Pwyllgor Cyllid a Pherfformiad/ Finance and Performance Committee

DYDDIAD Y CYFARFOD: DATE OF MEETING:	**27 OCTOBER 2026**
TEITL YR ADRODDIAD: TITLE OF REPORT:	Procurement Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Gemma Deverill, 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 procurement exercises which have been undertaken on behalf of Hywel Dda University Health Board (HDdUHB). In line with Welsh Government approval procedures, the Health Board is required to approve the following new contract, as it has a cumulative contract value in excess of £1m over the term of the contract for HDdUHB.

Cefndir / Background

1. Procurement Outcomes:

a) Energy Performance Contract (EPC) Phase 2

Duration of Contract	Supplier	Current (Phase One) Annual Contract Value (Ex VAT)	Proposed (Phase Two) Annual Value of New Contract (Ex VAT)	Maximum Anticipated (Phase Two) Total Value of New Contract (Ex VAT)
01 July 2027 – 30 June 2029	Vital Energi Utilities Ltd	£3,075,000.00	£4,075,000.00	£9,500,000.00

b) Contract Change Notice for Insourcing and Outsourcing Clinical Procedures

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
01 December 2026 – 31 March 2027	ID Medical Ltd	£960,000.00	£1,440,000.00	£1,440,000.00
01 December 2026 – 31 March 2027	Circle Healthcare Group	£797,262.50	£1,195,893.75	£1,195,893.75
01 December 2026 – 31 March 2027	ID Medical Ltd	£3,500,000.00	£5,520,000.00	£5,520,000.00

c) Defibrillator Replacement Programme

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
01 January 2027 – 31 December 2036	TBC - This will be confirmed post FPC and will be included within the Board report.	N/A	TBC	£3,500,000.00

d) All Wales Wound Management Renewal

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
01 February 2027 – 31 January 2031, with an option to extend for a further two (2) years to 31 January 2033	Multiple (Framework creation)	N/A	£207,153.62	£1,242,921.72, inclusive of optional extension

e) Endoscopy Equipment Replacement

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
One off requirement	Olympus	N/A	£1,361,305.80 including VAT	£1,361,305.80 including VAT

f) Patient Engagement Platform

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
01 January 2027 to 30 November 2032 with an option to extend to 30 November 2034	TBC – Following completion of standstill period	£152,432.00	TBC – Following completion of standstill period	TBC – Following completion of standstill period

g) Community Information System (WCCIS)

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
01 January 2027 to 30 September 2034 with an option to extend to 30 September 2037	TBC - This will be confirmed post FPC and will be included within the Board report.	TBC	TBC	TBC

h) Contract Change Notice for Electronic Patient Flow Management System (eFlow) and Electronic Patient Observation System (eObs)

Duration of Contract	Supplier	Original Total Contract Value (Ex VAT)	CCN Value (Ex VAT)	New Total Value (Ex VAT)
01 December 2027 to 06 February 2030 with an option to extend to 06 February 2032	Alcidion UK Limited	£5,039,856.00 Including the extension period	£18,700.00	£5,058,556.00

i) Tier 2 Substance Misuse Service

Duration of Contract	Supplier	Current Annual Contract Value (Ex VAT)	Proposed Annual Value of New Contract (Ex VAT)	Proposed Total Value of New Contract (Ex VAT)
01 April 2027 to 31 March 2030 with an option to extend to 31 March 2032	TBC - This will be confirmed post FPC and will be included within the Board report.	£227,423.00	3288,063.00	£1,440.315.00

Asesiad / Assessment

1. Procurement Outcomes:

a) Energy Performance Contract (EPC) Phase 2

Approval is sought to progress Phase 2 of the Health Board's Energy Performance Contract with Vital Energi via the existing compliant Refit 4 Framework call-off arrangement.

Vital Energi was appointed through a competitive tender process in 2024 by the All-Wales Utilities Sourcing team for a multi-phase programme of decarbonisation works. Phase One (1) (£7.5m) remains on track, being delivered on time and within budget.

Phase 2 will deliver significant energy efficiency and carbon reduction measures, including Light Emitting Diode (LED) lighting upgrades across seven sites, a major solar carport installation at Prince Philip Hospital (PPH), and a range of smaller energy-saving initiatives.

The scheme is forecast to deliver annual savings of £718k and reduce emissions by 962 tonnes CO_2e per annum, with an estimated payback period of 13.3 years. Subject to Health Board approvals and Welsh Government funding, works are expected to commence in Summer 2027.

b) Contract Change Notice for Insourcing and Outsourcing Clinical Procedures

Following additional Welsh Government funding to support referral to treatment (RTT), the Planned and Specialist Clinical Care Group wish to increase its current contract value via a change control notice (CCN) for the following specialities:

- Insourcing Dermatology
- Outsourcing Trauma and Orthopaedic Procedures
- Insourcing Theatre Staff

Insourcing and outsourcing clinical procedures provide additional capacity to see and treat more patients within Welsh Government set targets of 104 weeks. Following competitive mini competition exercises, HDdUHB has several contracts in place until 31 March 2027; however, to maximise throughput, additional value is required at 50% of the initial contract value.

In Dermatology, this would support an additional 700 referrals, and for Trauma and Orthopaedics, this will support a total of 127 patients across the total contract value. The Insourcing Theatre Staff contract will support additional capacity across Ophthalmology, ENT, and Urology.

The proposed change remains within the original scope and purpose of the contract and will support ongoing RTT delivery.

Including the CCN values, the total contract values will be:

Speciality	Initial Contract Value (exc VAT)	CCN Value (exc VAT)	New Total Contract Value (exc VAT)
Insourcing Dermatology	£960,000.00	£480,000.00	£1,440,000.00
Outsourcing Trauma and Orthopaedic Procedures	£797,262.50	£398,631.25	£1,195,893.75
Insourcing Theatre Staff	£3,500,000.00	£1,750,000.00	£5,520,000.00

c) Defibrillator Replacement Programme

HDdUHB is seeking to award a contract for the replacement of its fleet of defibrillators, including the provision of ongoing maintenance, consumables and accessories. Defibrillators are critical life-saving devices used in the treatment of cardiac arrest and form a key element of the Resuscitation Council UK's Chain of Survival, supporting the timely delivery of emergency care to patients across the Health Board.

The replacement programme will be delivered over a four-year period as capital funding becomes available, or until the fleet of Automated External Defibrillators (AEDs) and full defibrillators has been fully replaced, whichever occurs sooner. To support long-term operational resilience and provide certainty of whole-life costs, the procurement also includes ten years of maintenance, consumables and accessories, enabling the total cost of ownership to be established and managed from the outset.

A mini-competition exercise is currently being undertaken through NHS Supply Chain's External Defibrillation Devices and Related Services and Accessories Framework. Confirmation of the recommended supplier(s) and contract award value will be included within the Board report following completion of the procurement process.

The proposed contract term is from 1 January 2027 to 31 December 2036, with no option to extend. The contract duration reflects the expected operational lifespan of the equipment and ensures continuity of maintenance and consumable support throughout the asset lifecycle, whilst providing value for money and reducing procurement and operational risk.

d) All Wales Wound Management Renewal

The All Wales (AW) contract for wound management expires on 31 January 2027. The AW Sourcing Team seek approval to award a multi-lot framework for four (4) years, with an option to extend for a further two (2) years.

The contract will extend its scope to merge Topical Negative Pressure (TNP) into the wound management framework, providing a single framework for wound care products, therapies, and

technologies. Whilst Lots 1-99 will be sole-supplier, Lot 100 for TNP will be a multi-supplier award due to the technology available in the marketplace.

Product, therapies, and technologies available on the framework include the following:

- Dressings, including foam dressings
- Absorbents
- Bandages
- Wound gel
- Negative pressure

Wound care products are currently supplied via NWSSP's distribution stores in Bridgend and direct. The products, therapies, and technologies awarded under this framework will support Tissue Viability (TV) to formalise a wound care formulary, with standardised products available to nursing teams, both acute and community.

The contract term will be from 01 March 2027 to 31 January 2031, with an option to extend to 31 January 2033.

e) Endoscopy Equipment Replacement

HDdUHB's Capital Team has approved funding for the replacement of endoscopy equipment. Approval is sought to undertake a direct award for the replacement of the existing Fujifilm endoscopy platform at Prince Philip Hospital (PPH).

This investment forms part of the Health Board's longer-term strategy for endoscopy equipment standardisation, lifecycle management and service sustainability. The proposed replacement will establish a single Olympus endoscopy platform across the PPH unit, improving interoperability between equipment, streamlining clinical workflows, enhancing patient throughput, reducing scope turnaround times and strengthening operational and workforce resilience.

A direct award to Olympus is proposed, as the majority of endoscopy equipment currently deployed within the PPH unit is already Olympus-based. Standardising on a single manufacturer platform will maximise compatibility between endoscopes, processors, ancillary equipment and associated digital systems, while reducing the operational complexity and inefficiencies associated with supporting multiple platforms. This approach will also support equipment utilisation, staff training and maintenance arrangements across the service.

The existing Fujifilm equipment removed from PPH will be redeployed to Glangwili General Hospital (GGH) and Bronglais General Hospital (BGH), replacing equipment that is older, approaching end of life and increasingly vulnerable to failure. This will maximise the value derived from the Health Board's capital investment, extend the operational life of existing assets and reduce the risk of service disruption across the endoscopy network.

This procurement represents a one-off capital purchase of equipment with no ongoing commitment beyond standard maintenance and support arrangement. The proposed approach delivers best overall value by supporting standardisation across the service, avoiding unnecessary duplication of equipment platforms, reducing training requirements and improving operational efficiency across the Health Board's endoscopy services.

f) Patient Engagement Platform

The HDdUHB Digital Directorate is seeking to procure a replacement Digital Personal Health Record Platform / Patient Engagement Platform (PEP) ahead of the expiry of the current contract in November 2027. The appointed supplier will deliver a secure, scalable and patient-centred digital platform that supports the Health Board's digital transformation objectives whilst ensuring continuity of service for patients and clinical teams.

The PEP provides patients with secure online access to their health information by bringing together relevant information from hospitals, primary care and specialist services into a single platform. This reduces fragmentation of information, improves continuity of care and supports greater patient involvement in managing their own health and wellbeing. The platform also supports the Health Board's objectives by improving patient engagement, streamlining communication and enhancing operational efficiency through improved access to timely information. Continued provision of this service is therefore essential to the delivery of safe and effective care, with any interruption presenting significant clinical, operational and legal risks. The platform forms a key component of the Health Board's ambition to deliver digital-first healthcare services, improve patient involvement in care decisions, reduce avoidable outpatient activity and support more efficient models of service delivery. By providing secure access to health information, care pathways and digital support tools, the solution enables patients to take a more active role in managing their health, reduces unnecessary travel and supports improved communication between patients and healthcare professionals.

In addition, the platform supports preventative healthcare and population health objectives through the use of patient-reported outcome measures, patient-reported experience measures and other digital engagement tools. These capabilities support earlier identification of at-risk individuals, facilitate timely intervention and contribute to wider initiatives, such as Making Every Contact Count. By placing the individual at the centre of their care, the platform also supports efforts to reduce health inequalities and improve long-term health outcomes.

Given the volume of patient data held within the system and the complexity of migration and implementation activities, a significant mobilisation and transition period will be required should a new supplier be appointed. This underpins the proposed procurement timetable, with contract award anticipated in January 2027 and implementation completed ahead of the current contract expiry in November 2027. The new solution will provide patients with a single point of access to view, manage and better understand their health information, whilst supporting the Health Board's strategic objectives for digital transformation, patient empowerment, clinical safety and quality improvement.

A mini-competition was undertaken through the NHS London Procurement Partnership (LPP) Clinical Digital Health Solutions (CDHS) Framework under Lot 5 - Patient Support System Solutions. Three bids were received and evaluated against technical, social value and commercial criteria, followed by supplier demonstrations to validate system functionality and delivery capability.

Following completion of the evaluation process, a recommendation is made to award the contract to the highest-ranked bidder for an initial term of five years, with the option to extend for up to a further 24 months if required. The Board report will be updated to reflect the final procurement outcome and recommended supplier following completion of the standstill process.

The proposed contract duration reflects the strategic importance of the platform, the significant implementation and migration requirements associated with transitioning patient data and

services, and the need to maximise the long-term benefits and value derived from the Health Board's digital investment whilst maintaining continuity of service for patients and clinicians.

g) Community Information System (WCCIS)

HDdUHB Digital Directorate is seeking to procure a replacement Community Information System (formerly known as the Welsh Community Care Information System (WCCIS)), as the current solution will reach end of life in September 2027. The existing platform is based on legacy technology that no longer fully aligns with NHS Wales' future digital architecture, interoperability ambitions, or the evolving requirements of integrated health and social care services.

The procurement presents a critical opportunity not only to maintain service continuity, but also to support the continued digital transformation of community and social care services. The proposed solution will enable health boards and local authorities to securely share care records and optimise service delivery for citizens across Wales, supporting the strategic objectives of the Social Services and Well-being (Wales) Act and wider integrated care agendas. It will also provide an opportunity for services currently reliant on paper-based processes to transition to electronic clinical records, supporting safer, faster and more accurate access to information. The new platform will support a significant number of clinical, operational and administrative users across community health and social care services and will hold substantial volumes of patient and citizen data. As a result, it will form a critical component of the wider NHS Wales digital ecosystem and represents a strategically important asset requiring high levels of resilience, security, interoperability and supplier capability.

Given the scale and complexity of implementation, including system configuration, data migration, integration with existing infrastructure, user acceptance testing, staff training and Digital Services assurance requirements, a significant mobilisation and transition period will be required to support safe and effective deployment.

An Open Tender exercise is currently underway, with the outcome expected prior to contract award. The Board report will be updated to reflect the final procurement outcome and recommended supplier following completion of the evaluation process.

Subject to the outcome of the tender, it is anticipated that a recommendation will be made to award the contract for an initial term of seven years and nine months, with the option to extend for up to a further three years. The proposed contract duration reflects the strategic importance of the system, the significant implementation and transition costs involved, and the need to realise long-term benefits and value from the investment while maintaining continuity of service delivery. The contract term is also intended to provide supplier stability, maximise the return on implementation and transformation investment, and minimise operational disruption associated with replacing a business-critical system.

h) Contract Change Notice for eFlow and eObs

Following the successful implementation of the Miya Electronic Patient Flow (eFlow) and Electronic Patient Observation (eObs) platforms under the existing contract with Alcidion UK Limited, approval is sought to execute a Contract Change Notice (CCN) to provide contextual launch functionality between Miya and the Welsh Clinical Portal (WCP).

The proposed enhancement will enable authorised users to launch directly from a patient's record within Miya into the corresponding record within WCP, improving access to clinical information and supporting more efficient clinical workflows. The functionality will strengthen

interoperability between existing digital systems, reduce the need for duplicate navigation and information retrieval activities, and provide clinicians with a more seamless and integrated user experience.

The proposed change remains within the original scope and intent of the contract and represents a logical enhancement of the existing Miya platform. It will further support operational efficiency, clinical decision-making and the delivery of safe, effective patient care across Hywel Dda University Health Board.

The value of the CCN is £18,700.00 (ex. VAT), increasing the total contract value from £5,039,856.00 (ex. VAT) to £5,058,556.00 (ex. VAT). The supplier has confirmed a fixed-price proposal covering technical validation, configuration, testing, deployment and initial post-deployment support, providing cost certainty and minimising implementation risk.

The proposed enhancement represents a low-cost investment in comparison to the overall contract value and will maximise the benefits realised from the Health Board's existing investment in the Miya platform by improving integration with core national digital systems.

i) Tier 2 Substance Misuse Service

HDdUHB, on behalf of the Hywel Dda Area Planning Board and partner organisations, has undertaken an above-threshold Open Tender exercise for the provision of an Integrated Tier 2 Substance Misuse Service across Carmarthenshire, Ceredigion and Pembrokeshire. The service supports prevention, early intervention, treatment, recovery and criminal justice pathways for individuals affected by drug and alcohol misuse and is a key component of the regional substance misuse strategy.

The procurement sought a fully managed service model covering Adult Substance Misuse Services, Children and Young People Substance Misuse Prevention, Early Intervention and Treatment Services, and Criminal Justice Substance Misuse Services. The contract will support the delivery of person-centred, trauma-informed services aligned to Welsh Government policy objectives, whilst ensuring consistent access to specialist support across the Hywel Dda region.

An Open Tender exercise was undertaken, with two compliant bids received and evaluated against published technical, social value and commercial criteria. Evaluation was undertaken by a multidisciplinary panel comprising representatives from Hywel Dda University Health Board, Local Authorities, the Area Planning Board, Probation Services and Dyfed Powys Police, with governance and procurement support provided by NWSSP Procurement Services.

The evaluation process has identified a preferred bidder that achieved the highest overall score and demonstrated the strongest combination of quality, social value and commercial value. At the time of submission, the procurement remains subject to the completion of the mandatory standstill period. The Board paper will therefore be updated to reflect the outcome of the standstill process and the recommended supplier prior to award.

Subject to the successful conclusion of the standstill period and completion of governance approvals, it is proposed that the contract is awarded for an initial term of three years, with the option to extend for a further two years in minimum increments of 12 months. The proposed contract duration reflects the importance of maintaining continuity of critical substance misuse services, whilst providing sufficient stability to support long-term service delivery, workforce planning and partnership working across the region.

Argymhelliad / Recommendation

The Finance and Performance Committee (FPC) is asked to scrutinise and recommend for Board to:

- **APPROVE** the award of the Energy Performance Contract (EPC) Phase 2 contract from the 01 July 2027 to the 30 June 2029 with an option to extend to 30 September 2032 at a maximum anticipated total contract value of £9,500,000.00 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government.
- **APPROVE** the Contract Change Notice for Insourcing and Outsourcing contracts increasing the total contract value to £8,155,893.75 ex VAT across three (3) contracts. This Contract Change Notice will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **APPROVE** the award of the Defibrillator Replacement Programme from 01 January 2027 to 31 December 2036 total contract value of £3,500,000.00 ex VAT. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **APPROVE** the award of the All-Wales Wound Management framework from 01 February 2027 to 31 January 2031, with an option to extend for a further two (2) years to 31 January 2033 with total contract value of £1,242,921.72 ex VAT. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **APPROVE** the award of the Endoscopy Equipment Replacement with total contract value of £1,361,305.80 for a one-off Capital purchase. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **APPROVE** the award of the Patient Engagement Platform contract from the 01 January 2027 to the 30 November 2032 with an option to extend to 30 November 2034. The contract value will be confirmed within the November Board report following completion of the standstill period. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government.
- **APPROVE** the award of the Community Information System (WCCIS) replacement from the 01 January 2027 to the 30 September 2034 with an option to extend to 30 September 2037. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government.
- **APPROVE** the award of a Contract Change to the Electronic Patient Flow Management System (eFlow) and Electronic Patient Observation System (eObs) contract from 1 December 2026 to 6 February 2030, with an option to extend to 6 February 2032. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **APPROVE** the award of the Tier 2 Substance Misuse contract from the 01 April 2027 to the 31 March 2030, with an option to extend to 31 March 2032, at an anticipated total contract value of £1,440,315.00 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government.

Amcanion: (rhaid cwblhau) **Objectives: (must be completed)**	
Cyfeirnod Cylch Gorchwyl y Pwyllgor: Committee ToR Reference:	3.1.9 Conduct detailed scrutiny of all aspects of financial performance, the financial implications of significant revenue expenditure (all those over £1million requiring Board approval), business cases (except

	those that are capital and digital in nature), projects, and proposed investment decisions on behalf of the Board. 3.1.10 Scrutinise major procurements plans and tenders, and provide assurance to the Board as part of its approval process.
Cyfeirnod Cofrestr Risg Datix, Teitl a Sgôr Risg Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Nodau Cynllunio 2026/27 Planning Goals 2026/27	Not Applicable
Hypergyswllt i Amcanion Llesiant HDdUHB 2026 Hyperlink to HDdUHB Well-being Objectives 2026	9. All HDdUHB Well-being Objectives apply
Model Cymdeithasol ar gyfer Iechyd a Llesiant: (wedi'i gwblhau ar gyfer newid strategol a/neu newidiadau sylweddol i wasanaethau) A Social Model for Health and Wellbeing: (*complete for strategic change and/or significant service changes)*	7. All Apply
Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termau: Glossary of Terms:	Contained within the body of the report

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y cyfarfod hwn: Parties / Committees consulted prior to this meeting:	Not Applicable

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
Tegwch Iechyd: Health Equity:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable