WEST MIDLANDS FIRE SERVICE

Making the West Midlands Safer, Stronger and Healthier
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# West Midlands Fire Service

Case Study: Framework Agreement for Smoke Alarms and Associated Products for UK Fire and Rescue Services

## **Background**

UK Fire and Rescue Services (FRS's) supply and fit smoke alarms as part of Safe and Well visits to vulnerable and elderly members of community. Previously FRS's have purchased smoke alarms via The Consortium and YPO Framework Agreements. The Consortium Framework Agreement ended June 2017 and the YPO Framework is due to end March 2019.

In December 2016 the NFCC's Fire Commercial Transformation Programmes (FCTP) Strategic Commercial Board (SCB) agreed that a sector led Framework Agreement was the preferred procurement route to replace the Consortium agreement. The decision was mainly based upon the ability to save the management fee of 2% currently associated with any of the existing Professional Buying Organisation Frameworks. It was estimated that this could equate to approximately £400K over the life of the Framework. It was agreed that the procurement for Smoke Alarms was expected to be a "quick win" exercise and must address the 3 key themes of commercial transformation which are: -

- Standardisation of requirements
- Aggregation of volumes
- Strategic Management of the contract and suppliers

## **Process**

West Midlands Fire Service (WMFS) obtained expressions of interest in a sector led framework via CFOA Communities in August 2016. Twenty-seven FRS's responded positively to the consultation and confirmed that they would utilise the Framework. It was estimated that based upon the quantities required by the 28 FRS's (including WMFS) that the framework would have a value of £5m pa (£20m over 4 years).

Prior to developing the tender documents WMFS met with the main five known smoke alarm manufacturers to discuss their products, approach to service delivery, pricing structures and the research/development of future products.

The specification was developed by WMFS using information provided by the other 27 participating FRS's. The draft specification was then circulated for review and five FRS's asked for their specific requirements to be included. Where these requirements could reasonably be met by the market and did not conflict with the requirements of the other FRS's they were included. Although this is a multi-supplier framework there is a single standard specification that includes minimum criteria that all Suppliers comply with.

Due to the value of the procurement and as required by the Public Contracts Regulations the tender opportunity was published in the Official Journal of the European Union (OJEU) in January 2017 as an open procurement procedure. Bids were evaluated based upon the following criteria/weightings:

- 50% Price
- 45% Conformance to Specification
- 5% Social Value

The scored questions were evaluated by Community Safety and Procurement personnel from various Fire and Rescue Services.

## <u>Outcome</u>

The Framework Agreement went live from 1 June 2017 for a period of four years. To date (April 2018) forty-two FRS's have either called off from the framework or requested framework information for a future call off.

The Framework Agreement is split into three multi supplier Lots:

## Lot 1 Smoke Alarms:

Fireblitz Extinguisher Ltd

Sprue Safety Products Limited

Harmony Fire Limited

## Lot 2 Wireless Interlinked (Hearing Impaired) alarms and activating devices:

Sprue Safety Products Limited

Fireblitz Extinguisher Ltd

## Lot 3 Heat and Carbon Monoxide Alarms:

Fireblitz Extinguisher Ltd

Honeywell (Life Safety Distribution GmbH)

Aico Limited

Sprue Safety Products Ltd (Heat alarms only)

Harmony Fire Limited (Heat alarms only

Fire and Rescue Services can make direct call offs under the Framework Agreement. FRS's will be able to determine which Supplier's products best meet their requirements from the information made available to them from the pricing and quality evaluations. Both Sprue Safety Products and Fireblitz Extinguishers quoted one price without price-breaks enabling all FRS's to achieve the best price possible regardless of the order quantity.

The framework Agreement provides the following benefits to FRS's:

- Financial benefits:
  - In the first 10 months of the framework agreements £2.8m of orders have been placed
  - o £700k of savings have been achieved in the same period
  - Savings ranged from 2% to 32%
- Reduced resources and time required to access goods
- No requirement for further competition
- A multi-supplier framework that incorporates a single standard specification that includes minimum criteria that all Suppliers will comply with.
- Supplier Management Performance monitoring by WMFS to include return and failure rates, expenditure through the framework and social value delivered.

Based on current demand forecasts we anticipate cashable savings of £3m over the duration of the Framework Agreement. There will also be non-cashable savings as a result of simplified procurement processes meaning its easier and quicker for FRS's to access the products they require in compliance with legislation. In addition one Supplier on the

Framework Agreement has also offered a rebate of 0.25% of the orders placed towards community safety programmes as a social value commitment.

For further information on the Framework Agreement please contact Jacky Perkins, Senior Contracts Manager at: <u>jackie.perkins@wmfs.net</u>