

## Borders NHS Board



Meeting Date: 5 March 2020

<b>Approved by:</b>	Carol Gillie, Director of Finance
<b>Author:</b>	Susan Swan, Deputy Director of Finance – Head of Finance
<b>APPROVAL OF A TENDER WAIVER FOR THE PROCUREMENT OF BOILER REFURBISHMENT WORKS</b>	
<b>Purpose of Report:</b>	
<p>The purpose of this report is to advise the Board that approval has been given to waive the tender process for refurbishment works in the main boilerhouse at Borders General Hospital.</p>	
<b>Recommendations:</b>	
<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>• <b>Note</b> the contents of this report</li> <li>• <b>Note</b> the approval given by the Board Vice Chair, Chief Executive and Director of Finance to waive the tender process as stated in the Code of Corporate Governance for the appointment of a contractor for a package of works at the main boilerhouse at Borders General Hospital.</li> </ul>	
<b>Approval Pathways:</b>	
<p>This report was prepared by the Director of Finance following a request received from the Head of Estates and Facilities.</p>	
<b>Executive Summary:</b>	
<p>The 2019/20 Capital Plan included provision for the purchase of replacement fuel burners and automated controls at a cost of approximately £100k in the boilerhouse in the Borders General Hospital. The installation of the new plant is scheduled for completion during early 2020/21 which would bring the overall cost of the works to approximately £250k.</p> <p>The procurement process as detailed in the Board's Code of Corporate Governance is a full market test exercise should be completed when this value of works is being commissioned. In the case of the boilerhouse the following process was followed - a quick quote from 3 specialist suppliers, supplemented with a more detailed specification developed with Health Facilities Scotland and then 3 revised quotes were received. As the lowest quote supplier currently provides the maintenance contract to the boilerhouse and is familiar with the Board's operating procedure the Head of Estates and Facilities recommended that no further market test is undertaken. Based on this information the Board Vice Chair, Chief Executive and Director of Finance approved a waiver to recommended tender process as detailed in the Code of Corporate Governance in order for the works to progress with the preferred supplier.</p>	

<b>Impact of item/issues on:</b>	
<b>Strategic Context</b>	The required package of works has been detailed as part of the schedule of backlog maintenance requirements included in the Board's Annual Operational Plan (Capital Plan).
<b>Patient Safety/Clinical Impact</b>	The required package of works ensure the continued provision of the heating system to the Borders General Hospital site.
<b>Staffing/Workforce</b>	n/a
<b>Finance/Resources</b>	The required package of works has been funded as part of the 2019/20 and 2020/21 Capital Plan
<b>Risk Implications</b>	Risk associated with the delivery of the Capital Resource Limit if not actioned.
<b>Equality and Diversity</b>	n/a
<b>Consultation</b>	n/a
<b>Glossary</b>	n/a

## **AIM**

To update the Board on the approval that has been given to waive the tender process as detailed in the Code of Corporate Governance for refurbishment works in the main boilerhouse at Borders General Hospital.

## **BACKGROUND**

The refurbishment of the main boilerhouse at Borders General Hospital has been identified as part of backlog maintenance requirements for a number of years.

The 2019/20 Capital Plan included provision for the purchase of replacement fuel burners and automated controls at a cost of approximately £100k. The installation of the new plant is scheduled for completion during early 2020/21 the cost of which would bring the overall cost of the works to £250k.

The Board's Code of Corporate Governance requires for this estimated level of spend that a full market test tender process is carried out.

## **ASSESSMENT**

The scheme is to replace the fuel burners and implement automated boiler controls at the main boilerhouse on the Borders General Hospital site.

The Board's Code of Corporate Governance requires for this level of spend of (estimated at £250k) that a full market test tender process should be carried out. A high level brief was issued to 3 specialist suppliers and 3 quotes were received. Following this discussions were held with subject matter experts at NHS National Services Scotland (NSS) Health Facilities Scotland (HFS) which identified further detailed work was required on the specification. Revised quotes were received on the more detailed specifications from the 3 suppliers. On the basis of the revised quotes the lowest value quote supplier was recommended to be appointed to undertake the work by the Head of Estates and Facilities and that no further market testing should be progressed. The reason for this was to ensure continued service from the boilerhouse plant during the time work is underway

as the lowest cost supplier currently provides maintenance support to the boilerhouse and is therefore familiar with the site.

Based on this information the Board Vice Chair, Chief Executive and Director of Finance approved a waiver to the recommended tender process as detailed in the Code of Corporate Governance in order for the works to progress with the preferred supplier following the quick quote process.