



**PWYLLGOR ADNODDAU CYNALIADWY
SUSTAINABLE RESOURCES COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	17 December 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Procurement Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas - Executive 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 procurement exercises which have been undertaken on behalf of Hywel Dda University Health Board (HDdUHB):

1. Bausch and Lomb Phacoemulsification and Vitrectomy Consumable Deal
2. Insourcing of Orthopaedic 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 £1m over the term of the contract for Hywel Dda University Health Board (HDdUHB).

Cefndir / Background

1. Bausch and Lomb Phacoemulsification and Vitrectomy Consumable Deal

Proposed Outcome

Duration of Contract	Proposed Supplier (s)	Current Annual Local Contract Value	Proposed Annual Value of New Contract	Proposed Total Value of New Contract – 4-year term.
1 February 2025 – 31 January 2029, with no option to extend.	Bausch and Lomb	£336,628.79	£360,000.00	£1,440,000.00

2. Insourcing Orthopaedic Services

Proposed Outcome

Duration of Contract	Proposed Supplier (s)	Current Annual Local Contract Value	Proposed Annual Value of New Contract	Proposed Total Value of New Contract – 2-year & 2 months term.
1 January 2025 – 31 March 2026 with option to extend for 12 months to 31 March 2027	Healthcare Business Solutions	£0.00	£ TBC Subject to WG Funding	Up to a maximum of £5,000,000.00 (subject to WG funding)

Asesiad / Assessment

Tender Process

1. Bausch and Lomb Phacoemulsification and Vitrectomy Consumable Deal

A consumable agreement, whereby equipment was received through committed purchase of consumables, was signed by Bausch and Lomb and HDdUHB in 2016. This agreement led to a Stellaris Elite phacoemulsification system being delivered to Amman Valley Hospital (AVH) in early 2017 on a loan agreement. Costs of the consumables were in line with the NHS Wales Ophthalmology framework, compliant following an All-Wales tender.

However, the committed volumes were not achieved during the contract period, further exacerbated by Covid-19 and the cessation of services during the pandemic.

The agreement, therefore, continued until the committed volumes were achieved. Upon Contract Management review during the pandemic recovery period, it was noted that the committed 2016 volumes were unlikely to be achieved, and the Stellaris Elite system was aging and nearing its ten-year life cycle.

NHS Wales Shared Services Partnership's HDdUHB Frontline Procurement team initiated a contract review. Following initial discussions in September 2023, it has been mutually agreed by Bausch and Lomb and HDdUHB that the agreement dated 2016 cease, without monies recovered by the provider for the consumable volumes not achieved.

The new consumable deal will provide HDdUHB with three new Stellaris Elite devices to replace the one device that was received under the previous consumable deal, as well as two additional devices to replace owned devices which are nearing end of life.

In return, HDdUHB must meet committed purchase volumes of ophthalmology lenses and consumables, which will be reviewed annually.

The consumable deal proposed is compliant through NHS Wales's Ophthalmology Consumables Framework Agreement, reference CLI-OJEU-50995.

Bausch and Lomb are the only provider on the framework who meets HDdUHB's requirements. All clinical staff are familiar with the consumables and the Stellaris Elite devices. This reduces overall risk and negates the training requirements for all staff.

Due to the cost of the systems, these would be considered Capital items. To purchase the three devices via Capital would require an investment of over £82,000.00. Due to the financial

position, Discretionary Capital Programme (DCP) funding is limited, and funding has already been agreed for the 2024-2025 financial year. Therefore, no funding is available to purchase the required replacement systems within the current financial year.

Alternative funding streams have been investigated, with a product placement agreement proposed, wherein HDdUHB will pay for the replacement systems through the cost of the consumables over a period of four years. Ownership of the systems does not automatically transfer to HDdUHB at the end of the contract period.

2. Insourcing Orthopaedic Services

HDdUHB seek to commission insourcing services to support with the WG referral to treatment times for trauma and orthopaedic procedures. The speciality includes orthopaedic joint replacement for hip and knee procedures.

The Scheduled Care Division provides a wide range of services including Orthopaedic services, which delivers a combined total of approximately 21,000 pre-assessment, minor operations and follow up outpatient attendances.

The Covid-19 pandemic has led to an increased patient backlog which needs to be addressed via internal and external activity plans. In 2024/2025 onwards, the commissioning Health Board faces capacity challenges in recovering this position and is therefore seeking to Insource some of this activity.

Having exhausted internal options, the Health Board has had to consider using an external provider to create capacity in order that treatment backlogs can be delivered. A prime concern for the Health Board is to treat patients as close to home as possible, and therefore deliver an insourcing solution.

The commissioning Health Board invited bids from suitably qualified providers to deliver an Insourced package for:

- An estimated volume of up to 400 cases for Orthopaedic hip and knee procedures. Full packages of care are expected to be delivered, to include pre-assessment, treatment, and follow-up, as necessary.

Volumes are not guaranteed and will largely be determined by funding availability, patient cohort, and capacity of the providers and theatre availability.

Please note that due to the time pressure on this contract, pre-approval to proceed with the recommendation to award has been provided prior to Sustainable Resources Committee (SRC) and Public Board via a Chair's Action Meeting on 11 December 2024.

Argymhelliad / Recommendation

Sustainable Resources Committee (SRC) is asked to scrutinise and recommend for Board to:

- **APPROVE** the award of the Bausch and Lomb Phacoemulsification and Vitrectomy Consumable Deal, 1 February 2025 to 31 January 2029, with no option to extend. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership). As this will be awarded against a compliant NHS Wales framework, Welsh Government approval is not required.

- **FOR INFORMATION** the award of the Insourcing Orthopaedic Services, 1 January 2025 to 31 March 2026, with the option to extend for twelve months to 31 March 2027. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership). As this will be awarded against a compliant NHS Wales framework, Welsh Government approval is not required.

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.
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

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termau: Glossary of Terms:	Not Applicable

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Not Applicable
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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