



OUTSOURCING FIRE AND RESCUE SERVICES

EFFECTIVELY MANAGING RISK AND RESILIENCE



The effective provision and management of on-site fire safety, prevention, response and protection is a core responsibility of operators of hazardous high-risk critical infrastructure and industrial manufacturing facilities around the world. Such services are typically found at oil refineries and petrochemical plants, power stations and nuclear facilities, mines, airports, manufacturing sites and port terminal facilities.

Driven by strict legislative obligations and international fire safety and prevention standards, many organisations are required to maintain and operate an on-site Rescue and Fire Fighting Service (RFFS) or for airports, an Aircraft Rescue and Fire Fighting (ARFF) Service, in order to fully meet their compliance and operational certification requirements.

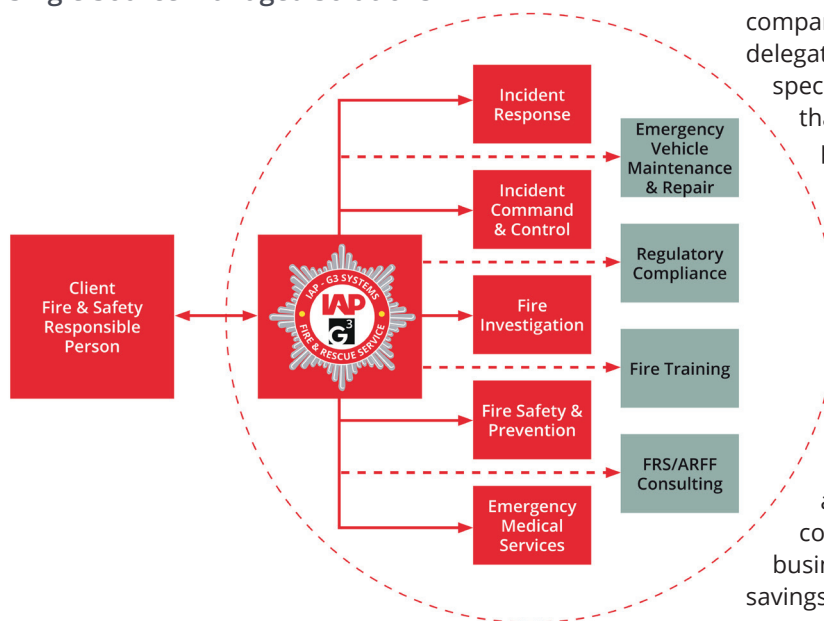
Failure to fully comply with and maintain these prerequisites will prevent the organisation from gaining or keeping its license to operate and, in the event of an incident, potentially expose these organisations to serious financial liability, as insurers demand that risk is minimised and mitigated before they provide insurance cover for the site and its operations.

Notwithstanding the availability of local or municipal resources to respond in the event of an emergency or serious incident, the on-site RFFS provision available to commercial industrial organisations generally falls into two main options; an employed service or an outsourced service.

While many organisations choose to invest in their own Fire and Rescue Services, which normally includes the provision of a dedicated Fire Station(s), skilled personnel, response vehicles and life-saving equipment, others have turned to outsourced or sub-contracted service providers, to enable them to meet their operational and compliance needs in a more cost effective and economic manner.

So what are the factors that influence an organisations decision to outsource its FRS function and how do you choose between the two options?

On-Site Fire & Rescue Services – Single Source Managed Solutions



Managing risk and improving resilience

The requirement and resources for an on-site fire and rescue service will be determined chiefly by the type of activity that the organisation is involved in at each site or facility, the assessment of the risks associated with the processes or activities that occur on-site and the impact that any emergency incident may have on the business, its employees and on the surrounding communities.

Ultimately, the motivation for investment in an on-site fire and rescue resource is rooted in the avoidance of loss, which can be both organisational, reputational and/or personal in nature and in a need to ensure the on-going stability, security and resilience of the facility and processes in question. Compliance, reassurance and 'peace of mind' are the benefits of such an investment, but rather like when an insurance policy is purchased, it is sincerely hoped that the Fire and Rescue Service will never need to be called upon to be utilised in a real-life emergency.

A decision to outsource may be driven by purely financial or economic motives as organisations seek to reduce costs and enhance shareholder value or by other strategic and tactical factors as the business seeks to re-engineer or re-focus itself.

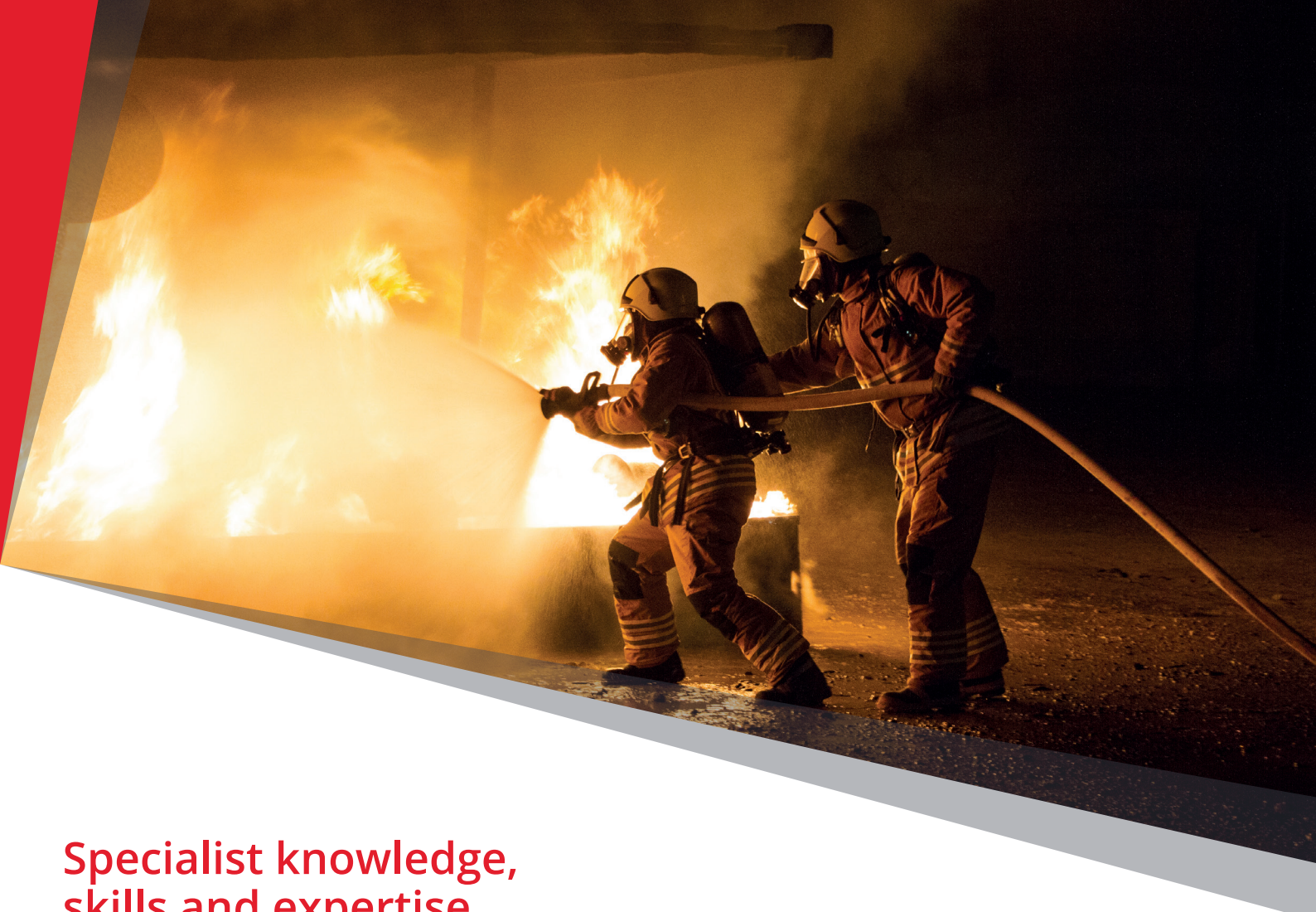
Recruiting, training, resourcing and supporting an employed on-site fire and rescue service is an expensive indirect operational cost for most businesses, consuming cash resources that could arguably be better invested elsewhere.

Furthermore, the day to day management of an employed Fire, Rescue and Safety service can also sap the organisations managers of time and energy that, while imperative to the safe, legal and ultimately the profitable operation of the facility, is not actually a core function of the business itself.

Outsourcing or sub-contracting the FRS provision enables companies to focus on their core business processes while delegating essential but non-core processes to external specialist providers. This releases internal resources that can be put to more effective use for other purposes, leading to greater overall efficiency and competitiveness.

The question to be asked is, could an outsourced service provider deliver the required functions, tasks and compliance, maintain and improve site safety, respond effectively to any emergency incidents and add value to the organisation at a more cost-effective rate than directly employing the on-site team?

When properly executed, outsourcing the on-site Fire and Rescue Service can have a defining impact on the company's revenue recognition and can deliver improved business continuity and resilience as well as significant savings through lower operational and labour costs.



Specialist knowledge, skills and expertise

Organisations cannot realistically be experts in every business function, process and discipline, it is simply far too expensive. By utilising outsourced service providers, companies can leverage a global knowledge base and resource centre, accessing world class capabilities, skills and expertise that they may have been precluded from previously.

Managed FRS service providers often have access to a wider, more highly skilled and diverse talent pool than the client themselves and will already have in place the requisite interview and selection processes designed to select only the strongest, most appropriately qualified and experienced staff.

Training and competence management can reflect global best practice, with industry and/or site-specific risks recognised, evaluated and reflected in the ongoing training provided to the FRS staff members.

Shared experiences coupled with specialist skills, learning and best working practices also enable the outsourced service provider to add value and resilience to and further reduce risk within the client's operation.

Shared responsibilities and liabilities

Although all organisations must maintain a duty of care to operate in a safe and environmentally responsible manner, delegating Fire and Rescue Service responsibilities to external providers can release companies of day to day management functions that are difficult to administer and control, while still realizing the inherent benefit the FRS provides and crucially maintaining operational compliance and certification.

As specialists in their field, outsourced FRS service providers generally are much better at deciding how to cost effectively avoid risk in their areas of expertise without compromising safety and response than perhaps a fully employed on-site team might be. This is because the incentive to deliver a high level of service and to maintain their professional reputation and credibility while remaining profitable is potentially stronger for the outsourced provider.

A further consideration if, unfortunately something does go wrong, may be that the responsibility and possible consequential contractual liability might well be shared in whole or in part with the service provider, rather than the contracting client themselves.

So what are the potential negatives?

Violations of confidentiality and intellectual property are of increasing concern to companies. This is particularly true for clients that outsource to providers from countries that may not have the same type or standards of confidentiality laws that prevail in their home jurisdiction.

One way to mitigate this issue is to have strong confidentiality clauses contained within all commercial contractual documentation and employee contracts and to make security of data and information a key performance indicator within any outsource contract.

Outsourcing or sub-contracting may in some cases result in job eliminations or employees leaving for other personal reasons, which in turn can have a negative effect on morale, loyalty and productivity among the personnel who remain.

In most cases for Fire and Rescue Service outsourcing, human resource levels are already stipulated based on the site or facility risk profile and therefore it is more likely that existing employees will simply be transferred to a new contract of employment with the new service provider, albeit perhaps on slightly different terms.

Although most companies will see an immediate benefit to the bottom line when outsourcing, there are also often hidden costs that, if not managed correctly, can quickly negate many of the anticipated savings.

It should not be underestimated that as in any period of change, increased ancillary costs such as travel and related expenses can accrue as employees travel back and forth for training and other meetings, particularly during the mobilisation phase of the new contract.



About the Author:

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Chris Thain manages Fire Protection Service business development for G3 Systems Ltd, a UK based company that provides fully managed and compliant on-site Fire and Rescue Services for industrial, aviation and military clients around the world, specialising in operations in austere and hostile working environments.

G3 Systems Ltd. is a wholly owned subsidiary of IAP Worldwide Services Inc. – a global provider of services to government and commercial customers.

Chris was previously with Devon and Somerset Fire and Rescue Service, where he successfully managed the commercial trading business of the Fire Authority.

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