



SCOTTISH

FIRE AND RESCUE SERVICE

Working together for a safer Scotland

# SFRS Procurement Strategy 2021/24

**Working together  
for a safer Scotland**







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# 1. INTRODUCTION

The Scottish Fire and Rescue Service (SFRS) is the world's fourth largest fire and rescue service committed to ensuring the safety and wellbeing of the people of Scotland. We are a national organisation delivering our front-line services locally and are funded by Scottish Government. We respond to many different emergency incidents including fire, road traffic collisions, rope rescue, water rescue, hazardous materials and flooding as well as assisting our partner agencies to keep our communities safe.

Our aspiration is that by working together for a safer Scotland, we can help reduce the incidence of fire and continue to play a key role in ensuring the safety and wellbeing of the people of Scotland.

This is the third procurement strategy since the formation of SFRS in April 2013. The previous strategies have provided the strategic direction to build capability to undertake SFRS's procurement activity in a compliant manner to meet both our strategic objectives and contribute to Scottish Government's national outcomes.

Procurement resource and capability has now successfully been developed and our performance reported through our published annual procurement reports. In 2019, SFRS was assessed by Scottish Government under the Procurement Commercial Improvement Programme (PCIP) and SFRS achieved the highest performance rating in line with peer organisations across the Scottish Government family.

This growing and evolving procurement maturity gives confidence to develop a more outward focused procurement strategy that responds to the wider challenges presented today and the aspirations of Scottish Government.

The world has changed significantly since the previous strategy was developed, three significant impacts influence this new procurement strategy; climate change, the COVID 19 global pandemic and EU exit. In addition, Scottish elections in May 2021 could lead to a further independence referendum which may impact future procurement strategy.

## Climate Change

Climate change is accelerating, impacting upon developed and resilient countries like Scotland. Global CO<sup>2</sup> emissions are continuing to rise causing climate

change to accelerate and intensify. The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019, which amends the Climate Change (Scotland) Act 2009, sets targets to reduce Scotland's emissions of all greenhouse gases to net-zero by 2045 at the latest, with interim targets for reductions of at least 56% by 2020, 75% by 2030, 90% by 2040.

SFRS recognises the impacts of climate change in terms of its activities in responding to severe flooding events, increasing scale of wildfires, cold weather events and more intense storms resulting in infrastructure damage.

SFRS also has a part to play in reducing carbon emissions and has issued its own [climate change response plan](#) with a target of 6% annual reductions in carbon emissions.

## COVID-19 Global Pandemic

The devastating impact of COVID 19 across the world in 2020 remains a challenge for all countries. In December 2020, the commencement of Covid 19 vaccines across the UK offer the prospect of recovery in the future. The economic and social impacts from the pandemic will however continue to impact public finances, employment, economic output, education, environment, travel, mental health and well being impacting vulnerable members of our communities and potentially increasing inequalities.

## EU Exit

The UK is no longer a member of the European Union and the agreement of a Free Trade Agreement in December 2020 will redefine the relationship with the EU. The key public-sector procurement principles of fair and equal treatment will remain but procedurally how public-sector procurement activity is advertised and conducted will change and the legislation used will be amended. It is anticipated that legislative change will occur both at UK and Scottish Government level over this strategy period.

## Scottish Independence

The political landscape for Scotland is potentially changing with the Scottish elections in May 2021 which could lead to a further independence referendum. At this stage it is too early to determine whether there will be a referendum or the subsequent impact on this three-year procurement strategy. This procurement strategy will be reviewed and updated annually to reflect any legislative changes.

# 2. STRATEGIC CONTEXT: SCOTTISH GOVERNMENT AND SFRS

The economic outlook post Covid 19 remains challenging and uncertain, Scottish Government recently published an [economic recovery plan post Covid 19](#). The near term focus for many organisations will be to recover from the global pandemic, however it is important it is a sustainable recovery that reduces inequalities and provides a pathway for a more prosperous Scotland. SFRS recognises that as a public body we aim to support and contribute to the achievement of the 11 National Outcomes stated within the [National Performance Framework](#).

## National Performance Framework

Public sector procurement has a vital role to play in improving national outcomes post the global pandemic.



Diagram 1: National Performance Framework Diagram

**Public sector procurement in Scotland**

Public sector procurement can use its annual spending power of £11Billion to procure goods, works and services that help improve national outcomes for Scotland’s economy, society and environment.

Public procurement is expected to contribute to climate change targets, and public bodies are required to report annually on how their procurement policies and activity have:

- contributed to carbon emissions reduction targets
- contributed to climate change adaptation
- acted sustainably

Specifically, how procurement activity is undertaken can be:

**Good for businesses and their employees**

Procurement contributes to a Fairer Scotland through paying promptly for goods and services and working to improve access to public contracts for SME’s the third sector and supported businesses.

**Good for society**

Through actively pursuing equality outcomes and embracing innovative approaches we can ensure our supply chains are fair and ethical.

**Good for places and communities**

With environmental considerations already at the heart of our sustainable procurement duty, our work delivers for communities and places across Scotland and takes local priorities into account.

**Open and connected**

Through our commitment to being more transparent about how we spend public money, we operate across organisational boundaries to deliver trusted public services, effectively managing within our collective resources.

SFRS is directly linked with the Communities National Outcome - We live in communities that are inclusive, empowered, resilient and safe”,

By undertaking our procurement activity and alignment of this strategy with Scottish Government direction and public sector procurement guidance we are also contributing to achieving other national outcomes.

- Economy - We have a globally competitive, entrepreneurial, inclusive and sustainable economy.
- Environment - We value, enjoy, protect and enhance our environment.
- Fair Work and Business - We have thriving and innovative businesses, with quality jobs and fair work for everyone”.

As well as alignment with Scottish Government it is important to link our procurement activity with the [Service’s own strategic plan](#) which is aligned with the [2016 Fire and Rescue Framework](#).

The Services strategy has been developed to achieve four main outcomes as described in the diagram on following page.



Diagram 2: SFRS Strategy Outcomes Diagram

# 3. PROCUREMENT STRATEGY 2021-24

The impacts of Climate change, COVID 19 and EU exit and the direction of Scottish Government demands a new procurement strategy that doesn't just build on previous but firmly resets how SFRS will deliver sustainable procurement over the next three years.

## Procurement that supports our strategic outcomes

SFRS's procurement activity is aimed at achieving SFRS outcomes in a manner which supports delivery against SG national outcomes. Procurement contributes to all of our strategic outcomes and can be demonstrated with some examples.

Strategic Outcome	Examples of how procurement contributes:
<b>Prevention</b>	<ul style="list-style-type: none"> <li>SFRS procured a contract for smoke detectors to meet new legislative requirements that come into force next year. The fitting of these detectors to protect our communities is targeted towards high risk homes and vulnerable members of our communities.</li> <li>SFRS continues to procure a new safe and well system which will enable the Service to conduct enhanced Home Fire Safety Visits designed to keep our communities safer.</li> </ul>
<b>Response</b>	<ul style="list-style-type: none"> <li>New appliances and equipment for emergency response will be specified to meet operational requirements but also to improve environmental impact where possible and invite suppliers to adopt fair working practices and improve sustainability through training and apprenticeships.</li> <li>Procuring a new Hard Facilities Management contract that will provide routine and planned maintenance of our station facilities.</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>Specifying a new People, Training Finance and Assets solution will deliver the next generation of systems that will enable the service to recruit, retain and develop our employees and manage our financial and physical assets.</li> </ul>
<b>Public Value</b>	<ul style="list-style-type: none"> <li>Procuring and installing solar panels and building heating controls at stations that reduce the Services energy consumption.</li> <li>SFRS has received additional funding to procure new electric vehicles and infrastructure that will change how SFRS undertakes both business travel but also how flexi duty officers respond to incidents. The infrastructure will be shared with other emergency services to build a wider national infrastructure.</li> </ul>

This procurement strategy articulates the direction and how we will undertake our procurement over the next three years. The diagram sets out the broad themes of this procurement strategy Sustainability, Value for Money, Enhancing Capability, Transparency, Governance and Risk



Diagram 3: Broad themes of Procurement Strategy Diagram

Whilst value for money and enhancing capability remain from previous strategy, Sustainability is expanded to include greater emphasis on carbon reduction and reducing environmental impacts. The governance of the procurement process will reflect the latest legislative framework post EU exit and will be more weighted to risk management. A new Transparency element is included to detail information that we will publish externally. An area of focus is to ensure the voice of the customer and suppliers is reflected in how our procurement processes operate to ensure procurement activity is both visible and trusted externally.



## 4. SUSTAINABILITY

SFRS has a duty under the Procurement Reform (Scotland) Act to consider sustainability. Sustainability is a broad area as indicated in the diagram above but also one that the Service can and does actively influence. All procurement activity will be undertaken in a sustainable manner that is relevant and proportionate to what is being procured. This means making sure the elements of sustainability are at the heart of how we procure works, goods and services. Adopting a sustainable procurement approach will drive additional economic, social or environmental value through our supply chains and lead to better overall value for money for the Service.

Sustainability will be built in to the procurement process at the earliest stage but also throughout the lifecycle of the work, goods or service. Tender specifications will include sustainability requirements and must be included in all regulated procurements. Sustainability will be an integral part of the evaluation criteria and must be at least 25% of the quality evaluation. Sustainability will be a key part of contract management and supplier development and will follow the templates in the procurement journey.

### Carbon reduction

In line with the SFRS Carbon Response Plan, Procurement can influence carbon reduction by procuring works, goods and services in a sustainable manner that reduce carbon emissions and encourage climate change adaptation.

As part of our commitment to sustainability we will seek to reduce CO2 emissions in all procured works, goods and services and where appropriate require ongoing management information from our suppliers on the CO2 emissions of works, goods and services that we use over their lifecycle.

We will also work in partnership with government to reduce our dependency on carbon fuels and reduce the environmental impacts.

### Accessibility for Small and Medium Size Enterprises (SME's)

SFRS recognises that SME's including third and fourth sector organisations can support economic growth and employment in Scotland and contribute to a wellbeing economy. SME's have the potential to offer new and innovative approaches especially within the fire sector. SME's already provide 36% of SFRS procurement spend and play a key role in our supply chain.



We acknowledge that SME's may have difficulty accessing and not fully understand the requirements they need to contract with public sector organisations including SFRS. SFRS along with all local authorities is an associate member of [Scottish Government's Supplier Development Programme](#). SDP facilitate events that bring together public sector organisations and SME's to improve accessibility and support supplier development, SFRS is actively working with SDP to encourage SME involvement in the procurement of our Hard Facilities Management tender next year. SFRS will continue to work with SDP by sharing our future procurement workplans and agreeing opportunities to encourage SME involvement in tenders especially within the fire sector. In addition, SFRS will attend "meet the buyer" and national events across Scotland to share experiences with suppliers and receive feedback on doing business with SFRS.

In addition, for works contracts, SFRS is required to consider project bank accounts for projects over £4million. SFRS has successfully introduced project bank accounts with a main contractor which is designed to pay sub-contractors at the same time as main contractors. We will continue to introduce project bank accounts and promote their use across public sector in conjunction with Scottish Government.

### Community Wealth Building

SFRS is currently engaging through our Local Senior Officers (LSO's) as part of our partnership working with local authorities to support [Community Wealth Building Projects](#). Progressive procurement is a core principle to help develop local supply chains of businesses likely to support local employment and keeping wealth in communities. Procurement will actively support LSO's to provide subject matter expertise as part of these projects.

### Supported Business

Supported businesses are social enterprises whose main aim is to integrate disabled or disadvantaged people socially and professionally. Their workforce must be at least 30% disabled or disadvantaged. SFRS currently has contracts in place with supported businesses and will continue to offer opportunities to supported businesses where they can meet SFRS requirements through the [Scottish Government's supported business framework](#). SFRS has a supported business champion and will actively encourage the use of supported businesses where possible. Most recently SFRS contracted with Haven to produce the uniform for our Youth Volunteer Scheme which was funded by Scottish Government.

### Fair Work First

SFRS contributes towards its Sustainable Procurement Duty by adopting a policy to promote fair working practices in relevant procurement contracts. SFRS recognises that inviting suppliers to adopt fair working practices will reduce inequalities and develop a more inclusive and sustainable society. SFRS will develop our requirements further to include adoption of [Fair Work First](#) elements including channels for effective voice, investment in workforce development, no inappropriate use of zero hours contracts, action to tackle gender pay and payment of living wage in tenders where relevant.



A key factor in fair working first is seeking suppliers to adopt the living wage. SFRS is an accredited living wage employer and promotes the use of the living wage for relevant contracts. Most recently SFRS awarded a contract for the laundry and maintenance of personal protective equipment (PPE) for firefighters. The new contract confirmed living wage will be adopted by the supplier which is an improvement on current contract provision.

### Equality and Diversity

Under the Equality Act Scotland (2010), SFRS has a public sector equality duty to consider equalities and this applies to the procurement process. SFRS considers equality and diversity as part of the procurement process when developing commodity strategies with the User Intelligence Group (UIG)

consider requirements as part of the specification. For example, for the SFRS's PPE contract the differing requirements between males and females and also religious beliefs was included in the requirements and the PPE under the contract reflects these needs.

To improve consideration of equalities we will mandate the development of an equalities impact assessment at a category level (ICT, Fleet, PPE, Equipment, Corporate and Facilities) Guidance on completion will be sought where appropriate from the SFRS Equality and Diversity Team and this will be referenced for subsequent commodity strategies and tender activity.

### Modern Slavery Act

SFRS is required to comply with the Modern Slavery Act 2015. SFRS will seek evidence of compliance with legislation from suppliers for all regulated procurements.

### Community Benefits

Community benefits are required as part of the Procurement Reform (Scotland) Act 2014 for contracts over £4million and where applicable include a contractual requirement on training, recruitment or sub contract opportunities or generally to improve the economic, social or environmental wellbeing of Scotland in addition to the main purpose of the contract.

In procuring works contracts SFRS policy requires community benefits to be considered routinely for all works contracts in excess of £1million. SFRS has been successful in ensuring suppliers offer a range of community benefits and as required by legislation this is reported in our [annual procurement report](#). SFRS will strengthen the commitment to community benefits by requiring community benefits to be reported using the Cenefits solution. This will enable anticipated community benefits to be tracked more efficiently and included as follow up in contract management meetings.

### Health and Safety

SFRS is committed to ensuring compliance with Health and Safety legislation and in doing so endeavours to provide safe places and safe systems of work. We will proactively involve our Health and Safety team in our procurement activity, with particular focus on identifying preventative measures based on their experience and organisational learning from previous health and safety



incidents. Health and Safety are included as stakeholders through the UIG process. In addition, procurement teams work proactively to ensure health and safety is considered and where appropriate seek input on specification.

### Procuring Fairly and ethically traded goods and services

SFRS supports Fair Trade initiatives and is a member of the Scottish Fair Trade Forum.

We will promote the use of fair trade (or equivalent) products across the service and raise awareness of fair trade amongst employees. We will, to the extent permitted by procurement legislation, account for



**Scottish  
Fair Trade  
Forum  
Member**

Fair Trade and similar initiatives in relevant procurement activity.

### Contracts involving food to improve health and well being

SFRS is committed to ensuring consideration of the highest level of animal welfare in relevant procurement activity and will follow relevant legislation and guidance to make sure that this occurs. We will take account of nutritional quality, health and wellbeing, minimising environmental impact such as packaging and sourcing when undertaking relevant procurement activity. In addition, we will promote the health, wellbeing and education of communities in relevant procurement activity.

### Flexible Framework

SFRS has adopted [SG's flexible framework tool for Sustainability](#). We will utilise the Flexible Framework to measure our level of performance and identify the actions required to embed good procurement practice to realise intended sustainable outcomes. We will seek to achieve level 3 on the flexible framework over this strategy period.





## 5. VALUE FOR MONEY AND EFFICIENCY

### Voice of the customer

A recent review of the procurement process with key stakeholders identified opportunities to further strengthen our approach. These improvements are being progressed to ensure our procurement activity is undertaken in the most efficient and effective manner and responds to customer needs. In addition, after each regulated tender process a customer satisfaction survey is completed to give feedback on the process undertaken. We will continue to engage with internal stakeholders to understand where improvements in the process could be made, wherever possible we will seek end user involvement in the process especially as part of the early market research phase. We will continue to revise our processes to be visible, customer centric and compliant with legislative requirements.

### Category Management

SFRS adopts a category management approach when planning and providing procurement resources to deliver procurement activity. This enables the efficient delivery of procurement activity and the opportunity to aggregate requirements and seek opportunities to collaborate, it also enables procurement professionals to gain greater market insight and better understanding of how the market operates and to build effective relationships with key stakeholders within Directorates who understand SFRS requirements.

To leverage this approach for each category we will develop overarching category strategies for Property, ICT, Fleet, PPE & Equipment, and Corporate. The category strategy will reflect customer feedback on previous tenders/contracts and lessons to be learned. It will detail through market research and engagement, the suppliers in the marketplace, supplier profiles, spend analysis, expected innovation, markets response to climate change and identify relevant areas of focus for sustainability. In addition, the Voice of the Supplier will be reflected and it will be a requirement to engage with the Supplier Development Programme (SDP) to both develop the market at a category level and improve accessibility for suppliers to SFRS. For each category a detailed equality impact assessment will be completed and agreed with Equality and Diversity team. Each category strategy will identify areas for savings and measure overall performance at a category level.

### Strategic sourcing and Innovation

SFRS sources goods and services from both large organisations that support many customers such as information technology, to smaller more niche fire related suppliers that operate across Europe and globally.

Innovation is one of the values of the Service and plays a key role in improving firefighter safety. Innovation is also required to decarbonising the activities of the service. Encouraging innovation is therefore critical when sourcing goods and services. For example, through collaboration and innovation with Transport Scotland and Scottish Enterprise SFRS is procuring the next generation of Low carbon appliances to seek to decarbonise how emergency response is undertaken in the future.

We will actively demand innovation in the procurement of goods and services especially where this improves sustainability and firefighter safety. SFRS will engage with the marketplace to secure innovation and will work with existing contracted suppliers to support research and development and trial products to give feedback to the market.

SFRS uses frameworks to reduce the time to procure goods and services especially when budgets and funding are set on an annual basis. These frameworks create the opportunity to collaborate with other public sector organisations and reduce the costs for suppliers in terms of qualification. A disadvantage is that some frameworks do not always consider fully sustainability and can reduce accessibility especially where the market place is small. In addition, frameworks may not always attract the best prices in the market as the level of spend at set up of the framework is estimated.

We will operate a blended approach to our sourcing using, where appropriate, frameworks that have been critically assessed to ensure they meet best value and sustainability considerations. Where possible we will place greater emphasis on developing our own contracts that encourage, innovation, greater competition and wider participation in particular from SME's, Third Sector and Supported Businesses. We will actively work with the Supplier Development Programme to highlight our procurement workplans and seek to develop a more sustainable marketplace for categories where niche fire related suppliers are prominent.

For works contracts we will continue to use [SCAPE](#) and will assess any alternative arrangements when these become available.

### Collaborative sourcing

We will primarily work with Scottish Government, and other public sector organisations in Scotland to identify opportunities to collaborate on specific procurement projects to secure additional benefits. SFRS is a member of Scotland Excel a purchasing consortium which includes all local authorities and we will continue to develop this relationship for commodity areas that are non fire specific and where aggregation of spend can leverage wider benefits and support sustainability.



We will continue to participate as a member of the National Fire Chiefs Council (NFCC), working collaboratively to develop and maintain a competitive marketplace for fire specific goods and services.



### Contract management

The contracts register will be used as an input to develop the three-year workplan, recognising contract expiry dates and permitted extensions. We will proactively work with contracted suppliers to ensure they deliver the value intended and where possible seek additional value in terms of sustainability.

Contract management requires significant resources to ensure contracts are meeting service expectations. SFRS has a defined contract management policy which is used to adopt a proportionate and tailored approach to contract management for suppliers reflecting the criticality of the supply or service.

For strategic suppliers a balanced scorecard approach is adopted which measures overall supplier performance in terms of Cost, Quality, Sustainability and Service. Achievement of community benefits or wider sustainability elements are measured where these have been included in contractual requirements.

Category leads will work with Directorates to review the contract management arrangements on a risk basis to ensure contracts are being managed to terms and meeting service expectations. We will report performance measures for all strategic contracts to our Good Governance Board.

### Supplier management

Supplies and services wherever possible will require an SFRS purchase or works order. In line with many organisations, SFRS is working towards both the receipt of all invoices electronically and a "no purchase order no pay" policy. Receipt of an electronic invoice is the default in our contracts and non-purchase order invoices requiring separate authorisation will be the exception.

We will commit to paying all invoices within 30 days of receipt of a valid electronic invoice with an SFRS order. SFRS sets payment terms as immediate, and undertakes to pay suppliers as early as possible within the 30 day period on receipt of a valid invoice, order and confirmation of receipt of goods/services.

We use a range of supplier classifications to support analysis and reporting requirements including SME's, strategic/non-strategic, contract and non-contract suppliers. This further classification will be used to identify high risk procurements and additional measures will be included in commodity strategies. We will review and maintain supplier categorisation to enable aggregating spend at a national level and by using procurement cards for adhoc, low value spend. Non-current suppliers will be made inactive on our systems as part of regular data cleansing.

Suppliers will be managed to contractual terms, with all proposed price increases or variations to contract requiring a written justification and validation against the original contract.

We will introduce a supplier portal that will enable suppliers to update key information including bank changes. Verification processes to detect fraud will be modified to align with this technology.

SFRS identifies and tracks cashable and non-cashable efficiency savings during the year. Our Finance Business Partners work with the procurement team to identify potential savings from the procurement process. Procurement savings are reported as part of the annual procurement report.



## 6. ENHANCING CAPABILITY

### Voice of the supplier

SFRS recognise the value our suppliers contribute to meeting SFRS strategic objectives, and also that our processes could be improved if we understand the challenges faced by suppliers in bidding for our contracts. We appreciate that where a supplier is not successful in terms of bid this can lead to a concern over the process and a need to understand more fully the reasons for not being successful. SFRS completes a full debrief letter that highlights the relative merits/weaknesses of their bid and that of the winning bidder for all regulated procurements. This gives bidders the opportunity to learn lessons and identify where improvements could be made.

To improve our processes we will actively seek opinion from tenderers on the procurement process to establish where our processes could have been improved outside of the specific tender process. We will undertake to review this feedback from suppliers and incorporate into our lessons learned going forward and where appropriate revise our processes accordingly. In addition, SFRS will work with SDP to actively engage with SME's and seek opinion on our processes through survey information.

### Organisation and resource

Procurement resource will continue to be organised on a category management basis covering ICT, Fleet, PPE, Equipment, Corporate and Facilities. All day to day procurement activity is managed by Category Leads and where appropriate guidance sought from the Procurement Manager. Works projects for facilities are undertaken by suitably qualified personnel within the Property team.

We will resource procurement activity using suitably qualified and experienced professional procurement personnel. These resources will be either internal to SFRS, in collaboration with other public sector organisations and/or sourced using wider partnerships including Crown Commercial Services (CCS). Using a combination of permanent professional team members and external resources provides an opportunity to flex capacity to meet SFRS needs within agreed timelines.

We will keep under review our procurement team structure considering both market develops and service need and if appropriate develop a business case to change the structure.



### Partnering and collaboration

We will seek opportunities to partner and collaborate with other organisations where this gives advantage to meeting SFRS needs or wider public sector objectives. This will include NFCC, CCS and SDP.

### People development and capability

Our aim is to maintain and develop our procurement team with the right skills and capabilities to professionally deliver an effective service in partnership with all stakeholders involved in the procurement process.

SFRS has developed its resourcing and procurement capability over recent years and continues to support individuals to attain professional qualification through the Chartered Institute of Procurement and Supply (CIPS) and develop further as part of their continuous professional development. SFRS currently has 70% of the procurement team appropriately qualified. We know that the procurement demand in public sector exceeds supply especially qualified procurement roles and this has persisted for many years. SFRS's strategic objective is to make SFRS a great place to work. We will

continue to monitor market conditions to maintain a compelling offer in the market and where appropriate apply market allowances to both retain and attract talent into the procurement function.

We recognise the value in investing in our people at the earliest stages in their career and providing opportunities for both school leavers and graduates. We will work in partnership with Skills Development Scotland and Scottish Government to support "[The Procurement People of Tomorrow](#)" (PPoT) initiative and make a commitment to the PPoT charter.



SFRS has invested in training for both procurement team and those individuals regularly involved in procurement activity. We will continue to work with our training colleagues to develop an ongoing training programme for all SFRS employees that are regularly involved in procurement activities using, where appropriate, external providers with the necessary specialist skills.

We will invest in our people and develop a career pathway for our procurement team by providing relevant public sector procurement work experience and by enable progression through recognised professional qualification - Chartered Institute of Procurement and Supply (CIPS), and ensuring our organisational structure best supports career development and job satisfaction.

### Use of technology

SFRS currently uses an integrated system for Procurement and Finance which provides key information to support the procurement process. A new generation of systems is currently being developed through the People, Training, Finance and Assets programme (PTFA). This is a major project and the overall programme is anticipated to take up to five years to implement. Procurement will provide dedicated resource to procure the new solution and support the transition from existing contracts. In addition, procurement requirements for the solution will focus on improving transactional efficiency but also ensuring the system provides effective tools to interrogate and

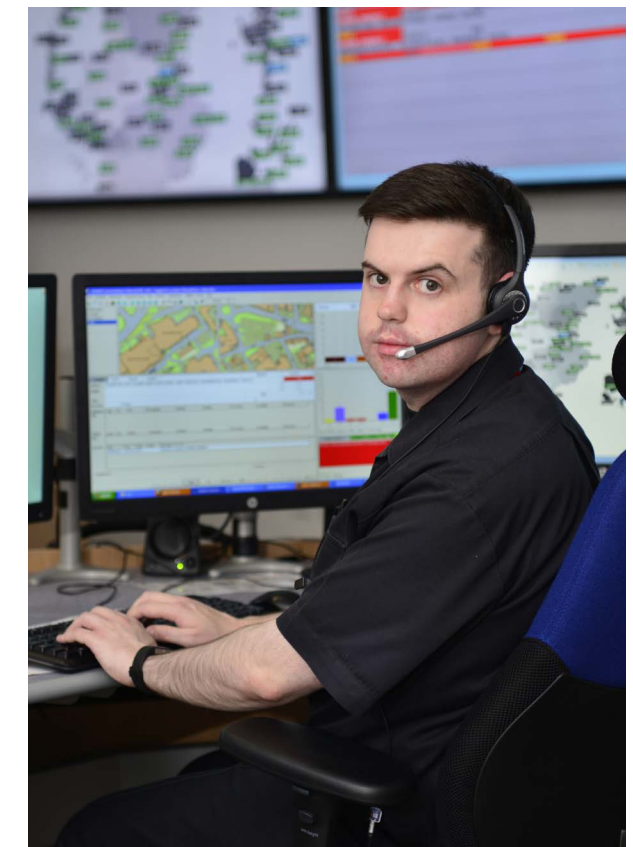
analyse information, to produce regular procurement performance measures, and the ability to publish and meet statutory reporting requirements including sustainability elements.

As the UK has left the EU there has been changes to how we advertise tender opportunities. SFRS will continue to advertise where required using the Scottish Government's Public Contract Scotland which links with the UK Government's [Find a Tender solution](#).

SFRS will continue to use PCS quick quote process for smaller tenders.

SFRS will implement Public Contracts Scotland Tender (PCS-T) an electronic tendering solution or equivalent as part of the PTFA programme, to enable greater efficiency for SFRS and make it easier for suppliers to engage in the tendering process.

SFRS will continue to extend our use of electronic catalogues, purchase orders and invoices to improve transactional efficiency.





## 7. GOVERNANCE, RISK AND FRAUD

We will update our governance and procurement procedures in line with legislative changes. We will update our procedures to reflect EU exit and will follow the SG procurement journey and any subsequent guidance. We will embed the SG's Construction Manual guidance for works procurements.

SFRS undertakes its procurement activity in a compliant manner in line with legislative requirements. Tenderers have the right to legally challenge where they believe SFRS has breached procurement legislation. For all goods and services regulated procurements SFRS provides information to tenderers through the debrief process and includes a voluntary standstill period prior to award to give tenderers the opportunity to raise any concerns before award. As part of our quality assurance process each regulated procurement is reviewed by procurement staff not involved in the particular procurement exercise to provide assurance and seeks to minimise the risk of challenge. SFRS also has legal support embedded within the procurement teams. We will continue to manage the risk of challenge through internal review and seeking legal advice where appropriate.

SFRS has an anti-fraud policy and a fraud response policy to both prevent, detect and respond to fraud. It is recognised that procurement fraud can occur and our processes are designed to minimise the risk of fraud where possible. A key part of fraud prevention is awareness and we have undertaken fraud training for our procurement staff and will provide this training to those involved in the procurement process on an

ongoing basis. SFRS has developed an action plan from [Audit Scotland's fraud red flag for procurement report](#). We will complete the action plan over this procurement strategy period.

We will continue to work with Police Scotland to minimise the risk of involvement of Serious Organised Crime in SFRS procurement activity and complete the UK National Fraud Initiative for all suppliers.

### Procurement Commercial Improvement Programme (PCIP)

SFRS adopts Scottish Government legislative requirements as well as guidance. Our processes, systems and governance is reviewed on a regular as part of the PCIP programme. The last review was in 2019 and SFRS achieved the highest banding. We will continue to develop the actions that support the PCIP programme and will undertake a further review of our progress in conjunction with Scottish Government's PCIP team.

SFRS has an independent internal audit function provided by Azets. Our Audit and Risk Assurance Committee set the annual internal audit plan and this includes a regular review of Procurement. There is an audit scheduled for completion during the first quarter of 2021. We will support the audit and complete an action plan based on any recommendations from this audit or any subsequent procurement audits during this strategy period.

## 8. PROCUREMENT TRANSPARENCY

We will conduct our procurement activity in a manner that adds value to the organisation, is risk based, focuses on sustainability objectives and compliant with our governance model that gives external parties confidence that we performed our procurement activity in a fair and transparent way.

SFRS is committed to being more transparent about how we spend public money and improving accountability, by publishing information about our procurement activity on our website. We will:

- publish a [procurement strategy](#) setting out how we will carry out our regulated procurements
- produce an [annual procurement report](#) containing details of upcoming procurement projects
- use the [Public Contracts Scotland website](#) to advertise regulated contracts and publish award notices
- publish [annual workplans and progress reports](#) detailing high level milestones and activities mapped against key objectives
- publish and maintain our procurement procedures and governance externally and internally
- publish our customer satisfaction results
- publish our community benefits information
- publish our sustainability outcomes
- publish our performance against agreed performance measures
- promote our attendance at Meet the Buyer events





## 9. REPORTING PROCESS AND PERFORMANCE

We will develop an annual action plan to support the delivery of the procurement strategy and report our progress on a regular basis to the Good Governance Board and annually as part of the annual procurement report to Senior Leadership Team (SLT) and the Board. The first annual action plan for 21/22 is at appendix A and subsequent action plans will be added in future years as part of the annual procurement strategy review.

We will measure our performance over the strategy period through a range of performance indicators that cover Sustainability, Value for Money, Enhancing Capability, Transparency, Governance and Risk. The performance indicators include a narrative on the performance indicator, the frequency of reporting and a target. The performance indicators are at appendix B and progress will be reported quarterly to the Good Governance Board and annually to the Board through the annual procurement report.





# APPENDIX A –

## PROCUREMENT STRATEGY ANNUAL ACTION PLAN APRIL 2021 – MARCH 2022

### 1. SUSTAINABILITY

Action Ref	Actions	Target Date	Owner	KPI's
1.1	Fully implement new sustainability toolkits	July 2021	Category Leads	<ul style="list-style-type: none"> <li>Percentage of spend with SME's</li> <li>Number of supported business contracts awarded in the reporting period.</li> <li>Percentage of SDP "Meet the Buyer" Events attended</li> <li>Flexible Framework Level attained over the reporting period (measured annually)</li> <li>Percentage of quotes undertaken which included at least 1 SME</li> </ul>
1.2	Complete survey for Modern Slavery Act for relevant organisations	Dec 2021	Category	
1.3	Fair Work First criteria to be included in all relevant procurement activity	Dec 2021	Category Leads / Procurement Officer	
1.4	Complete procurement process leading to the award of 2 Supported Business Contracts	March 2022	Category Leads	
1.5	Implement system for the recording of Community Benefits	Dec 2021	Procurement Manager	
1.6	Hold SFRS "Meet the Buyer" event in conjunction with the Supplier Development Programme	March 2022	Category Leads	
1.7	Attend Virtual Meet the Buyer Events both locally / nationally	March 2022	Category Teams	
1.8	Complete Actions to achieve Level 2 of the Flexible Framework	March 2022	Procurement Manager	
1.9	Implement minimum 25% sustainability evaluation criteria in all relevant procurement activity	March 2022	Category Teams	
1.10	Support Community Wealth Building Partnership initiatives	March 2022	Procurement Manager / Category Leads	
1.11	Complete actions associated with carbon reduction within the reporting period	March 2022	Property Manager	
1.12	Quotes process to include at least one SME	March 2022	Category Leads / Procurement Officers	
1.13	Procurement contribution to SFRS target of an Average 6% Annual Reduction on Carbon Emissions per annum. Measured: CO <sup>2</sup> emission reduction	March 2022	Procurement Manager	

### 2. VALUE FOR MONEY AND EFFICIENCY

Action Ref	Actions	Target Date	Owner	KPI's
2.1	Develop fuller partnership working with Supplier Development Programme	Dec 2021	Head of Finance and Procurement / Procurement Manager	<ul style="list-style-type: none"> <li>Percentage of all influenceable SFRS expenditure covered by contracts</li> <li>Percentage of internal customers who rated customer satisfaction as good or excellent</li> <li>Percentage of contract and supplier management meetings conducted with strategically critical suppliers</li> <li>Reduction of number of suppliers for influenceable spend</li> <li>Number of innovative projects delivered on annual basis</li> <li>Savings achieved on annual basis</li> <li>Procurement Tender Exercises completed in the Financial Year</li> <li>Percentage of valid orders £4,000 or greater progressed within 2 working days</li> </ul>
2.2	Continue to target savings from all aspects of the strategic procurement for recording on Benefits Tracker.	March 2022	Category Leads	
2.3	Ensure that suppliers provide regular management information on our usage of their contracts and incorporate this information into the contract management process.	March 2022	Category Leads	
2.4	Continue to address outstanding areas of non-contract spend within Procurement Workplan	March 2022	Procurement Manager / Category Leads	
2.5	Continue to look for opportunities for SFRS to collaborate with our public-sector partners and benchmark to ensure that collaborations provide best value.	March 2022	Category Leads	
2.6	Continue to support our customers and work in partnership with them to understand their needs and identify opportunities to reduce expenditure, control demand and improve efficiencies.	March 2022	Procurement Manager / Category Leads	
2.7	Deliver an annual "Voice of the Customer" workshop	March 2022	Head of Procurement / Procurement Manager	
2.8	Develop overarching category strategies for Property, ICT, Fleet, PPE & Equipment, and Corporate	March 2022	Category Leads	
2.9	Examine the possibility within SFRS procurement activity where innovation has the potential to deliver benefits to the Service.	March 2022	Category Leads / User Intelligence Groups / Directorates	
2.10	Delivery of all procurement tender exercises due for completion in Financial Year 2021-22	March 2022	Procurement Manager / Category Leads	
2.11	Encourage all Directorates to identify procurement opportunities where innovative products and services could deliver benefits to the SFRS.	March 2022	Procurement / SFRS Directorates	
2.12	Progress Climate Change Actions arising from Scottish Government Forums	March 2022	Procurement / Property	



### 3. ENHANCING CAPABILITY

Action Ref	Actions	Target Date	Owner	KPI's
3.1	Review our feedback mechanisms for suppliers relating to SFRS Procurement Activity	Sept 2021	Procurement Manager	<ul style="list-style-type: none"> <li>Percentage of Procurement Team who hold the professional procurement qualification, Member of Chartered Institute of Purchasing and Supply (MCIPS)</li> <li>Percentage of procurement spend actively influenced by a procurement professional</li> <li>Procurement people of Tomorrow actions completed within reporting period</li> </ul>
3.2	Review Team structure within procurement to ensure that it remains relevant to business needs	Sept 2021	Head of Finance and Procurement / Procurement Manager	
3.3	Continue to support individuals within the Procurement Team in their studies towards MCIPS	March 2022	Training	
3.4	Procurement team to complete Climate Literacy e-learning	June 2021	Procurement Manager / Category teams	
3.5	Property Team to complete Climate Literacy e-learning	June 2021	Property Manager	
3.6	Review Procurement People of Tomorrow Charter with Partner Organisations and agree commitments which can be progressed	Sept 2021	Head of Finance and Procurement / Procurement Manager / POD	
3.7	Continue to identify training opportunities and requirements for Procurement Team and wider organisation	March 2022	Procurement Manager / Category Leads	
3.8	The Procurement Team to complete National Procurement Development framework to assist in identifying training or development needs	June 2021	Procurement Manager	

### 4. TRANSPARENCY

Action Ref	Actions	Target Date	Owner	KPI's
4.1	Publish Procurement Strategy for the period 2021-24	June 2021	Head of Finance and Procurement	<ul style="list-style-type: none"> <li>Contracts Register published on a quarterly basis.</li> <li>Award Notice placed for all relevant tender exercises</li> <li>Percentage of suppliers who rated the ease of access to information about SFRS contract opportunities as good or excellent</li> </ul>
4.2	Publish workplan on I-hub/ SFRS internet / PCS Scotland	June 2021	Procurement Manager	
4.3	Publish Annual Procurement report for financial year 2020-21	Sept 2021	Procurement Manager	
4.4	Further development of Procurement iHub site with publication of all Procurement governance and procedures and to aid SFRS understand procurement performance	Sept 2021	Procurement Manager / Corporate Communications	
4.5	In conjunction with Supplier Development Programme, develop "How to do Business with SFRS" guidance for inclusion of SFRS internet site	Dec 2021	Procurement Manager / Category Teams	
4.6	Development of SFRS Internet Page for Procurement to aid suppliers access workplan and governance and to understand our performance	March 2022	Corporate Communications / Procurement Manager / Category Teams	



## APPENDIX B – PERFORMANCE INDICATORS

### 5. GOVERNANCE & RISK

Action Ref	Actions	Target Date	Owner	KPI's
5.1	Review Standing Orders	June 2021	Procurement Manager	<ul style="list-style-type: none"> <li>No successful legal challenges</li> <li>Percentage of tenders completed which have a documented quality review process</li> <li>Percentage of Actions completed in Red Flag Action Plan within reporting timeframe</li> <li>Percentage of independent reviews completed with no issues noted.</li> <li>PCIP Action Plan completed</li> </ul>
5.2	Complete Initial actions required to embed SG Construction Manual for works projects	Dec 2021	Head of Finance and Procurement / Head of Asset Management / Procurement Manager / Property Manager	
5.3	Update procurement governance in line with legislation change and/or updates to Procurement Journey	March 2022	Procurement Manager	
5.4	Undertake documented quality review process for all relevant procurement activity	March 2022	Category Leads / Procurement Officers	
5.5	Complete outstanding actions for PCIP	March 2022	Procurement Manager / Category Leads / Procurement Officers	
5.6	Complete actions for financial year 2021/22 for the Procurement Red Flag Action Plan	March 2022	Procurement Manager	

### SUSTAINABILITY

We aim to increase the knowledge and understanding of the benefits of sustainable procurement for all of those involved in the undertaking of SFRS Procurement Activity, and to ensure compliance with the Sustainable Procurement Duty and all other duties contained within the Procurement Reform (Scotland) Act 2014. Performance will be measured with the following Key Performance Indicators.

KPI	Narrative	Frequency	Target
Percentage of spend with SME's	Measurement and recording of SME spend allows SFRS to evidence compliance with Sustainable Procurement Duty in the Procurement Reform (Scotland) Act 2014 in terms of SME involvement in SFRS procurement activity.	Annually	30%
Number of supported business contracts awarded in the reporting period	SFRS requires to maintain performance at two contracts awarded to supported business during the financial year to support current performance level as measured in last round of PCIP assessment. This KPI also assists SFRS to evidence compliance with Sustainable Procurement Duty as stated in the Reform Act	Annually	2
Percentage of SDP "Meet the Buyer" Events attended	SFRS is an associate Member of the Supplier Development Programme, which works to bring free support in all aspects of tendering to Scottish-based SMEs to assist in improving their prospects when competing to public sector contracts. SFRS will support national and local Meet the Buyer Events to raise awareness of opportunities arising from SFRS procurement activity.	Annually	100%
Flexible Framework Level attained over the reporting period (measured annually)	The Flexible Framework is a widely used self-assessment which allows organisations to measure and monitor their progress on sustainable procurement over time. The tool is used to assess current level of performance and the actions required to embed good procurement practice to realise intended sustainable outcomes.	Annually	Level 3 over the term of the Strategy
Percentage of quotes undertaken which included at least 1 SME	SFRS is committed to encouraging SME involvement in all levels of procurement activity to assist in improving efficiency, sustainability, market potential and supports local wealth creation.	Quarterly	100%
Procurement contribution to SFRS target of an Average 6% Annual Reduction on Carbon Emissions per annum	SFRS recognise our Sustainable duty as stated in the Procurement (Scotland) Reform Act 2014 and we will work to influence our supply base to reduce carbon emissions in all relevant procurement activity.	Annually	Average 6% Annual Reduction on Carbon Emissions per annum for all SFRS activity.



## VALUE FOR MONEY AND EFFICIENCY

We aim to make the best use of our procurement resources in the undertaking of an efficient and effective procurement process to ensure the delivery of service provision that is consistent for all stakeholders. Performance will be measured with the following Key Performance Indicators.

KPI	Narrative	Frequency	Target
Percentage of all influenceable SFRS expenditure covered by contracts	This is linked to PCIP assessment and VFM. This figure requires to be maintained and evidenced for next round of assessment anticipated to occur in 2022. Maximisation of contract spend ensures effective use of competition to achieve best value and minimises non-contract spend.	Monthly	95%
Percentage of internal customers who rated customer satisfaction as good or excellent	The Procurement Team aim to provide a first-class service and deliver agreed outcomes within defined timeframes together with the provision of guidance, advice and mentoring. Regular feedback will be sought in terms of the performance level achieved.	Annually	95%
Percentage of contract and supplier management meetings conducted with strategically critical suppliers	Contract management meetings will be held with key strategic suppliers on a quarterly basis in compliance with SFRs Contract Management Meeting. Meetings require to be scheduled and balanced scorecard completed and submitted to Procurement. KPI's are managed across such contracts. Contract Management is a key improvements action in the PCIP Action Plan	100%	100%
Reduction of number of suppliers for influenceable spend	SFRS will measure the reduction of the numbers of suppliers in-scope over the period of the Strategy and set annual targets which will aim to reduce the numbers of suppliers in-scope (i.e. those suppliers which the Procurement Team can influence). Reduction of supplier numbers will lower transactional costs due to fewer suppliers to manage and maintain. Reduction will also aid address non-contract spend.	Monthly	600 (over the period of the Strategy)
Number of innovative projects delivered on annual basis	SFRS will use its procurement activity as a driver to achieve innovation in the delivery of relevant projects. Innovation is also a key element of the Sustainable Procurement duty	Annually	1
Procurement Tender Exercises completed in the Financial Year	Procurement and Client Departments on an annual basis agree priorities on the projects to be delivered in the financial year	Annually	100%
Percentage of valid orders £4,000 or greater progressed within 2 working days	Orders over £4,000 are automatically routed to Procurement on SFRS Finance System to minimise the risk of non-compliance with procurement governance. The Procurement team will commit to approve valid orders within 2 working days.	Monthly	100%

## ENHANCING CAPABILITY

Capacities and training of the workforce are indicators for the performance of a procurement system. SFRS requires those involved in undertaking and participating in procurement activity to be supported to undertake the increasing complexity of public sector procurement. Without this continued support, SFRS will not be able to maximise value for money nor deliver key improvement actions linked to SFRS Strategic Plan or support the delivery of National Outcomes. Performance will be measured with the following Key Performance Indicators

KPI	Narrative	Frequency	Target
Percentage of Procurement Team who hold the professional procurement qualification, Member of Chartered Institute of Purchasing and Supply (MCIPS)	The aim is that all members of the Procurement Team will attain MCIPS accreditation, even though it is not a specific requirement for some roles within the team. However, it is recognised that offering this professional qualification route assists in the retention of staff, in a market which is challenging in terms of numbers / quality of personnel. This certification also reflects the professionalism of the procurement team.	Annually	80% (over the Strategy term)
Percentage of procurement spend actively influenced by a procurement professional	This is linked to performance level achieved by SFRS in the PCIP assessment, which amongst other factors, measures the degree of influence the procurement function has over major / routine procurement activity. 100% requires to be maintained for SFRS to maintain PCIP level of performance.	Annually	100%
Procurement people of Tomorrow actions completed within reporting period	Procurement People of Tomorrow (PPoT) programme aims to address the skills gap in procurement and highlights the challenges in attracting, recruiting and retaining talent. SFRS will signal their commitment to encouraging new entrants into the profession and assist in promoting procurement as a career. This action is consistent with PCIP Action Plan.	Annually	100%



## TRANSPARENCY

Transparency and openness is understood as the fair and equal treatment of participants in the procurement process. It includes public disclosure of procurement rules; publication of procurement opportunities; publication of the results of the procurement processes, of contract modifications and of justifications for the use of procurement methods other than open tendering. Performance will be measured with the following Key Performance Indicators:

KPI	Narrative	Frequency	Target
Contracts Register published on a quarterly basis.	The Procurement Reform (Scotland) Act 2014 requires the publication of SFRS Contracts Register. SFRS will commit to the publication on internet / Public Contracts Scotland. SFRS intranet (ihub) on a minimum quarterly basis.	Quarterly	Publish per quarter in financial year
Award Notice placed for all relevant tender exercises	SFRS is required to publish a contract notice for all procurement activity completed within specified timeframes. This aids transparency of the award of contract and also assist in advertng potential sub-contract opportunities in relevant procurement activity.	Monthly	100%
Percentage of suppliers who rated the ease of access to information about SFRS contract opportunities as good or excellent	SFRS aims to maximise opportunities to do business with the services over a number of areas such as internet / social media / Public Contracts Scotland. We will undertake measures that will gauge the success of this engagement.	Quarterly	100%

## GOVERNANCE AND RISK

SFRS procurement governance model requires to reflect legislative requirements and minimise risk to the Service. We aim to ensure all staff involved in the procurement process, including those who participate in the User Intelligence Group process are fully aware of all aspects and impacts of the procurement governance procedures and legislative requirements. Improvement Action plans will be completed with prescribed timeframes. Performance will be measured with the following Key Performance Indicators:

KPI	Narrative	Frequency	Target
No successful legal challenges	The Remedies Directive enable unsuccessful tenderers the opportunity to challenge award decisions within the tender process if they believe that SFRS has breached procurement legislation. Compliance with SFRS governance process will minimise this risk, and the application of the Procurement Legal Protocol, which fosters partnership working between Procurement, Legal Services and Client Departments ensures effective risk management and escalation.	Annually	Zero (0)
Percentage of tenders completed which have a documented quality review process	The Procurement team operates a quality review process on all procurement activity with a value of £50,000 or greater. The purpose of this review is to inspect the tender process at defined intervals in a planned, independent, controlled and documented manner and ensure that issues are addressed and/or team members are mentored properly.	Quarterly	100%
Percentage of Actions completed in Red Flag Action Plan within reporting timeframe	SFRS have developed an Action plan in response to Audit Scotland Red Flag Procurement Report to minimise the risk of fraud occurring within SFRS procurement activity. Progress against the Action Plan will be measured across the strategy term. Management and monitoring of the Action Plan will also assist in PCIP improvement actions.	Annually	100%
Percentage of independent reviews completed with no issues noted	An independent review will be undertaken by Legal Services on a sample of procurement activity to ensure that the documented procurement governance process has been followed and evidenced.	Quarterly	100%
PCIP Action Plan completed	An Action Plan was developed in response to the last round of PCIP assessment to ensure that SFRS maintained/ improved upon last performance level.	Annually	100%





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