

NWSSP Procurement Services Hywel Dda UHB Frontline Team Best Practice for Non-Pay and Procurement

Sustainable Resource Committee
18th December 2024

- To understand Procurements **key objectives and priorities**
- To develop an understanding of **Procurement Regulations**
- Understand how these are applied within **NWSSP and their application through the SFIs**
- To understand the various routes to contract
- Understand **divisional responsibility**

Procurement Objectives and Priorities

REGULATORY & GOVERNANCE

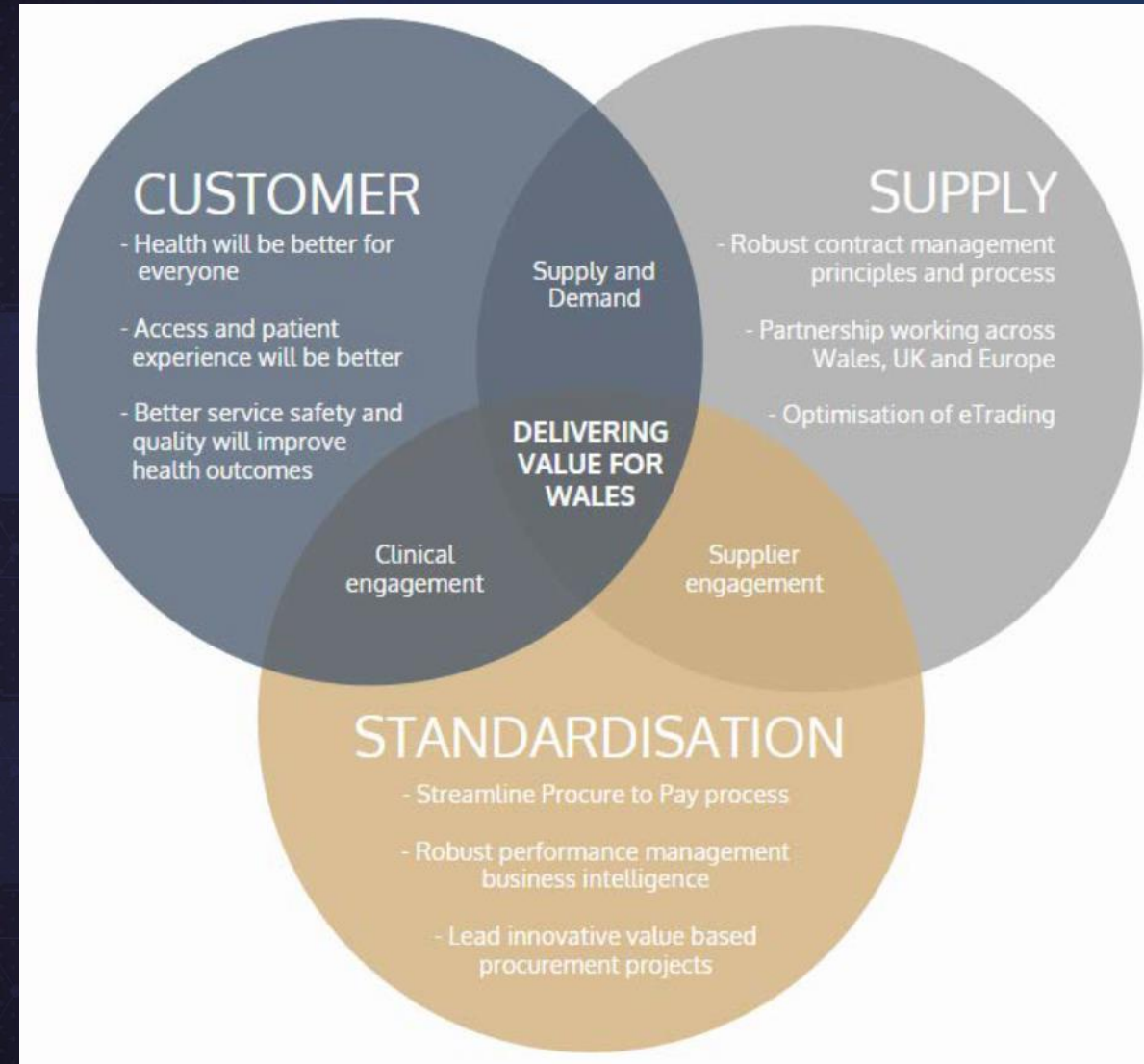
- Procurement Contract Regulations (PCR2015 / Procurement Act 2023)
- Application of best practice procurement principles
- SFI's
- Welsh Government
- Central Government
- Audit

CUSTOMER FOCUS

- Safe, quality and efficient service focused on patient outcomes

VALUE BASED OUTCOMES & INNOVATION

- Value Based Healthcare & Value Based Procurement
- Prudent Healthcare; reduction in variation
- Standardisation & Rationalisation
- Supplier Innovation and Collaboration
- Supplier finding solutions to HB problems.



Frontline Commercial Procurement Team: How we Deliver

The local Procurement Team are visible and front-facing, responsible for the day to day engagement with all Divisions. Ensure key processes and procedures are in place to ensure the right quality, price, source, quantity and timing are achieved.

Local Procurement Business Managers are based within the HBs, Trusts and NWSSP. Their roles are to support the development and delivery of organisation's IMTPs, Savings Plans and the procurement of HB/Trust/NWSSPs requirements efficiently and compliantly.

BUSINESS AS USUAL

- Purchasing of goods and services
- Professional procurement advice
- Sourcing and contract renewals
- Invoice on hold
- Non-Catalogue reduction
- Deep Dive expenditure review
- Savings opportunities and delivery
- Supply Chain and Stock Control Support
- Review of influenceable spend

ADDED VALUE SERVICES

- Patient pathway reviews
- Value based healthcare
- Process mapping and improvements
- Rationalisation and standardisation
- Professional supply chain support
- Strategic supplier negotiations
- Supplier performance management

GOVERNANCE STANDING FINANCIAL INSTRUCTIONS (SFIs)

REGULATIONS	VALUE EXCL VAT	PROCUREMENT ROUTES		
Standing Financial Instructions	Under £5,000.00	Single Supplier (quote in writing) - At discretion of appropriate Director/Budget Holder		
	£5,000.00 to £25,000.00	Quotation exercise via Multi-quote system	Single Quotation Action Form in specific, exceptional circumstances	Mini Competition or Direct Award from National Framework
	£25,000.00 to £139,668.00 / Light Touch Regime at £663,540.00	Competitive FTS (previously Non OJEU) tender	Single Tender Action in specific, exceptional circumstances	Mini Competition or Direct Award from National Framework
UK Public Contracts Regulations 2015	Over £139,668.00 or Light Touch Regime at £663,540.00	Competitive FTS (previously OJEU) Tender	VEAT (for single supplier justification)	Mini Competition or Direct Award from National Framework

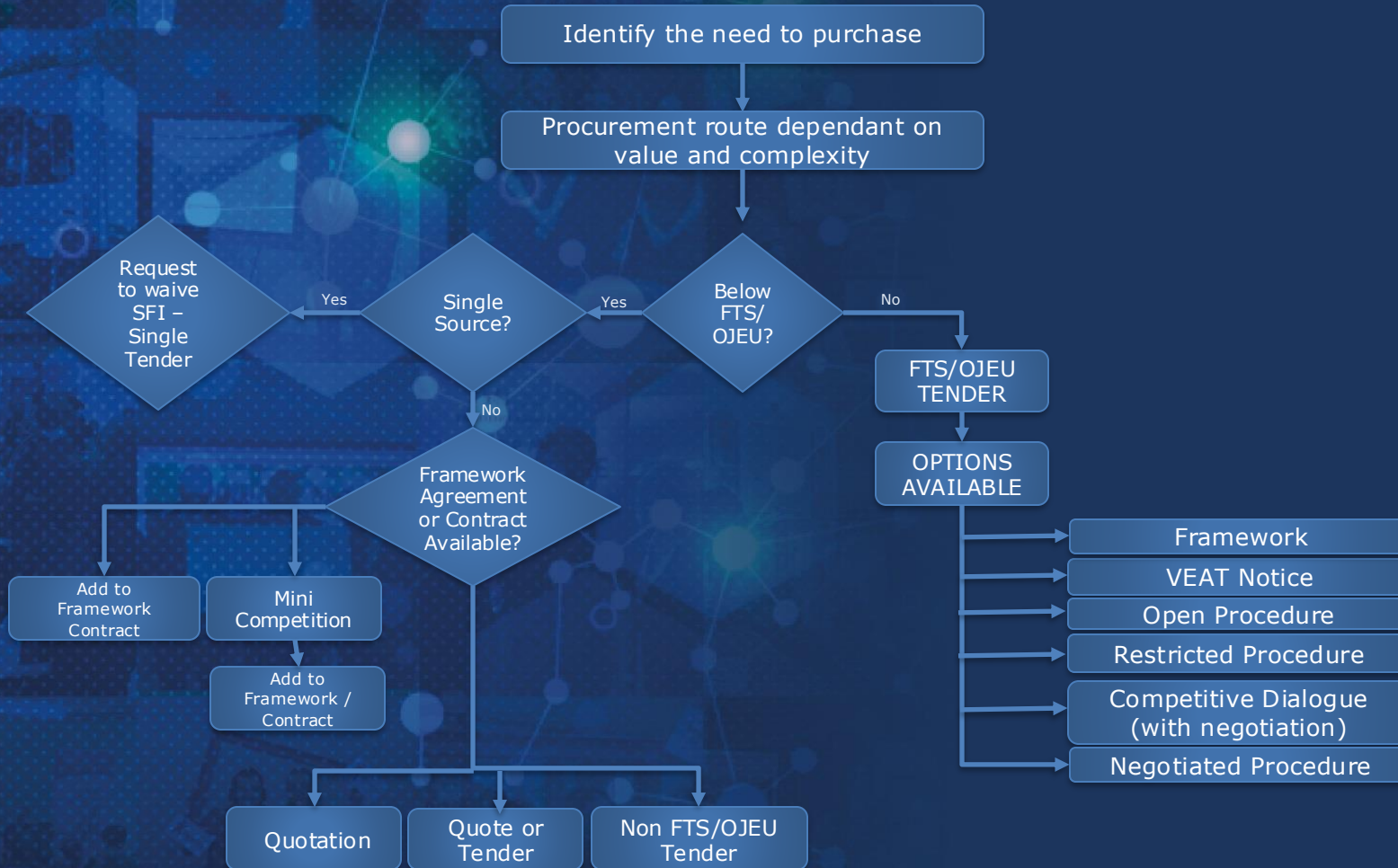
Governance – Standing Financial Instructions

Contract Value(ex VAT)	Minimum Competition
<£5,000	At discretion of appropriate Director
£5,000-£25,000	3 written quotations and utilisation of multiquote*
£25,000-OJEU threshold	3 tenders *
Above OJEU threshold Services and Supplies (currently £139,668 inc VAT) PCR 2015 Regulations *	5 tenders *
Contracts between £0.500k and £1 million	WG Ministerial Noting
Contracts above £1 million	WG Ministerial Approval required

- The values indicated are representative of the spend **throughout the LIFE of the contract** i.e. total cost and is applicable for all sources of funding i.e. capital/revenue/charitable funds.
- All requirements with an **aggregated value of above £5,000** require support from Procurement.
- Single Tender Actions can be utilised in specific circumstances

* New Procurement Regulations transition February 2025

PROCUREMENT FLOW CHART



Compliant Procurement Routes

- **Direct Award through Framework** Purchase goods and/or service directly from pre-approved suppliers (e.g., NHS Supply Chain).
- **Mini-Competition within a Framework** Suppliers appointed to the framework competitively bid
- **Open Tender** Fully open procurement for high-value contracts

Considerations

- Spend >£25k require an approved Procurement Ratification Report & RFA following Scheme of Delegation approvals prior to award Also approval of Financial Control Sub Group (FCSG) is required. Allow 4 weeks for approval process.
- Open Tenders (Above Threshold) must be advertised via Find a Tender Service (FTS) and Invitation To Tender (ITT) open for 30-days, a Standstill/Alcatel period of 10 calendar days must be observed on notification of award before a contract is awarded (*to provide opportunity for unsuccessful Bidders to challenge*).
- Competition should be sought to obtain best value, although a Direct Award via a Framework may be allowed where the Health Board has standardised.
- Where Competition cannot be sought, or a compliant route to market is not in place Single Quote/Tender Actions (SQA/STA) can be utilised in specific circumstances

When a Procurement Goes Wrong...

Aggrieved suppliers have the right to challenge a process or award decision during a process (30 days from the day they knew something was wrong) or during the standstill period (10 days from award).

What this means?

- **Cost of wasted resource** – rewind the process.
- **Everything is disclosable:** Emails; handwritten notes; evaluations comments.
- Where we believe a decision is defensible we could end up in court.

GOVERNANCE – REQUISITIONS/PO's

Over £5,000 Value

- If your requisition is over £5,000 then your buyer will check your requisitions detail to find any governance paperwork or contract reference. If there are no details on the Procurement compliance, then you will be requested for this prior to processing.

Retrospective

- If a requisition is for goods/services that are retrospective (i.e. past activity) or the requisition states a date in the past then this will need to be reported to Audit Committee.
- We cannot back date a contract and all retrospective purchases for goods/services over £5,000 are reported to audit committee.
- If there is an ongoing requirement then you will need to work with Procurement Services to action any compliance going forward.

Procurement Regulation

Principles and Implications

Principles

- **NON-DISCRIMINATORY** equal access for economic operators from all member states.
- **TRANSPARANCY** economic operators should know in advance what the applicable rules are and that there is an opportunity to tender.
- **MUTUAL RECOGNITION** of qualifications, standards etc.
- **EQUAL TREATMENT** same rules apply to everyone.
- **PROPORTIONALITY** measures taken by a contracting authority should be both necessary and appropriate.

Implications

- How we engage with the market
- When it is appropriate to negotiate
- The type of procedures we can utilise
- Minimum timescales for tender
- How we question our suppliers and at what stage of a procurement
- How we score our suppliers during a tender - the AWARD CRITERIA
- Standstill period post award

THERE ARE SOME EXCEPTIONS THAT DO NOT REQUIRE A FULL PROCUREMENT EXERCISE TO BE COMPLIANT:

- Employment between Trust / Health Board / SHA & its Staff
- Out of Hours Contracts
- An NHS Contract where one health service body contracts with another
- Contracts let under an NHS Wales Framework agreement already agreed by the Minister
- Contracts being let under a 3rd party NHS contract e.g. NHS Supply Chain, unless it is for a specified (competed) arrangement
- Annual commissioning arrangements approved explicitly by Minister e.g. non-medical education
- Grant funded contracts

Hywel Dda Top Expenditure

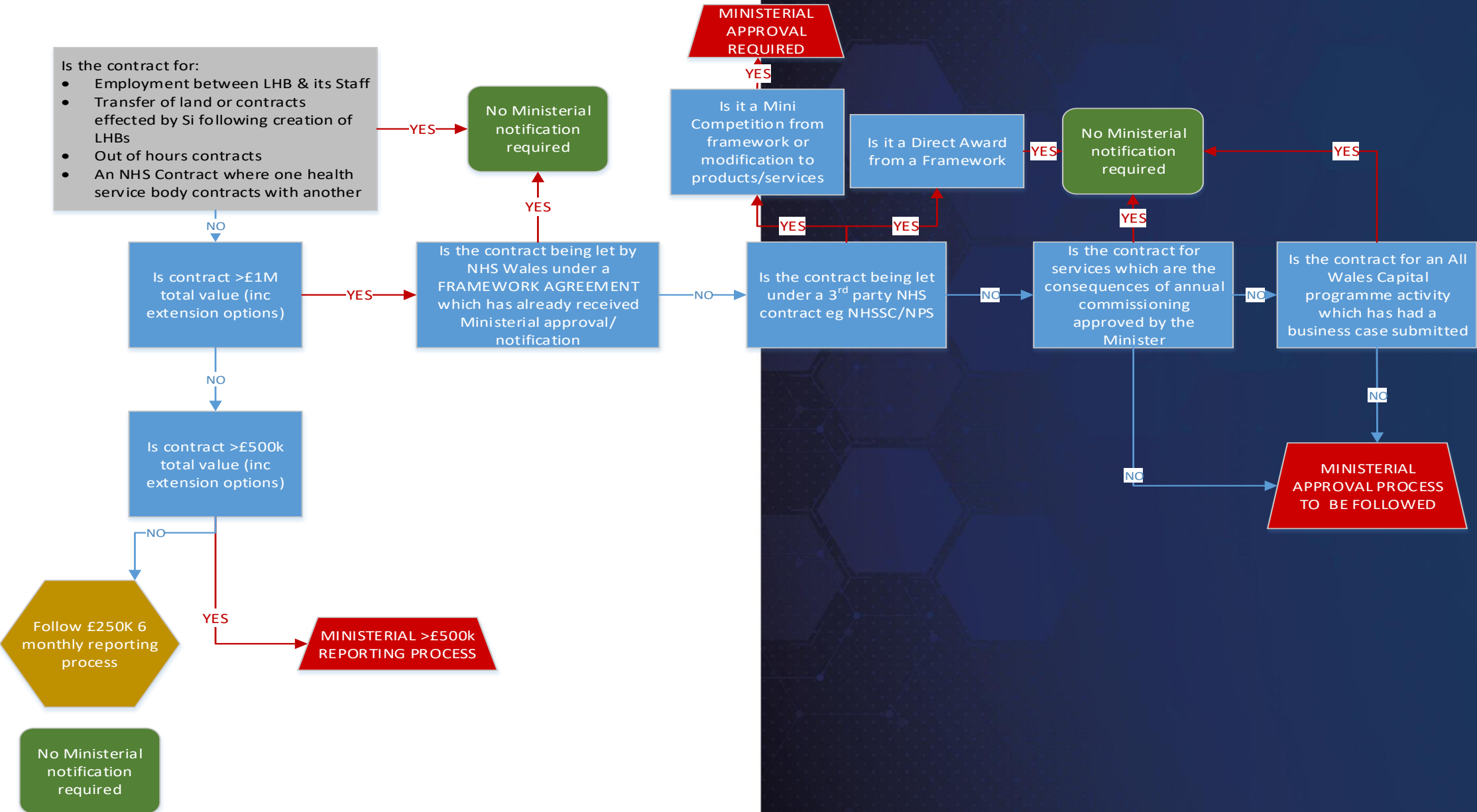
How much non pay
expenditure did Hywel Dda
UHB spend in the 2023/2024
financial year?

Organisation	Total Value
HDT	£ 71,331,247.79

Req Type	Total Value
NONCATALOG	£ 49,837,117.06
CATALOG	£ 21,364,371.72
-	£ 102,800.10
EXTERNAL	£ 26,958.92

Supplier	Total Value
ROCHE DIAGNOSTICS LTD	£ 2,759,223.33
SOFTCAT	£ 2,169,576.44
NHS SUPPLY CHAIN	£ 2,111,551.13
INSULET INTERNATIONAL LTD	£ 1,759,903.60
EVERLIGHT RADIOLOGY LTD	£ 1,485,848.64
DEXCOM INTERNATIONAL LTD	£ 1,423,025.00
STRYKER UK LTD	£ 1,233,573.14
JOHNSON & JOHNSON MEDICAL LTD	£ 1,129,253.34
BAYWATER HEALTHCARE UK LTD	£ 951,556.88
QUADIENT UK LTD	£ 857,094.54
CASTELL HOWELL FOODS LTD	£ 827,847.78
MEDTRONIC LTD	£ 801,810.43
SIEMENS HEALTHCARE LTD	£ 634,787.35
ONTEX HEALTHCARE UK LTD	£ 492,249.50
ID MEDICAL	£ 487,476.50
GN HEARING UK LTD	£ 418,037.10
B BRAUN MEDICAL LTD	£ 390,293.31
LEICA MICROSYSTEMS (UK) LTD	£ 356,241.63
NEWHALL JANITORIAL	£ 350,425.02
OTIS LTD	£ 347,531.71

Procurement Flow Chart - WG



Hywel Dda UHB - Divisional Responsibility

- Engage with Procurement Services as soon as possible when a need is identified – consider IMTP requirements.
- Do not commission work to be done without a purchase order in place – in line with the All Wales No PO no Pay Policy.
- Ensure orders are receipted in Oracle to reduce IOH.
- Ensure that when requisitions are processed and approved within your delegation that funds are available for the requirement – consider whether it is funded by capital or revenue.
- Be aware of your responsibilities as budget holders.
- Be aware that any breaches of SFIs will be reported to Audit Committee as a File Note.

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Thank you for listening

Any Questions?