

Chief Constables' Council

Title: National PPE Procurement Proposal

15 July 2020 Agenda Item: Regional

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1. INTRODUCTION

- 1.1. This paper provides an update on the approach to date for the purchase and distribution of Personal Protective Equipment (PPE) during the pandemic, summarises the current position, and sets out the options for the medium and longer-term commercial approach.

2. BACKGROUND

- 2.1. In the very early stage of the emergency all Forces attempted to buy PPE in the face of a severe shortage across the UK, and without any guidance on its use. Some forces struggled to obtain supplies and many of the regions competed against each for the same stock and thus paid very high prices, compared to historic pricing.
- 2.2. NPoCC quickly established a PPE Working Group and drew on commercial expertise from across Policing, and logistics support from the Military. This team set the guidance for specification and use of PPE working with Public Health England and then spot purchased PPE from several suppliers to satisfy the immediate national requirement. The team also established a central storage and distribution hub that ensured these PPE was available for delivery to regional hubs to fill critical shortages being reported by forces. As a direct result Policing has been supplied with all necessary PPE and has not faced the shortages experienced by health, social care and other sectors. Surveys undertaken by the College of Policing and the Police Federation have shown high levels of satisfaction and confidence amongst officers and staff regarding the availability and quality of PPE provided.



- 2.3. In total policing have spent approximately £47m on PPE, with £31.5m of that being through the national PPE orders.
- 2.4. The lead times and availability of most PPE items continues to improve, with prices generally decreasing.
- 2.5. The current products being purchased and supplied, range from alcohol hand sanitiser to medical grade masks.
- 2.6. As a result of this approach, there is a high level of confidence that based on the latest usage profiling, we have between 3 to 6 months stocks of PPE, depending on the individual PPE item, when combining the national and regional distribution centres stocks.
- 2.7. Funding for these national purchases has been a major issue for the PPE Working Group and they have had to rely on individual forces placing orders on behalf of national stocks on the understanding that the cost would be recovered from the Home Office in due course. Five forces stepped up and placed orders for £20million in the first two weeks and another ten forces / regions have subsequently agreed to place further orders, however this burden has not been shared equally with some PCC's being unwilling to support the national effort despite verbal assurances that the costs will be refunded.
- 2.8. An initial order for 600,000 face coverings has now also been placed through the national team and distributed to Forces.
- 2.9. A behavioural study is likely to be commissioned, either through SAGE or Cardiff University, to provide a better understanding of the wearing of PPE and face coverings. This study will provide further insight to support future demand profiling.

3. OPTIONS

- 3.1. Option 1 – Oversight, management and procurement of PPE becomes a regional / local responsibility, as the national stock holding is used and once there is adequate global production with the current commercial and logistics arrangements continuing until then. This would be simple to implement, but would be inefficient and would not achieve best value, as each region or local Force would need to procure their own individual requirements, which would likely result in increased price paid (through dis-aggregation of demand) plus inefficiencies through duplicated procurement activity and supplier management. **This option is not recommended.**
- 3.2. Option 2 - The oversight of PPE remains a national responsibility and is delivered through nationally placed and managed contract(s), but with forces managing their requirements, calling off and paying for items as required to meet local demands. This option ensures that quality, pricing and supplier(s) performance are managed to meet forces requirements. A suite of management information would be provided to enable national visibility of supply availability. The supplier(s) could hold a strategic stock and / or the contract could include the management of stocks held by forces regionally should there be such a requirement. This contract(s) would have to be competed and will be established when the market has matured, and when UK manufacturing capacity has been established. It is anticipated that all the contracts will be awarded by the end of 2020. Existing contractual arrangements and nationally aggregated spot purchasing could be utilised in the short term, if demand usage increases significantly from the usage profile observed over the past four months. **This is the current recommended option.**
- 3.3. Option 3 - The supply of PPE remains a national responsibility and the current arrangements with a small procurement team buying to meet demand and centralised storage are made permanent. This could be the responsibility of BlueLight Commercial, FCN, or a lead force. It would be relatively simple to implement but there would be funding / finance issues that would have to be resolved,

with a national stock holding (it is estimated that the national stock holding value would be in the region of £10m). It is felt this would only be a viable option if Chiefs believe there is a need to establish a long-term national stock holding of PPE and potentially other items such as CBRN, Public Order and similar equipment to meet emergencies. **This option is not considered further though it can be developed if Chiefs feel it is viable.**

- 3.4. It is recommended that PPE is strategically led under one of the following existing NPCC portfolios: Wellbeing, Uniform or Forensics. Chiefs are asked to support this proposal.

4. SCOPE

- 4.1. This paper recommends Option 2, the delivery of PPE through a national contract(s), under a specific NPCC strategic lead.
- 4.2. It is proposed that NPCC working with BlueLight Commercial develop the service specification and future demand requirements. BlueLight Commercial will analyse the supply chain and determine the most appropriate medium to long term commercial approach, and the timing for such an approach being implemented, with the aim of all contracts being awarded by the end of 2020.
- 4.3. The existing arrangements whereby NPoCC coordinate the placing of orders centrally and distribution of PPE to meet regional / local demands should continue until the new service is implemented, with a view to reducing stock holding requirements at the national distribution centre over the next few months.

5. BENEFITS

- 5.1. This proposed phased approach will ensure forces have sufficient stocks of PPE from known and trusted suppliers that are certified to meet all regulatory standards in the short term.
- 5.2. By taking a phased approach, this will enable the situation to become clearer, especially in terms of national policy, operational requirements, forecast demand and global production capacity and enable the compliant procurement process for a longer-term solution. This would also enable the feasibility of UK manufactured items to be considered, presenting the opportunity of reliable 'just-in-time' supply agreements and supplier held contingency stocks, to provide further resilience, and negate the requirement for the current large national distribution centre.
- 5.3. A national approach would provide a compliant, effective and the most cost-effective source of approved PPE, whilst minimising the risk of shortages in meeting the requirements of our operational officers.

6. RISKS and CONSIDERATIONS

- 6.1. There may be a requirement for further orders to be placed for replenishment of national stock in the short term, on the expectation that these costs will be refunded by the Home Office. The Home Secretary and Policing Minister have given verbal assurance this will happen, but this has not yet been confirmed in writing by officials.
- 6.2. It will take time to establish the proposed national approach, and the existing resource intensive requirements will need to continue, albeit scaled down through time, until the new service is fully available and embedded.
- 6.3. Cross Government discussions, led by the DH&SC continue to progress, to determine the feasibility of other sectors aggregating further, however this is not likely to be achievable or viable in the medium term.

- 6.4. Some regions may prefer to procure and manage PPE under their own arrangements. Though this would still be possible with the recommended option, it would reduce the ability to achieve best value for all forces and provide effective oversight of quality and stockholdings. Chiefs are asked whether the national aggregated approach should be entirely voluntary or whether all forces should be strongly advised to use the arrangements to provide best value and national oversight.

7. PHASED PROGRAMME APPROACH

- 7.1. As we move from the initial emergency phase to the consolidation phase, BlueLight Commercial will provide professional support and guidance, including undertaking market analysis to identify any upcoming risks or issues in supply chains, to enable any actions to ensure continuity of supply are progressed.
- 7.2. During the consolidation phase, the national distribution centre will continue to service regional and local Force stock replenishment requirements, through the continuation of the NPoCC and RICCC co-ordination process.
- 7.3. The national distribution centre, which has received the large bulk orders, is based at **S31 Law Enforcement**, and has been resourced by Thames Valley Police. Work is currently ongoing to determine the operating costs for the national distribution centre up until 31st March 2021, and agreement needs to be reached on how these costs will be equally shared between Forces, with the aim to negate the need for a national distribution centre as soon as possible.
- 7.4. BlueLight Commercial will lead and manage the medium and longer-term commercial activity, ensuring continuity of supply and best value is achieved for Policing.

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