



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 February 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Procurement Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas - Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Katharine Fletcher – Deputy Head of Procurement

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to inform Members of the outcome of the following recent procurement exercises which have been undertaken on behalf of Hywel Dda University Health Board (HDdUHB):

1. Provision of Dental Services for Cross Hands, Llandeilo, North Pembrokeshire and South Ceredigion
2. All-Wales Orthotic Products
3. All-Wales Skin and Wound Closure
4. Children's Framework Contract: Contract for the Provision of Children's Continuing Care (CCC) Services

In line with Welsh Government (WG) approval procedures the Health Board is required to approve the following tenders, as they have each have a cumulative contract value in excess of £1 million over the term of the contract.

Cefndir / Background

1. Provision of Dental Services for Cross Hands, Llandeilo, North Pembrokeshire and South Ceredigion

Proposed Outcome

Location	Proposed Supplier	Annual Contract Value	Initial Total Contract Value	Extension Option Value	Total Contract Value
Cross Hands	Pentrepoeth Dental Practice (Gower Healthcare Dental Ltd)	£161,000.00	£805,000.00	£805,000.00	£1,610,000.00
Llandeilo	Khan Dental Care	£601,000.00	£3,005,000.00	£3,005,000.00	£6,010,000.00
South Ceredigion	Pentrepoeth Dental Practice (Gower	£44,688.00	£223,440.00	£223,440.00	£446,880.00

	Healthcare Dental Ltd)				
North Pembrokeshire	Ever Smile Limited	£151,814	£759,070	£759,070	£1,518,140.00

2. All-Wales Orthotic Products

Proposed Outcome

Duration of Contract	Proposed Supplier (s)	Current Annual Contract Value	Current Total Contract Value	Proposed Annual Value of New Contract	Proposed Total Value of New Contract
1 April 2024 to 31 March 2028	<ul style="list-style-type: none"> Dacey Limited Promedics Orthopaedic Ltd BSN Medical Ltd, Eureka Physiocare Ltd 	£336,034.75	£1,344,139.00	£329,099.46	£1,316,397.84

3. All-Wales Skin and Wound Closure

Proposed Outcome

Duration of Contract	Proposed Supplier (s)	Current Annual Contract Value	Current Total Contract Value	Proposed Annual Value of New Contract	Proposed Total Value of New Contract
1 March 2024 to 30 November 2027	25 lot multi supplier Framework (35 Suppliers)	£414,839.17	£1,659,359.08	£487,998.64	£1,951,994.56

There is an annual cost pressure of £73,158.87. As part of the tender a mitigation plan has been put in place that would need Health Board agreement to switch to alternative products.

New Contract Cost	Swap to lowest cost alternative product	Saving from old contract	Cost Avoidance by utilising lowest cost alternative
£487,998.64	£338,897.69	-£75,945.08	£73,158.87

Asesiad / Assessment

Tender Process

1. Provision of Dental Services for Cross Hands, Llandeilo, North Pembrokeshire and South Ceredigion

From April 2006 Local Health Boards assumed full control of the budget for NHS Primary Care Dental Services and have a clear responsibility to secure or provide services for the people in its area to meet all reasonable requirements and provide out of hours services.

During 2023 several general dental contracts were handed back to HDdUHB”) displacing approximately 12,742 patients. These were a mixture of Units of Dental Activity (“UDA”) and Dental Contract Reform (“DCR”) Practices. The table below shows the location, patient numbers and contract value of the effected practices.

Table A

Location	Number of Patients	Estimated Annual Contract Value
Llandeilo	7,496	£601,000
Cross Hands	2,008	£161,000
South Ceredigion	546	£44,688
North Pembrokeshire	1,640	£151,814

A total of four separate tender exercises were run in order to award independent contracts for each location.

The services will meet the requirements of the contract terms of HDdUHB and the WG model Personal Dental Services (PDS) agreement.

The call for competition was launched via Sell2Wales on 2 November 2023. The invitation to tender (ITT) was issued on the eTenderWales system with a return date of 11 December 2023.

In order to provide a quantifiable method of evaluating the qualitative aspects of the bids, a set of weighted criteria was produced based on technical and financial information, which is set out in table D below:

Table B

Quality / Technical – 100%	
Service Delivery	15%
Partnership Working	22.5%
Quality Assurance	15%
Accessibility	7.5%
Risk Assessment	7.5%
Staffing Structure	7.5%
Foundational Economy	15%
Social Value	10%
Commercial – Pass/Fail	
Bidders to confirm acceptance of the HDUHB average agreed UDA rate of £37.02	Pass/Fail

Responses were evaluated in accordance with the evaluation criteria set out in the above table. The finance element was scored on a pass/fail criteria based on the bidder’s acceptance to deliver service for the HDdUHB average agreed UDA rate of £37.02. Due to the fixed price set by the Health Board there are no savings associated with this contract.

All four Dental Contracts are offered on a minimum term of five years with an option to extend for a further three plus years. Maximum Total contract length of ten years. From 1 June 2024 to 31 May 2029, with extension options 31 May 2034.

2. All-Wales Orthotic Products

An All-Wales contract for Orthotic Consumables was first awarded in 2011. The contract covers a range of upper limb orthotic products (such as wrist braces and slings), Lower limb orthotic products (such as knee braces, hip braces and ankle supports) and head, neck and abdominal orthotic products (such as cervical collars and spinal supports). These products all assist with the healing process whilst protecting and supporting painful, swollen or weak joints often needed as a part of post-operative care, or simply to provide patients with extra support in day-to-day life.

NHS Wales Shared Services Partnership (NWSSP) Procurement Services work closely with an established Orthotic Working Group, consisting of Orthotists and Podiatrists from all Health Boards in Wales, to manage the existing agreements and, develop specifications and improve compliance of new agreements. After discussions, a decision was made to change the structure of the proposed agreement to improve contract compliance and catalogue coverage, by ensuring that where some variation is required in limited cases due to specific patient requirements, that this is provided for under the agreement.

An above threshold tender has been undertaken via eTenderWales under the open procedure to award a multi supplier framework contract for the Orthotics products. The tender was advertised on Find a Tender Service (FTS) and Sell2Wales as the overall value exceeded the procurement threshold for goods. Overall, 35 suppliers viewed the tender and 21 suppliers submitted responses for the 27 different lots that were awarded.

The weightings for the **Sole Supplier** Lots were as follows:

- Qualification & Technical - PASS/FAIL
- Physical Evaluation (Benchtop) – PASS/FAIL
- Social Value, Sustainability & Decarbonisation – 10%
- Priority Supplier Programme – 2%
- Price – 85%
- Capped Pricing – 3%

The weightings for the **Multi-Supplier** Lots were as follows:

- Qualification & Technical - PASS/FAIL

Bids were received from suppliers for all sole supplier and multi supplier lots and awards made. The route of supply is direct via Oracle catalogue and no delivery charges will be applicable, although some wrist braces are available via NWSSP Supply Chain Stores.

The All-Wales Framework Contract will run from 1 April 2024 to 31 March 2028.

This will result in a saving of £6,935.29 annually and £27,741.16 over the term of the contract, if our buying patterns remain the same.

3. All-Wales Skin and Wound Closure

An All-Wales Framework for Skin and Wound Closure has been in place since 2019 and contains 31 suppliers on a multi-supplier framework agreement. Current contract compliance is 84.64% with majority of purchases being on a non-stock basis via the oracle catalogue; a total of 3 lines within the skin staplers & extractors lot are held within internal NWSSP Supply Chain.

A separate direct call-off agreement covering haemostatic products has been in place since May 2023, current contract compliance is 69.7% with majority of purchases being on a non-stock basis via the oracle catalogue; a total of 2 lines are held within NWSSP Supply Chain.

The combination of the previous agreements into a single All-Wales framework is reflected in the new lotting structure which consists of combined total of 25 lots comprised of lots 1-15 which correspond to the lotting structure of the current Skin and Wound Closure agreement and lots 16-24 which correspond to the lotting structure of the current Haemostatic Products agreement, as well as the addition of lot 25 to include the previously uncaptured but identified requirement for Haemostatic Powders

An above threshold tender has been undertaken via eTenderWales under the open procedure to award a multi supplier framework contract for the Skin and Wound Closure. The tender was advertised on Find a Tender Service (FTS) and Sell2Wales as the overall value exceeded the procurement threshold for goods. Overall, 185 suppliers viewed the tender and 35 suppliers submitted responses for the 25 different lots that were awarded.

The proposal for the upcoming contract is to create a four-year multi-supplier framework agreement with a banded pricing structure which will focus on each Health Boards annual spend with a particular supplier to determine their relevant price band. This will allow Procurement Services to proactively review each Health Board's spend and identify savings opportunities, based on Health Board's increasing their market share with particular suppliers. This approach will allow Health Boards to increase their compliance incrementally with alternative suppliers.

All bidders were evaluated based on the criteria below:

Award Criteria	Weightings Range
Qualification Requirements	Pass/Fail
Technical Requirements	Pass/Fail

Procurement Services have also included a regional pricing mechanism where a supplier reaches a market share threshold across two or more Health Boards, a regional price will override and allow the Health Board in which the threshold has been achieved to access the most beneficial price for that group of items. In addition to the regional pricing mechanism, Procurement Services have also included an All-Wales pricing mechanism where a supplier reaches a market share threshold has been achieved, an All-Wales price will override and allow all Health Boards to access the most beneficial price for that group of items. This will allow us to drive standardisation both regionally and nationally as well as offering Health Boards incentives to make changes.

Bids were received from suppliers for all 25 lots and awards made.

The route of supply is direct via Oracle catalogue, although 5 items are available via NWSSP Supply Chain Stores.

The All-Wales Framework Contract will run from 1 March 2024 to 30 November 2027.

This will result in a cost pressure of £73,158.87 per annum, but there is a mitigation plan that could limit these cost pressures.

4. Children's Framework Contract: Contract for the Provision of Children's Continuing Care (CCC) Services

The Community Paediatric Service, led by Senior Procurement Business Manager, NHS Wales Shared Services Partnership (NWSSP) - Procurement Services have been through the tendering process to establish a new provider for the provision of CCC. Hywel Dda University Health Board (HDdUHB) currently commissions two providers from the third sector to deliver care for children and young peoples' continuing care packages within Pembrokeshire, Ceredigion, and Carmarthenshire. Direct client care is commissioned for two categories of client need, with the contract due to expire on 31 March 2024.

The tendering process commenced in January 2023 which included the service undertaking a review of the previous specifications to ensure a more robust and value for money service. However, this took longer than anticipated, with a further delay due to the approval turnaround by Welsh Government (WG).

Next Step Nursing were the only bidder. The bid exceeds the current cost representing a 40% cost increase and this will need to be managed by the service who will need to manage this within their overall financial budget.

Current value of contract with commissioned supplier (per annum exc. VAT),	£502,167.00
Additional cost for internal staffing and agency	£27,677.00 (average yearly cost)
Subtotal of CCC current expenditure	£529,844.00
Proposed value of new contract (per annum exc. VAT)	£704,352.97
Current allocated budget for CCC care packages	£572,508.00
Increased budget required if Tender approved to be managed by Service.	£131,845.00
Proposed total value for new contract (3 years): exc. VAT	£2,113,058.91
Proposed total value of new contract (3+1 years): exc. VAT	£2,817,411.90

The panel were satisfied with the quality of the tender submission and with due consideration to the risks identified wish to award the contract to the successful bidder, Next Step Nursing. Due to time constraints Chairs Action was needed to approve the tender, and took place on 15 February 2024, which will be included within the Chairs Report to Board for ratification.

Argymhelliad / Recommendation

The Sustainable Resources Committee is asked to: -

- **APPROVE** the award of contracts for the Provision of Dental Services for Cross Hands, Llandeilo, North Pembrokeshire and South Ceredigion to the Providers listed above to provide services from 1 June 2024 for up to 31 May 2029 or with Extension to 31 May 2034 for onwards ratification by Board.
- **SUPPORT** the award of the All-Wales Sourcing Framework Contracts for Orthotics Products 1 April 2024 to 31 March 2028 and Skin and Wound Closure for 1 March 2024 to 30 November 2027. These contracts will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) Public Board and Welsh Government for approval.
- **NOTE** the approval of the Children's Continuing Care contract by Chair's Action.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.5 Review major procurements and tenders, such as outsourcing, in relation to achieving Referral to Treatment targets. 3.6 Commission regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termiau: Glossary of Terms:	DCR – Dental Contract Reform FTS – Find a Tender Service ITT – Invitation to Tender NWSSP – NHS Wales Shared Services Partnership PCR – Public Contract Regulations 2015 PDS – Personal Dental Services UDA – Unit of Dental Activity
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	All-Wales Working Group for Orthotics Products All-Wales Working Group for Skin and Wound Closure

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not Applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable

Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable