

NHS Forth Valley

Annual Procurement Report 2017/18



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Introduction & Overview

This is the first Procurement Annual Report for NHS Forth Valley reporting the period April 2017 to 31st March 2018.

The primary purpose of the report is to ensure compliance with the Procurement Reform (Scotland) Act 2014 which requires public bodies in Scotland to publish an Annual Report which contains:

- A summary of all regulated procurements undertaken in the previous financial year.
- A review of those procurements to ensure compliance with the procurement strategy.
- A statement regarding future compliance for non compliant procurements undertaken during the reporting period.
- A summary of community benefit requirements imposed as part of a regulated procurement that were fulfilled during the reporting period.
- A supported business summary which details steps taken to facilitate the involvement of supported businesses.
- The volume of spend with local businesses during the reporting period.
- A summary of the regulated procurements the organisation expects to commence in the next two financial years.

The report is also intended to record Procurement input to supporting the:-

- Delivery of Improved public health services;
- Contribution towards the social, economic and environmental outcomes in Forth Valley
- Compliance with the 'sustainable procurement duty'.

The Procurement Annual Report is intended to provide assurance to the NHS Forth Valley Board regarding the capability and capacity of the function to support the corporate objectives.

NHS Forth Valley Procurement Activity & Budget

The primary function of the Procurement Department is the tendering and contract activity that NHS Forth Valley must undertake to be compliant with Public Sector procurement law and the Procurement Reform (Scotland) Act 2014.

The Procurement team provide broader systems and reporting support that underpins the “procure to pay processes”.

The following is a summary of the average volumes in 2017/18 :-

- 1 x OJEU (European law) Tenders conducted per annum
- 6 x Tenders/Mini Competitions
- 6 x Quick Quotes (via Public Contracts Scotland)
- 370 Contracts (This includes national, regional and local Contracting Activity)
- 36,400 purchase orders (PECOS)
- 250,000 warehouse movement's p.a. (15,700 Lines)

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

There are two distinctive spend areas which consist of:

- Non Trade Spend - spend between NHS Forth Valley and other Healthcare or Public Sector Bodies, Health and Social Services and Charitable organisations.
- Trade Spend - spend that can be influenced by Procurement including Capital Spend.

In 2017/18 the total Trade spend was £110 million and of this approximately 70% is directly influenced by Procurement through public sector frameworks and contracts. The remaining expenditure is managed within NHS Forth Valley local contracting activities.

Summary of Regulated Procurements Completed 2017/18

In accordance with the Procurement Reform (Scotland) Act 2014, any Public contract of £50,000 or greater and public works contract of £2,000,000 or greater, is considered a Regulated Contract. This includes both contracts and framework agreements.

Table 1 provides details of all regulated procurements undertaken during the reporting period:

Title	Date of Award	Awarded Supplier	Contract Start	Contract Finish	Contract Value
Award Of Refurbishment Of Out Patient Department 1 & 2 Concourse Cafe & Ancillary Services Stirling Community Hospital	13/9/17	Fleming Buildings Ltd	3/2/17	30/10/17	£809,547
NHS Forth Valley Capital Works Programme 17/18 Mechanical and Electrical Works	26/02/2018	Arc-Tech (Scotland) Ltd	02/07/18	31/08/18	£634,581
Award Of Wifi Network FVRH Nhsfv- Ict-022017	30/11/17	Capita IT Services	1/12/17	30/11/23	£539,298
Award Of Wifi Structure For Forth Valley Royal Hospital	25/3/17	CDW Limited	25/3/17	24/3/22	£435,218
Award Of Trak Infrastructure Nhsfv- Ict-122017	22/1/18	XMA Limited	22/1/18	21/1/23	£228,083
Award Of Unit 1 & 2 Trystview Bellsdyke Hospital	16/3/17	APM Contracts Ltd	16/3/17	11/5/17	£216,570
Measured term contract for minor upgrades for Local suppliers	05/02/2018	LPS Contracts Ltd	18/06/18	20/10/18	£154,807
Award Of Tryst View Clean Rooms	16/3/17	APM Contracts Ltd	16/3/17	11/5/17	£74,968

Table 1

Table 2 provides details of all Mini Competitions & Quick quotes undertaken during 2017/18:

Title	Date of Award	Awarded Supplier	Contract Start	Contract Finish	Contract Value
NHS Forth Valley Building Fabric Works	22/12/17	Prime Build Solutions	12/02/18	08/05/18	£264,498
Mini Competition NP182/13 – Lot 4 Medical Microscopes	23/3/18	Leica Microsystems (UK) Ltd	2/4/18	1/4/28	£185,985
Contract Under Framework RM3733 Technology Products Readvertised	19/3/18	Computacenter	18/4/18	17/4/19	£48,625
Bo’ness Hospital Dementia Friendly Garden	29/1/18	P1 Solutions Ltd	26/2/18	31/5/18	£42,986
Lead Advisor For NHSFV - Frameworks Scotland 2	4/9/17	Pick Everard	4/9/17	3/9/18	£42,450
Supply LED Light Fittings For Falkirk Community Hospital	29/6/17	Rexel UK Limited	1/6/17	31/5/18	£40,428
Properties Services Tender - NHS Forth Valley	22/2/17	Graham + Sibbald	27/2/17	26/2/20	£31,750
Occupational Health Record Client Administration System	29/6/17	Warwick International	1/12/17	30/11/19	£25,909
Closeout Works, Stirling Community Hospital	Date	LPS Contracts Ltd	9/1/17	17/2/17	£25,218
Replacement Front Screens Hope House, Bellsdyke Hospital	26/02/18	LPS Contracts Ltd	25/6/18	6/7/18	£14,838
Supply Of Led Light Fittings For Stirling Community Hospital	29/6/17	Bemco British Electrical & Manufacturing Co Ltd	1/6/17	31/5/18	£14,058
Servicing & LOLER Examination Patient Lifting Equipment NHS Forth Valley	2/5/17	MMS (Matthew Medical Services) LTD	2/5/17	31/10/17	£11,280
Admin Control - Document Sharing.	16/4/18	Admincontrol	27/4/18	26/4/20	£7,350
NHS Forth Valley - Labels Quick Quote.	30/11/17	PM labels Ltd	30/11/17	30/11/18	£94.00
Award Of Supply Of Full Service Vending Machines For NHS Forth Valley Sites	5/4/17	Abercromby Vending Ltd	3/4/17	2/4/20	N/A

Table 2

Review of Regulated Procurement Compliance

Statement re Future Compliance for Non Compliant Procurements

After review of the procurements carried out during the annual reporting period, all were adjudged to have been processed through PCS Portal (Procurement Contracts Scotland) in accordance with the associated procurement journey.

Call off contracts were updated on PCS Portal for period to March 2018 for contracts Cat A, Cat B and including collaborative arrangements.

Exceptions:

Two contracts have been extended under a waiver due to the new Health & Social Care regulations 2015 in relation to Procurement Care & Support Services 2016 (best practice):

- Signpost Recovery Contract (£1.1m)
- Addictions & Support Counselling (Circa £400k)

These two contracts are longstanding third sector services contracts that relate to addiction, support counselling and drug and alcohol dependency. These services are will be tendered in the current financial year (2018/19).

Community Benefit Summary

NHS Forth Valley is committed to delivering social and environmental benefits through our public procurement activity to assist in achieving sustainability in public contracts. Delivering community benefits is an important part of the sustainable procurement duty and community benefits must be considered for all procurement processes at or above £4 million in value. Notwithstanding this the sustainable procurement duty can extend into lower thresholds as evidenced by the following regulated procurements delivered in 2017/18:

Procurement	Procurement Value	Community Benefits Summary
Refurbishment of Out Patient Cafe & Ancillary Services Stirling Community Hospital.	£809,547	Targeted recruitment and training, small business and social enterprise development, community engagement and the recruitment and training of volunteers.
Wifi Network Valley Royal Hospital	£539,298	Community engagement through the provision of Radio Services in partnership with a local registered charity Radio Royal.
Wifi Structure Forth Valley Royal Hospital	£435,218	
Part of PFI Contract – Forth Valley Royal Hospital	Circa £38M	<p>The NHS Forth Valley Arts Programme facilitated by the NHS Forth Valley Arts & Wellbeing Co-ordinator consisted of the following 7 projects during the reporting period:</p> <ul style="list-style-type: none"> • Camelon People First • Music, Artlink Central • Ward B21/22 • Wall of Wellbeing • Larbert High School <p>These projects engaged with partners and the community to deliver participatory arts programmes, music related activities, employment and volunteering initiatives, community outreach projects, creation of social spaces in health environments and community Art Events.</p>
Information Area Forth Valley Royal Hospital	Circa £38M	The Information Area in FVRH was utilised 108 times during the reporting period by third sector organisations providing information on local services to patients, families and the public.

Supported Businesses Summary

This section outlines the activity during 2017/18 on supported business interface with NHS Forth valley and outlines some of the key areas of benefit and trade.

NHS Forth Valley Head of Procurement visited “Haven” - a support business in Larbert Business Park to understand how NHS could do more to increase spend to supported business. This was an nationally organised event involving many health boards across NHS Scotland. NHS and NHS Forth Valley uses Haven as part of the National Uniforms contract and for some of our signage from the “Sign Factory” division. The tour of Haven also brought up other business opportunities in the areas of waste disposal and scanning for NHS to use as part of Scottish Government supported business framework. All NHS Boards were asked to review local needs via the respective procurement Consortiums and key stakeholders.

Annual Spend Data 2017-18	
Total Spend - the total amount of spend for the 17/18 year:	£113,714,583
Input Suppliers - The number of suppliers, before de-duplication:	1867
De-duplicated Total Suppliers - The number of unique suppliers:	1798
Duplicate Suppliers - No of suppliers which are duplicates of another:	69
PCard Spend - Percentage of transactions by value of spend that are identified as purchase card transactions in the extract:	0%
Transactions - The total number of transactions:	72,751
Avg. spend per supplier - The average spend per unique supplier:	£63,185,007
Core Trade Spend - A sub-set of the supply base that includes all Trade:	£111,173,684
SME Suppliers - small and medium sized business where supplier has less than 249 employees or where annual revenue is <£22.8m:	835
SME Spend - Spend with SME as a percentage of Core Trade Spend:	18%
Local Suppliers - Spend with suppliers within the same local authority:	51
Local Spend - Spend with local suppliers as % of Core Trade Spend:	1%

Future Regulated Procurements Summary 2018 – 2020

Section 18(2) of the Procurement Reform (Scotland) Act 2014 states it is mandatory that an annual procurement report must include a summary of the regulated procurements the authority expects to commence in the next two financial years. The future regulated procurements outlined below provide a forward plan of anticipated procurements for the period 2018 to 2020:

Procurement	Status	Publish Date	Award Date	Start Date	Contract Value	Department Supplier
Refurbishment of Primary Care Premises	New	TBC	TBC	2019/20	£1.68m	Estates & Facilities
Refurbishment Community Hospital	New	TBC	TBC	2019/20	£1.25m	Estates & Facilities
General Improvements	New	Jun 2018	Jun 2018	2019/20	£665,000	Estates & Facilities
Refurbishment of Community Hospital Premises	New	TBC	TBC	2018/19	£417,000	Estates & Facilities
Energy Efficiency Improvement Schemes	New	May 2018	Oct 2018	2018/19	£417,000	Estates & Facilities
General Improvements	New	Jul 2018	Aug 2018	2018/19	£135,000	Estates & Facilities
Backup Hardware & Software	New	Aug 2018	Sep 2018	Sep 2018	£200,000	ICT/eHealth
Stirling Care Village Network	New	May 2018	Aug 2018	Aug 2018	£400,000	ICT/eHealth
Community System Replacement	New	Jul 2018	Jul 2018	Jul 2018	£200,000	ICT/eHealth
Docs Management	New	Sep 2018	Dec 2018	Jan 2019	£50,000	ICT/eHealth
Supplementary Patient Transport Misc Lots	New	Oct 2018	Jan 2019	Feb 2019	£300,000	Transport
Taxi Contract	New	Sep 2018	Dec 2018	Jan 2019	£140,000	Transport
Stirling Care village Procurement Via HFS	New	N/A	N/A	Apr 2018	£2.4m	HFS procuring for NHS FV
Image intensifier	New	Aug 2018	Nov 2018	Dec 2018	£130,000	Theatres
Ultrasound scanners	New	Aug 2018	Nov 2018	Dec 2018	£100,000	Theatres
9 Day Rate Contractor Contracts	New	Sep 2018	Dec 2018	Jan 2019	£500,000 Estimate	Estates & Facilities

Additional Procurement Related Information

Procurement & Commercial Improvement Programme

When undertaking contracting activity, NHS Forth Valley 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. In January 2016 NHS Forth Valley went through the full PCIP assessment and achieved a score of A+ which placed the Health Board within the upper quartile of performance.

Procurement Savings

NHS Forth Valley Procurement is tasked with the delivery of procurement savings at the start of each financial year. This is delivered through implementation of nationally negotiated contracts, local efficiencies and improved buying opportunities. Not including cost avoidance and capital savings NHS Forth Valley delivered £682,000 for 2017/18.

NHS Forth Valley Procurement Strategy

The NHS Forth Valley Procurement Strategy 2015 to 18 was published on the NHS Forth Valley public website on 21st September 2016. The strategy is monitored by an Action Plan which is presented to the Procurement Steering Board and Senior Leadership Team of NHS Forth Valley and remains on track with the stated objectives.

Lead Officers

Jonathan J Procter

Lead Director for Procurement

NHS Forth Valley

Carseview House, Castle Business Park, Stirling, FK9 4SW

Email : Jonathan.procter@nhs.net

Office : 01786 463031 Ext 242

David Logie

Head of Procurement

NHS Forth Valley Central Supplies Department

Unit 2, Colquhoun Street, Stirling, FK7 7PX

Email : david.logie@nhs.net

Office : 01786 433869