



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	21 December 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Procurement Initiatives
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Alan Binks, Head of Procurement

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

Procurement has been facing significant challenges in terms of the volume of tender work required to meet COVID-19 Recovery and decentralised procurement (DCP) initiatives in addition to undertaking business as usual.

The purpose of this report is to provide the Sustainable Resources Committee with an update on Procurement initiatives currently underway.

Cefndir / Background

Procurement has been dealing with multiple demands over the past year. Funding from Welsh Government (WG) via DCP has required numerous urgent procurement projects to be delivered at pace. Additionally, progress has continued in relation to Foundational Economy, driving Social Value through procurement and decarbonisation. The drive to find savings within routine activity has been constrained through the requirement to mitigate pipeline cost increases, which are expected to increase further into the new year, at both NHS Wales national and local levels.

Asesiad / Assessment

The Procurement Department maintain a master savings tracking sheet which is updated monthly and provides the base data for reporting savings both through to the Finance Directorate and also to NWSSP. Below is summary of the position at month 8.

Cash Releasing Savings Tracker as at month 8:

Target	£2,000,000 in year
Actual as at month 8	£546,234
Additional savings forecast	£687,976
Total forecast out turn	£1,234,211

The current forecast savings, and its inability to reach the target of £2million in year is mainly due to a shortfall in savings delivered through All Wales contracts in the current year. The savings recorded does not include savings against capital schemes or savings achieved against insourcing/outsourcing commissioning projects.

Mitigating Actions and 2022/23 Planning

- Q4, 2021/22 review of Clinical Engineering Maintenance Contracts in conjunction with the Hywel Dda University Health Board (HDdUHB) Clinical Engineering team.
- Adviselnc – Health check opportunities have enabled leverage on the existing ink jet cartridges supplier to deliver savings back dated to Month 1 2021/22 in excess of £37,000. The supplier will also apply these HDD UHB negotiated terms to other health boards.
- Pathology Managed Service contract commencing in the new year will deliver savings of circa £220,000 against current costs.
- Further reviews of Point of Care Testing (POCT) and Endoscopy consumables are expected to deliver additional savings.
- Q3/4 review of copier contracts terms is expected to deliver savings of £7,000.
- EDMS tender to be commenced and Whistl postal services savings of £8,000 to be progressed.
- A new framework covering construction contracts is anticipated to commence in March 2022, in conjunction with Swansea Bay University Health Board (SBUHB), which should deliver cost and efficiency benefits.

Other Opportunities:

- A consignment stocks “Bulk Buy” opportunity has been negotiated with J&J Depuy for Trauma and Orthopaedic stocks. This utilises the flexibility within the All Wales contract to deliver £272,000 costs reduction by significantly raising the discount banding in the year ahead. Additionally, this initiative will release added value “vouchers” from J&J, which could be used for service improvements such as pathway software. This is currently being reviewed with Scheduled Care clinical leads, service management and Finance leads.
- A review of Berthold Bauer Value Added Tax (VAT) on Healthcare Services is currently underway with Berthold Bauer in discussion with Her Majesty’s Revenue and Customs (HMRC) - £275,000.

Contracts and Tenders Activity:

The figures below show that there has been a 58% increase in tender activity undertaken by the procurement team in comparison with the same period last year, as a result of additional funding being made available to health boards for COVID-19 Recovery and other initiatives. All have been delivered at pace.

	YTD) 20/21	(YTD) 21/22
○ Contracts awarded by tender	31	49
○ Value of contracts	£13,350,331	£24,386,380

Single Tender Actions:

- Very good progress continues to be made with a **33% reduction in numbers** in comparison with the corresponding periods in 2020/21 in addition to a £739,000 value reduction.

Scan4Safety:

Bronglais Endoscopy is the first department planned to “go live” with Bronglais General Hospital (BGH) theatres to follow. An issue regarding server security protocols is due to be resolved by Omnicell.

Foundational Economy:

- All DCP construction contracts have been awarded to Welsh suppliers this year.
- As a result of the joint seminar held in conjunction with Social Business Wales in September 2021, the Procurement team have worked with Alexandra Workwear and Elite Garments to ensure all garments supplied by Alexandra Workwear, under the All Wales framework, are manufactured in Wales in Elite Garment workshops (a social enterprise).
- The work with the Centre for Local Economic Strategies (CLES) on developing a Community of Practice, in addition to joint working on food projects with Carmarthenshire County Council, such as Cook Chill, continue.

Social Value:

- Procurement have worked with the Social Value Portal to establish a workable social value section for use in tenders that are over threshold. The first tenders are in the process of being implemented, with teething issues being identified and resolved, and lessons learnt being identified for future tenders.
- The local team are providing feedback regarding lessons learnt to NHS Wales Shared Services Partnership (NWSSP) and other health boards.

Decarbonisation:

The following procurement contracts have been awarded, which contribute to HDdUHB's decarbonisation strategies:

- Solar Panels (Rooftop) Wthybush General Hospital (WGH): £350,000 + VAT
- Solar Farm (Ground Mounted): £989,000 + VAT
- Electric Vehicles: £175,000 + VAT
- Air Heat Source Pumps: £198,000 + VAT
- LED Lighting: £135,000 + VAT
- Total cost = £1.847m + VAT

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to note the update on Procurement initiatives currently underway.

Amcanion: (rhaid cwblhau)**Objectives: (must be completed)**

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.8 Review major procurements and tenders, such as outsourcing, in relation to achieving Referral to Treatment targets. 3.9 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:	No Datix issues or risks reported.

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	7. Plan and deliver services to enable people to participate in social and green solutions for health

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Procurement Savings Tracker, Procurement Contracts and Tenders Register, Single Tender Actions Register
Rhestr Termau: Glossary of Terms:	Included within the body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	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
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable