

# NHS Forth Valley



## Annual Procurement Report 2018-19

**October 2019**

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## Introduction & Overview

This is the first Procurement Annual Report for NHS Forth Valley reporting the period April 2018 to 31st March 2019.

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 2018/19 :-

- 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 344 national contracts, 26 regional and local Contracting Activity)
- 37,800 purchase orders (PECOS) - represents 5% increase on previous year
- 215,750 warehouse movement's p.a. (15,200 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 2018/19 the total Trade spend was £123.4 million and of this approximately 90% 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 2018/19

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(s)	Contract Start	Contract Finish	Contract Value
NHS Forth Valley Multi Trades (Lot 1 – Joinery)	14/03/2019	<ul style="list-style-type: none"> <li>• MPMH</li> <li>• FES</li> <li>• Graham Marshall</li> </ul>	01/04/2019	01/04/2022	£1.89m across all lots
NHS Forth Valley Multi Trades (Lot 2 – Flooring)	14/03/2019	<ul style="list-style-type: none"> <li>• Calton Flooring</li> <li>• CAMS Construction</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot 3 – Flat Roofing)	14/03/2019	<ul style="list-style-type: none"> <li>• Bannockburn Roofing</li> <li>• Rooftech</li> <li>• Braedale</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot 4 – Builder Work)	14/03/2019	<ul style="list-style-type: none"> <li>• MPMH</li> <li>• CAMS Construction</li> <li>• FES</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot 5 – Painting)	14/03/2019	<ul style="list-style-type: none"> <li>• Trident</li> <li>• MITE</li> <li>• Dobie</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot 6 – Plastering)	14/03/2019	<ul style="list-style-type: none"> <li>• CAMS Construction</li> <li>• Prime Building Solutions</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot 7 – Slate & Tile)	14/03/2019	<ul style="list-style-type: none"> <li>• Bannockburn Roofing</li> <li>• MPMH</li> <li>• Rooftech</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot 8 – Electrical)	14/03/2019	<ul style="list-style-type: none"> <li>• Magnus electrical</li> <li>• AC Electrics</li> <li>• FES Support Services</li> </ul>	01/04/2019	01/04/2022	
NHS Forth Valley Multi Trades (Lot9 – Plumbing)	14/03/2019	<ul style="list-style-type: none"> <li>• Warner Brothers</li> <li>• FES</li> <li>• Hatrick Bruce</li> </ul>	01/04/2019	01/04/2022	

Table 1

**Table 2 provides details of all Mini Competitions & Quick quotes undertaken during 2018/19:**

<b>Title</b>	<b>Date of Award</b>	<b>Awarded Supplier</b>	<b>Contract Start</b>	<b>Contract Finish</b>	<b>Contract Value</b>
NHS Forth Valley Non-Domestic Energy Efficiency (NDEE) Framework Project 1	14/11/2018	Robertson Facilities Management	15/11/2018	30/03/2020	£500,000
RM1045 - Network For Stirling Care Village.	18/05/2018	Virgin Media Business	30/05/2018	29/05/2021	£317,348
Backup Solution for NHS Forth Valley - V2	21/12/2018	Computacenter	14/01/2019	13/01/2022	£286,783
Trak Infrastructure nhsfv-ict-122017	22/01/2018	XMA Limited	22/01/2018	21/01/2023	£228,083
Invitation to Mini Competition for NP182/13 Lot 4 Medical Microscopes	27/03/2018	Leica Microsystems (UK) Ltd	02/04/2018	01/04/2028	£185,985
Trak Support Contract under Framework RM3804 Lot 3B	04/04/2019	Proact IT UK Ltd	29/04/2019	28/04/2022	£179,407
NHS Forth Valley Elective Capacity Project - Lead Adviser/Technical Adviser	27/05/2019	Aecom	27/05/2019	29/05/2020	£71,636
NHS Forth Valley Sexual Health and BBV MCN MSM Project	12/07/2018	Waverley Care	16/07/2018	10/06/2021	£47,475
Supply, install and commission a duel fuel burner	15/02/2019	Nicol Boilers Ltd	26/03/2019	25/03/2021	£34,954
Stirling Care Village - Sackholders	16/07/2018	U Group Ltd.	20/07/2018	20/07/2021	£34,580
NHS Forth Valley Clerk of Works for Doune Health Centre	08/11/2018	Ross Quality Control Limited	09/11/2018	17/10/2019	£25,651
External Audit Of Endowment And Patients Funds Annual Accounts	02/11/2018	Dickson Middleton	02/11/2018	01/11/2021	£24,000
Supply of Labels	24/04/2019	Streamline Corporate	06/05/2019	31/03/2020	£12,672
Admin Control - Document Sharing	16/04/2018	Admincontrol	27/04/2018	26/04/2020	£7,350

Table 2

## Review of Regulated Procurement Compliance

In the 2018/19 Annual Procurement Report, a number of future regulated procurements were outlined for the period 2018-2020. Progress against each of these procurements was as follows:

Project	Progress	Outcome
Energy Efficiency Improvement Schemes	Mini competition held under the NDEE framework.	Contract awarded to Robertson Facilities Management (£500k).
Backup Hardware & Software	Mini competition held under RM3733 Technology products 2.	Contract awarded to Computacenter (£286k).
Refurbishment of Primary Care Premises	These projects were taken forward through HUB framework.	All projects completed on time and on budget.
Refurbishment of Community Hospital	£375k in total was allocated during reporting period with £69k carried forward into 2019/20.	Multiple procurements undertaken on equipment, building services and refurbishments.
General Improvements		
Refurbishment of Community Hospital Premises		
General Improvements		
Stirling Care Village Network	Direct award via Network Services Agreement RM1045.	Direct award to Virgin Media Business (£317k).
Community System Replacement	Procurement via national software supplier, Softcat on RM3821.	Community System Replacement (Morse) will go live by end of 2019.
Docs Management	Docs Management - VEAT for current solution EDMS, CCube is the current supplier.	VEAT notice will be sent out to market in November 2019.
Supplementary Patient Transport Misc Lots	Issued for OJEU tender.	Due for award September 2019.
Taxi Contract	Issued for OJEU tender.	Due for award September 2019.
Stirling Care village Procurement	Procured via HFS (Health Facilities Scotland).	Completed October 2018 at a cost of £1.56m.
Image intensifier	Image intensifier purchased via a mini competition run by Kate Henderson from NSS. It was a Philips unit which was purchased.	Purchased 19/2/19 at a cost of £129,000.
Ultrasound scanners	The ultrasound scanners were purchased from Sonosite as a direct call off for the imaging equipment framework.	Purchased on 31/2/19 at a cost of £95,790.
9 Day Rate Contractor Contracts	Full OJEU tender process completed March 2019.	Awarded March 2019 to 25 companies in Table 1.

### 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 2019 for contracts Cat A, Cat B and including collaborative arrangements.

**Exceptions:**

All NHS Forth Valley procurements complied with the NHS Forth Valley Procurement Strategy and the Procurement Reform (Scotland) Act 2015.

Listed below are the range of quick quote tenders that could not be awarded due to various reasons:

Quick Quotes	Dates
Printing (Pre-Employment Assessment Forms)	22/05/2019
Supply of Labels	03/04/2019
Movement of Still Born or Non Viable Pregnancies	05/03/2019

## 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 procurement delivered in 2018/19:

Procurement	Community Benefits Summary	Procurement Value
NHS Forth Valley Multi Trades	<ul style="list-style-type: none"> <li>● Promotion of vacancies with charities and Trusts.</li> <li>● Targeted vacancies (NEET).</li> <li>● Engagement with local Job Centres.</li> <li>● Workshops/presentations to schools.</li> <li>● Local supplier agreements .</li> <li>● Community Engagement.</li> <li>● Modern Apprenticeships and training opportunities for young people.</li> <li>● Engaging with students.</li> <li>● The provision of work experience.</li> <li>● Attendance at school careers events.</li> <li>● Provision of health and safety education to schools/colleges.</li> <li>● Creating new employment opportunities.</li> <li>● The use of local Sub- contractors.</li> <li>● The use of third sector suppliers and social enterprises.</li> <li>● The monitoring of Community Benefits.</li> <li>● Utilisation of Construction Skills, Glasgow’s Commonwealth Apprenticeship Programme, Action for Children and Job Centre for long term unemployed and school leavers.</li> <li>● Recruitment of young people through T.I.G.E.R.S. (Training Initiatives Generating Effective Results in Scotland).</li> <li>● Training and employment opportunities for young people, local communities and the long term unemployed.</li> <li>● Partnerships to promote a healthier workforce.</li> <li>● The provision of individual training of employees and contractors.</li> <li>● Support and guidance to local charities, schools, community groups, colleges and businesses.</li> </ul>	£1.89m

## Supported Businesses Summary

*This section outlines the activity during 2018/19 on supported business interface with NHS Forth valley and outlines some of the key areas of benefit and trade.*

NHS Forth Valley has been dealing with Haven (supported business in Larbert Business Park) on trying to increase spend via various initiatives as part of the Scottish Government’s Supported Business Framework. NHS Scotland and NHS Forth Valley use Haven as part of the National Uniforms contract and for some of our signage from the “Sign Factory” division. In the financial year 2018/19 a total of £6,208 was spent with Haven. There is an additional project for ‘back scanning’ that was quoted and carried out during the reporting period.

NHS Forth Valley, as part of the Interpretation & Translation Services Local Cat contract deals with a supported business called Forth Valley Language Support. As part of this contract, they were awarded

<b>Annual Spend Data 2018-19</b>	
Total Spend - the total amount of spend for the 18/19 year:	<b>£125,867,907</b>
Input Suppliers - The number of suppliers, before de-duplication:	<b>1,875</b>
De-duplicated Total Suppliers - The number of unique suppliers:	<b>1,813</b>
Duplicate Suppliers - No of suppliers which are duplicates of another:	<b>62</b>
PCard Spend - Percentage of transactions by value of spend that are identified as purchase card transactions in the extract:	<b>0%</b>
Transactions - The total number of transactions:	<b>78,662</b>
Avg. spend per supplier - The average spend per unique supplier:	<b>£69,425</b>
Core Trade Spend - A sub-set of the supply base that includes all Trade:	<b>£123,484,089</b>
SME Suppliers - small and medium sized business where supplier has less than 249 employees or where annual revenue is <£22.8m:	<b>869</b>
SME Spend - Spend with SME as a percentage of Core Trade Spend:	<b>28%</b>
Local Suppliers - Spend with suppliers within the same local authority:	<b>£1.23m</b>
Local Spend - Spend with local suppliers as % of Core Trade Spend:	<b>1%</b>

## Future Regulated Procurements Summary 2019 – 2021

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 2019 to 2021:

Procurement	Status	Publish Date	Award Date	Start Date	Contract Value	Department Supplier
Ercall Road	New	Sep 2019	Nov 2019	Dec 2019	£250,000	Estates & Facilities
SCH Retained Estates Pipework	New	Sep 2019	Oct 2019	Dec 2019	£264,000	Estates & Facilities
SCH Livilands Resource Centre	New	Sep 2019	Oct 2019	Dec 2019	£200,000	Estates & Facilities
Interpretation & Translation Services	Re-tender	Nov 2019	Jan 2020	April 2020	£400k	Disability Service - Community Services Dpt
GP Services (Bannockburn, Hallpark, Kersiebank Medical Practices)	OJEU Tender	Oct 2019	Dec 2019	TBC	TBC	Primary Care in Community
ICT Network FVRH	New	Oct 2019	Nov 2019	Dec 2019	£300-£400k	ICT e-Health
Theatre Systems	New	Business Case to be approved			TBC	ICT e-Health
Nexus, National Cat B System	New	Business Case to be approved			TBC	ICT e-Health
Clinical Portal Replacement	New	Business Case to be approved			TBC	ICT e-Health
Ordercomms Replacement	New	Business Case to be approved			TBC	ICT e-Health
Forth Valley Royal Hospital Telephones	New	Business Case to be approved			TBC	ICT e-Health

## **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 £346,634 for 2018/19.

### ***NHS Forth Valley Procurement Strategy***

The NHS Forth Valley Procurement Strategy 2015 to 2020(Extended) was published on the NHS Forth Valley public website in April 2019.

The Procurement Strategy positions procurement activity visibly within the organisation establishing Board level commitment to and involvement in the management of the Board's procurement deliverables. It also sets out clear, measurable corporate objectives and priorities for improvement which are closely monitored.

Progress against the corporate objectives is reported to the NHS Forth Valley Board through the Strategic Leadership Team (SLT).

### ***Lead Officers***

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## Appendix A

<b><u>1. Organisation and report details</u></b>	
a) Contracting Authority Name	NHS Forth Valley
b) Period of the annual procurement report	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<b><u>2. Summary of Regulated Procurements Completed</u></b>	
a) Total number of regulated contracts awarded within the report period	1
b) Total value of regulated contracts awarded within the report period	£1.89m
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	16
i) how many of these unique suppliers are SMEs	«Number»
ii) how many of these unique suppliers how many are Third sector bodies	0
<b><u>3. Review of Regulated Procurements Compliance</u></b>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	1
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
<b><u>4. Community Benefit Requirements Summary</u></b>	
<b>Use of Community Benefit Requirements in Procurement:</b>	
a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	1
<b>Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:</b>	
d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	0
i) Total Value of contracts sub-contracted to Social Enterprises	0

j) Total Value of contracts sub-contracted to Supported Businesses	0
k) Other community benefit(s) fulfilled	0
<b><u>5. Fair Work and the real Living Wage</u></b>	
a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	0
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	0
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	0
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0
<b><u>6. Payment performance</u></b>	
a) Number of valid invoices received during the reporting period.	71,687
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	92.14%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	1
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
<b><u>7. Supported Businesses Summary</u></b>	
a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£6,208
i) spend within the reporting year on regulated contracts	0
ii) spend within the reporting year on non-regulated contracts	0
<b><u>8. Spend and Savings Summary</u></b>	
a) Total procurement spend for the period covered by the annual procurement report.	<b>£125,867,907</b>
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	<b>£35,243,000</b>
c) Total procurement spend with Third sector bodies during the period covered by the report.	TBC

d) Percentage of total procurement spend through collaborative contracts.	TBC
e) Total targeted cash savings for the period covered by the annual procurement report	£400,000
i) targeted cash savings for Cat A contracts	£10,000
ii) targeted cash savings for Cat B contracts	£380,000
iii) targeted cash savings for Cat C contracts	£100,000
f) Total delivered cash savings for the period covered by the annual procurement report	£346,634
i) delivered cash savings for Cat A contracts	£10,100
ii) delivered cash savings for Cat B contracts	£301,072
iii) delivered cash savings for Cat C contracts	£35,462
g) Total non-cash savings value for the period covered by the annual procurement report	£0
<b><u>9. Future regulated procurements</u></b>	
a) Total number of regulated procurements expected to commence in the next two financial years	5
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£1.114M



