



Annual Procurement Report

2018-19

Lead Author: Jennifer Yeomans, Deputy Head of Procurement

Reviewer: Steven Glass - Head of Procurement and Logistics

Approver: Alan Gray – Director of Finance

Signature:

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Signature:

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Signature:

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Introduction

NHS Grampian complies with the duties laid down by the Procurement Reform (Scotland) Act 2014. Under Section 18 of the Act any public organisation who is required to publish a procurement strategy must also prepare an annual procurement report to demonstrate that the procurement spend is being used to effectively achieve better Public Services along with Social, Economic and Environmental outcomes.

The aim of this document is to provide a transparent record of the last 12 months of Procurement in NHS Grampian. The Annual Procurement Report also gives the opportunity to review the NHS Grampian Procurement Plan 2018-2023 and make any potential revisions that may be required.

NHS Grampian has a trade spend with third party suppliers of around £189m for its works products and services requirements and these are sourced through local, regional and national framework contracts where possible. Contract requirements in excess of £50,000 which cannot be met by existing, collaborative framework agreements are advertised on the Public Contracts Scotland website or in the Official Journal of the European Union (OJEU) where the total exceeds the EU threshold.

The Procurement and Logistics Department in NHS Grampian operate a wide service, undertaking contract development and implementation activities while providing leadership and support to the devolved procurement areas within NHS Grampian.

Summary of Regulated Procurements Completed

NHS Grampian has awarded 20 regulated procurements during the period 1st April 2018 – 31st March 2019. These are detailed below:

Date of Award	Supplier Name(s)	Title of Contract	Total Estimated Contract Value	Procurement Route
15/02/2018	FES	ICT Cables, Installation and Minor Works Framework	£600,000	Tender
05/09/2018	Environtec Environmental Essentials Limited SGS MIS Environmental Ltd	Asbestos Related Survey & Analytical Services (Framework)	£94,000	Tender
19/10/2018	Olympus Keymed	Award of Cytogenetic/Molecular Cytogenetic Image Analysis System	£274,907	Tender
22/11/2018	The Aberdeen Clinic Ltd	Dermatology Medical Services	£108,540	Award against framework
03/12/2018	Synaptik	Cataract Medical Services	£375,937	Tender
06/12/2018	Abbott Laboratories	Labs Managed Service Contract	£50,000,000	Tender
17/12/2018	Philips Healthcare	Two Echo Ultrasound Scanners	£178,944	Award against framework
17/12/2018	Philips Healthcare	Two Echo Ultrasound Scanners	£178,944	Award against framework
20/12/2018	Erbe Medical UK Ltd	Three Electrosurgical Units	£63,074	Award against framework
21/12/2018	Medinet Clinical Services	Week Day Provision of Cataract Services	£223,200	Award against framework
21/01/2019	Vauxhall Motors Limited	Retinal Screening Vans	£74,306	Award against framework
25/01/2019	Sigmacon (UK) Ltd	Urology Laser and Morcellator	£159,966	Award against framework
05/02/2019	Mercedes Benz UK Ltd	7.5T Trucks	£410,248	Award against framework
12/02/2019	Philips Healthcare	High Acuity Monitoring For Ari Cath Labs Theatre Suite; Woodend Theatre Suite Inc Upgrade Of Theatre 5&6; Rach Upgrades In Theatre Suite & High Dependency Unit; Ari/Dr Gray'S Bar Code Scanners	£472,750	Award against framework
14/02/2019	Care Unbound Ltd	ACHSCP Workflow Optimisation Training	£81,000	Tender
21/02/2019	Welch Allyn	Spot Monitors	£220,855	Award against framework

25/02/2019	Wellwood Leslie Architects Arch Henderson LLP Mackie Ramsey Taylor Architects	Award of Framework Agreement for Multi-Discipline Design Services 2018 to 2021	£670,453	Tender
07/03/2019	RCA Pest Services Ltd t/a Pest Solutions	Pest Control	£97,425	Tender
25/03/2019	Welch Allyn	Spot Monitors	£79,658	Award against framework
	Enviraz (Scotland) Limited Erith Wood Group	Asbestos Removal & Remediation (Framework)	£600,000	Tender

The following 13 awards were made which were above the regulated procurement threshold and subject to a Single Tender Request approval.

Date of Award	Supplier Name(s)	Title of Contract	Total Estimated Value
17/04/2018	Varian Medical Systems	Truebeam Linac Upgrade	£69,000
15/11/2018	MicroPort CRM UK Ltd	Ambulatory ECG Recorder	£100,770
28/11/2018	QIASymphony	Automated Dna Extractor	£52,384
07/12/2018	Wassenburg	Endoscopy Washer Disinfectors	£464,755
11/12/2018	Cochran Ltd	Equipment For Foresterhill Energy Centre	£78,900
14/12/2018	Draeger	Bed Side Patient Monitoring Computers	£83,065
17/12/2018	Cantel	Procurement Of Six CO2 Insufflators	£306,921
24/12/2018	WPS UK Ltd	Car Park Barrier System Upgrade	£142,000
09/01/2019	Hamilton	Automated Liquid Handling Robot	£86,520
23/01/2019	StruxtureWare	Building Management System Upgrade	£100,000
19/02/2019	Hobart UK	Replacement Of Flight Dishwashing Machine For Catering Department At Dr Gray'S Hospital Kitchen	£59,352
25/02/2019	Beckman Coulter	Navios Ex	£95,000
28/02/2019	Karl Storz Endoscopy (UK) Ltd	2 X F.E.S.S. Instrument Sets & 2 X Transphrinoial Instrument Sets	£54,992

NHS Grampian use the PCS website to issue quick quote requests for competitive quotations under £50,000 and carry out a significant number of procurements against framework agreements. NHS Grampian also publishes its Asset Management Plan on its website and reposts status on the associated major Capital Infrastructure Procurements.

Review of Regulated Procurement Compliance

NHS Grampian adheres to the Procurement Journey methodology for all of its procurements where a tendering procedure is required and all of the regulated procurement activity listed above has been carried out in accordance with the NHS Grampian Procurement Plan 2018-2023. NHS Grampian operate devolved procurement arrangements for low value and low risk procurements which are also subject to NHS Grampian's governance arrangements through its Standing Financial Instructions and Procurement Protocol.

The single tender approvals were carried out in line with NHS Grampian's Standing Financial Instructions and Procurement Protocol and strict criteria are applied to the review and approval process for single tender approvals and NHS Grampian's Audit Committee apply a further level of scrutiny.

Community Benefit Summary

Section 18(2) of the Act states that it is mandatory for an annual procurement report to include "a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report".

During the reporting period there were no community benefit requirements as part of the regulated procurements undertaken. At the tender development stage NHS Grampian consider community benefits within each strategy document. The strategy document is a mandatory part of the regulated procurement process, as documented in NHS Grampian's Procurement Protocol, and therefore, community benefits are considered in all regulated procurements.

We will continue to look for opportunities to maximise community benefits from procurement activities.

Supported Businesses Summary

As stated in NHS Grampian's Procurement Plan:

"Where it is relevant and proportionate to do so, NHS Grampian shall utilise the Framework for Supported Businesses and Factories and consider Supported Businesses, wherever possible."

NHS Grampian include the consideration of supported businesses in the strategy document and therefore supported businesses are considered in all regulated procurement activity.

As can be seen in Appendix A, NHS Grampian have spent with supported businesses in 2018/19 and will look for all opportunities to increase this. NHS Grampian also works closely with a number of local registered charities and other third sector providers.

Future Regulated Procurements Summary

As detailed in the Procurement Plan, NHS Grampian put transparency at the centre of procurement activity. NHS Grampian will continue to advertise procurement opportunities to give suppliers notification of upcoming opportunities to ensure competition and value for money.

During the next 24 months (April 2019-March 2021) NHS Grampian expects to carry out the following regulated procurement activity, however these may be subject to change to align with funding allocations from Scottish Government and in response to budget allocation cycles.

Title of Contract	Indicative Contract Start Date	Total Estimated Value	Procurement Route
Supply, Delivery and Installation of Furniture and Associated Services	May-19	£80,000	Framework Mini Competition
Biomass Fuel (woodchips)	Jul-19	£350,000	Framework
Electrical Testing & Inspection	Aug-19	£60,000	Tender
Ligature Reduction Beds and Mattresses	Aug-19	£60,000	Single tender approval
Ligature Reduction Furniture	Aug-19	£55,000	Tender
Locum Management System	Sep-19	£100,000	Framework Mini Competition
Pharmacy Robot	Sep-19	£220,000	Framework Call-off
Electroencephalogram (EEG) Replacement Program	Sep-19	£300,000	Framework Mini Competition
Patient Transport Service (ARI - Stracathro hospital)	Sep-19	TBC	Tender

Provision of Neurology Services	Sep-19	TBC	Extension
GMED Vehicles Lease	Sep-19	£60,000	Framework Mini Competition
Community Health Visiting Software Application	Oct-19	£80,000	Framework Call-off
Hire of Grounds Maintenance Seasonal Equipment	Nov-19	£70,040	Extension
Seasonal Grounds Equipment Hire	Nov-19	£183,580	Tender
Urology Services	Dec-19	TBC	Framework Mini Competition
Supply of ICT Cables, Installation and Minor Works Framework	Apr-20	TBC	Extension
RACH Day Case Unit Redesign	May-20	£477,685	Framework Mini Competition
Asbestos Removal and Remediation Works	Jun-20	£600,000	Tender
Measured Term Contract Framework - Minor Projects	Apr-20	TBC	Tender
Major Acute Services in NHS Grampian	Dec-20	TBC	Framework Mini Competition
Joint Cost Advisor - Major Acute Services in NHS Grampian (Stage 2)	Dec-20	TBC	Framework Mini Competition
SBRI - AI Fracture Detection Project	TBC	TBC	TBC
Supply of Water Bottles	TBC	TBC	TBC
Supply of Dishwashers	TBC	TBC	TBC
Workflow Optimisation	TBC	TBC	Tender
External Endoscopy Capacity	TBC	TBC	Framework Mini Competition
OMFS See and Treat	TBC	TBC	Framework Mini Competition
Gynaecology See and Treat Medical Services	TBC	TBC	Framework Mini Competition
Multi-Health Boards HEPMA Project	TBC	TBC	Framework Mini Competition
CEPAS	TBC	TBC	TBC

Savings Information from 2018/19

Throughout the last financial year of 2018/19 (1st April 2018 to 31st March 2019), NHS Grampian's Procurement department recorded all savings associated with the implementation of either local or national contracts in a savings tracker. As can be seen in Appendix A NHS Grampian have recorded savings of **£8,151,357**, and recorded a further **£451,163** in cost avoidance.

SME and Third Sector Engagement 2018/19

NHS Grampian recognises the significant contribution that the supply and services market, including SME and third sector organisations can make to the provision of its core purpose of providing high quality, safe, efficient, effective and person centred patient care. In 18/19 45% of NHS Grampian's spend was with SME organisations and spend with Third Sector organisations was over £3m.

NHS Grampian continues to work under a process of continuous improvement with all of its internal and external stakeholders, including its supply market to ensure that value for money for all of its procurement expenditure is delivered and demonstrated.

1. Organisation and report details

a) Contracting Authority Name	NHS Grampian
b) Period of the annual procurement report	1 st April 2018 to 31 st March 2019
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes

2. Summary of Regulated Procurements Completed

a) Total number of regulated contracts awarded within the report period	20
b) Total value of regulated contracts awarded within the report period	£54,964,207
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	23
i) how many of these unique suppliers are SMEs	15
ii) how many of these unique suppliers how many are Third sector bodies	0

3. Review of Regulated Procurements Compliance

a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	20
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0

4. Community Benefit Requirements Summary

Use of Community Benefit Requirements in Procurement:

a) Total number of regulated contracts awarded with a value of £4 million or greater.	0
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	0

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	0
e) Number of Apprenticeships Filled by Priority Groups	0

f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	£0
i) Total Value of contracts sub-contracted to Social Enterprises	£0
j) Total Value of contracts sub-contracted to Supported Businesses	£0
k) Other community benefit(s) fulfilled	0
<u>5. Fair Work and the real Living Wage</u>	
a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	11
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	11
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	3
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	0
<u>6. Payment performance</u>	
a) Number of valid invoices received during the reporting period.	155,670
b) Percentage of invoices paid on time during the period ("On time" means within the time period set out in the contract terms.)	95.64%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	54
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
<u>7. Supported Businesses Summary</u>	
a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£6,161.76
i) spend within the reporting year on regulated contracts	£6,161.76
ii) spend within the reporting year on non-regulated contracts	£0

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£189,181,117
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£85,131,503 (45%)
c) Total procurement spend with Third sector bodies during the period covered by the report.	£3,436,479
d) Percentage of total procurement spend through collaborative contracts.	65.4%

e) Total targeted cash savings for the period covered by the annual procurement report	£2,853,813
i) targeted cash savings for Cat A contracts	£0
ii) targeted cash savings for Cat B contracts	£2,767,818
iii) targeted cash savings for Cat C contracts	£85,995

f) Total delivered cash savings for the period covered by the annual procurement report	£8,151,357
i) delivered cash savings for Cat A contracts	£0
ii) delivered cash savings for Cat B contracts	£8,094,273
iii) delivered cash savings for Cat C contracts	£57,085

g) Total non-cash savings value for the period covered by the annual procurement report	£451,163
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9. Future regulated procurements

a) Total number of regulated procurements expected to commence in the next two financial years	30
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£2,696,305