



DEVON & SOMERSET FIRE & RESCUE AUTHORITY

REPORT REFERENCE NO.	RC/09/9
MEETING	RESOURCES COMMITTEE
DATE OF MEETING	16 NOVEMBER 2009
SUBJECT OF REPORT	PERSONAL PROTECTIVE EQUIPMENT (PPE) REPLACEMENT – INTEGRATED CLOTHING PROJECT (ICP)
LEAD OFFICER	Head of Physical Assets
RECOMMENDATIONS	<i>That, pending approval for utilisation of £357,000 from the indicative underspend on the 2009/10 budget, the Authority be recommended to approve the replacement of personal protective equipment (PPE) by a Purchase Managed Service (PMS) “as needed” basis (Option 2, Appendix A to this report) under the Integrated Clothing Project and funded in accordance with the model as set out in Section 4 of this report.</i>
EXECUTIVE SUMMARY	This report represents an update to the report to the Authority dated 23 October 2008 whereby the proposed method of PPE implementation has changed as a result of ICP contractual issues, revised operational considerations and a differing funding envelope becoming available.
RESOURCE IMPLICATIONS	Additional sum of £357,000 in 2010/11 – see Budget Monitoring Report elsewhere on agenda for today’s meeting.
EQUALITY IMPACT ASSESSMENT	The PPE, work wear and other clothing items are specifically designed and tested for tailored use by all genders and cultures, with full interoperability of garments for the individual wearer.
APPENDICES	A. PPE funding options appraisal
LIST OF BACKGROUND PAPERS	Report DSFRA/08/27 “Provision of Personal Protective Equipment” to the Devon and Somerset Fire and Rescue Authority dated 23 October 2008.

1. INTRODUCTION

- 1.1 This report is intended to update the Authority on developments in relation to securing replacement personal protective equipment (PPE) following approval by the Authority, at its meeting on 23 October 2008, to adopt the national Integrated Clothing Project (ICP) contract for the provision of Personal Protective Equipment (PPE) (Minute DSFRA/23 refers). The PPE clothing in the contract is gold in colour and referred to as PBi Gold. Although not specifically in the recommendation, it was stated within the earlier report to the Authority that the Fully Managed Service (FMS) leasing option would be adopted and the additional costs for this were factored into the following three years' financial commitments (Minute DSFRA/53. refers). These costs were £64,000 in 2009/10, £264,000 in 2010/11 and £209,000 in 2011/12.
- 1.2 The ICP contract offers a range of clothing provision as follows:
- 3 layer Structural PPE (Tunic, Over Trousers, Helmet, Fire Hood, Leather Boots, Rubber Boots, Gloves)
 - 2 layer Technical Rescue PPE
 - 1 layer Wildland PPE
 - USAR PPE garments
 - Non operational PPE, station wear, sports wear, corporate wear
 - Ceremonial wear
- 1.3 Due to the developments in technical rescue and wildland fire-fighting, it would be desirable to provide some bespoke, more suitable, PPE for these environments in future.

2. BACKGROUND TO IMPLEMENTATION DIFFICULTIES

- 2.1 Following the Authority approval, the full ICP contract, which could not be made available without an access agreement signature, was passed to DSFRA's legal advisors. The contract was very complex and the legal opinion doubted that either party would know if they were in breach of the contract. There were additional concerns over the 15 year term and the inability to terminate the contract for convenience without penalty, the legality of the contract and the requirement to forcibly purchase from the contract all clothing items already in use, including non PPE. Lastly, a legal challenge had been lodged by a competitive supplier concerning the manner in which the contract had been let.
- 2.2 In these circumstances it would have been foolhardy to ignore the legal advice and in the knowledge that this was going to take some time to resolve, a decision was made to bolster existing navy blue Nomex stock. There was no conclusive outcome from the protracted legal discussions, but a more readily understood layman's version of the contract was produced which, whilst being quite useful, would not have had any legal standing. Moreover concerns still remained over the long term lock in of the contract.

- 2.3 Whilst this legal interchange was progressing, it was noticed that there was a lack of take up of the ICP contract by FRAs for similar contractual doubts and also some doubts concerning the proposed method of operation. The original FMS contract allowed for one garment ensemble per fire-fighter and a pool to be held on each station to act as a back up uniform. This proposed methodology was unproven and brigades began to question whether it would be a foolproof method of working. Although the risk conceptually lay with the supplier, in the event of a catastrophe Authority's reputation would be at risk. DSFRS became increasingly concerned with this methodology and there was also an issue of storage space on stations for the pool.
- 2.4 A further consideration developed in terms of funding the PPE. As is reported elsewhere on the agenda for this meeting, it is anticipated that there will be significant savings against the current year revenue budget. In this event, there was a possibility that PPE kit could be purchased 'up front' with lesser expenditure being required in later years when budgets may well be tighter. The ICP contract allowed for two purchasing options, namely:
- Purchased Managed Service (PMS) and;
 - Purchase Only (PO).
- 2.5 The additional advantage with the purchasing options was that there was no contractual lock in, albeit that the managed services element (laundry and repair) required a minimum five year term.
- 2.6 A further recent development occurred whereby the ICP contract would allow for the provision of two dedicated garments per firefighter under the FMS option, albeit at greater expense. This was in direct response to general concerns from brigades.

3. CURRENT POSITION

- 3.1 As a result of all the emerging factors, DSFRS decided to formally review the options again. The Purchase Only (PO) option was discounted as the Service had a long history of successfully using managed services. Consequently, the Purchased Managed Service (PMS) offering was considered. Two garments would be procured for each firefighter. Two options were considered:
- replacement en bloc, and;
 - replacement according to need.
- 3.2 Both the one garment and the new two garment FMS options were considered. For comparative purposes the status quo Nomex kit was also considered, although there was an overriding wish to move to PBi Gold due to the increased interoperability, quality of garments and extensive research and testing that had been undertaken prior to adoption as the national contract. It should also be noted that the status quo was not an option as such, since the Service would have needed to formally procure from contract at costs that would have been higher than traditional costs. A business case to CLG would also be required. The status quo did, however, serve as a base cost comparator.

3.3 The estimated costs of all these options over a seven year period are given in Appendix A of this report. The FMS options effectively eliminated themselves as the one garment option was potentially too risky and the two garment option was too expensive. This left the two PMS options. It was clear that the PMS option which would be introduced according to need over a three year period would provide significant savings over the seven year period, by making optimum use of existing Nomex stock. It was considered that this outweighed the disadvantage of having mixed colour uniform on stations during the three year period. It was also considered that this option would potentially fit well with the current and future funding expectations.

3.4 As a result of the considerable savings that the proposed PMS option would have over the whole term, it would be desirable to introduce some measure of technical rescue and wildland PPE at an appropriate time, but this would only follow successful trials on a limited basis. There may also be some self-funding aspects to these approaches where a full second set of full structural PPE could be replaced in certain circumstances.

4. FUNDING MODEL

4.1 The PMS option now proposed - to replace all kit as needed over an initial three year period - represents a saving of £1,439,506 over a seven year term as against the proposal originally approved by the Authority in October 2008. £64,000 was secured in 2009/10 for the project and an additional £200,000 factored into the Medium Term Financial Plan (MTFP) for 2010/11 arising from the Authority's earlier approval. The PMS option now proposed requires in total a further £621,000 in 2010/11, leaving a net additional funding requirement of £357,000. The budget monitoring report elsewhere on the agenda for today's meeting outlines a proposal to fund this additional £357,000.

4.2 In terms of the project as a whole, it is proposed that a rolling earmarked reserve be established to assist in project funding over its seven-year duration. This will enable the expenditure peaks and troughs to be smoothed out over the duration of the project and will also secure funds that can be used towards any procurement refresh needed at the end of the seven year period. This earmarked reserve will be monitored by the Resources Committee on an ongoing basis in the same way as other earmarked reserves. This funding model is, therefore, commended as the most effective and efficient method of resourcing the project over its total lifespan.

5. CONCLUSION

5.1 The PMS option to introduce the new PPE kit as needed over an initial three year period, funded in accordance with the funding model outlined above, is seen as the most cost-effective option of introducing the ICP contract into DSFRS. It also has the advantage of avoiding long-term contractual lock in. It is, therefore, commended for approval.

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Head of Physical Assets

APPENDIX A TO REPORT RC/09

PPE PROJECTIONS

Option No.		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Total cost
1	PMS replace en bloc	2,056,051	366,998	486,426	657,038	1,083,566	401,120	571,732	5,622,931
2	PMS replace as need	1,168,872	657,038	657,038	401,120	401,120	486,426	401,120	4,172,734
3	FMS 1.6 sets	810,320	800,320	800,320	800,320	800,320	800,320	800,320	5,612,240
4	FMS 2 sets	907,920	897,920	897,920	897,920	897,920	897,920	897,920	6,295,440
5	Current cost FMS & PMS	547,677	547,677	547,677	547,677	547,677	547,677	547,677	3,833,739