

NHS Borders Annual Procurement Report April 2018-March 2019

Title	Annual Report – Procurement
Executive Summary	An overview of the activities of the Procurement Function within NHS Borders is provided.
Author	Shona Milne, Head of Procurement
Responsible Director	Carol Gillie, Director of Finance

Carol Gillie – Director of Finance

Signature.....

Shona Milne – Head of Procurement

Signature.....

Introduction

The primary purpose of the Procurement Annual Report to the Borders Executive Team (BET) is to provide assurance regarding the capability and capacity of the function to support NHSB Corporate Objectives.

NHS Borders Procurement (centrally co-ordinated and devolved) is managed across the Organisation in line with the Code of Corporate Governance and a detailed Procurement Strategy.

The publication of this report ensures compliance with the Procurement Reform (Scotland) Act 2014 which requires public bodies in Scotland to publish an Annual Report

Overview of NHSB Procurement Activity

The primary function of the Procurement Department is the tendering and contract activity that NHSB must undertake to be compliant with Public Sector procurement law and the Procurement Reform (Scotland Act) 2014. The team also provide a broader systems and reporting support that underpins our procure to pay processes. The Logistics staff support the warehousing and stock management system (Ward Product Management) as well as providing an NHS Borders wide Courier service.

The following annual volumes provide an indicator of the activity that was supported by the Procurement Team in 2018/19:

0 x OJEU (European law) Tenders

2 x Tenders

4 x Call off from Frameworks

26 x Quick Quotes (No. of Quick Quote requests via Public Contracts Scotland)

268 Local Contracts

13,000 purchase orders (PECOS)

115,000 warehouse movements pa (No. of lines ordered via Stores excluding receipts)

The NHSB Procurement Team is strong on day to day controls with high levels of compliance/contract cover and low levels of 'maverick' spend. The team focus is on facilitating the tender/contract process in support of internal customer requirements whilst ensuring the NHSB maintains strong regulatory and statutory compliance.

The Procurement and Logistics Department in NHS Borders operate a wide service, undertaking contract development and implementation activities while providing leadership and support to the devolved procurement areas within NHS Borders.

NHS Borders Budget

There are two distinctive spend areas: Pay and Non-Pay Spend.

Non Pay spend is also further divided in to Non Trade Spend and Trade Spend.

- **Non Trade Spend** is spend between NHS Borders and other Healthcare or Public Sector Bodies, Health and Social Services and Charitable organisations.
- **Trade Spend** is the spend that is influenceable by Procurement (includes devolved Procurement departments; Estates, Capital, IMT).

Trade Spend is defined as spend with third party suppliers. In 2018/19 the Trade spend for NHS Borders was **£31.04m (Source: Scottish Procurement Information Hub (Spikes Cavell))**

Within the procurement influenceable spend approximately 50% is procured through public sector frameworks and contracts (including but not limited to National Procurement Frameworks, Scottish Government Frameworks and Crown Commercial Services Frameworks).

The remaining expenditure is managed within NHSB (local contracting activity). This information is detailed on the Corporate Contract Register and is available to view on the Public Contracts Scotland website (Regulated Contracts only).

When undertaking contracting activity NHS Borders is obliged to meet the minimum governance and accountability requirements as set out in the McClelland Report and Procurement Reform (Scotland) Act 2014. Compliance is tested through audit and the bi-annual Procurement & Commercial Improvement Programme (PCIP) assessment. Confirmation of NHS Borders meeting these requirements is given through the Executive Lead for Procurement from the Board. A requirement of the regulations is for Public Sector Organisations to report on its regulated procurement activities as soon as practicable after the end of the financial year.

Regulated Procurements are contracts >£50k. Contract requirements in excess of £50k which cannot be met by existing, collaborative framework agreements are advertised on the Public Contracts Scotland website or in the Official Journal of the European Union (OJEU).

Review of regulated Procurement Compliance

NHS Borders adheres to the Procurement Journey methodology for all of its procurements where a tendering procedure is required and all of the regulated procurement activity listed has been carried out in accordance with the NHS Borders Code of Corporate Governance and Standing Financial Instructions.

Devolved procurement arrangements for low value and low risk procurements are also subject to NHS Borders governance arrangements through its Standing Financial Instructions and Procurement Protocol.

Any single tender/quotation approvals are carried out in line with NHS Borders Standing Financial Instructions and Procurement Protocol and strict criteria are applied to the review and approval process for single tender/quotation approvals and NHS Borders Audit Committee apply a further level of scrutiny.

NHS Borders Regulated Procurements undertaken during 2018/19

Date	Supplier	Contract/Framework Title or Subject Matter	Value	Procurement Route
01/04/18	Maintel Europ (Siemens)	Service contract for the maintenance of the realties DX PBX, Tiger Cal logger & Netcall Voicemail System.	£86,061	Direct Award*
25/05/18	Ricoh	Equitrac Support Services (5 years)	£140,000	Award against National Framework
01/08/18	SCC	Road to Digital Project (IMT)	£1.03m	Award against Healthtrust Europe COMIT Framework
06/09/18	n/a	Macmillan centre Extension (Capital Project)	£600k**	Tender (Paused)
18/09/18	Omniceil	Medicine Cabinets	£168,000	Award against SBS Framework
25/09/18	Zeiss	Visulas 532 Laser	£56,338	Single Quotation***
26/09/18	GE Medical Systems	Anaesthetic Machines	£263,640	Award against National Framework.
26/09/19	GE Medical Systems	Incubators (x 3)	£61,266	Single Quotation***
26/09/19	GE Medical Systems	Resuscitaire IW950 (x3)	£56,530	Single Quotation***
26/09/18	Veolia	RO Plant (Water Treatment System)	£112,753	Award against National Framework
20/12/18	Mindray	Vital Signs (with ECG capability)	£24,361	Award against National Framework
20/12/18	Welch Allyn	Vital Signs Monitors	£97,581	Award against National Framework
11/01/19	BMM Weston	Autoclaves	£142,012	Award against National Framework
21/01/19	Formatank Ltd	Water Tank Lining Project	£121,500	Tender (PCS)
21/01/19	Siemens	MRI Scanner	£1,012,230	Award against National Framework
21/01/19	Steris Solutions Ltd	Washer/Sterilisers	£106,784	Award against National Framework
11/01/19	Stryker UK Ltd	ED Trolleys	£87,799	Single Quotation***

*Awarded directly to Siemens (Unify) as equipment leased from Siemens. Will be reviewed at end of 3 year contract (2021).

**Below threshold of £2m for Works contracts but included in interests of transparency.

***Key Criteria - Compatibility with existing equipment.

Competitive Quotations (Not Regulated Procurements)

Despite not being a mandatory requirement of the Procurement Reform (Scotland) Act 2014, NHS Borders have taken the view that in the interests of openness and transparency, we will publish details of contracts under £50,000 contract value, awarded using a competitive quotation, award against Framework or single quotation request.

Date	Supplier	Contract/Framework Title or Subject Matter	Value	Procurement Route
03/05/18	Leaseplan	Lease 3 Courier Vehicles (4 years)	£48,111	Further competition against Framework
23/05/18	Fresenius Medical Care	Renal Machines	£30,748	Award against Framework
10/08/18	Philips Medical Systems	Transesophageal Probe	£20,786	Single Quotation*
11/09/18	Heidelberg Engineering Ltd	Spectralis OCT	£5,970	Single Quotation
12/09/18	Smiths Medical International	Level 1 Fast Flow Fluid Warmer	£10,836	Single Quotation
17/09/18	NW Security Group	CCTV Upgrade at Borders General Hospital	£26,365	Quick Quote (PCS)
25/09/18	Fire Protection Group (FPG)	Fire Panel Upgrade	£39,986	Quick Quote (PCS)
02/10/18	G2 Refrigeration & Air Conditioning	Upgrade/Replacement of Server Air Conditioning	£28,669	Quick Quote (PCS)
16/10/18	Telemedicine Clinic Ltd	Remote Radiology Reporting (3 years)	£45,000	Award against Framework
24/10/18	Inspiration Healthcare	Ventilator SCBU (x 2)	£37,297	Award against Framework
27/11/18	Scomac UK	Catering Combi Ovens	£24,718	Quotations
06/12/18	Topcon Ltd	Digital Fundus Camera	£19,488	Single Quotation*
23/10/18	Welch Allyn	ECG Stress System (Treadmill)	£23,140	Single Quotation*
20/12/18	Philips Healthcare	Non Invasive Ventilation Equipment	£21,952	Award against Framework
21/01/19	Anetic Aid	Electronic Tourniquets	£10,242	Single Quotation
28/01/19	Mindray	Monitors	£24,361	Award against Framework
29/01/19	Fresenius Medical Care	Renal machines	£30,748	Award against Framework
26/02/19	NuVideo	VC Equipment	£19,411	Single Quotation
18/03/19	Medtronic Ltd	XPS Console & Debrider	£10,534	Single Quotation

Health & Social Care Contracts

These are generally specialist needs contracts managed by our Commissioning Team. The contracts for these services are put in place with multiple providers (both locally and out of the Borders area). The use of the light touch regime ensures compliance with legislation.

The individual nature of these arrangements creates a significant risk of data breach if they are publicised in more detail, therefore any contracts of this type are excluded from the list.

Community Benefits

Under the requirements of the Procurement Reform (Scotland) Act 2014 the contracting authority must, before carrying out the procurement consider, whether to impose community benefit requirements as part of the procurement. This applies to contracts with a value greater or equal to £4,000,000.

At the tender development stage NHS Borders consider community benefits within the tender evaluation criteria (where appropriate).

NHS Borders will continue to seek opportunities to impose formal community benefit requirements where the nature of the procurement would be appropriate.

Summary of any Community Benefits imposed as a result of these procurements:

- No applicable contracts awarded in 2018/19.

Local Suppliers

In 2018/19 NHS Borders spend with local businesses was £1.1m (3.7% of Trade Spend).

Supported Businesses

Contracting Authorities may restrict participation in a regulated Procurement (Other than EU regulated procurement) to supported businesses only.

NHS Borders supports the involvement of supported businesses and the requirement is included within tenders for regulated procurements (>£50k) where appropriate.

Our procurement guidelines include the requirement to request quotations from Supported Businesses where appropriate.

Although we have not purchased directly from any Supported Business during 2018/19 NHS Borders has utilised the National Furniture Framework in which the awarded suppliers have all agreed to be part of the contract and supplier management program to further develop relationships with Supported Businesses. We have also engaged with Dovetail Enterprises to carry out a site survey with the purpose of purchasing fire doors in Financial Year 2019/20.

Opportunities – Summary of the procurements NHS Borders expects to tender in the next two financial years.

Contract/Framework Title or Subject Matter	Renewal or New	Estimated Contract Value	Expected Contract Start Date	Procurement Route
Repairs & Maintenance Framework	Renewal	Varies between trades.	April 2020	Tender
Primary Care Health Centre Refurbishments (x 2)	New	£1m	2020	Tender
Surgical Stacking Equipment (Theatres)	New	£65,000	January 2020	Call off From Framework
Bladder Scanners (x4)	New	£28,000	January 2020	Quotations
Renal Machines (x2)	New	£30,000	January 2020	Call off From Framework
Uplift of Confidential Waste	Renewal	£36,000	April 2020	Tender
Steam Boiler Controls Upgrade	New	£150,000	October 2019	Tender

NHS Borders will utilise National Contracts and Frameworks where appropriate.

Please note this list is subject to change dependant on available Capital Funding and prioritisation of projects. Contract values are estimates.

Note also that not all projects will be over the works contract threshold of £2m and will therefore not be regulated procurements. In the interests of transparency these have been detailed as the tender opportunities will be advertised on the Public Contracts Scotland Portal.

All regulated contracts will be advertised on the Public Contracts Scotland Portal. Where National Frameworks exist these will be utilised by either calling off our requirement from the Framework or entering in to a mini-competition/tender with the suppliers on the Framework to obtain best value.

Capital Projects with a value greater than £750k are either directed through Hub South East Scotland (Primary Care Projects) or Frameworks 2 (Acute (In-Patient) Facility Projects).

It is mandated that NHSB utilise the Public Contracts Scotland system for the issue of all tendering opportunities.