



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Finance and Resources Committee

RESCUE PUMP COLLABORATIVE PROCUREMENT

Report of the Chief Fire Officer

Date: 09 October 2015

Purpose of Report:

To update Members on the joint procurement exercise for replacement rescue pump appliances undertaken with Derbyshire Fire and Rescue Service.

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1. BACKGROUND

- 1.1 The procurement of replacement rescue pump appliances has previously been achieved utilising framework agreements which, when used, were subject to an additional management fee being applied.
- 1.2 At the request of Derbyshire Fire and Rescue Service (DFRS), Nottinghamshire Fire and Rescue Service (NFRS) and a number of other fire and rescue services were invited to participate in establishing a new set of frameworks for fire appliance procurement that would not be subject to a management fee.
- 1.3 The Derbyshire Fleet Options framework was established in 2014 for the procurement of both fire appliances and emergency response equipment with the provision that it could be accessed for use by all UK fire and rescue services and other bodies named in tender documentation supplements of the Official Journal of the European Union.
- 1.4 Opportunities for collaboration amongst fire and rescue services (FRS) and/or other emergency services is encouraged by central Government as a means to achieve greater efficiencies and deliver more effective services to the communities they serve.
- 1.5 Joint research on fire and rescue procurement aggregation and collaboration undertaken by the Department for Communities and Local Government (DCLG) and the Chief Fire Officers Association (CFOA) concludes fire and rescue authorities need to work together to deliver the best value for money and at the same time share resources, knowledge and best practice.

2. REPORT

REGIONAL COLLABORATION

- 2.1 Nottinghamshire and Derbyshire FRS worked closely together during the Fleet Options framework project to establish common criteria templates from which users of the Fleet Options framework could derive an output specification.
- 2.2 Dialogue between NFRS and DFRS took place to explore what collaborative procurement opportunities may exist and it was established both Services had a requirement to replace Rescue Pump appliances over the life of the Fleet Options framework.
- 2.3 In the spirit of collaboration an invitation to participate in a joint procurement exercise was then made to Leicestershire FRS (LFRS) as a regional partner, but this was declined.

APPLIANCE SPECIFICATION

- 2.4 In order to achieve as much commonality as possible representatives of NFRS and DFRS reviewed each other's Rescue Pump specification along with that of LFRS.
- 2.5 With the assumption that the existing chassis manufacturer would remain unchanged for 2015, an agreed chassis specification was determined with Derbyshire making minor changes to come in to line with both Nottinghamshire and Leicestershire as the first step towards commonality.
- 2.6 The next stage involved a review of the bodywork superstructure design. With NFRS and LFRS already identical in superstructure design a way of moving DFRS to this position was given some consideration and a manner to do this determined.
- 2.7 Beyond this point further commonality cannot readily be achieved due to the fact that both NFRS and DFRS have certain items of equipment that are not identical and from an operational perspective work in a different manner.
- 2.8 To allow for any changes to future rescue pump requirements that may emanate from the outcomes on the 2015 Fire Cover Review a degree of flexibility has also been allowed for in the specification document sent out as part of the mini-competition process. This will allow for changes to be made without the need to re-run the mini-competition process.

MINI-COMPETITION EXERCISE

- 2.9 With a common specification achieved as far as practicable the technical specification was issued as part of the documentation sent out under a mini-competition process.
- 2.10 The Derbyshire Fleet Options framework has five potential suppliers capable of building pumping appliances and all were invited to submit a tender. On this occasion Angloco and the Spanish manufacturer Iturri declined the invitation to make a tender submission.
- 2.11 The three remaining suppliers invited to participate in the mini-competition process were Emergency One (UK), JDC (John Dennis Coachbuilders) and WH Bence. All these companies submitted a compliant bid which went forward to the evaluation stage.

EVALUATION

- 2.12 The evaluation of the tender submissions was undertaken by a team of six staff from both Nottinghamshire and Derbyshire with a mix of technical, procurement and operational knowledge.

- 2.13 Utilising scoring books each supplier and product offering was assessed against a pre-determined marking criteria with the award of marks given on the basis of both technical compliance and price.
- 2.14 A summary of the weighted scores achieved and the overall ranking of each supplier is shown in Appendix A.

CONTRACT AWARD

- 2.15 Following the evaluation process members of the evaluation team came to a unanimous decision that Emergency One (UK) should be awarded a four year 'call off' contract based on the replacement programmes for both NFRS and DFRS.
- 2.16 The successful supplier is agreeable to each Service providing separate purchase orders for each year of the contract but treat it as one contract to achieve volume discounts and remove any accounting issues which would arise with a single purchase order number covering multiple years.

3. FINANCIAL IMPLICATIONS

- 3.1 Collaborating with one or more fire and rescue service by way of a multi-year 'call off' contract gives rise to the ability to take advantage of volume discounts.
- 3.2 Based on the price of vehicles to be ordered in 2015 and a total contract volume of 24 appliances (12 Nottinghamshire and 12 Derbyshire) ordered over a four year period this would deliver a shared saving between the two Services in the region of £90,000, which equates to around £3800 per vehicle. The discount calculation is shown in Appendix B.
- 3.3 Supplier discounts are based on bodywork superstructure and fire engineering but not the chassis (which many FRS free issue to the supplier).

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

There are no human resources or learning and development implications arising from this report.

5. EQUALITIES IMPLICATIONS

An equality impact assessment has not been undertaken because the report is not associated with a policy, function or service.

6. CRIME AND DISORDER IMPLICATIONS

There are no crime and disorder implications arising from this report.

7. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

8. RISK MANAGEMENT IMPLICATIONS

There are no risk management implications arising from this report.

9. RECOMMENDATIONS

That Members note the contents of this report.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER

APPENDIX A

Summary of Weighted Scores and Overall Ranking

Marks allocated for the criteria detailed within the scoring books were transferred to a series of spreadsheets along with the marks awarded from the outcome of the price evaluation. With the two scores combined this then determined the ranking of each supplier.

The weighted scores for each supplier were as follows:

Supplier	Product	Weighted Score
Emergency One (UK)	GRP	480.10
Emergency One (UK)	Co-polymer	466.96
WH Bence	Co-polymer	395.20
JDC	Co-polymer	356.78

The overall scores ranked the suppliers as follows:

Ranking	Supplier
1	Emergency One (UK)
2	WH Bence
3	JDC

APPENDIX B

Volume Discount

Based on the 2015 prices submitted the table indicates the potential savings for both Nottinghamshire and Derbyshire with a combined order volume of 24 units over a four year contract awarded to Emergency One (UK) with discount applicable from vehicle number 11 onwards. The supplier has indicated that the discount would be averaged out over each appliance purchase and applied from vehicle number one.

Total Contract Price					
3,570,058.75					
	Vehicle #	Unit cost less discount	Volume discount		
	#11 - 15	159,550 - 2.5% (3,988.75) = 155,561.25	5x 3,988.75	19,943.75	
			<i>Sub total A</i>	19,943.75	
	#16 - 24	159,550 - 5% (7,977.50) = 151,572.50	9x 7,977.50	71,797.50	
			<i>Sub total B</i>	71,797.50	
			Total discount		91,741.25
			Shared discount per FRS (over a 4 year contract)		Average discount per vehicle (over 24 appliances)
			45,870.63		3,823.00