



National Procurement Hub – Emergency Response Vehicles Supply Chain Update

The impacts of COVID (factory shutdowns, reduced capacity, inflation etc) and the conflict in Ukraine continue to impact on the price and availability of materials/parts used to produce Emergency Response Vehicles.

So what do we need to do?

Pre-market engagement – it's good to talk!

Fire and Rescue Services should routinely contact all framework suppliers in the relevant Lot in advance of initiating a procurement process. It is incredibly helpful to suppliers if Fire and Rescue Services share their procurement plans and their vehicle requirements (types/spec of vehicles and quantities) as early as possible, to help inform the procurement process and enable framework suppliers to plan accordingly. The NFCC National Procurement Hub has produced guidance for FRSs on market engagement. This can be found on the NFCC Procurement Hub's new website - [Engage With Suppliers - Our Methods | NFCC Programme \(nfcc-procurementhub.org.uk\)](https://nfcc-procurementhub.org.uk).

So what's the delay?

There are extended lead-times from Chassis Cab Manufacturers (for Medium/Heavy Pumping Appliances/Aerials etc) with little prospect of this improving short/medium term. Currently expect between 12 to 24 months from point of order for a Chassis Cab (although could be quicker/longer than this) depending on manufacturer and model and then as a guide based on current order books a further 2 to 5 months for the Body Builders to complete the vehicle. It may be possible to purchase chassis for other vehicle types (e.g. smaller 'Special Vehicles') in less time than indicated above – early market engagement will of course help determine the best outcome.

It's time to be flexible

Chassis Cab Manufacturers are now adding additional clauses into contracts with Body Builders and/or Fire and Rescue Services giving them the right to vary delivery dates and pricing prior to build/delivery of the Chassis Cab and if not accepted then orders may be cancelled. In the eventuality that a delayed delivery and/or price increase is requested and assuming the contract is with the Body Builder, each Fire and Rescue Service will need to deal directly with the Body Builder on a case-by-case basis. The Procurement Team leading on the NFCC Emergency Response Vehicles Framework has independently verified (directly with the major Chassis Cab Manufacturers) that they are introducing these clauses both directly to Fire and Rescue Customers and through Body Builders.

Contracts shaped for the future

Recognising the immediate and medium term volatile market conditions Fire and Rescue Services may want to use 'Price Clause Option 1' contained within the 'Call-Off Contract' in the framework documents. This will allow flexibility in terms of pricing (see highlighted section) but requires the Contractor (Supplier) to provide evidence of any increased price (e.g. quotation from Chassis Cab Manufacturer to Body Builder with initial price at time of tender and revised quotation issued to Body Builder prior to build). Please see extract of this clause below which can be found in full on page 5 of the DS339-20 Schedule 5 Call-Off Contract, located in the ERV Framework section of the NFCC

Procurement Hub website - [ERV Framework - National NFCC Fire Commercial Transformation Programme \(nfcc-procurement.org.uk\)](https://www.nfcc-procurement.org.uk);

Price Clause Option 1 – Initial fixed period followed by permitted adjustments:

The Contract Prices may, at the Contracting Authority’s absolute discretion, be adjusted in accordance with this clause. Where the adjustment suggests an increase to the Contract Price, this shall be subject to the Contractor providing sufficient evidence demonstrating that its costs have increased (the Contractor shall promptly provide such written evidence or other supporting information as the Authority may require to verify such increased costs).

Upon the expiry of the initial fixed period or at least 12 months since the Contract Price was last agreed (whichever is later), the Contract Price may adjust by up to the percentage by which the Consumer Prices Index has changed during the preceding year. The CPI percentage shall be obtained from the Office of National Statistics (or any successor Government Department). The index is named ‘CPI: Consumer Prices Index (% change)’ and is based on the ‘CPI All Items Index’.

In exceptional circumstances, the Contracting Authority (at its sole discretion) may consider an increase to the Contract Price that is higher than CPI. Any increase in the Contract Price must reflect actual incurred costs associated with the provision of the Goods and/or Services and evidence of such must be provided to the Contracting Authority on request.

Sweat the asset?

Given the extended lead-times and potential increased costs associated with the purchase of Emergency Response Vehicles, Fire and Rescue Services may want to consider reviewing capital expenditure plans and extending the life of existing appliances (considering the cost/availability of parts required for maintenance).

On behalf of the suppliers

Both Body Builders and Chassis Cab Manufacturers are keen to point out that the supply chain issues being experienced are beyond their control and they are doing all that they can to mitigate these issues and absorb price increases where possible. Body Builders are committed to keeping customers informed of any developments and will communicate any delays and/or cost increases at the earliest opportunity.

Thanks to you all for your continued support and collaborative approach to investment in our Sector’s fleet. It is more important than ever that we continue to work together to overcome the challenges that we face in today’s markets.



Luke Malton

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