

## Appendix 3

### Examples of a Saving from each Category through Commercial Engagement

#### 1. (Professional Services) - Training Centre – through running a process

- 1.1 The Authority were looking to engage with a supplier for the provision of Assessment and Verification Training. It was suggested by staff that a known supplier (Supplier A) who had provided another service to the Authority could undertake this work and a verbal quote was obtained from them (prior to involvement from Commercial Team). This initial quote was high, so to ensure that the Authority would be getting value for money the Commercial Team undertook a process to obtain quotations from three suppliers for this opportunity. This process also included Supplier A. Quotations were received from the three suppliers with all three being able to provide the same level of training and in the same way.
- 1.2 The outcome of the process resulted in a saving of approximately £30,000, over a three year period, on what had initially been quoted to the Authority.

#### 2. (ICT) - ICT Shared Service – through running a process

- 2.1 Following an ITQ process rather than awarding the contract to the incumbent supplier, through an exemption for the Cyber Penetration Testing, a saving of £6,430 was saved for CFRS and as this was a combined procurement for the ICT Shared Service BFRS also made some savings of £4,130.

#### 3. (Ops Equipment) - smoke alarms – through monitoring attrition rates and forward planning

- 3.1 An additional order for smoke alarms was placed with our new supplier in February to ensure a continued supply of alarms for the remainder of 2022. Using the framework rather than the local supplier used at the beginning of the supply issue, has again resulted in a saving to the Authority, this time of **£13,500**.
- 3.2 Since placing those orders we have seen increases in the costs of smoke alarm units on the national framework due to the current supply chain issues being faced in the industry. However the Authority has been able to avoid the impact of this due to the forecasting work undertaken at the beginning of the year resulting in our orders being placed for the remainder of 2022 prior to the cost increase. This has resulted in further savings to the authority of **£720** bringing the total savings to date to **£18,720**

#### 4. (Clothing) – contract extension

- 4.1 Whilst not a significant saving, risk has been reduced to the Authority through good commercial conversations across the sector in relation to the newly let national framework for clothing. Unfortunately due to the timing of this contract going live, just prior to the start of the pandemic, there were serious interruptions to the supply chain and shortages of fabric. The Authority had started a project to look at transition to the new framework as significant delays and increased lead times to on boarding came to light with the contract. A decision was made, even though there was still 18

months to run on the existing contract, to forecast our requirements for a further 18 months and place orders to see us through to the end of the contract. Whilst we have experienced some delays due to the pandemic it has been relatively minor and put us in a far more secure position than transitioning to the new framework. This provides an example of where it is sometimes beneficial to extend an existing contract.

## **5. Water hygiene monitoring services – price increase**

- 5.1 Supplier to the Authority for water hygiene monitoring contacted the Authority in November 2021 to request the application of a price increase to our contract. The justification to this was the ongoing increase in costs to fuel, labour and components that the supplier was no longer able to absorb. The proposed increase was 12% which was significantly higher than the CPI at that time and in addition to that, we were seven months into a 12 month extension to the contract which had already seen a very small increase to the annual cost in 2021/22. In consideration of both of these points, discussions took place with the supplier and Commercial Team to further understand the breakdown of costs resulting in no price increase being applied for that year. Negotiations are currently taking place to understand potential price increase(s) for the next 12 month period and minimise the impact.