



**Essex County Fire and Rescue Service  
Procurement Strategy  
2022/23**

Last updated 28 July, 2022



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## 1. Introduction

Essex County Fire and Rescue Service is one of the largest fire and rescue services in the country, serving 1.8 million residents. The Service is governed by Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (hereafter referred to as the Authority). The Service's vision is "Safe and secure communities are the bedrock on which we build success and wellbeing for all", supported by the mission "To make Essex a safe place to live work and travel".

The Procurement department have set the following supporting vision: **"To procure goods and services to meet the needs of Essex County Fire and Rescue Service, whilst providing value for money and compliance to all applicable procurement legislation and internal governance arrangements"**.

The purpose of this Procurement Strategy is to inform suppliers and interested parties of the key principles that drive our procurements and to provide a governance framework for procurement activity throughout the Authority whilst adhering to procurement regulations.

The section titled "Our Action Plan" provides examples to illustrate our plans for the future and commitment to continuous improvement.

This Strategy will be further updated in 12 months time giving time after a period of transition to category management to embed the requirements of this document. The Strategy will be periodically reviewed to ensure continued relevance to the priorities of Essex County Fire and Rescue Service.

## 2. Background

The primary role of a procurement team is to purchase goods and services for the organisation with an optimum balance between cost and quality – achieving real value for money.

Value of money is defined by the Chartered Institute of Procurement and Supply as:

**'The most advantageous combination of price and quality that makes a product or service fit for purpose and will achieve the buyer's required outcomes. This needs to be reviewed in terms of whole life costs.'**

The Authority recognises the importance of a professional procurement department which provides effective support, structure and guidance in regard to the compliant purchasing of goods, services and works, in October 2021 the Authority embarked on a procurement department transformation which has resulted in the Authority adopting a category management approach.

Category management is defined by the Chartered Institute of Procurement and Supply as:

**'Category Management is a strategic approach to procurement where organisations segment their spend into areas which contain similar or related products enabling focus opportunities for consolidation and efficiency.'**

A structured Category Management approach will enable the procurement team to carry out proactive planned commercial activities and help to generate savings, improve supplier performance, reduce supply risks and drive innovation and continuous improvement.



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The procurement team consists of three Category Managers, one for each main spend area, namely, Property and Facilities Management, Information Communication Technology (ICT) and Corporate/Operations (including Fleet). A category taxonomy has been provided in Appendix 1.

The Category Managers manage the full end to end procurement process including developing category strategies, market analysis and supplier relationship management for major/critical category spends. A Procurement Support Assistant supports the Category Managers and deal with day-to-day procurement activity.

The Authority's non-pay expenditure for goods, services and works is approximately £19m per annum. This can be broken down per category by estimated spend per category per annum as follows:

- Property and Facilities Management - £7m
- ICT - £3m
- Corporate/Operations (including Fleet) - £9m

As a public body we are subject to the Public Contract Regulations 2015 (PCR 2015), adopted into UK law following the UK's exit from the EU. The regulations require us to ensure all suppliers are treated equally and without discrimination, and to act in a transparent and proportionate manner without artificially distorting competition. PCR 2015 is currently being streamlined and replaced with one set of rules for all public sector contracts and this expected to come into force mid-2023, the Authority will transition and work to the new legislation as required.

Our Financial Regulations provide a robust governance framework, ensuring all procurement activity is conducted in a fair, open, transparent and compliant manner whilst ensuring value for money is achieved.



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### 3. Procurement Procedures

The full procurement procedures are detailed in the Police, Fire and Crime Commissioner Fire and Rescue Authority Constitution. The aim of the procedures is to achieve for the Commissioner the best value obtainable in the market (recognising the need to balance quality and whole life cost) with full accountability, but without disproportionate procedural and procurement costs.

A brief overview of the procurement route according to financial threshold and approval limits is provided in Appendix 2.

The Authority must demonstrate that it is achieving value for money for the goods and services it receives. It should look to improve its commercial practices including whether it can aggregate its procurement with other fire and rescue authorities and local services (e.g. Police) in order to achieve efficiencies as set out in the Fire and Rescue Plan 2020-2024.

The procurement team procure a wide variety of goods, works and services from a range of suppliers and contractors, the nature of a fire service makes it vital that we meet the 5 Rights of Procurement: right quality, right quantity, right place, right time and right price.

Contracts are awarded on the principle of the 'most economically advantageous tender' (MEAT) which is a balance between cost and price. The quality of supplies and services can be critical to the wellbeing of our firefighters and safeguarding the public. It is imperative that the Authority can respond to emergency situations rapidly and without any failures in processes, systems, supplies or equipment. Procurement may award a contract other than to the financially first ranked bidder (i.e. lowest price) when the procurement process has placed a greater emphasis on quality over price which is acceptable for operational critical supplies or services.

A Contracts Register is maintained and holds details of all procurement contracts across the Authority, this is regularly updated and can be accessed by the transparency website [Transparency Overview \(essex-fire.gov.uk\)](https://www.essex-fire.gov.uk/transparency-overview). The Category Managers will also maintain a contracts pipeline and will work with stakeholders to ensure that all procurement activity is tracked and managed to ensure a proactive approach and so that procurement can meet all forthcoming tendering requirements of the Authority in a timely manner.

The estimated value of the procurement will determine which procedures are permitted under PCR 2015 and our internal Financial Regulations. Prior to undertaking a procurement exercise Category Managers will evaluate all options to identify the most suitable route to market. This will include engagement with stakeholders, suppliers (where relevant and able to do so) and assessment of collaboration opportunities. The procurement team will always look for opportunities to collaborate with other public sector authorities wherever it is feasible and deemed value for money to do so.

Procurement will look to explore and develop opportunities to collaborate as required and as one of the Priorities of the Fire and Rescue Plan. Collaboration will be explored for all tender opportunities where we can share learning, achieve greater value for money and/or efficiency savings. We will work with the National Fire Chiefs' Council (NFCC) and other bodies, for example Blue Light Commercial, local authorities and 7 Force Commercial Services, to share and implement best practice.

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Procurement will give consideration to pre-tendered frameworks that are already in place and provide the best value for money procurement route. A framework is defined by Crown Commercial Services as:

**A framework comprises a description of common public sector requirements, a list of suppliers who have been evaluated as capable of delivering the requirements, and standardised contract terms. Frameworks are often divided into Lots, typically by product or service type.**

The frameworks that are most frequently used by the Authority include but are not limited to:

- The National Fire Chiefs Council network;
- Crown Commercial Services (CCS);
- Eastern Shires Purchasing Organisation (ESPO);
- Yorkshire Purchasing Organisation (YPO); and
- Essex Procurement Hub.

Procurement will always review all suitable and appropriate frameworks to provide the best value for money for the Authority.

Some of the benefits of using frameworks are as follows:

- Reduced procurement lead times;
- The use of frameworks is compliant with PCR 2015;
- Can offer better value of money due to the combined buying power of the public sector;
- Provide an opportunity for collaboration across the public sector;
- Many have pre-agreed terms and conditions; and
- Framework suppliers have already been checked and approved in line with the requirements of the PCR 2015.

Where framework agreements exist but are not suitable to be utilised the procurement team will use another route to market available dependent on the value of the contract and in accordance with PCR 2015 and the Financial Regulations, namely:

- Utilising a purchasing card for low value, low risk, one off spend;
- Obtaining a minimum of 3 quotes;
- Advertising appropriately on Contracts Finder and/or Find a Tender;
- Using Dynamic Purchasing Systems; and
- Using E-Catalogues.

The chosen procurement route will be compliant, yet appropriate and proportionate dependent on the contract value and risk. Procurement must ensure that contracts are flexible to take into account the changing shape and scope of the fire service, our Integrated Risk Management Plan, the relevant Annual Plan and the Fire and Rescue Plan. Terms and conditions must protect the interests of the Authority, whilst being appropriate for the nature and size of the procurement.

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## Savings

Procurement will actively look for savings in all procurement activity and will track savings as follows:

- Negotiated reduction in price;
- Quote lower than budget or incumbent supplier;
- Cost avoidance;
- Efficiency / Process saving;
- Volume / Scope reduction;
- Sourcing or Developing with the supplier a different quality item (a change in specification that still meets the requirements) at a reduced cost;
- Improved performance – obtained more value in relation to the defined baseline for the same cost where this can be defined in financial terms – for example obtaining spare parts for a piece of equipment free of charge and
- Rebates.

Procurement will work with stakeholders across the Authority to identify areas where savings can be achieved, this will help inform the Medium Term Financial Strategy.

## 4. Contract Management

Contract Management enables the Authority and its suppliers to meet their contractual obligations at an agreed cost and quality by monitoring the contract throughout its lifecycle. Circumstances may change over the life of a contract, so contract management also involves managing changes and variations in terms of scope, terms, and price. It also enables appropriate forward planning to ensure that the Authority achieves its objectives that have been set out from the procurement process and incorporated into the signed contract in a structured way in compliance with the law and Authority rules.

The Procurement team will work to the Contract Management policy which defines the full contract management lifecycle.

### **Contract Management (CM) vs. Supplier Relationship Management (SRM)**

Contract management will focus on the operational and day to day elements of the contract such as performance, KPIs and dispute escalation whereas SRM will focus on the *commercial* aspects and the overall relationship of the service provider relationship.

The operational elements will be managed by the operational stakeholders or assigned Contract Manager and the commercial elements managed by the Category Managers. This is not mutually exclusive, and Category Managers and Contract Managers will maintain a good working relationship to enable overall positive and pro-active contract management with its service providers.

The effective management of contracts with service providers is essential to the Authority achieving its objectives.

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## **5. Procurement Principles**

### **Sustainable Procurement**

Sustainable procurement means taking into account the wider social, economic and environmental impact when buying the goods, works and services needed by the Authority, whilst still achieving value for money. The Authority recognises its responsibility to carry out procurement activities in an environmentally and socially responsible manner.

### **Social Value**

Compliance with the requirements of the Social Value Act 2012 is mandatory and requires the Authority to take into account economic, social and environmental well-being in connection with public sector contracting arrangements (where appropriate).

The Authority acknowledges the importance of Social Value in the procurement process. It is recognised that by embedding Social Value into procurements (where appropriate) can deliver key benefits such as better value for money, an increase in local spend and local employment, opportunities for disadvantaged people, promote a more responsible supply chain and build stronger more resilient communities.

### **Modern Slavery**

It is the policy of the Authority to conduct all of its business in an honest and ethical manner. The Authority takes a zero-tolerance approach to modern slavery and human trafficking and is committed to acting ethically and with integrity within all its dealings and relationships. This includes implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its own organisation or in any of its supply chains.

The Modern Slavery Policy and Statement can be found on our website.

### **Equality and Diversity**

Procurement will be transparent, open and accessible in all of our procurement activity as documented in the Fire and Rescue Plan 2020-2024. Procurement will ensure that we promote equality and diversity throughout the procurement process and supply chain.

In accordance with the Principles of Procurement detailed in the PCR 2015, the Procurement team will:

- Treat economic operators equally and without discrimination and shall act in a transparent and proportionate manner.
- The design of the procurement shall not be made with the intention of exclusion from the scope or artificially narrowing competition.
- Not unduly favour or disadvantage certain economic operators.



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## **Data Protection**

The Authority must comply with all relevant data protection law. It's Data Protection Policy sets out how the Authority will protect personal data.

The Procurement team will work closely with the information Governance team and stakeholders to ensure that all procurements involving the storing, accessing, or otherwise processing of personal data have the correct contractual arrangements in place, including a Data Processing Agreement. In addition, a Data Protection Impact Assessment (DPIA) must be completed where required by law to ensure that any supplier storing, accessing, or otherwise processing personal data does so only as agreed with the Authority.

Procurement has a responsibility to highlight to the Information Governance team all procurement activities that involves the sharing or and/or processing of personal data.

## **Supply Chain Code of Conduct**

The Authority's Code of Conduct makes clear to employees the actions and behaviour expected of them when representing the Authority. The Authority strives to maintain the highest standards of employee conduct and ethical behaviour when operating and managing its supply chain and expects the same high standards of its supply chain.

The policy confirms that the Authority must conduct all of its business in an honest and ethical manner and takes a zero-tolerance approach to breach of its policies.

The Authority's Code of Conduct outlines the standard of conduct expected from suppliers working on behalf of ECFRS. The Supply Chain Code of Conduct highlights the specific values and principles which the Authority expect its supply chain to embrace and put into practice.

The full policy can be found on our website.

## **Business Continuity**

For those suppliers whose goods or services are considered to be risk critical, the establishment of procedures for business continuity will form part of the overall contract management process. Any measures established will be appropriate to the level of impact that any failure would have on the current provision.



## 6. Procurement Priorities and Action Plan

The priorities of the Procurement team are as follows:

- To have in place a fully functioning and skilled category team who will produce and regularly update and monitor category strategies and plans for each key spend area;
- To ensure transparency and visibility in all procurement activities;
- Demonstrate value for money and compliance to public contract regulations and our financial regulations;
- To Collaborate externally with other public sector authorities and internally with stakeholders to ensure early procurement involvement for all spend over £25k; and
- To include social value in tenders and contracts, where it is appropriate to do so.

Procurement will produce and share with the Senior Leadership Team (SLT) and the Police, Fire and Crime Commissioner (PFCC) a monthly report detailing the areas listed above to demonstrate commitment and ongoing achievement of our key priorities. The report will also provide an update on the progress of audit actions assigned to the department.

Procurement has set the following short and medium term actions which are each linked to the priorities above.

Ref	Action	Definition of Done
<b>Short term - up to 31 March, 2023</b>		
1	All category management team resource in place	All members of the team have been recruited and are in post
2	Implement category management approach	Category Managers starting to produce category strategies and plans
3	Formally develop pipeline to ensure awareness of forthcoming tenders	Pipeline structure finalised and population for each category area of upcoming procurements complete
4	Ensure the contracts register is up to date with all procurements contracts across the Authority	All procurement contracts saved in Delta (Procurement E-System)
5	Update the procurement section on website	Website updated with the new procurement and policy information
6	Procurement dashboard reporting in place	The dashboard is set up to provide meaningful spend data across the Authority and procurement activity. All team members will utilise the dashboard to assist with category plans. The dashboard is used to support the monthly procurement report for the SLT & PFCC

Ref	Action	Definition of Done
7	Social Value introduced into new and appropriate Facilities Management Contracts	All new Facilities Management contracts to include social value where appropriate to do so. Where it has not been included the rationale is to be stated in the Regulation 84 report for that particular tender
8	Savings methodology defined and savings/efficiencies captured	Central savings register to log all savings to an agreed methodology, including efficiencies and collaborative procurements
9	Contract Management policy rolled out	Policy finalised and signed off. All procurement team members aware of the policy requirements and commence
10	Procurement policies updated	The following policies to be updated and published; Modern Day Slavery, Supply Chain Code of Conduct & Sustainable Procurement
11	Contribute to key collaboration forums	Procurement representatives contribute to meetings and follow up resultant actions with our regional fire and rescue services, 7 Forces Commercial Services and Procurement Alliance for Essex (local authorities and housing associations in Essex)
12	Complete gap analysis of current procedures against the new public procurement regulations	Complete gap analysis of current procedures against the new public procurement regulations

#### Medium term – up to 31st March 2024

13	Update and review the procurement strategy to ensure compliance with the Strategy and requirements are being embedded across the Authority by Category Managers	Update Strategy as required and ensure that all Category Managers understand and are working to the requirements of the strategy
14	Pipeline to include assumed savings/benefits	Pipeline data to include savings/efficiencies for all upcoming tenders, where applicable. This visibility records a confidence factor of potential savings as the procurement moves through various stages of the procurement process

Ref	Action	Definition of Done
15	Update website/intranet/policies/procedures with the new public procurement regulations	Following the release of the updated procurement regulations to ensure all procurement documentation is updated as required
16	Join the NFCC cleaning collaboration procurement	To participate in the national cleaning framework when available from the NFCC if appropriate
17	Review resourcing of the new structure to ensure future proofing and resilience	Review and provide options for future proofing and resilience of the team
18	Measuring procurement feedback, internally and externally	Obtain feedback from stakeholders and suppliers and act on the outcomes to drive continuous improvement
19	Setting of Category Manager savings targets	Each Category Manager to have their own set savings target and will pro-actively working towards achievement of said target
20	Pro-actively manage supply base, seeking consolidation and reduction in the number of suppliers	Reduction in number of suppliers used reported on the Procurement Dashboard
21	Identify and address off contract spend	Increased contract spend value reported on procurement dashboard
22	Celebration of successes	Nominations / entries for procurement awards



## 7. Appendix 1 Category Taxonomy

### Property/FM/Construction

#### Mechanical & Electrical Infrastructure & Testing

- Maintenance
- Lighting
- Generators
- Testing
- Lifts

#### Energy / Utilities / Environmental

- Electricity
- Gas
- Water
- Solar Equipment
- Water Meters

#### Access control

- Gates
- Security
- CCTV
- Installation
- Maintenance & Support

#### Building Fabric Maintenance

- Repairs
- Planned Maintenance

#### Facilities Management

- Property Management
- Cleaning Services
- Cleaning Products
- Laundry
- Carpet Cleaning
- Deep Cleans
- Barrier Mats
- Feminine Hygiene
- Catering Services
- Catering Equipment
- Grounds Maintenance Services
- Gritting / Snow Clearance
- Tree Surveys
- Waste Management & Recycling
- Confidential Shredding
- Furniture & Fittings
- Window Cleaning
- Pest Control

#### HVAC & Water Management

- Air Con
- Heating
- Water Hygiene & Monitoring

#### Health & Safety

- Asbestos Management
- Fire Safety
- Alarms
- Extinguishers
- PAT Testing
- Maintenance
- Legionella Testing
- Fixed Wire Testing
- Risk Assessments

#### Estates Professional Services (Consultancy)

- QS
- Architects
- Project Managers
- Cost Consultants
- Building Ratings
- Feasibility Studies
- Valuations
- Environmental Building Surveys

## Corporate/Ops/Fleet/Professional Services

### HR

- Temp Staff
- Consultancy
- Training
- Occupational Health
- Recruitment

### Finance / Legal

- Legal Services
- Insurance
- Pensions
- Spend Recovery
- Audit

### Fleet

- Vehicle Hire
- Vehicle Recovery
- Vehicle Purchase
- Vehicle Leasing
- Accident Repairs
- Vehicle Parts
- Fuel (Petrol / Diesel)
- Oil
- Maintenance
- Fuel Pump Maintenance

### Corporate

- Travel Management
- Office Supplies & Consumables
- Benefit Schemes ie. cycle to work, childcare vouchers
- Advertising
- Marketing
- Postal Services
- Print Services
- BUPA
- Ceremonies
- Conference/Seminars
- Subscriptions / Memberships
- Events
- Community Engagement
- Hospitality / Entertaining
- Occupational Health
- Printing
- First Aid
- Health & Safety

### Uniforms & Equipment

- Clothing
- Footwear
- Specialist Equipment
- Storage
- Breathing Apparatus
- Equipment Calibration
- PPE
- Operational Equipment Purchase & Maintenance
- Tools & Light Equipment
- Fitness Equipment
- Machinery & Plant

## ICT

### Devices

- Laptops
- Mobiles
- Tablets
- Servers
- Fixed Phone Handsets

### Projects

- Ad Hoc Projects
- Building Re-Locations

### Systems & Applications

- New Systems & Applications

### Networks

- WAN
- LAN

### Software

- Licences
- Support & Maintenance
- Renewals

### Telephony

- Fixed Phone System
- Mobile Phone Network
- Maintenance

## 8. Appendix 2 Procurement Procedures

Route to Market	Value of Spend (excluding VAT)
Minor Procedure – direct award to a supplier on the Approved Suppliers List	Up to £5,000
Competitive Procedure – request for a minimum of 3 quotes	£5,000 - £25,000
Competitive Procedure – request for a minimum of 3 quotes (must be conducted with the procurement team)	£25,000 - £50,000
Formal Tender advertised on Contracts Finder (goods and services)	£50,000 - £177,000
Above Threshold Formal Tender advertised on Find a Tender & Contracts Finder (goods and services)	£177,000 +
Formal Tender advertised on Contracts Finder (works)	£50,000 - £4,447,447
Above Threshold Formal Tender advertised on Find a Tender & Contracts Finder (works)	£4,447,447 +

*The use of appropriate Frameworks or Dynamic Purchasing Systems is acceptable at any value of spend*

Authority Levels for Signing Contracts	
Total Contract Value	Authority to sign the contract
Up to £25,000	Category Managers
£25,000 - £100,000	Category Procurement Manager
£100,000 - £249,999	CFO-CEO or Chief Finance Officer
£250,000+	Police, Fire and Crime Commissioner or their Deputy. CFO-CEO or Chief Finance Officer when written approval to do so has been provided

## Authority Levels for authorising Purchase Orders

Authorisation of budget by	Budget limit	Secondary Procurement Approver (ensuring the financial regulations & PCR 2015 have been adhered to)
Staff with procurement responsibilities delegated to them by a Budget Holder	Up to £5,000	Administrator Assistant
Budget Holders	Up to £25,000	Category Manager
Category Procurement Manager	Up to £100,000	Category Procurement Manager
Principal Officer	Up to £249,000	CFO-CEO or Chief Finance Officer
Chief Fire Officer or Chief Finance Officer	£250,000+	Police, Fire and Crime Commissioner or their Deputy. CFO-CEO or Chief Finance Officer when written approval to do so has been provided

