



Annual Procurement Report

2017-18

**Lead Author: Peter Obosi -
Procurement Manager**

Reviewer:

**Approver: Steven Glass -
Head of Procurement and
Logistics**

Signature: p.obosi

Signature:

Signature:

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Glossary

Term	Description
Collaboration	When two or more groups of people or organisations engage in procurement work together for mutual benefit (CIPS).
Commodity Strategy	Please see the Procurement Journey for guidance on commodity strategies.
Contract Compliance	Items covered by a contract are procured from the contracted supplier using the contract terms.
Contract Management	The process of monitoring the performance of a supplier to contract.
Corporate Social Responsibility	The idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes.
Framework Agreement	An agreement or other arrangement between one or more contracting authorities and one or more economic operators which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework agreement applies.
Key Suppliers	Those suppliers identified as business critical in terms of risk/value and business continuity.
Maverick spend	Purchase orders placed for goods and services not utilising existing frameworks/contracts, unless legitimately endorsed by the local purchasing team and/or where awarded in accordance with corporate procurement policy.
MEAT	The most economically advantageous tender (MEAT) criterion enables the contracting authority to take account of criteria that reflect qualitative, technical and sustainable aspects of the tender submission as well as price when reaching an award decision.
OJEU	Official Journal of the European Union.
Open Procedure	A one-stage procedure whereby all suppliers are invited to tender for the contract or framework agreement. The organisation cannot limit the number of bids it receives.
Output Specification	The specification requirements set out in terms of what you want to achieve, leaving the tenderers to decide on how they will deliver those requirements. This can lead to innovation by the tenderers. The services detailed in the output specification should be capable of objective assessment so that the performance of the supplier can be accurately monitored.
Procurement Exercise	Full end to end procurement exercise documentation from strategy development to contract & supplier management.
Procurement Function	The business management function that ensures identification, sourcing, access and management of the external resources that an organisation needs or may need to fulfil its strategic objectives.

Procurement Journey	Revised public procurement toolkit with guidance and templates on the procurement process or Construction manual when appropriate. The Procurement Journey will be enhanced on an ongoing basis with feedback from users and any other identified good practice guidance and tools where appropriate to ensure a standardised approach to the supply base.
Procurement strategy	Strategy for procurement within an organisation (can be called policy).
Public Contracts Scotland	The national advertising portal used to advertise all Scottish Government goods, services or works contract opportunities.
Senior Management Team	The direct report for the Head of Procurement (whether this is a stand-alone Director or one who sits on a SMT).
Small Medium Enterprise (SME)	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro and/or an annual balance sheet total not exceeding 43 million euro.
Stakeholder	Any person or group, who has a vested interest in the success of the procurement activity, i.e. either provides services to it, or receives services from it.
Strategy	May also be referred to as "Business Case" or "Project Strategy".
Supplier	An entity who supplies goods or services; often used synonymously with "vendor".
Supported Business	Either the organisation's main aim should be the social and professional integration of disabled or disadvantaged persons, or the contract should be performed within a sheltered employment programme.
Whole Life Costing	The costs of acquiring goods or services (including consultancy, design and construction costs, and equipment), the costs of operating it and the costs of maintaining it over its whole life through to its disposal – that is, the total ownership costs. These costs include internal resources and overheads.

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Introduction

The **Procurement Reform (Scotland) Act 2014** states that NHS Grampian is required to provide an Annual Procurement Report that details the previous year's performance and achievements in delivering its Procurement Strategy. This document demonstrates to the relevant stakeholders that the procurement spend is being used to effectively achieve better Public Services along with Social, Economic and Environmental outcomes in the region, as well as evidencing that the organisation is meeting a range of Local and National policies.

The aim of this document is to provide a transparent and straightforward record of the last 12 months of Procurement in NHS Grampian. The Annual Procurement Report also gives the opportunity to review our Procurement Plan for 18/19 and make any potential revisions that may be required.

Section 1 – Summary of Regulated Procurements Completed

Award Notices went out for the following regulated procurements:

New Contracts in 2017/18 (April 2017-March 2018)

Date of Award	Supplier Name	Title of Contract	Estimated Value (Per Annum)	Start Date	End Date
09/05/2017	Waters Ltd	Liquid Chromatography Accurate Mass Spectrometry System	£634,049	12/05/2017	11/05/2028
10/10/2017	Insight Direct (UK) Ltd	Upgrade of Laboratories LIMS Software	£98,000	16/10/2017	15/10/2022
10/10/2017	Insight Direct (UK) Ltd	Upgrade of Laboratories LIMS Hardware	£152,000	16/10/2017	15/10/2018
02/11/2017	Ravenhill	Grounds Maintenance Equipment	£91,790	06/11/2017	05/11/2019
	Vauxhall Motors Ltd & Ford Motor Company Ltd	Transport Vehicle Purchase	£524,000	15/03/2018	31/03/2019
15/03/2018	Mearden	Scales Maintenance	TBC	01/04/2018	31/03/2021
09/01/2017	Abbot Diabetes Care	Blood Glucose Monitoring	£131,730	09/01/2017	08/01/2024
07/07/2017	CHAP Construction	Mini-Competition Stonehaven Renal Unit	£800,000	26/07/2017	31/12/2017
22/11/2017	Softcat/Allocate	E-Rostering System	£531,902	03/01/2018	03/01/2021
23/03/2018	Capito Ltd	IT Hardware Break/Fix	£261,354	02/04/2018	01/04/2020
14/02/2018	FES Support Services Ltd	Minor ICT Cabling Works Framework	£150,000	02/04/2018	31/03/2020
02/11/2017	Winscribe Europe Ltd	Digital Dictation and Voice Recognition	£85,000	01/04/2018	31/03/2021
10/03/2018	Roche Diagnostics Ltd	Point of Care Testing INR Devices	£258,400	22/03/2018	21/03/2021
05/01/2018	ID Medical	Nursing Mini-Tender	£860,000	01/02/2018	31/03/2018

*Please note that a significant number of procurements were carried out as call offs against framework agreements. Where framework call-offs were utilised, NHS Grampian uses NHS Scotland Framework agreements and CCS (Crown Commercial Services) Frameworks in 90% of the cases and 10% from other UK based frameworks. As the Frameworks are set up and in turn reported by the respective agencies, NHS Grampian has not listed these in this annual procurement report. NHS Grampian also publishes its Asset Management Plan on its website and reports status on its associated major Capital Infrastructure Procurements through that vehicle. NHS Grampian shall review the current content of its Annual Procurement Report during 18/19 in conjunction with other Health Boards and National Services Scotland with a view to avoiding any potential duplication and ensuring consistency in content for its next scheduled submission.

The following regulated procurements were extended during 2017/18 Financial year:

Contract Extensions in 2017/18

Date of Award	Supplier Name	Title of Contract	Estimated Value (Per Annum)	Start Date	End Date
01/11/2011	Arjohuntleigh	Patient Hoists	£43,696	01/04/2018	31/03/2019
12/03/2008	Siemens Healthcare Diagnostics	Provision of Biochemical and Haematological Laboratory Services	£10,000,000	01/04/2018	31/03/2019

Full details of all contracts noted above can be found on the organisation's Contract Register available on the Public Contract Scotland website.

Single Tender Approvals in 2017/18

Supplier Name	Title of Contract	Estimated Value (Per Annum)	Date Ordered
Biochrom Ltd	Amino Acid Analyser	£59,674.80	02/11/2017
CIS Oncology	Support of Chemocare System	£82,318.11	13/02/2018
Gas Compressors	Bareshaft Compressor Model VSG1851 1 Coupling Hub 2 Slide Valve	£98,610	08/03/2018
Harland Simon	RFID Discovery System	£81,696	16/02/2018
Illumina Cambridge	PhiX Control V3 KIT	£64,170.51	03/08/2017
Medaphor Ltd	TAS - PC	£90,000.03	22/03/2018
MRI Devices Ltd	Expression MR400 & IP5 Control Room Monitor	£57,000	05/09/2017
Oasis Scotland	Relocation of Medical Records	£53,250	01/02/2018
Optos PLC	California Aqua Cap Sale	£88,255	27/02/2018
Pinpoint Priority Services	Supply & install staff patient emergency call system to wards Huntly/Dunnottar/Fraser	£50,466	28/02/2018
Probrand Ltd	Cisco Aironet 28021 - Radio access point	£52,174.20	07/03/2018
Securitay Ltd	Security Services - Moray	£65,636.10	21/07/2017
Solution IT Ltd	Annual Support for Soliton Reporting System for Radiology	£65,089.11	19/03/2018

Stat One Services	VRmagic EYesi Complete Vitreoretinal and Cataract Simulator	£149,000	25/08/2017
Woodley Equipment	Clinispin Horizon 642VFD (220V), 6-Place Horizontal Rotor	£60,699	22/12/2017

Section 2 – Review of Regulated Procurement Compliance

It is NHS Grampian's duty to ensure that every instance of regulated procurement carried out by the organisation is reviewed, to check that it complies with the authority's Procurement Plan.

The listed contracts in the Section 1 - Summary of Regulated Procurements Completed comply with procurement regulations and are in line with our Procurement Plan.

NHS Grampian also operate devolved procurement arrangements for low value low risk procurements which are also subject to NHS Grampian's governance arrangements through its Standing Financial Instructions and Procurement Protocol.

Oversight of these procurements is provided through our Procurement Steering Group and by monitoring and engagement activities by NHS Grampian's Procurement as well as by Audit. Where appropriate contract coverage arrangements are put in place.

Section 3 – Community Benefit Summary

Although very important, financial savings are not the only criteria or opportunity/benefit that can be achieved when implementing a new contract or retendering an existing one. A full value for money assessment that takes into account quality and service criteria and such matters as patient risk, safety and desired outcomes is also considered where appropriate. There are also social and environmental benefits that may be relevant to particular procurements that have potential to impact the wider community. NHS Grampian's Procurement Protocol, in line with Scottish Government's Procurement Journey ensures that these criteria are considered for each regulated procurement.

Steps taken by NHS Grampian to ensure access these community benefits include the following in financial year of 2017/18.

Title of Contract	Supplier Name	List of Community Benefits
Mini-Competition Stonehaven Renal Unit	CHAP Construction	Including the funding raised by local community, substantial benefit to local patients by reducing significantly the travel and inconvenience for renal patients in and around Stonehaven.

Multi-Storey Car Park	Balfour Beatty	<ul style="list-style-type: none"> • Creation of local employment and apprenticeship opportunities • Increasing available parking spaces for patients and visitors to the hospital, thus improving access to health services. • Patients are now able to make appointments on time without the worry of a parking space etc.
Temporary relocation of Breast Screening Centre (complete) and relocation of Eye Outpatient Department (EOPD)	Kier Group	<ul style="list-style-type: none"> • Creation of local employment and apprenticeship opportunities • Modern facilities for the local community etc.

Section 4 – 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.”

The Scottish Government has established a national Framework for Supported Businesses and Factories which covers a wide range of goods and services including furniture, document management, textiles and signage.

Although NHS Grampian had limited spend with the supported businesses on this Framework in 2017/18 it works closely with a number of local registered charities and other third sector providers. During 2018/19 NHS Grampian is also in the process of exploring expansion of service provision from Haven, a supported business that currently specialises in textiles, signage and document management. Procurement staff recently visited their factory in Larbert and the potential for Haven to develop capability for repair and recycling of walking aids is currently being examined.

Section 5 – Future Regulated Procurements Summary

Listed below are the current identified potential procurements that are expected to be re-tendered in the next 24 months.

Title of Contract	New/Extended/Retendering	Expected Contract Notice Date	Expected Award Date	Expected Contract Start Date	Estimated Annual Contract Value
Point of Care Testing Chemical Analysers	New	TBA	TBA	TBA	TBA
Framework Agreement Multi-discipline Design Services	Retendering	August 2017	December 2018	Dec 2018	£62,500
Image Analysis System	New	Nov 2017	Sept 2018	Sept 2018	£280,009
ECG Recorder Replacement Programme	New	November 2017	August 2018	Sept 2018	£200,000
Asbestos Analytical Services	Retendering	September 2018	December 2018	January 2018	TBC
Urology Lithotripter	New	July 2018	Sept 2018	Sept 2018	£793,536
ENT Consoles	New	Sept 2018	Oct 2018	Oct 2018	£250,000
Labs Managed Service Contract	Retendering	July 2017	December 2018	April 2019	£10,000,000
Woodchip Supply	Retendering	April 2018	August 2018	November 2018	£220,000
Neonatal Incubators	New	Sept 2018	Oct 2018	Oct 2018	£150,000
Pest Control	Retendering	September 2018	January 2019	January 2019	£100,000
Urology Laser	New	Oct 2018	Nov 2018	Dec 2018	£258,360
Urology Morcellator	New	Oct 2018	Nov 2018	Dec 2018	£40,000

Availability and provision of funding allocations from Scottish Government and through budget allocation cycles for Medical Equipment, Facilities and Estates infrastructure requirements, E-Health systems and technology and a range of other new or replacement product or services requirements for frontline patient service sectors as well as enablers which shift the balance of care across the sectors will expand this list of contract development requirements throughout the period.

Section 6 – Other Content for Consideration

Savings Information from 2017/18

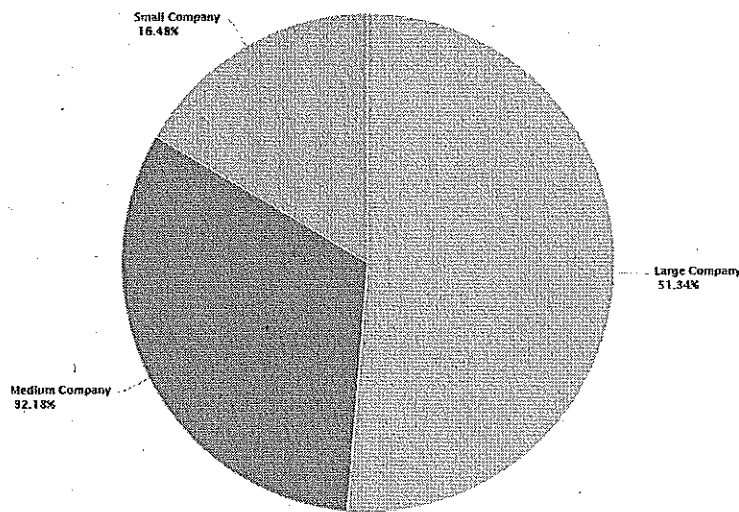
Throughout the last financial year of 2017/18 (1st April 2017 to 31st March 2018), NHS Grampian's Procurement activity locally and in collaboration with National Services Scotland delivered savings of **£3,905,752.77**, and recorded a further **£448,469.50** in cost avoidance.

Below is a chart of NHS Grampian's spend over the last 12 months in relation to small and medium-sized enterprises.

Spend Summary by Supplier Size (Size Known)

Size - Spend Summary by Supplier Size (Size Known)

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Base: Own Trade creditors where supplier size is known

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View? Data Tools Chart

Section 7 – Conclusion

NHS Grampian recognises the significant contribution that the supply and services market, including third sector organisations can make to the provision of its core purpose of providing high quality, safe, efficient, effective and person centred patient care. Whilst this Procurement Report in accordance with regulation requirements does not fully reflect the extent of that overall collaborative activity, 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.