

NHS Forth Valley Annual Procurement Report 2019-20



February 2021

Index

Introduction & Overview	2
NHS Forth Valley Procurement Activity & Budget	3
Summary of Regulated Procurements Completed 2019 – 2020	4
Review of Regulated Procurement Compliance	6
Community Benefit Summary	7
Supported Business Summary	8
Future Regulated Procurements Summary 2020 – 2022	9
Additional Procurement Related Information	10
Appendix A	11

Introduction & Overview

This is the NHS Forth Valley Procurement Annual Report for the period April 2019 to 31st March 2020.

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 2019/20:

- 3 x OJEU (European law) Tenders conducted per annum
- 6 x Tenders/Mini Competitions
- 12 x Quick Quotes (via Public Contracts Scotland)
- 414 Contracts (This includes 369 national contracts, 45 local contracts)
- 37,600 purchase orders (PECOS) - represents 0.46% decrease on previous year
- 325,500 warehouse movement's p.a. (20,500 Estimated 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 2019/20 the total Trade spend was £124.07 million and of this approximately 85% 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 2019/20

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. **Regulated procurements undertaken during the reporting period:**

Title	Date of Award	Awarded Supplier(s)	Start	Finish	Value
Bannockburn Medical Practice, Hallpark Medical Practice and Kersiebank Medical Practice	30/12/19	Lanarkshire Medical Group (Forth Medical Services)	01/05/20	30/04/25	£2.97m
Provision Of Taxi Service For Patient And Non-Patient Items	31/10/19	Express Taxis Ltd	01/11/19	01/11/22	£400k
Provision of Supplementary Transport Service	30/10/19	ABC Ambulance Services[UK] Ltd	01/11/19	01/11/20	£900k
Award of Review of Clinical Waste Management	21/08/19	Albion Environmental Ltd	12/08/19	11/03/20	£29.2k
Award of NHS Forth Valley 2017 Rating Revaluation Framework number: RM3816 Lot 1	18/07/19	Montagu Evans LLP	10/06/19	09/06/22	£59.5k
GP IT Systems	12/07/19	EMIS Ltd	22/07/19	22/07/21	£584k
Award of RM1045 - Network For Stirling Care Village	27/05/19	Virgin Media Business	30/05/18	29/05/21	£317k
Award of Trak Support Contract under Framework RM3804 Lot 3B	27/05/19	Proact IT UK Ltd	29/04/19	28/04/22	£179k
Award of NHS Forth Valley Elective Capacity Project - Lead/Tec Adviser	27/05/19	Aecom	27/05/19	29/05/20	£71.6k
NHS Forth Valley Multi Trades	01/04/19	<ul style="list-style-type: none"> • MPMH Construction Ltd • Graham Marshall & Son • FES • Murdoch Mackenzie Construction Ltd • Calton Floors Ltd • CAMS Construction Ltd • Bannockburn Roofing Company Ltd • Rooftec (Scotland) Ltd • Braedale Roofing Ltd • Prime Build Solutions Ltd • Trident Maintenance Services • MITIE • Dumbreck Decorators • Magnus Electrical Services Limited • AC Electrics • Burgoyne Electrical Limited • Hatrick Bruce Limited • Alba Facilities Services • Warner Bros Plumbers 	01/4/19	01/04/22	£1.89m

Table 1

Mini Competitions & Quick quotes undertaken during 2019/20:

Title	Date of Award	Awarded Supplier(s)	Start	Finish	Value
Award of Supply of Labels	25/04/20	Midco Print & Packaging Ltd	Unsuccessful	Unsuccessful	£16.3k
Award of Supply of Labels	25/04/19	Streamline Corporate	06/05/19	31/03/20	£12.6k
Award of Supply of Labels	25/04/19	Sciamed Ltd	Unsuccessful	Unsuccessful	£18.4k
Award of Supply of Labels	25/04/19	Streamline Corporate	06/05/19	31/03/2020	£12.6k
Award of NHS Forth Valley Elective Capacity Project - Lead Adviser/Technical Adviser	27/05/19	Aecom	27/05/19	29/05/2020	£71.6k
Award of NHS Forth Valley Elective Capacity Project - Lead Adviser/Technical Adviser	27/05/19	Thomson Gray	27/05/19	29/05/2020	£40.67k
Award of Trak Support Contract under Framework RM3804 Lot 3B	27/05/19	Atos	Unsuccessful	Unsuccessful	£210k
Award of Trak Support Contract under Framework RM3804 Lot 3B	27/05/19	Celerity Limited	Unsuccessful	Unsuccessful	£260k
Award of Trak Support Contract under Framework RM3804 Lot 3B	27/05/19	Proact IT UK Ltd	29/04/19	28/04/22	£179.4k
Award of RM1045 - Network For Stirling Care Village.	27/05/19	Virgin Media Business	30/05/18	29/05/21	£317k
Award of Movement of Still Born or Non-Viable Pregnancies	18/07/19	Andrew Anderson & Sons Funeral Directors	05/08/19	4/8/23	£16.8k
Award of NHS Forth Valley 2017 Rating Revaluation Framework number: RM3816 Lot 1 Further Competition	18/07/19	Gerald Eve LLP	Unsuccessful	Unsuccessful	£68.3
Award of NHS Forth Valley 2017 Rating Revaluation Framework number: RM3816 Lot 1 Further Competition	18/07/19	Montagu Evans LLP	10/06/19	09/06/22	£59.5k
Award of Review of Clinical Waste Management	21/08/19	Albion Environmental Ltd	12/08/19	11/03/20	£29.2k

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 2019-2020. Progress against each of these procurements was as follows:

Project	Progress	Outcome
Ercall Road	Tenders went out 13/02/2020 and was Awarded 18 th September 2020.	Awarded to MPMH and work commenced on the project.
SCH Retained Estates Pipework	Not Tendered as required scoping by HFS and will be put out as a future requirement to market.	Not Tendered.
SCH Livilands Resource Centre	Tenders went out 04/02/2020 and was Awarded 6 th August 2020	Awarded to MPMH and work commenced on the project.
Interpretation & Translation Services	Extended existing Contract Arrangements.	Extended Contract for 1 more year.
GP Services (Bannockburn, Hallpark, Kersiebank Medical Practices)	Tender out in October 2019 and being evaluated in December 2020 with Award in January 2020.	Awarded to Forth Medical Group to start in May 2020.

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
RFQ Modular Build – Forth Valley Royal Hospital	September 2019 to Market.
This project was cancelled as the Modular Build will be taking Forward by Forth Health rather than NHS Forth Valley	Advert cancelled in January 2020.

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 2019/20:

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

Supported Businesses Summary

This section outlines the activity during 2019/20 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 2019/20 a total of £29,022 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 C contract deals with a supported business called Forth Valley Language Support. As part of this contract we spend £142,748.40 inclusive of VAT.

Annual Spend Data 2019/20	
Total Spend - the total amount of spend for the 19/20 year:	£131,888,810
Input Suppliers - The number of suppliers, before de-duplication:	1,785
De-duplicated Total Suppliers - The number of unique suppliers:	1,732
Duplicate Suppliers - No of suppliers which are duplicates of another:	53
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:	75,001
Avg. spend per supplier - The average spend per unique supplier:	£76,148
Core Trade Spend - A sub-set of the supply base that includes all Trade:	£124,071,051
SME Suppliers - small and medium sized business where supplier has less than 249 employees or where annual revenue is <£22.8m:	818
SME Spend - Spend with SME as a percentage of Core Trade Spend:	21%
Local Suppliers - Spend with suppliers within the same local authority:	49
Local Spend - Spend with local suppliers as % of Core Trade Spend:	1%

Future Regulated Procurements Summary 2020 – 2022

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
Provision of Bus service between FVRH and Clackmannanshire	Ext	Jan-18	Mar-21	Mar-21	£500,000	FVRH Travel Plan
Confidential Waste Stream	New	May-21	Aug-21	Sep-21	To be agreed.	Transport & Waste
Replacement Telephone Systems (various locations)	New	Jun '21	Aug '21	Sept '21	£300k	Estates & Capital Planning
Anti-Ligature Fittings, Bellsdyke Hospital	New	Jul '21	Sep '21	Oct '21	£250k	Estates & Capital Planning
Alterations St Ninians Health Centre	New	Mar '21	May '21	June '21	£100k	Estates & Capital Planning
Maintenance Contracts – Various	Re-let	Misc	Misc	Misc	£200k	Estates & Capital Planning
GP System (EMIS)	Ext	Apr-21	May '21	May '21	£500,000	ICT/eHealth
Wall Suction and Flow meter Replacement	New	TBC	TBC	Mar '21	£200,000	Medical Physics
Foetal Heart Monitors	New	TBC	TBC	Mar '21	£100,000	Medical Physics
ITU/Cardiology Monitoring	New	TBC	TBC	Mar '21	£1,000,000	Medical Physics
Dialysis Machines x 4	New	TBC	TBC	Mar '21	£60,000	Medical Physics
Visual Field Analysers	New	TBC	TBC	Mar '21	£60,000	Medical Physics
Neonatal/Children's Ward Monitoring	New	TBC	TBC	Mar '21	£500,000	Medical Physics
Defibrillators	New	TBC	TBC	Mar '21	£120,000	Medical Physics
Rapid Infusers	New	TBC	TBC	Mar '21	£150,000	Medical Physics
Resuscitaires	New	TBC	TBC	Mar '21	£50,000	Medical Physics
Non Invasive Ventilator	New	TBC	TBC	Mar '21	£60,000	Medical Physics
Neonatal Ventilators	New	TBC	TBC	Mar '21	£60,000	Medical Physics
Operating Microscopes	New	TBC	TBC	Mar '21	£250,000	Medical Physics
Diathermies	New	TBC	TBC	Mar '21	£100,000	Medical Physics
Colposcopes	New	TBC	TBC	Mar '21	£80,000	Medical Physics
Endoscopes	New	TBC	TBC	Mar '21	£200,000	Medical Physics
Ultrasound Machines (W&C)	New	TBC	TBC	Mar '21	£150,000	Medical Physics
Community Ambulatory BP Machines	New	TBC	TBC	Mar '21	£50,000	Medical Physics
Incubators	New	TBC	TBC	Mar '21	£100,000	Medical Physics
Phacoemulsification Systems	New	TBC	TBC	Mar '21	£200,000	Medical Physics
Ultrasound Machines (X-Ray/Urology)	New	TBC	TBC	Mar '21	£200,000	Medical Physics
Ambulatory Syringe Drivers	New	TBC	TBC	Mar '21	£300,000	Medical Physics
Hoist/Lift Aid	New	TBC	TBC	Mar '21	£100,000	Medical Physics
Liver Stiffness Analyser	New	TBC	TBC	Mar '21	£60,000	Medical Physics
Endoscopes	New	TBC	TBC	Mar '21	£200,000	Medical Physics

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 £230,823 for 2019/20.

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

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

Appendix A

1. Organisation and report details	
a) Contracting Authority Name	NHS Forth Valley
b) Period of the annual procurement report	1 st April 2019 to 31 st March 2020
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? <i>(Yes / No)</i>	Yes
2. Summary of Regulated Procurements	
Completed	
a) Total number of regulated contracts awarded within the report period	10
b) Total value of regulated contracts awarded within the report period	£7.4M
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	28
i) how many of these unique suppliers are SMEs	28
ii) how many of these unique suppliers how many are Third sector bodies	0
3. Review of Regulated Procurements	
Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	10
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements	
Summary	
Use of Community Benefit Requirements in Procurement:	
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
Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:	
d) Number of Jobs Filled by Priority Groups <i>(Each contracting authority sets its own priority groups)</i>	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
5. Fair Work and the real Living Wage	
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
6. Payment performance	
a) Number of valid invoices received during the reporting period.	75,801
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	94.75%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	0
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
7. Supported Businesses Summary	
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:	£29,022
i) spend within the reporting year on regulated contracts	0
ii) spend within the reporting year on non-regulated contracts	0
8. Spend and Savings Summary	

a) Total procurement spend for the period covered by the annual procurement report.	£131,888,810
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£27,696,650
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	Total Value £468,500
i) targeted cash savings for Cat A contracts	£10,000
ii) targeted cash savings for Cat B contracts	£328,500
iii) targeted cash savings for Cat C contracts	£130,00
f) Total delivered cash savings for the period covered by the annual procurement report	Total Value £230,823
i) delivered cash savings for Cat A contracts	£10,300
ii) delivered cash savings for Cat B contracts	£110,523
iii) delivered cash savings for Cat C contracts	£110,000
g) Total non-cash savings value for the period covered by the annual procurement report	Total £0
<u>9. Future regulated procurements</u>	
a) Total number of regulated procurements expected to commence in the next two financial years	31 Potentially
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£6.2M