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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	19 September 2019	Agenda Item	5.5
Report Title	NWSSP Procurement: Single Tender Actions and Quotations		
Report Author	Keir Warner, Head of Procurement/Richard Clayfield, Senior Procurement Business Manager		
Report Sponsor	Lynne Hamilton, Director of Finance		
Presented by	Keir Warner, Head of Procurement		
Freedom of Information	Open		
Purpose of the Report	To provide details of the Single Tender Actions (STA) and Single Quotation Actions (SQA) approved by the Health Board for the period 25 th June 2019 to 16 th August 2019, and to provide Audit Committee with advice and assurance on segregation of duties and Executive Director sign-off.		
Key Issues	During the period 25 th June 2019 to 16 th August 2019 there were 7 SQA's and 12 STA's approved where competition was not sought.		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recommendations	Members are asked to: Note i. The SQA's and STA's approved in the period 25 th June 2019 to 16 th August 2019 and the comparison analysis for the same period in 2018/19.		

1. INTRODUCTION

- 1.1. This report provides the Audit Committee with details of the Single Tender Actions (STA) and Single Quotation Actions (SQA) approved by the Health Board for the period 25th June 2019 to 16th August 2019. The report also provides trend information on the number and value of STA's and SQA's.

2. BACKGROUND

- 2.1. Standing Financial Instructions require 3 competitive quotations to be obtained for the purchase of goods and services between the value of £5,000 and £25,000 exclusive of VAT. Where the sum exceeds £25,000 competitive tendering is required for the purchase of goods and services. SQA's and STA's should be an exception and should only be called for when a single firm or contractor or a proprietary item or service of a special character is required and must be formally authorised by the Director of Finance/Director of Strategy/Chief Operating Officer and reported to the Audit Committee.
- 2.2. During the period 25th June 2019 to 16th August 2019, there were 7 x SQA's approved, with a total value of £97,354.70 (exclusive of VAT) and 12 x STA's, with a total value of £1,308,875.48 (exclusive of VAT).
- 2.3. Including the SQA's & STA's approved above, the table below identifies the number of STA's and SQA's received for the financial year 2018/19 and the current financial year 2019/20. Together, this shows an equivalence in the number when compared to the same period in 2018/19 respectively. However, a number of STA/SQA requests received during this period have highlighted transactions which have come to light as a consequence of the No PO/No Pay Policy. The difference in monetary value can be explained as Procurement are seeking to place longer term arrangements, in order to reduce the quantity of SQA's/STA's being processed and look to negotiate preferential costs for longer term commitments. Procurement Services are in the process of developing a business case in which funding for additional resource to assist in improving governance and compliance with SFI's is a key aspect.

	2018/19 – 1st April – 16th August Vol.	2018/19 – 1st April - 16th August Value (£)	2019/20 – 1st April – 16th August Vol.	2019/20 – 1st April – 16th August Value (£)
STA	11	£791,398.20	18	£1,756,491.25
SQA	23	£199,078.75	16	£221,895.10
Total	34	£990,476.95	34	£1,978,386.35

- 2.4. There is now greater visibility of purchases that are being made without Procurement involvement and Procurement continues to drive improved compliance. However, the analysis shows that there are a number of

SQA's/STA's given over to clinical service requirements, which can all be classed as business critical or essential to patient welfare.

2.5 For the period concerned, the following were approved:

SQA's

Provision of a Debt Collection Service- CCI Credit Management (SBU-SQA-28804-012-SP-19)

CCI Credit Management are a specialist debt collection agency with extensive experience in the field of debt recovery for NHS bodies. CCI are used by all Health Boards in Wales and have provided this service since the early 1990's. There are no other debt collection agents currently operating in NHS Wales and they are also extensively used by the NHS in England. As a specialist provider, CCI are able to use trace agents, legal processes and bailiffs to secure payment of NHS debt, where the Health Board have exhausted all other avenues for debt recovery.

Failure to engage would result in a significant increase in debt to be written off and an associated increase in cost for the Health Board. The estimated annual cost for financial year 2019/20 is £20,000.00 exc. VAT, based upon historical referral patterns. This is based on a UK wide tariff of charges.

This purchase is no longer an exemption under the All Wales No PO/No Pay Policy

Project charges – Primary Care Rebate Medicine Schemes – CDQ Solutions - (SBU-SQA-28804-013-AT-19)

This is to support an All Wales medicines management project, to examine the potential net cost reduction on primary care prescribing, on approved medicines for the period 2019 to 2024. The main objectives of the project are to have a single governance and ethical approval process for any primary care rebate medicine schemes that are submitted to any Health Board in NHS Wales. Also, to establish an information technology solution to capture and manipulate the primary prescribing data for Wales, to avoid duplication and minimise administrative burden on individual Health Boards. This project started in 2015 and there is an ongoing service requirement to maintain the medicine management platform on a national basis, to ensure efficient recovery of all financial rebates across a portfolio of medicines.

The CDQ Solution was selected by the project team, due to their proven performance in this sector. The costs associated with this service are variable depending upon the level of rebate recovered, however it is anticipated that the

annual charge will be circa £5,000.00 p.a. exc. VAT, therefore, £25,000.00 exc. VAT over 5 years. Since the launch of One Wales medicines management dashboard in October 2015, for the Primary Care Rebate Schemes, it has generated in excess of £19m income for Health Boards up to March 2019. If this service were to cease, the rebate income of circa £6m p.a. could be lost and additional staff resource would be required to manually recover the rebates.

This purchase is no longer an exemption under the All Wales No PO/No Pay Policy

Participation in CIPFA Financial Management Model– CIPFA Business Ltd - (SBU-SQA-28804-014-SM-19)

The CIPFA Financial Management Model has been developed to enable Public Sector Organisations to facilitate good performance in financial management. This will allow the Health Board to assess the financial management and sustainability of the organisation, to identify weaknesses and confirm strengths. It will assist the work that has already begun in reshaping the Finance function, to provide an excellent standard of governance and effective financial control, whilst delivering service improvement, modernisation and improved performance. It will also enable the Health Board to develop and put into place a target driven plan and to closely monitor progress.

CIPFA will support the design and start implementation of the model, the Finance function will operate the model and CIPFA will then provide support and an independent review at the close. CIPFA are the sole provider of this financial model at a total cost of £10,004.70 exc. VAT.

NHS Benchmarking Membership – NHS North of England CSU - (SBU-SQA-28804-015- SP-19)

The NHS Benchmarking Network deliver unique and timely intelligence on NHS service provision. Membership allows the Health Board to compare activity, cost and outcomes of service, to identify potential efficiency and productivity savings and evidence the need for investment, workforce development and service redesign. This organisation is the sole provider of a Benchmarking service across all NHS organisations in England and Wales. All Health Boards in Wales participate. Without membership, the Health Board would not be able to participate in the benchmarking process and therefore, would be unable to undertake a comparison against other NHS bodies. The annual charge for membership is £6,500.00 exc. VAT, which is in line with the UK wide tariff.

Provision of a Consultancy Service – Executive Team – Operasee Ltd - (SBU-SQA-28804-016-SP-19)

Consultancy service to review time and resource management activities at Executive Level. This includes the requirement to measure out current performance, to define and provide methodologies, in which the Health Board

may free up more resources to enable the Executive Team to meet their agreed targets and deliver their programme of work. The supplier, Operasee Ltd employ a unique methodology and process known as the “Diary Exercise” which has been developed by them and is their intellectual property. No other supplier can provide this service. The cost of the service is £22,000.00 exc. VAT (estimated 24 man days). Following a review by procurement services, similar services available in the market from consultants such as KPMG and McKinsey & Co etc. charge higher daily rates, therefore, the charges levied are competitive and represent an indicative saving of £3,700.

Additional User Licences - Auditbase – Auditdata Ltd - (SBU-SQA-28804-017-SP-19)

The Auditbase Audiology Clinical System is integral to the day to day operation of all Audiology services in Wales. Without Auditbase, the department would be incapable of operating as the system is used for storing information on hearing aid tests, fittings, waiting lists, clinic lists and scheduling etc. As Auditdata developed and own the software, no other supplier can provide the additional licences. The cost for two additional licences is £5,800.00 exc. VAT. Procurement Services engaged with the supplier to seek a reduction in cost but this was unsuccessful. The cost of licences remain in line with prices paid previously.

Membership of the Royal College of Psychiatrists Liaison Accreditation Network – Royal College of Psychiatrists – (SBU-SQA-28804-018-AT-19)

Mental Health Liaison Service’s membership to the Royal College of Psychiatrists Liaison Accreditation Network .This represents the first year of a three membership arrangement, to retain accreditation and maintain high service standards and national recognition. This accreditation can only be provided by the Royal College of Psychiatrists. Historically, this has been subject to an annual renewal, however, commitment to a 3 year membership has seen a reduction in fees. The cost for 3 years is £8,050.00 exc. VAT, which is in line with the national tariff.

Multiquote

The introduction of the “Multiquote” System has enabled Procurement Services to better “test” the validity of SQA requests and as a consequence, a number of SQA’s continue to be rejected and competitive bids obtained. Procurement Services continue to seek longer term arrangements to reduce the volume of SQA’s processed on an annual basis. In addition, this may bring further savings through a longer term commitment however, this is not always possible. The volume/value of SQA rejections for the period 25th June 2019 to 16th August 2019, as a consequence of the use of the “Multiquote” System is as follows:

No. of Potential SQA’s Rejected	Value ex. VAT
0	0

STA's

Flight Crash Helmets - EMRTS – Headset Services Ltd - (SBU-STA-28892-004-19-AM)

For the purchase of 13 “Alpha Eagle” Flight Helmets for the EMRTS Air Ambulance Service. These Helmets are recommended by the Air Ambulance Association and used by search and rescue crews throughout the UK. Head set Services Ltd are the only UK distributor. This is the only Helmet which supports Fenn night vision goggles with bespoke bracketing for fitting purposes. The unit cost of the helmet is £1,984.31, with an overall cost for 13 helmets at £30,955.23 exc. VAT. These charges are based upon the UK wide pricing structure.

Provision of Security Services – CCH Site – Securecall UK Ltd - (SBU-STA-28892-005-19-RC)

To extend the provision of security services on the Cefn Coed Hospital Site. Securecall UK were originally appointed by Capital Services, following a market test exercise, as the lowest priced bidder for the service. The original requirement was for a 12 month contract, which expired in March 2019,. however, the service was required to continue. The budget subsequently transferred to Facilities, but no formal extension option available, SQA approval was sought. This was to ensure continuity of service with Securecall UK from 1st April 2019 until September 2019, the cost of service would remain the same at £5,000.00 per month exc. VAT (£30,000.00 exc. VAT for the extension period). In the interim, Facilities, together with Procurement Services made the necessary arrangements to formalise the contract from 1st October 2019.

Procurement are currently in the process of awarding a formal contract to Solo Group, under the auspices of the All Wales Framework for Facilities Management, to commence from October 2019, as planned.

Provision of a Management Information Service (MIS) – Allocate Software Ltd - (SBU-STA-28892-006-19-RC)

Allocate currently provide the core e-rostering system, which is in the process of being rolled out across the Health Board. In order to track the benefits of the system, this supplementary MIS is necessary and will provide timely management information. This will support improvements in roster practice and efficiency and support cost reductions. Without the MIS, it would be more difficult to identify and report on areas of good and poor practice. It will enable the work on rostering to be clearly focussed on the areas of greatest opportunity and will support the Board in meeting its savings target. As Allocate developed and own the system, this service cannot be provided by any other supplier.

The cost of purchase is £25,000.00 exc. VAT which is in line with the UK NHS pricing tariff.

Purchase of I-Stent Inject & Prisma – Glaucoma service – Glaukos UK Ltd - (SBU-STA-28892-007-19-AM)

This consumable purchase is to facilitate a new service provision within the Glaucoma service. The costs associated with the current glaucoma pathway are significant in Wales. Based upon an average of 60 procedures per annum, the new service using I-stent Inject & Prisma would incur a recurring cost of £59,340.00 per annum exc. VAT. If the service were to continue to treat patients using the usual pathway, without using I-Stents, the cost would be £179,760.00. Therefore, there is an approximate saving of £120,420.00 exc. VAT. Glaukos UK are the only supplier of the I-Stent product, therefore, competitive bids could not be obtained. The annual cost of I-stent is £59,340.00 p.a. exc. VAT. Procurement Services will be seeking to negotiate preferential terms and formalise arrangements during this financial year.

Purchase of Medical Bag & Equipment Storage - EMRTS – PAX - (SBU-STA-28892-014-19-AM)

For the purchase of replacement bespoke emergency medical packs that fit into the storage compartments available on Wales Air Ambulance Helicopters. The existing packs have reached the end of their operational life

The manufacturer, PAX, have created a bespoke range of Medical bags and internal modules that are highly durable and comply with IPC regulations. Being bespoke in nature, these are not available from any other supplier. The cost to purchase replacements based upon the numbers required will be up to a maximum of £36,142.00 exc. VAT and is dependant on usage and the need for replacement.

Reimbursement of Charges for DBS Clearances – TRAC Systems- (SBU-STA-28892-015-19-AM)

TRAC is the all Wales recruitment system mandated for use and operated on behalf of the Health Board by NWSSP. All NHS organisations Wales are signed up to its use. TRAC manages, requests and pays for DBS clearances and Health Boards are required to reimburse them accordingly. This STA is to facilitate a call-off contract for 12 months as costs are variable dependent upon the number of DBS requests sought. It is anticipated that the value will be circa £100,000.00 per annum. The All Wales pricing tariff applies.

This purchase is no longer an exemption under the All Wales No PO/No Pay Policy.

Waiting List Initiative – TURP – Sancta Maria Hospital - (SBU-STA-28892-016-19-KW)

Due to a period of unplanned consultant absence, the Unit is experiencing a capacity deficit within Urology for a small cohort of complex Transurethral Resection of the Prostate (TURP) cases. The procedure is undertaken by a single consultant who would normally undertake these cases at Morriston Hospital. The consultant has practicing privileges at Sancta Maria Hospital and has confirmed that he will carry them out there. This would ensure consultant continuity for these patients.

The Health Board has already gone through a process of due diligence under the All Wales Framework for the Provision of Clinical, Surgical and Diagnostics Procedures and awarded a contract to Sancta Maria Hospital for a range of specialties. It was proposed that urology capacity is commissioned through the Single Tender Action Process. The costs associated are £3,500.00 per case, with a maximum of no more than 25 cases in line with the All Wales pricing tariff. Total value circa: £90,000.00.

Provision of Patient Management/Clinical System - GPOOHs – Advanced Health & Care Ltd - (SBU-STA-28892-017-RC-19)

In 2011, Advanced Health & Care Ltd (AHC) were commissioned to provide the Adastra Patient Management/Clinical system used by all GP Out of Hours (GPOOHs) Services across Wales. These arrangements have continued to be rolled forward on an annual basis. It is not possible to provide an Out of Hours Primary Care Service without Adastra as an operating system, to process calls and enable the recording of patient and clinical details etc. There is currently an All Wales procurement exercise underway to procure a single end to end system across 111 and Urgent Primary Care (GPOOH), to replace the current CAS and Adastra System. However, timescales associated with the All Wales Procurement would see the contract being awarded to a new supplier by November 2019, followed by an 11 month build, test, train and implementation phase, with Swansea Bay UHB in the first tranche of deployment during October 2020. This STA seeks to continue with AHC and the use of the Adastra System, effective from April 2019 to March 2021 to allow for any potential slippage, at a cost of £254,200.00 exc. VAT, which is in line with AHC's UK wide Pricing strategy.

This purchase is no longer an exemption under the All Wales No PO/No Pay Policy.

Provision of Healthcare Systems Engineering (HSE) – SAASoft Ltd - (SBU-STA-28892-018-RC-19)

For the purchase of bespoke software licences and training in Healthcare Systems Engineering (HSE) for a period of one year. This approach is designed to improve operating effectiveness and efficiency within Theatres, with an estimated 10% productivity improvement that could increase over time. It also supports the Clinical Service Plan in creating capacity within Theatres and will

in addition, support the ongoing sustainability of RTT by improving the Health Board's ability to undertake more cases internally, reducing outsourcing requirements. SAASoft Ltd have developed their own training programme and software which is licensed and therefore, cannot be sourced elsewhere. The cost associated with the service is £54,294.00 exc. VAT. The daily rate identified by the supplier of £1,000.00 per day is comparable with other consultancy services and more competitive than larger consultancy services.

Renewal of UpToDate Licences – Wolters Kluwer - (SBU-STA-28892-RC-19)

UpToDate is an electronic point of care resource which provides evidence based synthesized medical information and offers a breadth of coverage for general medicine and specialities. No other service offers the wide range of topics or depth of clinical content. The Service was recently the subject of an All Wales tender exercise, conducted by NWIS, on behalf of All Wales Library Services. Only two suppliers responded, Wolters Kluwer & EBSCO. EBSCO were awarded the contract as they had produced the more competitive bid, however, it became evident very quickly that the EBSCO solution did not offer the same level of functionality, range of topics or expert clinical advice as UpToDate. As a consequence, Health Boards have not engaged with EBSCO and have sought STA approval to continue to subscribe to the UpToDate service. At present, Betsi Cadwaladr, Cardiff & Vale and Velindre have already committed to use UpToDate and Cwm Taf are currently progressing.

Wolters Kluwer are the sole proprietor of and holds the copyright to UpToDate, therefore, the service cannot be sourced elsewhere. The cost of the service is funded from SIFT monies and preferential terms have been negotiated for a 5 year deal, with an opt-out clause at the end of each year. In addition, the Library Service receive an educational discount of 20%, on the basis of University Health Board status. The total cost over 5 years is £289,037.19.

Purchase of essential replacement parts for the Linear Accelerator-ELEKTA Ltd – (SBU-STA-28892-020-DP-19)

During the course of the financial year, Medical Physics invariably have to buy replacement parts for the Linear Accelerator. This is a critical piece of equipment essential for radiotherapy treatment. If the machine fails, this can have an adverse effect on Radiotherapy waiting times.

For the purpose of streamlining the ordering process and reducing the number of STA/SQA requests received from Medical Physics, in respect of spare parts, Procurement suggested that a single STA could be raised to cover all potential replacement part requirements for a period of 12 months.. Medical Physics agreed and subsequently raised this STA, listing all parts for every eventuality. Elekta are the original equipment manufacturer and therefore, parts cannot be sourced from another supplier. The total potential cost of parts is £340,887.60 exc. VAT, however, the expenditure on spare parts will be significantly lower than this, based upon historical requirements.

Provision of support – Rota System - Rotamap – (SBU-STA-28892-021-SP-19)

This system is used within Anaesthetics and ITU and is accessible through the clinical portal. The system enables staff cover to match with that of other departments such as Surgical Services, to ensure efficiency. It also provides visibility to other departments. This visibility of flexible sessions helps to maximise workforce efficiency, avoiding double booking of clinicians and simplifies the co-ordination of staff. This functionality also assists with a reduction in EDC and WLI payments. Support cover is required from 27.02 19 for 12 months at a cost of £35,245.45 exc. VAT. As the software is owned by Rotamap, no other supplier can provide the necessary support arrangements.

Governance and Assurance		
Link to Enabling Objectives (please choose)	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input checked="" type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input type="checkbox"/>
Quality, Safety and Patient Experience		
Nil.		
Financial Implications		
All SQA and STA requests are reviewed by NWSSP Procurement to ensure that value for money is being obtained in all cases. This ensures that the financial implications of each request are considered prior to the approval of all SQA's and STA's.		
Legal Implications (including equality and diversity assessment)		
Where breaches to legislative compliance is identified this may result in legal implications becoming apparent. This assurance and reporting process is designed to mitigate any such risks.		

Staffing Implications	
Nil.	
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)	
<ul style="list-style-type: none"> ○ Long Term – In reviewing and considering SQA/STA requests the process requires that long terms planning principles are considered. ○ Prevention – Feedback is given through the signoff process by Procurement and Executive teams to ensure that prevention is considered. ○ Integration – The Procurement department, as part of the approval process, consider and confirm that requests that are submitted consider the principles of integration and how approving or rejecting a received request may impact on other parts of the organisation. ○ Collaboration – As a part of the team’s operating procedures opportunities for collaboration are always sought. In the context of the SQA/STA approval process this may take the form of a review of similar requirements to the request across the Health Board. ○ Involvement – The approval process requires that a range of interested parties be involved before an SQA/STA is agreed. 	
Report History	Nil.
Appendices	Nil.