



## **Grampian Fire and Rescue Service**

### **Procurement Strategy**

**2008 – 2012**

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## 1. Introduction:

In 2005, Grampian Fire and Rescue Service produced its first Procurement Strategy document. Within that document we gave a view of where we were in relation to our objectives in procurement issues along with a timetable for reaching those identified objectives.

We have now reviewed that first strategy, and have developed a further Procurement Strategy for 2008-2012. The intention of this document is to further enhance the work carried out under the previous document and to move procurement within Grampian Fire and Rescue Service on to another stage in its development.

The environment in which public services operate is constantly changing. The McClelland Review of Public Procurement in Scotland focuses on better procurement and increased efficiency and this, coupled with the challenges of efficient government and the ongoing pursuit of Best Value, are significant drivers in our promotion of this Procurement Strategy.

## **2.0 BACKGROUND**

### **2.1 Definition of Procurement.**

2.1.1 Procurement can be defined as, “encompassing the whole process of acquisition of goods, services and worked from the initial assessment of a business need through to the end of the useful life of an asset or end of the service contract.”

### **2.2 Procurement Activity within Grampian Fire and Rescue Service.**

2.2.1 In the financial year 2006 – 2007, Grampian Fire and Rescue Service made payments, totalling £10.6million to just under 600 creditors. A significant proportion of this spend is on items such as rates and pension contributions. As such payments are outwith the control of the Contracts and Procurement department, It is therefore more realistic to exclude these and therefore consider a total spend of nearly £5.8million with 266 creditors that can be directly influenced by professional procurement practices.

2.2.2 Of this £5.8 million, £3.94m (68%) was spent with companies within Scotland and of that £2.13m (54%) was spent with Scottish companies classified as small/medium enterprises.

## **3.0 PROCUREMENT STRATEGY 2005-2008.**

3.1 In 2005, Grampian Fire and Rescue Service published its first procurement strategy covering the years 2005 – 2008.

3.2 The strategy was developed with the intention of providing a framework for the full range of procurement activity carried out across GFRS and also ensure that procurement planning reflected GFRS corporate objectives.

3.3 In addition it provided an opportunity not only to co-ordinate the processes but also provided a clear pathway for identifying and acting on improvements to ensure that Best Value was being obtained consistently when goods and services were purchased. It set out areas for both strategic consideration and development. From it a number of major actions have been undertaken:

3.3.1 Action – Develop and Publish Guide – “How to do Business with GFRS”.  
This guide was completed and has been issued to suppliers with tender documents.

3.3.2 Action – Develop and Implement Tender Evaluation System.  
A system for evaluating pre-qualification questionnaires and tender responses in a consistent manner has been developed in collaboration with other Scottish Fire and Rescue Services and is now in use throughout Scotland.

3.3.3 Action – Review, Update and Publish Procurement Guidelines.  
A set of procurement guides, the “Procurement Guidance Series” has been published and is available internally via the GFRS intranet site.

3.3.4 Action – Investigate Options for Handling Small Value, Low Risk Procurement.  
GFRS has recently implemented the use of the Government Procurement Card. This is currently with a small sample group, with the intention of the use being rolled out to other staff as necessary.

3.3.5 Action – Develop and Publish Sustainable and Environmental Procurement Policy  
GFRS have been instrumental in the collaboration that has resulted in a Corporate Social Responsibility (CSR) in Procurement policy statement and action plan being implemented by all 8 Scottish Fire and Rescue Services.

- 3.3.6 Action – Management of Procurement Risk  
As in CSR, Grampian Fire and Rescue Service have been at the forefront of a collaboration that has seen the document Risk Management in Procurement being made available to all Scottish Fire and Rescue Services.
- 3.3.7 Action – Investigate and Develop eProcurement Solutions  
Although a full e-procurement system has not been implemented, GFRS has been part of a collaborative exercise that has put in place an online tendering portal, [www.fire-tenders.org.uk](http://www.fire-tenders.org.uk). In addition, the Service has developed and administers an information sharing website, [www.efirescotland.org](http://www.efirescotland.org) which is successfully used by procurement staff within Scottish FRS and their suppliers.
- 3.3.8 Action – Professional Development of Procurement Staff  
There are now 3 staff within the procurement process who are qualified to an appropriate level in procurement. One member has achieved MCIPS (Membership of the Chartered Institute of Purchasing and Supply), whilst a further member has achieved their Level 4 Foundation Diploma and is currently pursuing MCIPS.

#### **4 PROCUREMENT STRATEGY 2008-2012**

- 4.1 With its achievements within the action plan of its previous procurement strategy, it is considered that GFRS can build on this in the next 4 years.
- 4.2 Within this timeframe it is anticipated that the challenges facing the procurement department will fall within 5 main workstreams:
- a) Collaboration
  - b) The e-Agenda
  - c) Training and Development
  - d) Efficiency & Measurement
  - e) Responsibility
- 4.3 These workstreams relate broadly to the contents of The McClelland Report, published in March 2006. (A copy of the full report can be accessed via the following link: <http://www.scotland.gov.uk/Publications/2006/03/14105448/0> )
- 4.4 It is important to note that the creation of Sectoral and National Procurement Centres of Expertise, as recommended within the McClelland Report, will have an impact upon the activities of the Contracts and Procurement department within GFRS. It is therefore appropriate that the Service's updated procurement strategy is aligned wherever possible with, and is complementary to, the issues raised within the McClelland Report whilst ensuring compliance with GFRS Corporate Objectives and Financial Regulations.
- 4.5 It must be noted that the intention to create a Fire Service Sectoral Centre of Procurement Expertise (CoE) is unlikely to reduce the workload of the Contracts and Procurement department. It is acknowledged and must be accepted that the Fire Service CoE will rely upon the knowledge and expertise available within the procurement departments of its members. This will almost certainly produce a strain upon these teams as they attempt to ensure full participation in all initiatives, User Intelligence Groups and various Forums that are taking place in order to foster full collaboration throughout the Scottish public sector.

- 4.6 In addition to providing assistance and input for both national and sectoral contracts, the Contracts and Procurement and Supplies departments within GFRS will continue to have responsibility for all other procurement required by the Service.

## **5.0 Development of Procurement Strategy**

- 5.1 As mentioned previously, in developing the Procurement Strategy for Grampian Fire and Rescue Service 2008-2012 attention has been paid to the recommendations within the McClelland Report. It has therefore been decided, for the purpose of ensuring clarity, to group our proposals very broadly under the general themes within the Report.
- 5.2 In addition, we have included the themes of Corporate Social Responsibility and Economic Development. These can sometimes be quite closely linked, and we have therefore shown them under the heading of "Responsibility".
- 5.3 As a result, the themes within the Procurement Strategy, which are expanded below, are:
- Collaboration
  - The e-Agenda
  - Training and Development
  - Efficiency and Measurement
  - Responsibility
- 5.4 The commitments given for each theme are detailed in the Action Plan given as Appendix I.

## **6.0 Procurement within Grampian Fire and Rescue Service**

### **6.1 Collaboration**

- 6.1.1 A major aspect of the McClelland Report was that there should be improved collaboration between parties within the public sector with similar requirements, whether within the local government sector or in some other area of the public sector, such as National Government, the NHS or other similar bodies, in order to improve contract terms and conditions through an aggregation of demand or by reduced administration.
- 6.1.2 *Commitment: Where such arrangements represent a clear benefit to Grampian Fire and Rescue Service, the Contracts and Procurement department will seek to strengthen collaborative relationships with both National and Sectoral Centres of Expertise and any other relevant organisation or body in a bid to secure Best Value for the Service.*
- 6.1.3 *Commitment: Contracts will be monitored to ensure that there is full contract compliance and any incidents of off-contract buying, which are brought to the attention of the Contracts and Procurement department, will be investigated.*

### **6.2 The e-Agenda**

- 6.2.1 Grampian Fire and Rescue Service is fully committed to further the Government's e-Agenda wherever this is practicable. (Modernising Government, March 1999 - <http://www.archive.official-documents.co.uk/document/cm43/4310/4310.htm> )
- 6.2.2 We have put in place an e-tendering portal, [www.fire-tenders.org.uk](http://www.fire-tenders.org.uk), in collaboration with 3 other Scottish Fire and Rescue Services. All quotes and tenders produced by the Contracts and Procurement department are advertised via this portal. Suppliers,

and potential suppliers, can register their interest in categories of contract opportunities and be advised of any which may be of interest to them.

- 6.2.4 In addition, we have instigated, and host, an information sharing website, [www.eFireScotland.org.uk](http://www.eFireScotland.org.uk) which is utilised by all Scottish Fire and Rescue Services. Whilst it is currently aimed predominantly at those involved in procurement, it has the potential to be expanded to include other areas of interest.
- 6.2.5 Grampian Fire and Rescue Service has recently implemented a pilot of the use of the Government Procurement Card (GPC). This card will allow certain purchases to be made via phone or internet, and has the potential to generate significant savings in administration costs for the Service.
- 6.2.6 The Service is supportive of the concept of full e-procurement. A full cost/benefit analysis will have to be undertaken prior to any recommendation being made to implement an e-procurement system, although GFRS does consider that a significant benefits case will exist for e-procurement to support the collaborative work within and between Sectors, to provide timely access to management information and e-tender functionality and to facilitate the implementation and compliance with contracts established.
- 6.2.7 *Commitment: The Service will investigate and implement, where appropriate, enhancements to its e-tendering procedures and systems.*
- 6.2.8 *Commitment: Access to the e-tendering portal will be given to all appropriate departments within GFRS and its use encouraged.*
- 6.2.9 *Commitment: The concept of opening up access to the information sharing portal, [www.eFireScotland.org.uk](http://www.eFireScotland.org.uk) to those outwith procurement will be investigated and implemented if appropriate.*
- 6.2.10 *Commitment: The pilot of procurement cards will be completed. If the pilot is deemed to be successful, the use of procurement cards will be rolled out to further personnel within GFRS.*
- 6.2.11 *Commitment: The concept of implementing a complete e-procurement solution will be investigated, including a cost/benefit analysis.*

### 6.3 Training and Development

- 6.3.1 Grampian Fire and Rescue Service takes seriously its responsibilities with regard to the ongoing training and development of all its personnel, including staff involved with procurement. Within procurement we have one fully qualified member of staff (MCIPS) and another has achieved Level 4 Foundation Diploma and is working towards MCIPS. In addition, a third member of staff has gained NVQ Level III in procurement. Ongoing professional development is undertaken in order to ensure that skills are maintained and enhanced wherever possible.
- 6.3.2 The Service is in the process of putting in place a Delegated Purchasing Authority scheme. This will ensure that only staff who have received an appropriate amount of training will have the ability to commit budget and place orders on behalf of GFRS.
- 6.3.3 It is recognised that, key to the implementation of any new systems or policy, there has to be an understanding amongst stakeholders of the reasoning behind such action. A training programme will require to be undertaken to ensure that all relevant staff are aware of their responsibilities. This will be undertaken by the Contracts and Procurement department.

- 6.3.4 It is recognised that there is a popular misconception amongst companies, particularly small companies, that public sector bodies can be difficult to deal with and that communications are poor. As a result of this it is recognised that an important aspect of the role of the Contracts and Procurement department is to provide guidance and advice to both client departments and to all stakeholders.
- 6.3.5 The Contracts and Procurement department will continue to further develop its library of informative guidance. These will be publicised internally, and also be available to external stakeholders.
- 6.3.6 GFRS will seek to engage with both its internal and external stakeholders in a number of ways. Whilst not an exhaustive list, it is anticipated that these will include:
- Regular meetings with all personnel involved with procurement, at whatever level within the organisation.
  - Increased use of Grampian Fire and Rescue Service's Buyer Profile on the e-tendering website.
  - Increased use of [www.eFireScotland.org](http://www.eFireScotland.org) as a means to share information.
  - Attendance at relevant organised events to meet with suppliers.
- 6.3.7 *Commitment: Grampian Fire and Rescue Service will continue to invest in its personnel, in particular with regard to their ongoing professional development and appropriate training opportunities.*
- 6.3.8 *Commitment: A Delegated Purchasing Authority scheme will be implemented. Relevant staff will be trained in appropriate procurement practices. Where necessary an appropriate authorisation level will be given.*
- 6.3.9 *Commitment: The Contracts and Procurement department will engage with internal departments, sectoral and cross-sectoral colleagues. In addition the department will seek to engage with suppliers and potential suppliers, in particular those classed as SME's.*
- 6.3.10 *Commitment: The Procurement Guidance Series of documents will be reviewed and published. In addition, relevant documents will be made available to Tenderers as part of the tender process.*

#### 6.4 Efficiency and Measurement

- 6.4.1 Every public sector organisation should have a formal programme of procurement efficiency measurement and management. In the McClelland Report it was noted that every procurement programme should measure the effectiveness of procurement in terms of the results achieved, and that the reported information should rely heavily on key performance indicators.
- 6.4.2 The Scottish Government are in the process of putting in place Best Practice Indicators for use by the Scottish public sector. These are to be used to measure the effectiveness of procurement.
- 6.4.3 Grampian Fire and Rescue Service always awards contracts based on the "most economically advantageous tender" submission. We always ensure transparency and openness in our tendering procedures, both internally and to successful and unsuccessful suppliers.
- 6.4.4 The evaluation model utilised by Grampian Fire and Rescue Service has been adopted by many other Scottish Fire and Rescue Services. Both it and the evaluation practices undertaken by Scottish Fire and Rescue Services have been praised by suppliers for their fairness and transparency.

- 6.4.5 It is recognised, however that more robust measures require to be established for the management of contracts once tendering has been undertaken and they are in place.
- 6.4.6 *Commitment: Grampian Fire and Rescue Service will adopt, as standard, the Best Practice Indicators produced by the Scottish Government, and will undertake to ensure that these are available for audit purposes.*
- 6.4.7 *Commitment: The Contracts and Procurement department will, at all times, adopt a professional approach in all its business undertakings both with suppliers and client departments. Procurement decisions will be open, transparent and supported by relevant documentation. In addition, full information will be made available, within the limits of existing legislation, to any successful or unsuccessful tenderer, as part of a debriefing process.*
- 6.4.8 *Commitment: The Contracts and Procurement department will continue to utilise and where possible further enhance its tender evaluation processes. This will include procedures for evaluating Pre-Qualification Questionnaires and practical testing of proposed goods.*
- 6.4.9 *Commitment: Grampian Fire and Rescue Service will put in place a policy for Contract Management. Each contract entered into by the Service will be managed and monitored in a way appropriate to both the scale and criticality of the goods/service being provided.*
- 6.5 Responsibility
- 6.5.1 Grampian Fire and Rescue Service recognises that its activities have an impact on the economic, social and environmental aspects of the community in which it exists and beyond and that it requires to take account of these factors in the acquisition of goods, materials and services.
- 6.5.2 The Contracts and Procurement department is conscious that its procurement proposals and decisions must take into account the social, economic and environmental impact that the procurement of goods and services has on people and communities, including taking into account what products are made of, where they have come from, who has made them, how they are transported and how they are eventually disposed of. Consideration is even given as to whether the purchase requires to be made at all.
- 6.5.3 Grampian Fire and Rescue Service was instrumental in a collaborative project to develop a Corporate Social Responsibility Policy directly relating to procurement activities for the Scottish Fire and Rescue Service. This document was adopted by all Scottish Fire and Rescue Services. The policy and its supplementary action plan are still valid, but do require to be reviewed and enhanced where possible.
- 6.5.4 *Commitment: The Contracts and Procurement department will take into account corporate social responsibility considerations in its procurement of goods and services for Grampian Fire and Rescue Service and any partner organisations.*
- 6.5.5 *Commitment: The Contracts and Procurement department will try to ensure that all acquisitions made by Grampian Fire and Rescue Service have a minimum impact on the environment.*
- 6.5.6 *Commitment: A review of the Corporate Social Responsibility policy will be undertaken.*
- 6.5.7 *Commitment: GFRS will try to ensure that all its suppliers already have, or will develop, their own Corporate Social Responsibility policy and will maintain standards*

*throughout their supply chain that promote appropriate standards regarding legal, ethical, environmental and social issues.*

## **7 Summary**

- 7.1 The first Grampian Fire and Rescue Service Procurement Strategy (2005-2008), had the objective of attempting to “secure effective procurement through the application of good management and practices, thereby achieving best value from all non-salary related expenditure, both in terms of capital and revenue.”
- 7.2 In embracing the aims of that first strategy, the Contracts and Procurement department has created a firm foundation on which to build. Through this GFRS can begin to meet its obligations towards the recommendations contained within the McClelland Report.
- 7.3 The Procurement Strategy for 2008 – 2012 gives the Service an opportunity to build upon that foundation. In doing this we have an opportunity not only to meet our obligations as outlined within the McClelland Report, but to face the challenges anticipated as a result of the continued expansion of the e-Agenda and collaboration, both sectoral and national.

**GRAMPIAN FIRE AND RESCUE SERVICE  
PROCUREMENT STRATEGY 2008-2012  
ACTION PLAN**

THEME	COMMITMENT	TARGET COMPLETION DATE
<b>Collaboration</b>	<i>Where such arrangements represent a clear benefit to Grampian Fire and Rescue Service, the Contracts and Procurement department will seek to strengthen collaborative relationships with both National and Sectoral Centres of Expertise and any other relevant organisation or body in a bid to secure Best Value for the Service.</i>	<b>Ongoing</b>
	<i>Contracts will be monitored to ensure that there is full contract compliance and any incidents of off-contract buying, which are brought to the attention of Contracts and Procurement, will be investigated.</i>	<b>Ongoing</b>
<b>The e-Agenda</b>	<i>The Service will investigate and implement, where appropriate, enhancements to its e-tendering procedures and systems.</i>	<b>31/03/12</b>
	<i>Access to the e-tendering portal will be given to all appropriate departments within GFRS and its use encouraged.</i>	<b>31/12/09</b>
	<i>The concept of opening up access to the information sharing portal, <a href="http://www.eFireScotland.org">www.eFireScotland.org</a> to those outwith procurement will be investigated and implemented if appropriate.</i>	<b>31/12/09</b>
	<i>The pilot of procurement cards will be completed. If the pilot is deemed to be successful, the use of procurement cards will be rolled out to further personnel within GFRS.</i>	<b>30/06/08</b>
	<i>The concept of implementing a complete e-procurement solution will be investigated, including a cost/benefit analysis.</i>	<b>31/03/12</b>
<b>Training and Development</b>	<i>Grampian Fire and Rescue Service will continue to invest in its personnel, in particular with regard to their ongoing professional development and appropriate training opportunities.</i>	<b>Ongoing</b>
	<i>A Delegated Purchasing Authority scheme will be implemented. Relevant staff will be trained in appropriate procurement practices. Where necessary an appropriate authorisation level will be given.</i>	<b>30/09/08</b>

	<i>The Contracts and Procurement department will engage with internal departments, sector and cross-sectoral colleagues. In addition the department will seek to engage with suppliers and potential suppliers, in particular those classed as SME's.</i>	<b>Ongoing</b>
	<i>The Procurement Guidance Series of documents will be reviewed and published. In addition, relevant documents will be made available to Tenderers as part of the tender process.</i>	<b>31/03/10</b>
<b>Efficiency and Measurement</b>	<i>Grampian Fire and Rescue Service will adopt, as standard, the Best Practice Indicators produced by the Scottish Government, and will undertake to ensure that these are available for audit purposes.</i>	<b>31/03/09</b>
	<i>The Contracts and Procurement department will, at all times, adopt a professional approach in all its business undertakings both with suppliers and client departments. Procurement decisions will be open, transparent and supported by relevant documentation. In addition, full information will be made available, within the limits of existing legislation, to any successful or unsuccessful tenderer, as part of a debriefing process.</i>	<b>Ongoing</b>
	<i>The Contracts and Procurement department will continue to utilise and where possible further enhance its tender evaluation processes. This will include procedures for evaluating pre-qualification questionnaires and practical testing of proposed goods.</i>	<b>Ongoing</b>
	<i>Grampian Fire and Rescue Service will put in place a policy for Contract Management. Each contract entered into by the Service will be managed and monitored in a way appropriate to both the scale and criticality of the goods/service being provided.</i>	<b>31/03/09</b>
<b>Responsibility</b>	<i>The Contracts and Procurement department will take into account corporate social responsibility consideration in its procurement of goods and services for Grampian Fire and Rescue Service and any partner organisations.</i>	<b>Ongoing</b>
	<i>The Contracts and Procurement department will try to ensure that all acquisitions made by Grampian Fire and Rescue Service have a minimum impact on the environment.</i>	<b>Ongoing</b>
	<i>A review of the Corporate Social Responsibility policy will be undertaken.</i>	<b>31/03/10</b>
	<i>GFRS will try to ensure that all its suppliers have, or will develop, their own Corporate Social Responsibility policy and will maintain standards throughout their supply chain that promote appropriate standards regarding legal, ethical, environmental and social issues.</i>	<b>31/03/11</b>