

SCHEDULE 8

PROCUREMENT OF PHARMACEUTICAL PRODUCTS

**ABERTAWE BRO MORGANNWG UNIVERSITY
LHB**

Reviewed March 2015

1. GENERAL

- 1.1 All the processes involved in the procurement of Pharmaceutical products shall be under the direct control of the Chief Pharmacist (or nominated deputy), who shall ensure that all statutory and professional requirements are complied with.
- 1.2 Only the Chief Pharmacist or nominated deputy / deputies shall be authorised to sign orders for Pharmaceutical products and they shall ensure compliance with all relevant requirements of the Medicines Act 1968, the Poisons Act 1972 and the Misuse of Drugs Act 1971.
- 1.3 The use of unlicensed products must be entered into a register kept by the Chief Pharmacist and which shall be available for inspection by the Clinical Director or Chairman of the Prescribing Advisory Group (or equivalent).

2. CONTRACTS FOR PHARMACEUTICAL PRODUCTS

- 2.1 The Welsh Health Supplies and the All Wales Drug Contracting Committee arrange all Wales Drug contracts. Where a LHB contract is to be awarded in excess of the EU supplies threshold, details should be advertised in the Official Journal of the European Union, in consultation with the LHB Procurement Manager. Where a local contract is negotiated on behalf of the LHB which falls below the EU threshold, the delegated limits determined in paragraph 4 shall apply to the anticipated value during the duration of the contract period, for the purposes of authorising the contract. The evaluation of prices shall be based on current trade prices and where alternative suppliers exist, the Chief Pharmacist shall obtain written competitive quotations.
- 2.2 The Welsh Health Supplies maintains on behalf of the All Wales Drug Contracting Committee a list of approved suppliers, and pharmaceutical products should always be purchased from approved suppliers.
- 2.3 Where an all Wales or LHB contract exists, a commitment to purchase a specific volume of product over a future period may be given by the Chief Pharmacist, provided such a commitment does not result in a contractual / financial obligation being placed on the LHB over and above the product price specified in the contract (all Wales or LHB). Where such a commitment to purchase a guaranteed volume of product over a predetermined period results in a contractual / financial obligation being placed on the LHB, the commitment must be approved in accordance with paragraph 4 below.

3. PROCUREMENT ARRANGEMENTS

3.1 Pharmaceutical products shall normally be called off from All Wales or LHB contracts except: -

- a) Where the product is required in an emergency.
- b) Where the normal supplier / contractor is unable to fulfil the contractual obligation, an alternative supplier may be used.
- c) Where there are justifiable clinical or pharmaceutical reasons, which necessitate the use of a different brand, pack size etc of the product.

Actions taken by the Chief Pharmacist in any of the above circumstances, must be ratified retrospectively in accordance with the requirements of paragraphs 3.3 and 3.4 below.

3.2 Where the required pharmaceutical product is not included in an All Wales or LHB Drug contract, then the Chief Pharmacist shall ensure that the product is purchased at the most economically advantageous terms which are consistent with the required quality and delivery arrangements required by the LHB, and ensuring that the availability of supply/delivery to the LHB is not compromised. In determining the most economically advantageous terms, the Chief Pharmacist may refer to prices tendered by companies for all Wales or LHB contract awards, where a contract has not been awarded.

3.3 Where a particular pharmaceutical product, which is not included in an All Wales or LHB Drugs contract (or which has not been tendered), is only available through a single supplier, such purchases must be authorised in accordance with the delegated limits determined in paragraph 4.

All such single purchases exceeding £25,000 exclusive of VAT must be reported to the Audit Committee as single tender purchases, in line with SFI Annex A.

3.4 The authorised delegated limits applying to the "call-off" of pharmaceutical products from All Wales or LHB contracts shall be as outlined below, with the limits relating to the total value of a single purchase order (all values exclude VAT):

Chief Pharmacist	- Up to £75,000
Executive Director	
Board Secretary	- Up to £250,000
Chief Executive or Deputy Chief Executive when acting in his absence	- Up to £500,000
LHB Board	- In excess of £500,000*

* see SFI 11.6.3

3.5 The chart below helps illustrate the above requirements:-

CONTRACT ARRANGEMENTS	AUTHORISATION OF CONTRACT	APPROVAL OF ORDERS	SPECIFIC ACTIONS
All Wales contract	WHS / All Wales Drugs Contracting Committee	Per table below	
LHB contract (above or below EU threshold)	Per table below	Per table below	
No contract- Multiple suppliers	Not applicable	Per table below	Obtain competitive quotations
No contract- Single supplier	Not applicable	Per table below	Single purchase over £25,000 (excl VAT) reported to Audit Committee as single tender action
Table of delegated authorisation limits:-			
Chief Pharmacist or nominated Deputy		Up to £75,000	
Executive Director / Associate Executive Director/ Board Secretary of the LHB Board (excluding staff representatives)		Up to £250,000	
Chief Executive or Deputy Chief Executive when acting in his absence		Up to £500,000	
LHB Board		In excess of £500,000* *see SFI 11.6.3	