that is inclusive for all
- Put people first**- we will spend money carefully, use our resources wisely and collaborate with others to provide the best deal to the communities we serve
- Strive to be the best in everything we do**- we will work with others, make the most of technology and develop leaders to become the very best at what we can be

CONTRIBUTION TO SERVICE IMPROVEMENT

- [HMICFRS Inspection Framework e.g. Diagnostic area and/ or diagnostic questions](#)
- [SYFR Inspection report Areas for Improvement \(AFIs\)](#)
- [Fit for the Future Improvement Objectives](#)
- [Professional Standards for Fire & Rescue Services in England](#)
- [SYFR Service Plan 2023-24 Priorities](#)
- [SYFR Community Risk Management Plan 2021-24](#)

The activities reported provide a supporting role to wider SYFR activity in support of service improvements, aims, objectives, plans and priorities.

OPPORTUNITIES FOR COLLABORATION

- Yes
- No

If you have ticked 'Yes' please provide brief details in the box below and include the third party/parties it would involve:

SYFR continue to chair the Yorkshire and Humberside Regional Procurement Group (RPG) to explore collaborative opportunities together where similar service needs exist. Current work by the RPG is examining procurement pipelines to map where opportunities exist for collaborative procurement. This group reports to the Yorkshire and Humberside NFCC Strategic Group.

CORPORATE RISK ASSESSMENT AND BUSINESS CONTINUITY IMPLICATIONS

30. N/A.

EQUALITY IMPACT ASSESSMENT COMPLETED

- Yes

If you have ticked 'Yes' please complete the below comment boxes providing details as follows:

Summary of any Adverse Impacts Identified:	Key Mitigating Actions Proposed and Agreed:

- No

N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why an EqlA is not required/is outstanding:

This is an update on Procurement activity and Equality Analysis is carried out when tendering opportunities.

HEALTH AND SAFETY RISK ASSESSMENT COMPLETED

Yes

No

N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why a Health and Safety Risk Assessment is not required/is outstanding:

This is an update on Procurement activity and risk assessments are carried out when tendering opportunities.

SCHEME OF DELEGATION

31. Under the South Yorkshire Fire and Rescue Authority [Scheme of Delegation](#) a decision *is required / *has been approved at Service level.

Delegated Power

Yes
 No

If yes, please complete the comments box indicating under which delegated power.

A: Asset Management
A1: Property Management

IMPLICATIONS

32. Consider whether this report has any of the following implications and if so, address them below:., Diversity, Financial, Asset Management, Environmental and Sustainability, Fleet, Communications, ICT, Health and Safety, Data Protection, Collaboration, Legal and Industrial Relations implications have been considered in compiling this report.

List of background documents

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