

**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 January 2025
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 & Lomb Phacoemulsification and Vitrectomy Consumable Deal
2. Insourcing of Orthopaedic Services
3. Climate Adaptation Plan
4. Corporate Landlord Model
5. Outsourcing of Intravitreal (IVT) Injection

In line with Welsh Government approval procedures, the Health Board is required to approve the following tenders, as they either have each have a cumulative contract value in excess of £1m over the term of the contract for HDdUHB or are considered to be Consultancy Services under the definition of the HDdUHB Consultancy Policy.

Cefndir / Background

1. Bausch & 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 & 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)

3. Climate Adaptation Plan

Proposed outcome

Climate Change Adaptation and Resilience Plan that supports HDdUHB to deliver against its obligations and responsibilities under the new Climate Adaptation Framework for health.

Duration of Contract	Proposed Supplier (s)	Current Annual Local Contract Value	Proposed Annual Value of New Contract	Proposed Total Value of New Contract – 8 week term.
8 weeks	N/A	0.00	0.00	£47,625.00

4. Corporate Landlord Model

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 – 70 day term.
70 days	N/A	0.00	0.00	£66,500.00

5. Outsourcing for Intravitreal (IVT) Injection

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 month term.
1 st February 2025 – 31 st March 2025, with an extension option of an additional 12 months	SpaMedica	0.00	£0.00	£1,038,223.20

Asesiad / Assessment

Tender Process

1. Bausch & Lomb Phacoemulsification and Vitrectomy Consumable Deal

A consumable agreement, whereby equipment was received through committed purchase of consumables, was signed by Bausch & Lomb and HDdUHB in 2016. This agreement led to a Stellaris Elite phaco 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 & 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 & Lomb is 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

Hywel Dda University Health Board seek to commission insourcing services to support with the Welsh Government 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 op 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 provider(s) and theatre availability.

Please note that this award was approved via Chair's Action on 11 December 2024 (as noted within the Chair's Report).

3. Climate Adaptation Plan

Hywel Dda University Health Board is seeking support to establish and embed a whole system approach to climate adaptation and consider how the Health Board will mitigate the risks and impacts of climate change and climate events into population health strategies and broader Health Board service delivery, aligned to and enabling the work already being undertaken on decarbonisation. External support is required to build upon the learning and insights from the recent Climate Adaptation work and published framework/reporting guidance, to ensure that HDdUHB is able to devolve the requirements and responsibilities into day-to-day activity through the development of a clear plan of action for climate change adaptation and resilience, which harmonises with the Health Board's existing decarbonisation delivery plan.

4. Corporate Landlord Model

An SBAR was presented to the Formal Executive Team meeting on 21 August 2024 highlighting the value and benefits of a implementing a Corporate Landlord Model and approval was granted to proceed with the exploration and development of a Corporate Landlord model for HDdUHB. Having investigated available knowledge and expertise across NHS Wales/Welsh

Government colleagues, it became evident that the required expertise does not exist within NHS Wales or NHS England.

Therefore, to continue the momentum and pace which ensures the Health Board's ambitions to develop and implement a Corporate Landlord Model (which works for HDdUHB and can be shared with other NHS bodies for adoption and spread/scale), we require the expertise and specialist skill of an external partner organisation. This partnership will ensure that the approach/model to be developed will be the best fit, based upon existing systems/structures, the asset base and agreement of which assets and services are in scope and the strategic aims and objectives. The proposed outputs/outcomes will be based on extensive engagement, best practice across the broader public sector and the external provider's significant expertise and experience of working with public sector organisations to co-produce Corporate Landlord Model options for consideration and to aid decision-making on the most appropriate model to be implemented.

The Corporate Landlord Model aims to positively improve the following current challenges and risks:

- The public sector is facing a challenging financial environment, and assets represent a significant value but also a substantial cost in terms of capital investment, revenue running costs and increasing backlog maintenance liabilities and financing debt and/or PFI arrangements.
- Backlog maintenance, for many organisations, is now at a level which it is not financially viable to perform on every asset. This means a strategic disposals programme is a key activity for many public sector bodies.
- Consistent, and reliable property data is, however, often a challenge. With multiple versions of the truth and/or only partial or out of data information held, limiting the ability of organisations to make strategic decisions. This includes financial information, which is made more difficult by complex recharge arrangements.
- To 'right purpose' an often-historical asset base, to ensure that assets are 'fit for purpose' to meet corporate and operational service needs particularly as operational models and requirements change in order for services to meet their future strategies.
- Lack of a strategic asset management approach at a corporate and service delivery level and assets to be rationalised including disposal and repurposing assets. Facilities management including utilities need to be efficient and managed downwards aligned with asset rationalisation plans.
- Lack of net capital receipts to support investment and debt reduction as well as substantial revenue budget savings.
- Poor mitigation of backlog maintenance liabilities and compliance risks.

Proposed outcome:

- Evidence based report
- Outline Business Case
- Full Implementation Plan

5. Outsourcing of Intravitreal (IVT) Injection

Hywel Dda University Health Board is seeking to award a contract for the outsourced provisions for Intravitreal (IVT) Injection, an injection of a drug into the vitreous body given through the sclera. The contract will be for the provision of 1100 cases for Intravitreal Injection procedures, full packages of care are expected to be delivered, to include out-patient

appointment, Injection, review, and follow-up, as necessary. Should funding be approved, the procedures can be undertaken to meet Welsh Government targets before 31 March 2025. The award will be on a zero-commitment basis and assuming that all procedures will be completed.

Argymhelliad / Recommendation

The Board is requested to:

- **APPROVE** the award of the Bausch & 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).
- **NOTE FOR INFORMATION** the award (approved via Chair's Action and ratified in Chair's report) of the Insourcing Orthopaedic Services, 1 January 2025 to 31 March 2026, with the option to extend for twelve (12) 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.
- **APPROVE** to proceed to run a procurement exercise and enable award to a successful supplier of the Climate Adaptation Plan for a period of 8 weeks. The award will be presented to Financial Control Sub-Group (FCSG) prior to the award process.
- **APPROVE** to proceed to run a procurement exercise and enable award to a successful supplier of the Corporate Landlord Model for a period of 70 days. The award will be presented to Financial Control Sub-Group (FCSG) prior to the award process.
- **APPROVE** the award of the Outsourcing of Intravitreal (IVT) Injection, 1st February 2025 to 31st March 2025, with an option to extend for an additional 12 months. 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)

Cyfeirnod Cofrestr Risg Datix a Sgôr 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

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 Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Sustainable Resources Committee (SRC)

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