

All Wales Procure to Pay e-Manual for use by Health Organisation Colleagues



Lets Get Started

*Procuring for the Wellbeing and
Future Generations of Wales*

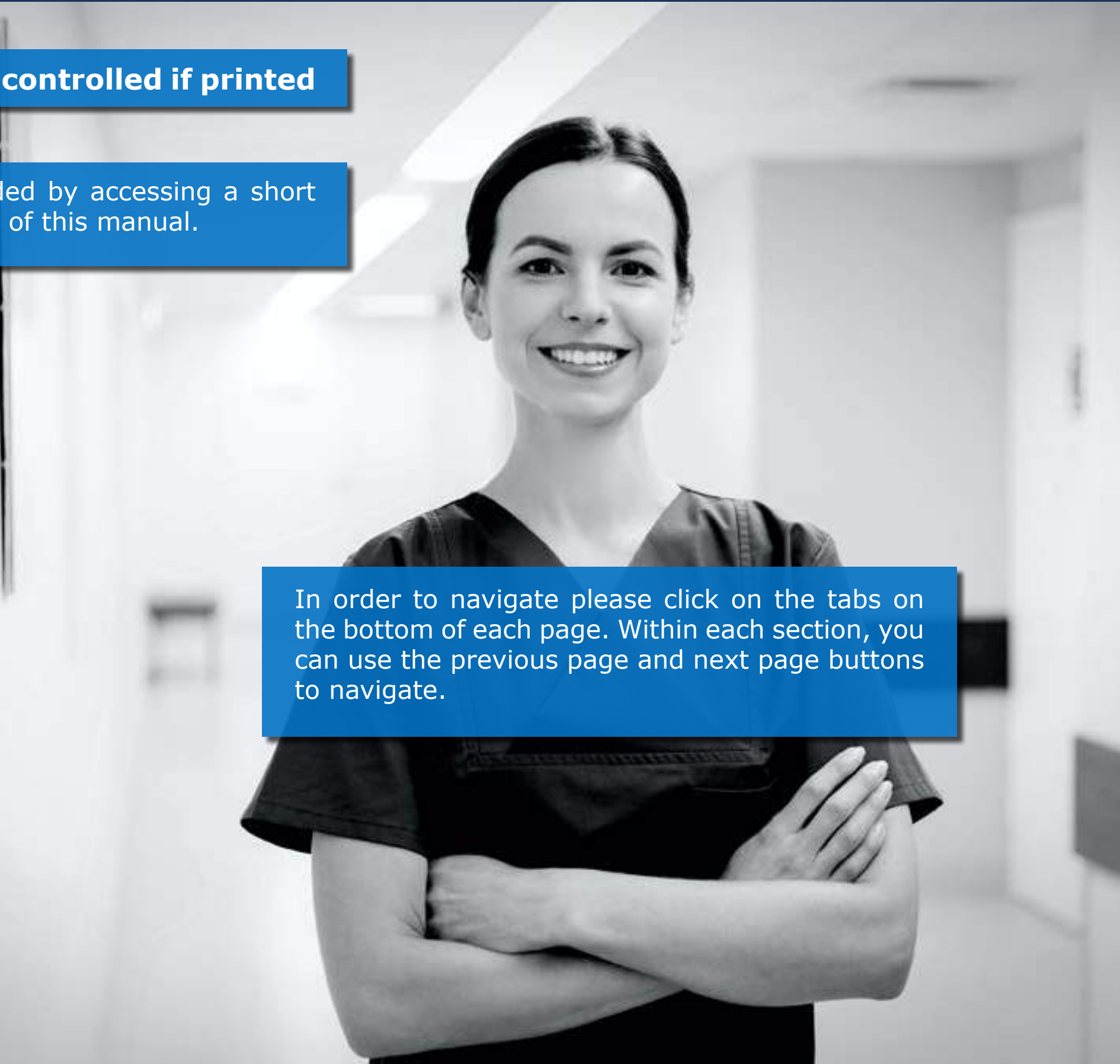




This document is uncontrolled if printed

Feedback may be provided by accessing a short survey on the [back page](#) of this manual.

Welcome to the NHS Wales Shared Services Procurement Manual! This manual provides Health Organisation colleagues with practical, step by step information, of their role when securing goods/ services/works on behalf of their organisation.



In order to navigate please click on the tabs on the bottom of each page. Within each section, you can use the previous page and next page buttons to navigate.



General Information

Page

Purpose of the Manual
Governance and Behaviour
Roles and Responsibilities

4
5
6

General Information

Purpose of the Manual

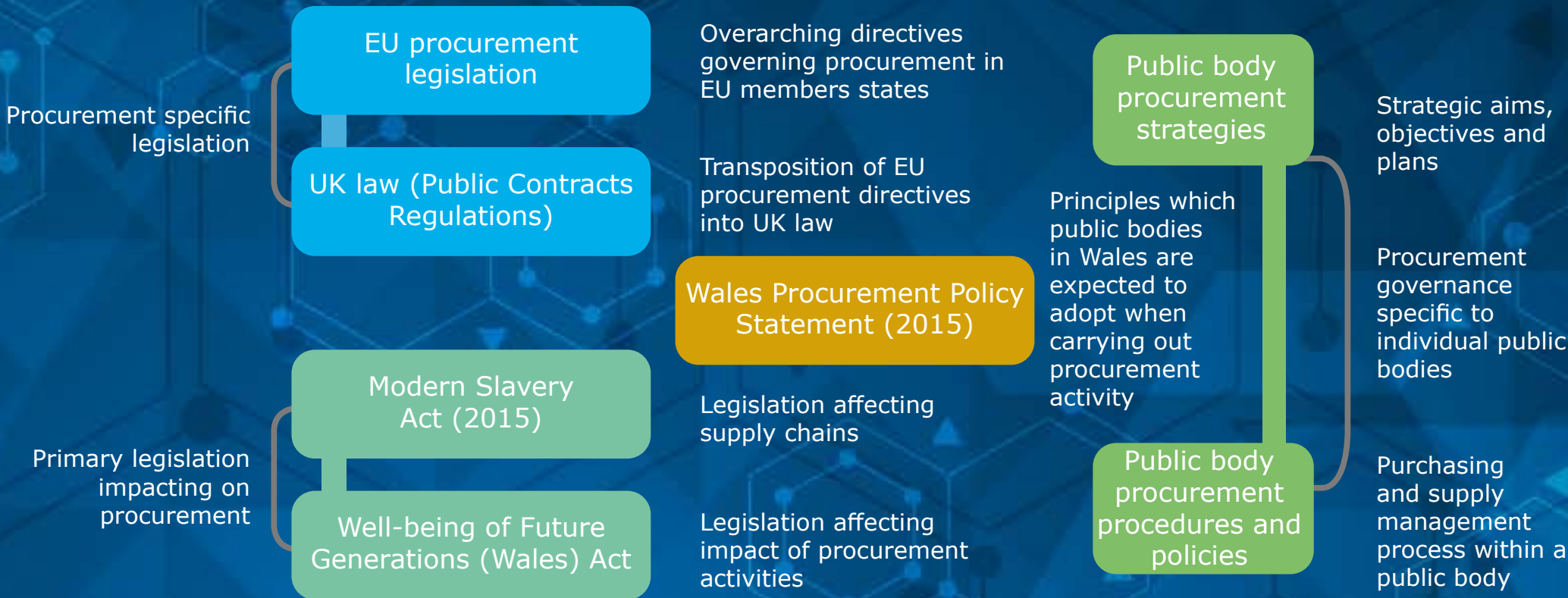
Purpose of this manual is to:

- help guide you through the end to end Procurement to Pay process
- help you understand the rules and regulations when buying goods and services
- explain step by step what you need to do
- explain what the Procurement Team will support or do for you

The diagram demonstrates the typical framework of legislation and policy that you need to be aware of when planning to buy goods and services.

Further information can be found on the 'Useful Links' section including a link to your organisations Standing Orders (SO's) and Standing Financial Instructions (SFI's).

Figure 1: legislative and policy framework for public procurement in Wales



Note: The Public Contracts Regulations do not apply for Scotland. There is a parallel implementation through the Public Contracts (Scotland) Regulations 2015.

Source: Wales Audit Office

Good Practice Tips!



- Make your own notes of key issues you may need to consider in relation to what you are planning to buy.



- Use this as a tool to replace discussions you may still need to have with your Procurement Team.



Further information: Please engage with your Local Procurement Team at the earliest opportunity! The 'Key Contacts' page will provide you with the information to do so.

General Information

Governance and Behaviour

As well as your own organisations SOs and SFI's, when buying goods and services your organisation will also have other policies and procedures that you need to be aware of or may need to consider.

Declaration of Interests and Register of Interests

- Are you or a family member/close friend involved in a potential supplier?
- Do you/they own shares or are a Director?
- Do you have a professional interest outside of your usual role that could compromise your organisation/your current position/your Team or patients?

This is important as you could break the law e.g. the Bribery Act 2010 if you ignore your own organisations policies and procedures.

Acceptance of gifts & hospitality

- Gifts of low value e.g. calendars, diaries, pens etc. are allowed
- Lunches on an external working visit are acceptable as long as there is a genuine reason or need and is equivalent to the hospitality your organisation would provide

If in doubt

- Speak to your Line Manager or
- Consult with your Local Governance Team or
- Speak to your Procurement Team if an offer is made during a procurement process or management of a contract or
- Simply decline!

If you fail to act on any of the above it could result in an investigation by NHS Counter Fraud Service Wales, likewise if you have any concerns about a work colleague or suppliers behaving in this way, you are encouraged to report your concerns to the NHS Counter Fraud Team.

Good Practice Tips!



- Seek advice if unsure.
- Be open and honest in your conduct.
- Remember this manual is here to help you!
- Remember compliance is everyone's responsibility



- Ignore the policies and procedures - they apply to everyone and are there for a reason!
- Place yourself or others in a compromising position



Further information: Please engage with your local Governance Team or NHS Counter Fraud Service at the earliest opportunity! The 'Key Contacts' page will provide you with the information to do so.



General Information

Roles and Responsibilities

Who does what?

In relation to matters of procurement, the Health Organisation role and that of Procurement Services may be differentiated as follows:

End User



Speak to your Procurement Team and inform them of the following:

- Describe what you need
- Confirm you've got the money
- Advise when you need it by
- Any potential suppliers

Joint Responsibilities



Depending on the need, you and the Procurement Team may need to work through the following together:

- Market research
- Evaluate offers
- Manage the contract throughout

Procurement



- Discuss options of best approach to buy
- Help you draft a specification
- Advise on how to compare offers
- Discuss options of how to get best value for money
- Run the procurement
- Award the business

Good Practice Tips!

✓ Do's

- Plan in advance!
- Involve your Procurement Team as early as possible

✗ Don'ts

- Act in isolation
- Make promises to suppliers



Further information: Please engage with your local Procurement Team at the earliest opportunity! The '[Key Contacts](#)' page will provide you with the information to do so.

Planning

Page

Fundamentals	8
Prudency and Value	9
Wellbeing and Future Generations	11
Welsh Language	13
Who Should Be Involved Internally?	14
External Influences	15
Timescales	16
Whole Life Costs	17
CheckList	20

Planning

When planning any procurement for new/renewing requirements, one of the key considerations is the strategic importance of the purchase.

Planning: Fundamentals

Health Organisation Integrated Planning

Before approaching Procurement Services for help to buy, please ensure confirmation can be provided of whether the requirement:

- Has been included in your Service areas IMTP and that you are able to provide confirmation of this;
- Is an ongoing or recurring requirement
- One off investment

Please remember:

- To check with your Finance Business Partner the funds are available!
- Budget Holders do not have any delegated power or authority to over-spend
- Budget holders must not commit expenditure beyond their delegated limit

Identifying Priorities and Needs

Requirements fall into two categories:

- New
- Renewal

The Integrated Medium Term Plan (IMTP) outlines the organisations’ strategic intent and any requirements that do not align to the delivery of this plan may no longer be of significant importance to the organisation.

‘Business as usual’ activity does not always feature in the IMTP unless there is a fundamental change to how a Health Organisation plans to deliver its services.

In both scenarios, consideration must be given to the Prudent Principles and ‘Value Considerations’ referred to earlier in this manual.

- Budget Holders do not have any delegated power or authority to over-spend
- Budget holders must not commit expenditure beyond their delegated limit
- Involve Procurement Services in the development of the IMTP and earliest stage of planning.



Good Practice Tips!



- Check if there is an in-house or internal NHS Wales service provision.
- Talk to colleagues across Wales and compare!
- Talk to colleagues in other departments if they are needed to help deliver BEFORE any commitment is made.



- Assume the current practice is the best practice.
- Assume your Finance Department know what you are doing!
- Proceed without authorisation.



Further information: If in doubt, please contact your Finance Business Partner. The ‘Key Contacts’ page will provide you with the information to do so.

Planning: Prudence and Value

What is 'Prudence and Value' in relation to procurement?

Buying goods/services/works to deliver the needs of the population of Wales, means spending public money to achieve the best possible outcome. Including 'prudence' and 'value' principles is far less onerous in many cases than it sounds and is often done without realising!

Applying the below 'prudence' principles in the planning process will help shape the drafting of the specification, to achieve the required outcome.

Prudence - challenge and ask the questions:

- Are we procuring this way because it's how we've always done it?
- Is it really needed in this way or has it evolved or morphed over time?
- Is this a priority and supports those with the greatest need?
- By doing it this way, will the most effective and best possible outcome and experience be achieved?
- What are other HB regions doing?
- Do you need to compare wider i.e. Home Countries or even internationally?
- Deliver only what is needed – no more, no less and no harm!



VALUE BASED PROCUREMENT



Further information:
• [Value in Health Wales Website](#)

Good Practice Tips!



- Remember the principles
- Discuss with stakeholders
- Benchmark
- Allow sufficient time



- Proceed in isolation
- Assume approval to proceed has been granted

Planning: Prudence and Value

Value – what is it and how will we know we’ve achieved it?

Value is beyond checking the actual ‘£’ spent against the budget. What ‘value’ actually means and how it is measured depends upon what is to be bought so there is no hard and fast measure, some examples are below:

- **Basic principles**
 - Bulk buying – getting more for the public purse.
 - Did the agreement deliver what was intended?
 - How well suppliers perform e.g. scraping through the KPI’s or adding value through innovation?
 - Is the agreement long term – if so is it still competitive or has the need changed?



- **More complex considerations**
 - Has the patient pathway been reviewed to use different consumables or technology resulting in quicker patient recovery?
 - Does the patient recover faster (measureable outcome)
 - Are less follow up appointments required or can be undertaken remotely?
 - Has footfall into clinics reduced and respectively reduce infection rates as more follow up appointments are via video call
 - Do the agreements allow staff time to be reduced on administrative activity which can be put back into clinic time or delivering core activity?

Remember:

To be able to measure value and performance, the starting point must be clear and agreed between all stakeholders and discussion with the Procurement Service is essential!



Good Practice Tips!



- Remember the principles
- Discuss with stakeholders
- Benchmark
- Allow sufficient time



- Proceed in isolation
- Assume approval to proceed has been granted



Further information:

- [Useful Links](#) - access to additional material on this subject matter is available
- [Competition Requirements](#) – Specification Drafting
- [Implementation & Contract Management](#)

Planning: Wellbeing and Future Generations

Procuring for the Wellbeing and Future Generations of Wales

There will always be a place for 'quick wins', but procuring sustainably means thinking about the wider and longer-term impacts of what is being bought.

Planning considerations may include:

Sustainability can be broken down into three key areas, the following may assist in planning your requirements and assessing the wider consequences or impact on delivery:

- **Economic**
 - **Foundational Economy** – is there an opportunity to increase the supply of goods and services to the NHS from Welsh suppliers by:
 - Developing our local care, health and food supplies and service providers
 - Encouraging small businesses to supply either individually or from a consortium
 - Being innovative, progressive – small steps can make a big difference
 - Making sure social value is considered
 - Employment growth – is there an opportunity to improve local employment or engage with Social Enterprises, Voluntary or Charitable organisations?

- **Social**
 - How is the wellbeing of our population currently considered?
 - What may our future generations need?
 - How flexible do our agreements (particularly if long term), need to be to ensure they can meet needs in a sustainable and stable way.
- **Environmental**

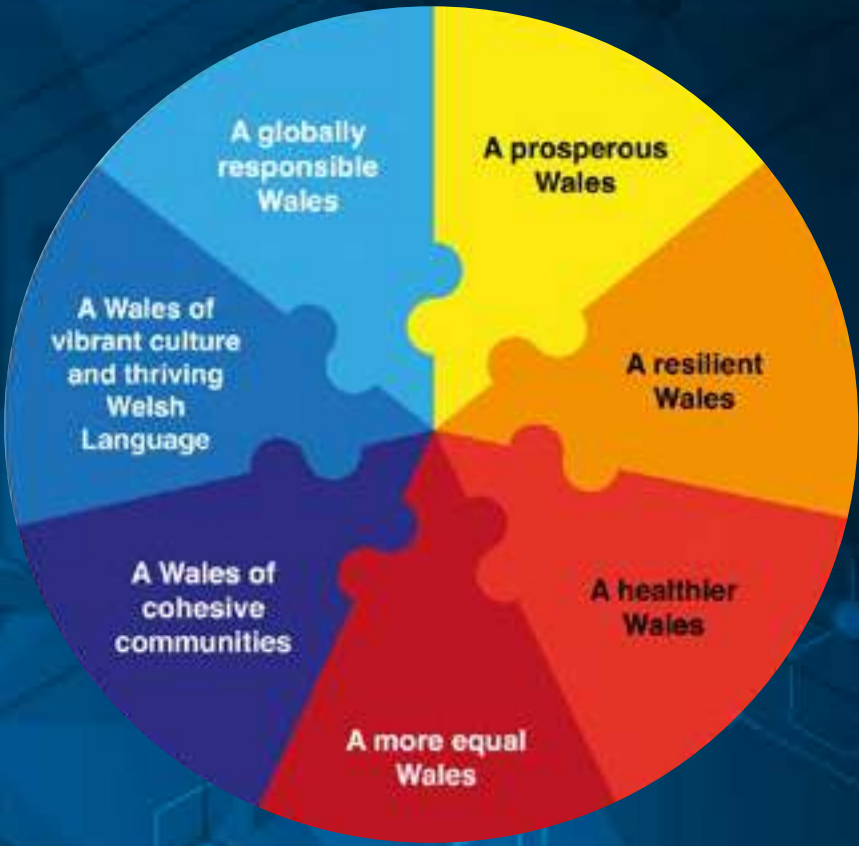
Although many measures have been taken to put recycling measures in place, there are still many areas with a disposable culture, waste management is a major issue and we live on a planet with limited resources.

 - Circular Economy – can waste and pollution be designed out? Is there an opportunity to restore and regenerate?
 - What are the environmental impacts?
 - Can we consider a reuse solution rather than buy and dispose
 - Are we missing income generation opportunities – one organisation's waste is fast becoming another's treasure!

Benefits of including sustainability in planning considerations

In addition to the above, procuring for Wellbeing and Future Generations places NHS Wales Organisations in a unique position to:

- Raise the profile of NHS Wales as an organisation aiming to eliminate waste
- Acts responsibly with public money
- Do what's necessary for the equity of all
- Demonstrate NHS Wales procure intelligently
- Protect the ethics and integrity of our supply chain



Further information:

This is a complex area of procurement and essential appropriate advice is sought.
Useful Links – access to additional material on this matter is available.

Planning: Wellbeing and Future Generations

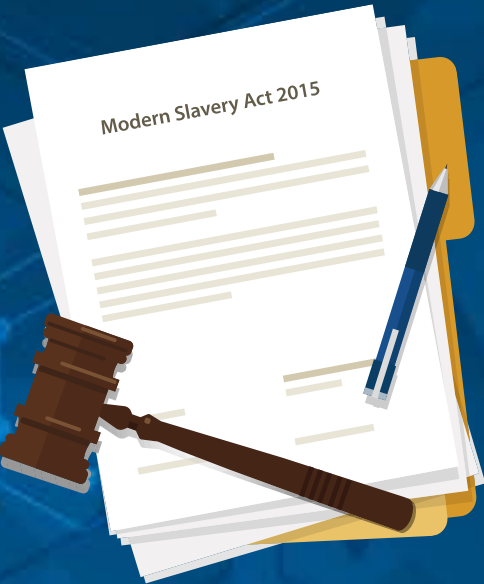
Consequences if we don't.....

- Cheapest is not always the best, price only negotiation has its place – but can be detrimental in driving out competition and stifling innovation.
- Fail to contribute to improving climate change by not reducing waste, using less fossil fuels, reducing CO2 emissions or recycling and reusing as possible.

Law and Policy

In recent years a range of legislation has been introduced addressing broad range of issues can be addressed:

- The Well-being of Future Generations (Wales) Act 2015 – makes it our duty to act responsibly
- Welsh Language (Wales) Measure 2011
- Modern Slavery Act 2015 - address slavery and human trafficking within our activity.
- NHS Wales are signatories to Welsh Government's Code of Practice for Ethical Employment in Supply Chains.
- The Producer Responsibility Obligations (Packaging Waste) Regulations 2007
- Welsh Government 'Towards zero waste: our waste strategy'
- Welsh Language (Wales) Measure 2011



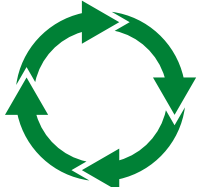
Good Practice Tips!



- Try to use "greener" sustainable options.
- Think if waste can't be eradicated, how it can be reused.
- Remember our legal obligations and how you can go a little further.



- Assume that more sustainable = more '£'.
- Be afraid to ask where things come from.
- Forget that we have a responsibility to consider the long-term impact of our work.



REDUCE – REUSE – REMANUFACTURE - RECYCLE = ZERO WASTE STRATEGY

Planning: Welsh Language

Welsh Language Considerations

NHS Health Boards and Trusts in Wales are required to comply with the Welsh Language (Wales) Measure 2011; more specifically the Welsh Language Standards (No7) 2018 Regulations.

The purpose of the standards is to offer robust and clear guide of what Health Boards and Trusts must provide through the medium of Welsh when delivering NHS Services and associated products to patients in Wales. The key standards impacting upon procurement activity are:

Standard 57 - If it is a requirement for the service to be delivered in Welsh you may need to publish the tender in Welsh with the equivalent level of detail of the English version.

Standard 58 - Make clear to potential bidders that tenders may be submitted in Welsh, regardless of whether the ITT was published in English or Welsh, and will be treated no less favourably than a tender submitted in English. The potential impact on timescales must be factored into the planning stage to avoid delay to the tender process itself.

Standard 59 - Remember to inform the bidder of your decision in Welsh, if the tender was submitted in Welsh.



Further information:

- **Contacts:** Contact your Welsh Language Officer and visit your own organisation's Compliance Notice.
- **Useful Links:** Information available from NWSSP and Welsh Language Policy

Examples of Agreements

Below is a list of example agreement types, which may have a Welsh Language requirement but is by no means an exhaustive list:

- Patient information - leaflets; instructions to patients;
- Provision of a service which makes available a call centre or helpdesk function directly to patients
- Web sites; social media; publicity and advertising materials e.g. Health Campaigns for Screening Services
- Correspondence to patients either by post, telephone or via digital services e.g. patient catering; appointment letters; satisfaction surveys
- Rehabilitation services
- Employee Assistance Programmes
- Educational courses delivered to patients and staff

Roles and Responsibilities:

- Procurement Service - is to facilitate and manage the procurement process on behalf of a Health Board or Trust.
- The role of the Health Board or Trust is to identify and be responsible for ensuring that associated goods and services with a Welsh language requirement are made available via the procurement process, and in accordance with the health organisation's Welsh Language Standards.

If representing your organisation on an all Wales Contract Working Group, please ensure any Welsh Language are discussed at the planning stage.



Good Practice Tips!



- Contact your Welsh Language Officer!
- Consider patient and/or staff needs when drafting the specification.
- Ensure timescales accommodate potential requests for documents to be translated into Welsh.

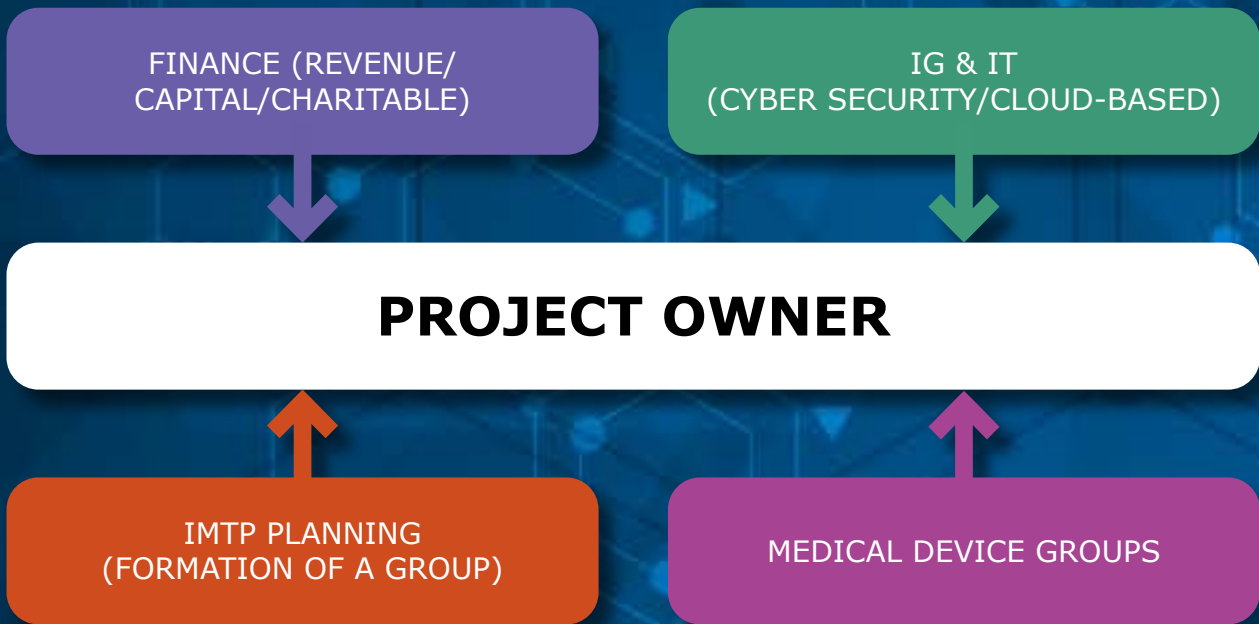


- Assume if it hasn't been done before that it is not required now.
- Attempt to avoid applying the Standard.
- Bring your organisation into disrepute by avoiding the application of the Standard.

Planning: Who Should Be Involved Internally?

Who should I Involve?

Do the goods/services you are planning to buy need the help of other service areas to successfully implement?



- Finance** - For new contracts or equipment, the requestor needs to have obtained approval of funding and source of funding (Revenue, Capital or Charitable Funds). Note: For equipment processes see 3. - Medical Devices. The Departmental Finance representative should be contacted for advice and support.
- IT** - It is important that you engage with IT to establish if there are any IT issues or requirements. IT can support on governance requirements for Cloud Based solutions or general IT requirements regarding your project. Information Governance (IG) can provide support on any Cyber Security Issues and provide support on GDPR requirements and the process to follow.
- Medical Devices** - Equipment requirements that are over £5k can only be funded from Capital or Charitable funds. Please refer to your internal Medical Devices Policy, internal Capital equipment process and internal Charitable Fund process. If you are unsure, please contact a member of your local Procurement Team for assistance.
- IMTP Planning** - Establish if your requirement is in accordance with your Organisation's IMTP. It is important to develop a working group for your project with clear aims and objectives.

Good Practice Tips!



- Engage with other service areas.
- Plan your engagement process.
- Keep everyone regularly informed.



- Proceed without advice.
- Leave your planning to the last minute.
- Assume other service area resources are readily available.

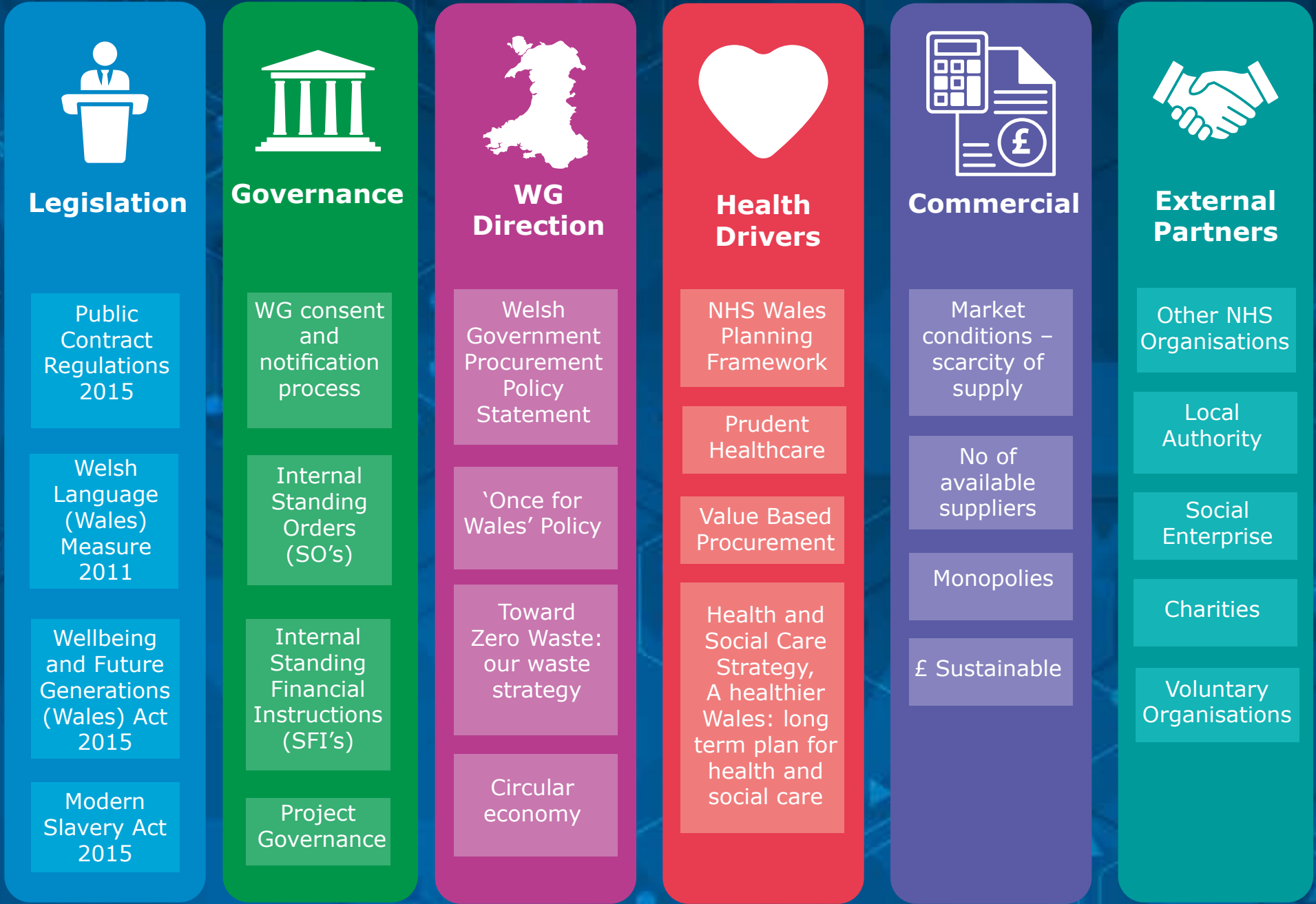


Further information: Please engage with your local Procurement Team at the earliest opportunity! See the '[Key Contacts](#)' page!

Planning: External Influences

What else needs to be considered?

Some key external influences are tabulated, but there may be many more depending upon the complexity and value of what is being bought. Many of these are interdependent so please ensure you make contact with peers within your organisation first.



Good Practice Tips!

✓ Do's

- Seek advice from Procurement Services.
- Contact internal departments.
- Confer with peer groups.

✗ Don'ts

- Proceed without checking.
- Assume nothing has changed.
- Forget to consider risk.

Planning: Timescales

Example Timescale

The timescales are examples ONLY. Timescales are often delayed as the points highlighted in the 'Do and Don't' section of this page are overlooked.

Other influencing factors could be:

- No budget
- Changes in regulatory requirements mid process
- Organisational shift in priorities
- Colleagues fall ill
- External factors disrupting planned meetings – weather, network failure
- Benchtop testing or trial period requirements are overlooked

Please Remember:

- The value, route to market, complexity of what you are buying must be taken into consideration when planning each step
- Implementation periods are **NOT** factored into the example timescales below
- Timescales for suppliers to respond must be realistic and reflective of the complexity of the requirement

Competition Type	Timescales	Best Practice or Mandatory Timescales Apply
Direct Call Off	1-5 Working Days	Best practice and subject to framework guidelines
Mini Competition	2-6 Weeks	Best practice and subject to framework guidelines
Quotation	2-6 Weeks	Best practice
Low value/basic Tender	6-8 Weeks	Best practice
High value/basic tender	4-6 Months	Mandatory minimum timescales
High Value/Complex Tenders against a standard procurement procedure	6-9 Months	Mandatory minimum timescales
High Value/Complex Tenders against a specialist procurement procedure	12-18 Months	Mandatory minimum timescales

IMPORTANT:

- Do not run a competition where there is already an all Wales agreement in place
- Don't forget own internal set Board/Committee meeting dates that may need to be factored in.
- Seek advice from Procurement Services on WG processes for 'consent' or 'notification'

Good Practice Tips!



- Check availability of colleagues to support you.
- Factor in periods of annual leave.



- Underestimate timescale.
- Proceed without commitment.
- Forget some aspects of the process will have mandatory minimum timescales.



Further information:

Prepare prior to consulting with Procurement Services, the 'Tools and Information – Templates' section may assist you.

Planning: Whole Life Costs

Whole Life Cost

A key part of planning to buy, is anticipating how much public money you will need to spend. This sum is often very much beyond the initial buy price. It is essential the Finance Business Partner is involved before contacting the Procurement Service. This ensures any capital or recurring revenue charges can be supported and the full financial implication for your organisation understood.

If you know 'what' you need to buy and have drafted your specification, you need to consider the following:

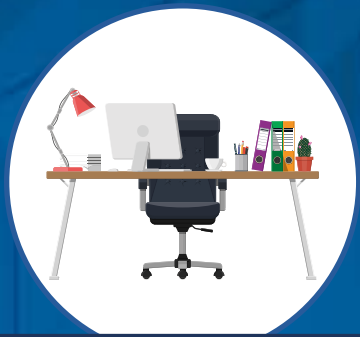
- How much will it cost in total over the entire life of the equipment/service period?
 - Equipment cost?
 - Consumables
 - Servicing or replacement parts
 - Training costs for staff?
 - Project management, installation/set-up fees or implementation fees
 - Potential upgrade charges
 - Growth (within reason)
 - End of life disposal charges



**Example 1:
New or
replacement test
equipment**



**Example 2:
Clinical IT Solution
– chargeable
as a traditional
investment**



**Example 3:
5 Replacement
Remanufactured
Desks and Chairs**



**Example 4:
Training Package**

Good Practice Tips!



- Check if a Business Case is needed
- Check if there are any recurring costs
- Consider where the money will come from



- Proceed without approval.
- Ignore additional internal costs.
- Submit bids for funding without discussing with your Finance Team and Procurement Service.



Further Information: If in doubt, please contact your Finance Business Partner. The 'Key Contacts' page will provide you with the information to do so.

Planning: Whole Life Costs

Problems arise when the true value is miscalculated.

The following examples may assist in helping to calculate this and are for illustrative purposes only.

Example 1 – New or replacement test equipment (7 year life)	Actual equipment	£150,000
	Service and maintenance x6 years (first 12 months covered by warranty)	£160,000
	Consumables (£0.75 x 80,000 x 6.5 – allowing 6 month for implementation)	£390,000
	Staff training	£5,000
	Implementation charges	£20,000
		£725,000
Example 2 – Clinical IT Solution – chargeable as a traditional investment (10 year life)	Initial equipment (inc. 5 year warranty)	£75,000
	+Hardware Maintenance	£33,750
	Equipment refresh year 6	
	Software License fee post 12 months implementation	£300,000
	+ software upgrades and service desk provision	£135,000
	Project Management and Implementation	£20,000
	Initial Training	£8,000
	Top up training provision	£5,000
		£576,750

Planning: Whole Life Costs

Example 3 – 5 Replacement Remanufactured Desks and Chairs	5 Chairs @ £75 each	£375
	5 Desks @ £165 each	£825
		£1,200
Example 4 – Training Package	On-site training session x 12	£9,000
	Training Materials	£360
	Travel & Expenses if not included in sessional rate	
	Overnight accommodation	£900
	Daily meal	£300
	(Capped at prevailing NHS Wales Travel and Subsistence Policy Rates)	
		£10,560

NB:

- SFI’s exclude VAT, Oracle Purchase Orders include VAT if chargeable, even if recoverable
- Your Finance Business Partner will help with any financial profiling

Important:

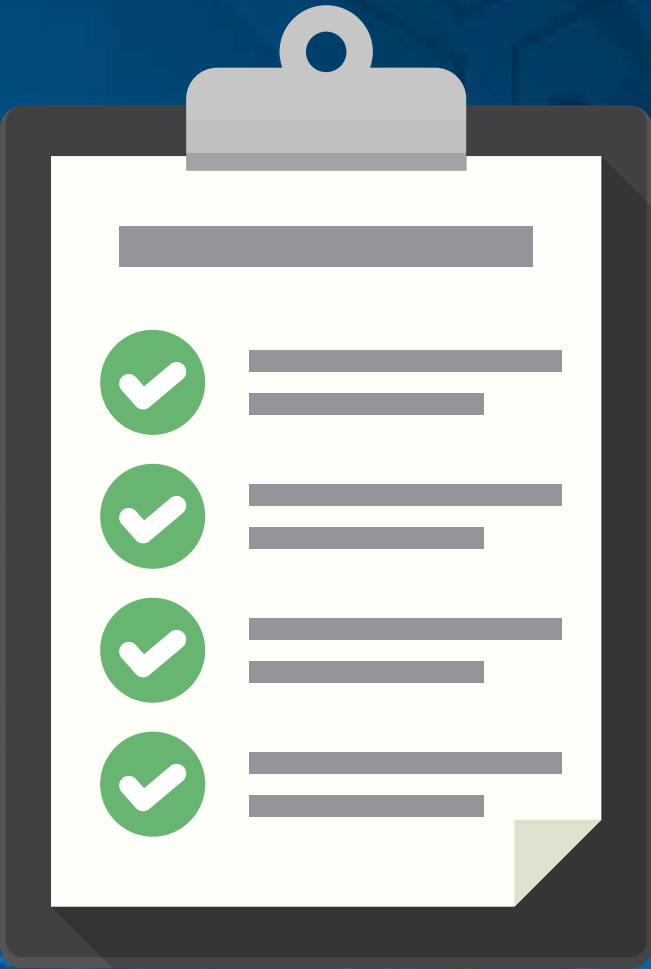
- Once the specification is drafted and if necessary initial market engagement undertaken, it may be necessary to review any initial estimates.
- When calculating potential charges, the competition itself is only concerned with how much in total will be spent with the supplier.

- Fuller costs to your organisation may need to be considered e.g. internal project management costs or impact on the pay budget, building costs, depreciation, power consumption, waste disposal etc.
- Remember, no money = no quotation or tender process.

Planning: CheckList

If the following key matters have not been addressed or considered, you may need to go back!

- ✓ Is this a priority for your organisation?
- ✓ Considered the Wellbeing and Future Generations 7 Objectives
- ✓ Checked if there are Welsh Language Implications
- ✓ Who should be involved internally
- ✓ Are there any external influences
- ✓ Check resources are available to support the preferred timescales
- ✓ Consulted with your Finance Business Partner
- ✓ Checked if a Business Case is required
- ✓ Consulted with Procurement Services



Proceed to the Next Step



Revisit with Procurement Services what you've done



Competition Requirements

Page

Specification Drafting	22
Framework Agreements	23
Thresholds	25
Standard Competition Documents	26
Setting Evaluation Criteria	27
Industry Variation	28
Specialist Estates	29
Consultancy Services	30
Advertising Opportunities	31
Exceptions	32
Checklist	34

Competition Requirements

Information in this section provides key considerations when structuring competition documents.

Competition Requirements: Specification Drafting

Now that you have.....

- Consulted with your organisational planning team
- Engaged with other service areas
-it's time to start drafting your specification!

A specification is a description of what goods/services you need to buy and it may be presented in different formats. You need to consider the following base principles:

- Is what you're attempting to describe 'fit for purpose'
- Does the specification allow more than one supplier to bid
- Have you considered the current need and potential future development/innovation
- Have you considered whether there is a Welsh Language requirement?
- How you will achieve value for money

REMEMBER: A GOOD SPECIFICATION WILL PROVIDE YOU WITH ALL OF THE ABOVE!!

As a minimum you need to consider whether any of the following are relevant to what you need to buy and need to be included in the specification:



Further information: Further information and templates are available in '[Tools and Information](#)' section.

- Description of what you need – goods/services
- Implementation/ delivery timescales
- Project Management
- Supplier Performance Monitoring
- Training
- Maintenance

REMEMBER: A GOOD SPECIFICATION CAN BE SUPPORTED BY ADDITIONAL DOCUMENTS E.G. FLOOR PLANS, SERVICE STRUCTURE, INFORMATION GOVERNANCE, CYBER ESSENTIALS GUIDELINES ETC.

Different types of specification and examples of how they may be applied are as follows:

	Application	Advantages	Disadvantages
Input – Technical	Purchase of equipment to perform a specific function to a clear standard	Requirement can be clearly defined. Relatively easy to manage/monitor	Only get what is specified Risk is with the buyer
Output –	Services/Managed Services	Focus is on detail of performance Supplier determines the inputs	Restricts innovation on outcomes Buyer takes responsibility that output is correct
Outcome -	Clinical outcomes e.g. Value based patient outcomes of successful clinical procedures e.g. cataracts, joint replacement etc.	Focusses on achievements Encourages innovation Better risk allocation	Challenging to specify if inhouse expertise is limited

Good Practice Tips!



- Remember competitions fail due to poor specification drafting.
- Consider whether the market is capable of supply what you need.
- Remember re-running competition wastes NHS resources.



- Use internal jargon.
- Use specific brand names.
- Buy it yet if you can't use/ implement immediately.

Competition Requirements: Framework Agreements

Use of Framework Agreements

Framework Agreements have been established to speed up the public sector procurement process for acquiring goods/services/works. There are a number of Public Sector organisations whose frameworks may be accessed by NHS Wales. This negates a HO running a potentially complex competition and advertising its requirements separately, although it is best practice to publish any local awards under such frameworks.

The main mechanisms for using a framework are:

- Direct call off
- Mini competition

The lead organisation does not commit other organisations to actually purchase under its frameworks, merely the opportunity to do so if the HO requirement fits within the scope of the available framework.

Benefits of Using Frameworks

- Generally quicker to run a mini competition than an individual tender.
- No requirement to advertise – even if above OJEU threshold for competition.
- Supplier selection process is already undertaken – eliminates the need to undertake this stage.
- Often include 'direct call off' options - there is still a requirement to evidence best value, subject to all qualitative criteria being met. Price alone comparators are possible.
- Frameworks are often divided into 'lots' either on a sub category or geographical basis.
- Subject to the overarching terms of the framework, it may be possible to let an agreement for longer than the term of the framework and as long as competition is not distorted e.g. letting an agreement for a 5 year term on the last day of the framework.

Drawbacks of Using Frameworks

- Expenditure is committed under the terms and conditions of the framework (although some do allow for additional 'special conditions').
- It is not possible to run a mini competition under a framework and in parallel to a separate local tender to determine best value.
- All suitable suppliers appointed to the framework must be invited to complete.

Additional Framework Considerations

- Suppliers may claim to be appointed to a framework when in fact they are only registered on a e-procurement portal e.g. Sell2Wales, Bravo etc.
- 'Direct call off' is not possible where more than one supplier can meet the requirement – a mini competition must be run.
- Depending upon the requirement and value of the opportunity, 'direct call off' may not offer the best value solution overall. The HO lead and Procurement Lead will consider this at the planning stage.
- Suppliers should be invited to bid via the Procurement Service appointed e-procurement solution.
- Competition documents must include the unique framework reference and title including any sub-lot information.

Competition Requirements: Framework Agreements

Established for specific requirements

Frameworks are often established for specific requirements/geared toward certain industries. Some examples are tabulated below but this is by no means an exhaustive list.

Industry	Goods/services
Medical	Syringes, dressings
Clinical	Hips, knee joints, prosthesis
Pharmaceuticals	General and specialist medicine
Food	Ambient goods, frozen food
Labour market	Temporary labour, non med non clinical recruitment services
Office	Furniture, stationery
IM&T	Hardware – Servers and Storage, Networking equipment, Software Applications
Energy	Electricity, Gas, Forensic Billing Services
Estates	Building Materials, Technical Advisors, Enabling Works
Professional services	Media Advertising



Further information: Further information on suitable frameworks may be found in the ‘Tools and Information – Useful Links’ section’

Good Practice Tips!



- Ask Procurement to review Framework Guidelines with you
- Remember a specification with service KPI’s may still be required to mini-comp!
- Use prescribed templates – some frameworks do not allow for the use of local templates, however additional supporting information as relevant may be used



- Develop assessment criteria outside the framework guidelines
- Try and ‘force fit’ your requirement in order to use a framework to reduce timescales as inappropriate use of a framework is not permitted
- Don’t take advice from a supplier regarding compliance to use a framework!

Competition Requirements: Thresholds

Competition Thresholds

Competition Thresholds are mandated in the Standing Financial Instructions, which form part of the Standing Orders and overall governance arrangements for the organisation.

The running of a competition should only be necessary in the absence of a suitable existing framework. The actual timescale will depend upon a number of variables e.g. the complexity of the requirement, market conditions and actual procedure adopted.

Goods/Services/ Works Whole Life Cost Contract value (excl. VAT)	Minimum competition (subject to the existence of suitable suppliers)	Timescales (excluding planning, preparation and implementation)	Contract Form
<£5,000	Evidence of value for money	1-5 Working Days	Purchase Order
>£5,000 - <£25,000	Evidence of 3 quotations	1-4 Weeks	Simple Form of Contract/ Purchase Order
>£25,001 – Prevailing OJEU threshold	Openly advertised call for competition	2-4 Weeks	Formal contract and Purchase Order
>OJEU threshold	Openly advertised call for competition	Min 4 months, max 12-18 months	Formal contract and Purchase Order

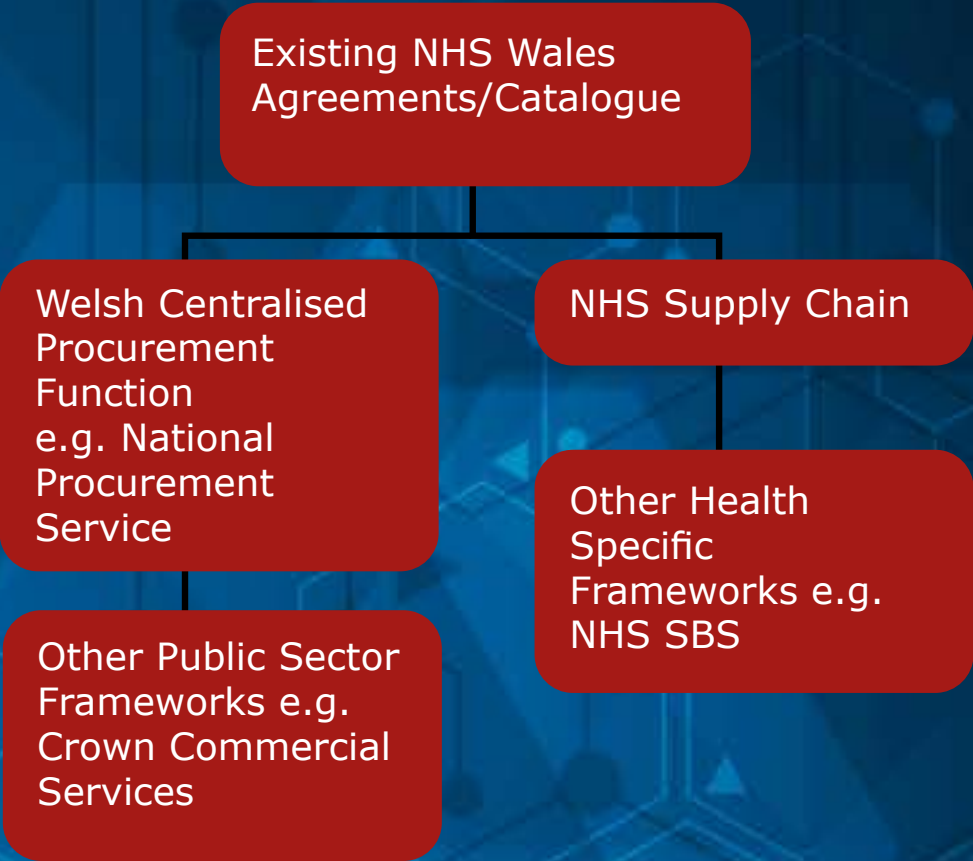
NB:

Welsh Government (WG) requirements for noting or consent may apply, unless approval has already been granted e.g. allocation from the WG Capital Programme.



Further Information: Your Procurement Business Partner will be able to advise you on the WG reporting requirements. The 'Key Contacts' page will provide you with information of how to do so.

There are existing arrangements/frameworks you can use that will allow you to speed up the buying process as outlined in the decision tree below.



In the absence of any of the above being fit for purpose, a local competition will be needed.

Competition Requirements: Standard Competition Documents

Regardless of the procurement process followed, documents will need to be produced and issued to Bidders. Who is responsible for which document is noted below.

Document Title	Who Leads?	Purpose
Specification	Operational Service Lead/ End User	Details what is being bought, any applicable legislative or industry standards and limiting parameters.
Terms and Conditions and any associated Schedules e.g. Pricing Schedule	Procurement	NHS Wales terms and conditions under which goods and services are bought. What suppliers need to agree to ensure contractual requirements are adhered to. Any specific performance measures; Authority or Contractor obligations etc.
Instructions to Bidders to Quote/Tender	Procurement	Informs potential Bidders of what they need to do
Supplementary information to inform Bidders e.g. diagrams/floor plans/ proposed implementation plans etc.	Operational Service Lead/ End User	Inform potential Bidder to help them submit a bid
Supplementary Procurement Documents e.g. e-Trading, Sustainability Policy etc.	Procurement	Documents the Bidder's may need to complete or policies they need to be aware of and comply with where relevant.

NB: On complex needs, the advice of NWSSP Legal and Risk Services may be requested. The Procurement Lead will arrange accordingly.



Further Information: The complexity and final compilation of documents to be issued by Procurement Services will depend upon the complexity of the requirement rather than the value. The Tools and Information – Templates section contain example documentation.

Good Practice Tips!



- Ensure all documents are provided within agreed timescales.
- Consider whether the market is capable of supplying what you need in the way you wish it to be delivered.
- Remember re-running competitions wastes NHS resources.



- Use internal jargon in any documentation.
- Assume a Bidder will know what you mean.
- Provide copies of documentation in advance to potential Bidders.
- Have discussions with potential Bidders without consulting Procurement Services.

Competition Requirements: Setting Evaluation Criteria

By now, the Project Team will have agreed the specification.

Next steps:

Setting the evaluation criteria allows a suitably experienced and financially stable bidder to be appointed, which the Project Team has confidence in, to deliver the requirements as specified ensuring best value is delivered from Public money.

Focussing on the most important aspects of the specification and desired outcome and applying proportionate weightings is essential to achieve a successful award. The following may assist in the preparation of this criteria:

Typically there are three main aspects of an offer that need to be assessed:

- **Stage 1:** Selection Evaluation (Backward looking)
 - Backward looking - is the company capable, with a proven track record and financially stable?
- **Stage 2:** Award Evaluation (Forward looking)
 - Technical response - what is the Bidder's proposal to delivering what is needed?
 - Commercial submission e.g. is the price within budget, comparable to other offers received/ reflective of current market rates?

- The complexity of evaluation criteria i.e. range of main and sub-criteria used to determine the outcome depends upon
 - what is being bought
 - number of potential suppliers likely to bid
 - product range available
- The scoring model to be applied
 - normally on a scale of 0 to 10
 - cannot be changed after the opportunity has been published



Good Practice Tips!



- Consider carefully what evidence would help you understand a supplier's offer e.g. diagram, case study etc.



- Include more criteria than you need.
- Use subjective criteria that could be open to interpretation.
- Mix 'backward' and 'forward' looking.



Further Information: this is a specialist area of advice and requires discussion with your Procurement Team. A standard evaluation model and scoring template is available in the 'Templates' section.

Competition Requirements: Industry Variation

NHS Wales spends a significant proportion of its non pay budget on a vast array of goods, services and works.

This means it trades with a very wide range of industry sectors/categories which:

- Are goverened by industry specific legislation, policies or best practice
- Have varing licence, patent, copyright protection
- Have very different commercial drivers
- Are better suited to regional delivery
- Can only deliver best value from aggregating demand

Examples of such industry sectors include:

- Continued Healthcare (CHC) Providers
- Labour markets
- Pharmaceuticals
- IT
- Education
- Catering

All of which have sub sectors or categories.

For these reasons it is not possible to provide a Procurement Manual covering in detail all considerations for awarding business and spending money within each sector/category.

As an example, some key considerations have been collated on the following page, when securing goods and services within Specialist Estate Services.



Good Practice Tips!



Do's

- Seek advice!



Don'ts

- Got it alone!



Further Information: The Tools and Information section provides key contact details for your Procurement Service.

Competition Requirements: Specialist Estates

Construction Industry – Building and Engineering Works

Procurement and contracts code for building and engineering works

Health Boards and Trusts are to contact NWSSP – SES for framework procurement, letting and contractual issues relating to capital schemes over £4m.

It is recommended the Health Organisation’s engage with NHS Wales Shared Services Partnership – Specialist Estates Services (SES) making use of the national or regional Building for Wales (BfW) frameworks for projects as follows:

- The national supply chain partners (SCP) and national project managers (PM) on the Building for Wales (BfW) construction procurement frameworks tendered by NWSSP – Specialist Estates Services (SES) are to be utilised for major projects with an estimated outturn of £12m or greater.
- Regional supply chain partners (SCP) and regional project managers (PM) and cost advisors (CA) are to be utilised for capital schemes with an estimated outturn of £4m to £12m.





Using these frameworks means no further OJEU tendering is required when contracting with the appointed providers.

Projects below £4m are outside the requirements of the BfW frameworks, the responsibility for procurement remains with the Health Organisation in line with the guidance provided in this manual.

- Construction schemes below the Building for Wales threshold but funded from the Welsh Government’s Capital Programme must be planned, time and cost controlled
- BfW Construction Projects NEC3 ECC (Target Cost with Activity Schedule) for the Supply Chain Partner and NEC3 Professional Services Contract for Trust advisers must be applied.
- For contracts below the BfW threshold but funded from the Welsh Government’s Capital Programme a suitable standard form of contract shall be applied. This exact form can be determined with the advice of the Contract Administrator.

Key Roles:

Supply Chain Partner (SCP) - A contracting partner normally engaged under the Building for Wales Framework, under whose control all (save for Trust Project Managers, Trust Cost Advisors and Trust Construction Supervisors) remaining external project resources will rest.

Lump Sum or Fixed Price Contract 	Cost Plus Contract 
<ul style="list-style-type: none">• Total fixed price for all construction related activities• Can include incentives benefits for early termination, or can also have penalties called liquidation damages, for a late termination	<ul style="list-style-type: none">• Involve payment of the actual costs, purchases or other expenses generated directly from the construction activity• Must contain information about covering contractor’s overhead and profit
Time and Materials Contract 	Unit Pricing Contracts 
<ul style="list-style-type: none">• Preferred if the project scope is not clear or defined• Must establish hourly or daily rate• Include additional expenses that could arise in process	<ul style="list-style-type: none">• Commonly used by builders and in federal agencies• Unit prices can also be set during bidding process, as the owner requests specific quantities and pricing for a pre-determined amount of unitised items

Competition Requirements: Consultancy Services

Content pending

Guidance on the Appointment of Consultants



Further Information: Additional guidelines are available in the 'Tools and Information – Templates' section'

Competition Requirements: Advertising Opportunities

The legal framework, as set out within the regulations, is designed to ensure that all public contracts over these financial thresholds are awarded transparently, without discrimination, as well as ensuring that all potential suppliers are treated equally.

The advertising of quotation and tender opportunities must be undertaken by Procurement Services and be in accordance with the prevailing Public Contract Regulations (2015) and Welsh Procurement Policy Statement.

The advertising of contract opportunities via the e-quotation and e-tender solutions currently in use is restricted via license to the Procurement Service. As a minimum, opportunities with a whole life cost of:

- <£25k may be restricted to publication via the e-quotation system
- >£25k must be advertised via trained members of the Procurement Service on the WG Sell2Wales website and any other platforms as required under the Public Contract Regulations 2015 or WG Welsh Procurement Policy Statement

Additional industry specific publications may also be used, but please check with the Procurement Service first as there is a cost for doing so. Each competition is therefore taken on its own merits.



Good Practice Tips!



- Keep it brief
- Keep it generic
- Be consistent with Invitation to Tender Documents!



- Use supplier names in titles
- Use supplier product names
- Publish in industry specific publications without seeking advice from Procurement

Competition Requirements: Exceptions

Application of Standing Financial Instructions (SFI's)

The SFI's are a key part of your organisations governance framework for ensuring the best possible value is achieved when spending public money. Application of the SFI's is mandatory and any breaches identified are reported to the Audit Committee.

Single Quotation or Tender Applications

It is recognised that in exceptional circumstances an alternative process to undertaking a competition may be appropriate e.g. buying from a single supplier, due to a special character of the firm or a proprietary item or service of a special character. Such circumstances may include:

- Follow-up work where a supplier has already undertaken initial work in the same area (and where the initial work was awarded from open competition);
- A technical compatibility issue which needs to be met e.g. specific equipment required, or compliance with a warranty clause;
- A need to retain a particular contractor for genuine business continuity issues (not just preferences) e.g. to address additional matters not originally known at the outset.
- An interim agreement prior to joining an all Wales collaborative agreement. Written confirmation must be provided by the Procurement Service confirming local agreements will be replaced by an all Wales competition/National strategy and how best value will continue to be delivered.

In all such applications the requestor must provide evidence of adequate consideration to the Head of Procurement that best value for money will continue to be achieved. The Head of Procurement will scrutinise each request to ensure:

- Robust justification is provided;
- A value for money test has been undertaken;
- No bias towards a particular supplier;
- Future competitive processes are not adversely affected;
- No distortion of the market is intended;
- An "or equivalent" test has been considered proving the request is justified.
- An acceptable level of assurance is available before endorsing and presenting to the Director of Finance/ Chief Executive for approval.

Good Practice Tips!



- Seek advice!



- Got it alone!

Competition Requirements: Exceptions

Reducing the Administrative Burden

In an effort to reduce process which do not add value to the organization, no SQA/STA need be completed where the seeking of competition is impossible. e.g.

- Services provided by accredited/statutory/regulated bodies e.g. Welsh Audit Office, Department of Health.
- Welsh Government mandate a supplier following a competition run in accordance with Welsh Government Procurement Policies and Procedures. For the avoidance of doubt this does not apply to funds allocated to Health Boards for which standard competition rules apply
- Participating in or attending a professional conference/event.
- Membership of professional organisation where there is only one accrediting body.
- Subscription to bespoke industry standard data resources e.g. Office of National Statistics.
- Where a supplier is the only possible maintainer of the proprietary equipment which they supplied.
- The value of goods, services or works to be supplied as a component part of another service and where those goods/services/works have already been subjected to public sector competition rules e.g. supply of pharmaceuticals where a 3rd party provider may need to be a beneficiary of an existing agreement in order to deliver their element of the service.

- Works from statutory utility providers when the works will only be carried out under the preferred form of contract of the Statutory Utility Provider. Note this does not apply to de-regulated industries.
- Use of other Public Sector facilities for geographical reasons e.g. car parking arrangements.
- Where the terms of a building lease specify the use of the leaseholder appointed provider for the provision of maintenance, repairs or additional works.

Remember

These are exceptions for a specific reason and cannot be applied for convenience or in the absence of planning.

A breach of SFI's or attempt to avoid applying the correct competition rules, may result in you having to attend Audit Committee to explain your actions – even if well intended!

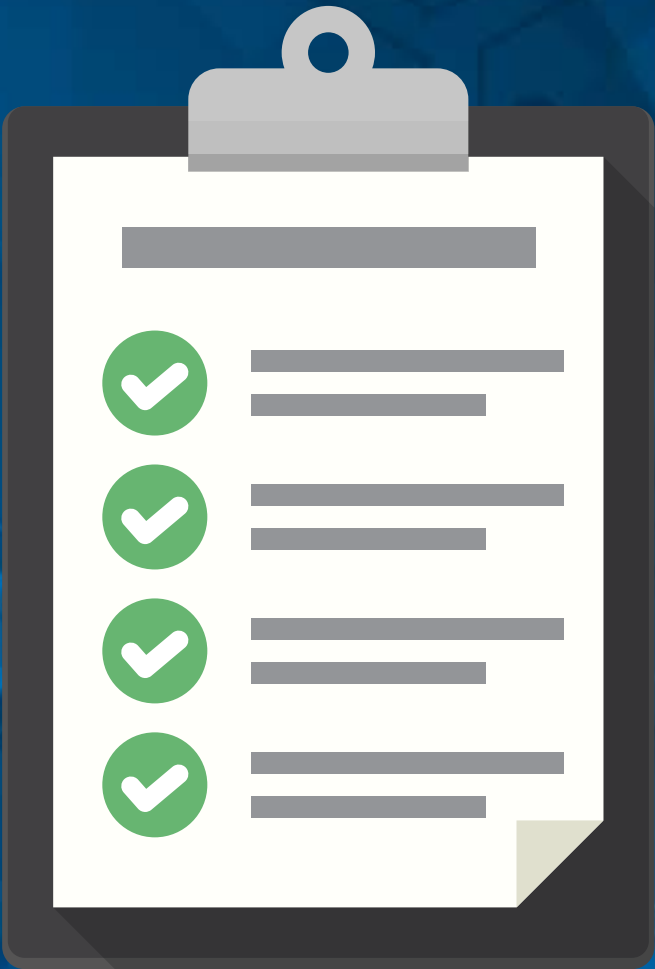


Further Information: Further information box: Your Finance or Procurement Business Partner's will be able to advise you further on the appropriate application of the SFI's. The 'Key Contacts' page will provide you with information of how to do so.

Competition Requirements: Checklist

If the following key matters have not been addressed or considered, you may need to go back!

- ✓ Do you understand the purpose of the documents you are working with?
- ✓ Do you know who is leading on each document?
- ✓ Do you have appropriate project governance in place to approve the documents or know who your approver is?
- ✓ Have all documents been quality checked in advance of Procurement Services publishing your RFQ or ITT
- ✓ Are all documents complete and ready for publication?



Proceed to the Next Step



Revisit with Procurement Services what you've done

Evaluating Responses

Page

Undertaking the Evaluation Process
Checklist

36
37

Evaluating Responses

The evaluation process is usually supported by a multi-disciplinary Evaluating Team. The bids received are assessed, clarification obtained and consensus scores awarded in preparation for forming a recommended outcome in accordance with a pre-determined project structure or Scheme of Delegation.

Evaluating Responses: Undertaking the Evaluation Process

By now the bidder responses will have been shared with the immediate Evaluating Team

Facilitating and chairing evaluation meetings and respective administration e.g. recording consensus scores and comments, is agreed between Procurement Services and the Project Team/Operational Service and often varies due to the resources available.

- **Procurement Services are responsible for:**
 - opening of bids on the e-procurement portal;
 - rejection of any non-compliant/incomplete bids;
 - distributing compliant bids received;
 - providing guidance on scoring;
 - ensuring a consensus is reached across the Evaluating Team;
 - managing post tender clarifications;
 - finalising scoring and
 - preparing the Evaluation Ratification Report
- **The Evaluation Team is responsible for:**
 - evaluating responses against the criteria and specification as published;
 - evaluating each bid on its own merits;
 - ensuring all information received is retained as 'commercial in confidence' and not shared or discussed outside the immediate Evaluating Team and
 - as the process continues – remember to update any arising declarations of interest

Important – if none of the bids received:

- Meet the minimum standard required or threshold set.
- Are generally poor and there is a low level of confidence in forming an effective contractual relationship.
- Require significant levels of clarification.

....it may be better to reconsider whether you proceed to award! Better to stop, assess the position and rewind the process or start again before any public money is wasted!



Further Information: This is a complex element of the procurement process. Your Procurement Business Partner will be able to advise you further. The 'Key Contacts' page will provide you with information of how to do so.

Good Practice Tips!



Do's

- Remember the bidding process is confidential!
- Apply ONLY the scoring criteria published
- Follow guidance provided by Procurement Services



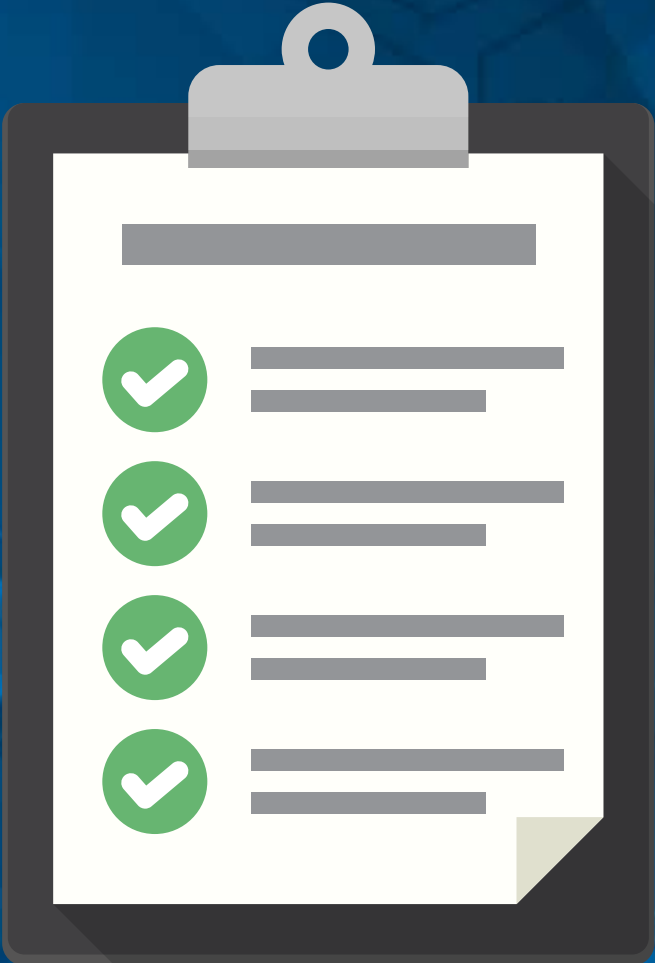
Don'ts

- Evaluate alone
- Share information outside the immediate evaluation group
- Have separate discussions with suppliers

Evaluating Responses: Checklist

If the following key matters have not been addressed or considered, you may need to go back!

- ✓ Do you understand the purpose of the documents you are working with?
- ✓ Do you know who is leading on each document?
- ✓ Do you have appropriate project governance in place to approve the documents or know who your approver is?
- ✓ Have all documents been quality checked in advance of Procurement Services publishing your RFQ or ITT
- ✓ Are all documents complete and ready for publication?



Proceed to the Next Step



Revisit with Procurement Services what you've done

Approval and Award

Page

Internal Approval
Award Process
Checklist

39
40
41

Approval & Award

The 'approval' process refers to the sign off processes in accordance with the Scheme of Delegation.

The 'award' stage refers to the external and market facing publication informing the market of the outcome of the competition.

Approval & Award: Internal Approval

By now the tender evaluation stage will be fully complete and the Project Team reached a consensus decision in terms of the recommended outcome.

What next?

It is now time to communicate the outcome of the competition to Bidder's involved and the wider market. This process varies depending upon the type of procedure the competition was run under.

Roles and Responsibilities

Who does what?

Competitions run by Procurement Services may be undertaken collaboratively on an all Wales basis (preferred), or singularly if the requirement is unique to a single organisation and must be awarded in accordance with the respective Scheme of Delegation.

End User/ Project Lead



- Project Board governance is adhered to for award decisions, if this structure is in place;

Procurement



- Responsible for ensuring planned expenditure under any agreement is approved IN ADVANCE of being committed under any contract.
- Schemes of Delegation for the HB, Trust or SHA vary i.e. some organisations have higher limits and are able to commit higher levels of expenditure prior to reporting to their respective Board.
- If you are unsure who has authority to approve your expenditure then contact your Finance Business Partner.
- Procurement Services are responsible for leading on the approval of the contract:
 - Contract Outcome Report
 - Award Approval Form
 - WG processes for notification to award (Trust's and SHA's) or the seeking of consent to award (HB's).

Important

- **Minimum mandatory timescales apply to all WG processes. Procurement Services are aware of these and ensure papers are presented at the appropriate stage.**
- Obtaining internal ratification of the outcome of a competition process from the Project Team or Board, is a separate and prior process to requesting approval to award a contract in line with the organisation's Scheme of Delegation.

Good Practice Tips!



- Ensure internal approval processes are followed in line with the SoD
- Ensure your Finance Business Partner and Budget Holder are aware of your actions
- Ensure the recommendation will withhold scrutiny



- Proceed to externally award without internal approval
- Spend public money without approval
- Discuss the decision with suppliers



Further Information: Your Finance Business Partner will be able to advise you further of budget holder responsibilities. The 'Key Contacts' page will provide you with information of how to make contact if you are unsure.



Approval & Award: Award Process

By now all approvals will have been obtained in line with the organisations Scheme of Delegation and any WG processes adhered to.

What next?

It is now time to communicate the outcome of the competition to Bidder's involved and the wider market. This process varies depending upon the type of procedure the competition was run under.

Roles and Responsibilities

Who does what?

Procurement

Procurement Services are responsible for leading on the formal contract award process and will manage all communications with suppliers e.g.

- 'Intention to Award' letters if applicable, including feedback and scores awarded
- Formal 'Standstill' notifications for higher value contracts including the relative advantages of the winning bid, bidder details, winning scores etc. in accordance with Public Contract Regulations 2015

- Undertake any requested formal debriefs
- If required, facilitate a 'pre-contract' implementation meeting to finalise the implementation plan proposed at the time of the bid being submitted
- Execute the final contract
- Publication of the Contract Award Notice

Important

- This is a particularly sensitive part of the process, hence the reason it is managed by Procurement Services.
- If anything has changed for you personally, which could be deemed a 'conflict of interest', now is the time to ensure your DOI is updated and resubmitted, if you have not already done so.

APPROVED

Good Practice Tips!

✓ Do's

- Retain submissions received as 'commercial in confidence'
- Ensure only Procurement Services manage communications with Bidders
- Declare any change in your 'Declaration of Interest' status

✗ Don'ts

- Share information with colleagues outside of the immediate Project Team
- Have direct contact with bidders

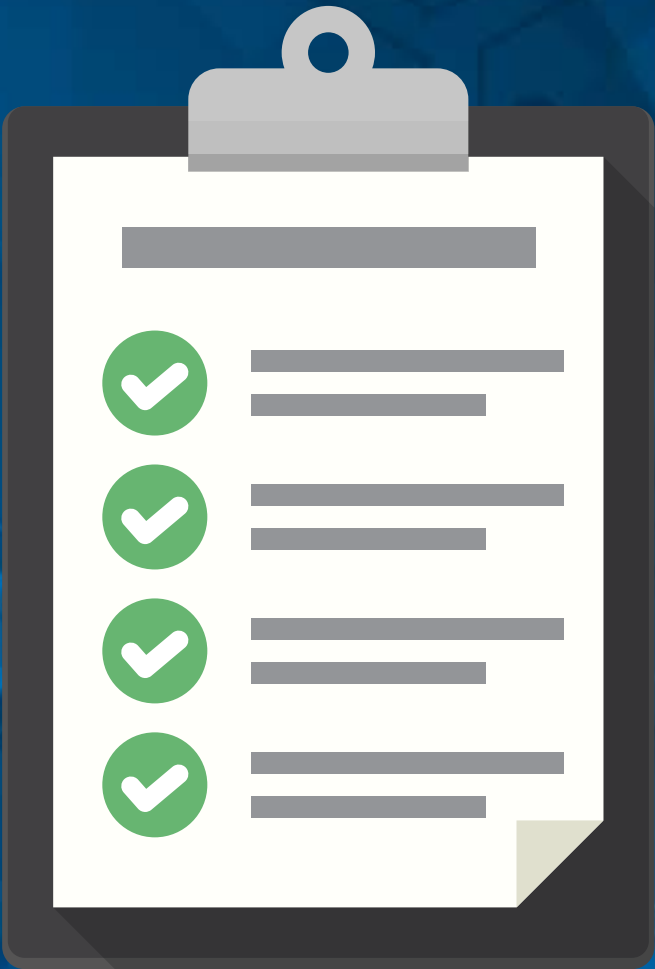


Further Information: The WG reporting process is administered by the Procurement Service. A 'decision tree' demonstrating this process can be accessed in the '[Flow Charts](#)'

Approval & Award: Checklist

If the following key matters have not been addressed or considered, you may need to go back!

- ✓ Is there an audit trail of all required approvals?
- ✓ Will the award decision withhold scrutiny?
- ✓ Have any relevant WG processes been applied?
- ✓ Has the market been informed?



Proceed to the Next Step



Revisit with Procurement Services what you've done

Implementation and Contract Management

Implementation	43
Supplier Performance Management	44
Contract Management - Supplier Performance	45
Extending Contracts	46
Varying Contracts	47
Checklist	48

Implementation & Contract Management

The implementation and contract management stages are as equally important as the undertaking of the competition process. How well a contract is implemented and managed will have a direct impact in the delivery of healthcare and value for money.....now the work really begins!

Careful consideration must also be given to the exiting of a contract when the time falls due.

Implementation & Contract Management: Implementation

By now the approval and award stage will be fully complete. The hard work really begins!

Roles and Responsibilities

Who does what?

End User/Project Lead

The Operational Service is responsible for the implementation and associated budget management of any expenditure under the agreement.

- Continue with key members of the Project Team who may have been tasked with the responsibility of implementing the agreement.
- Regularly reviewing the implementation plan, as agreed at the time of awarding the contract.
- Ensure complete records are retained of implementation meetings, including the timely receipt of **Correction Action Plans (CAP)** if progress falls behind.
- Subject to implementation milestones being achieved, issue '**Milestone Achievement Certificates' (MAC)**.
- Ensure an up-to-date implementation plan is always available.



Further Information: The 'Tools and Information – Templates' section provides templates to the documents referred to on this page.

Procurement

Procurement Services are responsible for the implementation of all Wales agreements, but support the Operational Service in the implementation of locally awarded agreements. Regardless, Procurement Services should be involved in:

- Any contract changes requiring a formal **Contract Change Note (CCN)**.
- Any commercial issues regarding Terms and Conditions.
- Management of pricing issues.
- Supporting pricing issues with milestone payments and managing performance.

Important

- **At all times the agreement must be managed within the budget allocated**



Good Practice Tips!



Do's

- Involve Procurement Services if needed.
- Keep all stakeholders informed.
- Keep your Finance Business Partner and Budget Holder informed.



Don'ts

- Let matters get out of hand or issues run on too long before seeking support.
- Issue milestone payments if performance is poor.
- Agree changes without consulting Finance and Procurement Services.

Implementation & Contract Management: Supplier Performance Management

Roles & Responsibilities;

End User/Operational Service

- Manage the agreement within the budget provision
- Not make changes to contracted specifications without ensuring additional funds are available
- Use the 'Supplier Meeting Template' as a standardised agenda. The information captured includes as a minimum:
 - Supplier GDPR Compliance
 - Corporate Social Responsibility and ethical supply chain concerns
 - Ensuring supplier industry accreditation is maintained e.g. pathology (laboratory requirements), catering (food safety certification) and Medical consumables (Medical Device Directive).
- Work with Procurement Services to complete the Meeting Log - database of supplier meetings held and recorded.

Procurement Services

- The degree to which Procurement Services are involved very much depends upon the type of agreement being managed.
 - On agreements awarded where the HB, Trust or SHA are the sole recipient of the service the organisation itself tends to lead.
 - All Wales agreements are led by Procurement Services with support from the Procurement Clinical Nurse network/operational service leads.

By now, you will have agreed with the supplier the implementation stage has been fully signed off and be ready to move into 'live service'

A supplier's performance can directly or indirectly affect the quality of patient care. The purpose of continued and consistent **Supplier Performance Management** is to:

- Ensure the best possible value continues to be delivered from Public money.
- Drive **continuous improvement** and innovation.
- Build healthy and professional supplier relationships that can be relied upon in prosperous or difficult periods.
- Ensure the sustainability and further development of NHS Wales' supply base.

This can only be achieved through:

- Monitoring the specified and contracted **Key Performance Indicators (KPI's)**
- Proactively monitoring the supply base and **market categories** the NHS spend public money in
- **Good communication** between Operational Service Leads and Procurement Services
- Collating and **sharing information** relating to supplier performance across NHS Wales
 - Innovative suggestions
 - Equally positive and negative supplier performance
 - All stakeholders e.g. Procurement Services including Supply Chain Stores and Health Courier Service or customer recipients – Finance Teams, operational service leads, patients etc.



Good Practice Tips!



- Contact Procurement Services if you have any queries relating to the SPM process
- Keep Procurement Services advised of ongoing supplier performance, be that positive or negative!
- Ensure the Operational Service or Procurement Services lead the SPM sessions and not the supplier!



- Engage in Supplier Performance Review meetings without consulting Procurement Services
- Attempt to terminate agreements without involving Procurement Services
- Spend more than your budget!



Implementation & Contract Management: Extending Contracts

Contract Management

By now – the end of the original contract term will be looming. The following may need to be considered before any action is taken:

- Is there still a genuine need?
- Has the budget position changed?
- Is the current method of delivery still the best?
- Has the market developed further in terms of delivery options?
- Is the contract still fit for purpose?
- Is there a regional or all Wales agreement that can now be joined?
- Have there been any industry or legislative changes not yet reflected in the agreement?

How far in advance of the contract end date an extension needs to be considered, will depend upon the complexity and value of what is being bought.

Contracts Awarded - Including an Option to Extend:

It may be possible to extend the contract if a provision to do so was included in the original contract award. Your Procurement Team must be contacted prior to action being taken and will extend the agreement.



Further Information: Your Procurement Team and Finance Business Partners must be consulted prior to any action being taken.

If the agreement is well managed and continues to deliver value for money this is a perfectly reasonable course of action.

If the supplier or contract is not delivering or performing as expected, it is unwise to extend without discussing with the supplier the requirement to improve.

NB: Poor planning is not considered an 'exceptional' circumstance!

Remember:

- There are formal internal processes to be followed, contract management records to be updated and written communication to be issued to suppliers via the Procurement Team
- To check whether the original approval included the option to extend. If not, approval to extend is required.
- To check if expenditure is inline with the original value approved. If not, the revised value may require further approval in line with the Scheme of Delegation.



Good Practice Tips!

✓ Do's

- Check with the Procurement Team before taking action
- Check with the Finance Business Partner before committing further expenditure
- Ensure contract records are maintained
- Purchase orders are updated or a new one issued to cover the additional expenditure

✗ Don'ts

- Extend directly with the supplier
- Extend without appropriate approval
- Extend a poorly performing agreement
- Extend beyond the provision included in the original award

Implementation & Contract Management: Varying Contracts

Contract Variations - may be permissible in very specific and limited circumstances. The Public Contract Regulations (2015) provide clear guidance in this area.

Roles and Responsibilities

End User/ Project Lead



- Seek advice from the Procurement Team
- Be open and transparent about your objectives
- Be clear in your additional requirements
- Obtain approval for the additional expenditure and check whether the additional expenditure means a higher level of approval is needed in line with the Scheme of Delegation
- Sufficient information is provided to the Procurement Team to ensure the contract records and contract management system is updated

Procurement Team

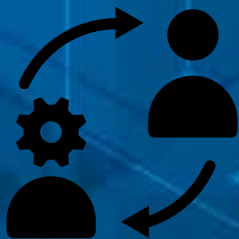


- Supported by the Procurement Business Partner
- Further advice is often sought from senior members of the Procurement Team
- The Head of Procurement will need to endorse
- Provide support in updating the contract records
- In accordance with the SFI's - awards of additional business are reported to Audit Committee

Examples of where a variation may be appropriate:

- If the modification was explicit in the tender document.
- It will not materially alter the nature of the contract (you cannot tender for pens and then buy a printer under the same contract!)
- If economic / technical reasons inhibit a different supplier from providing
- Sourcing from a different supplier would duplicate charges and undermine value for money
- The variation could not have been foreseen at the point the competition was run
- A new supplier takes over or merges with the original supplier and changes the legal status of the supplier you are buying from

In all cases the value of the additional business awarded MUST NOT exceed 50% of the original contract value.



Good Practice Tips!



- Contact Procurement and Finance before taking action
- Consider whether the additional requirement is 'necessary' or 'nice to have'
- Consider any alternatives



- Make informal promises to suppliers
- Proceed without approval
- Forget any variation must be appropriately documented and recorded



Further Information: Your Procurement Team and Finance Business Partners must be consulted prior to any action being taken.

Implementation & Contract Management: Checklist

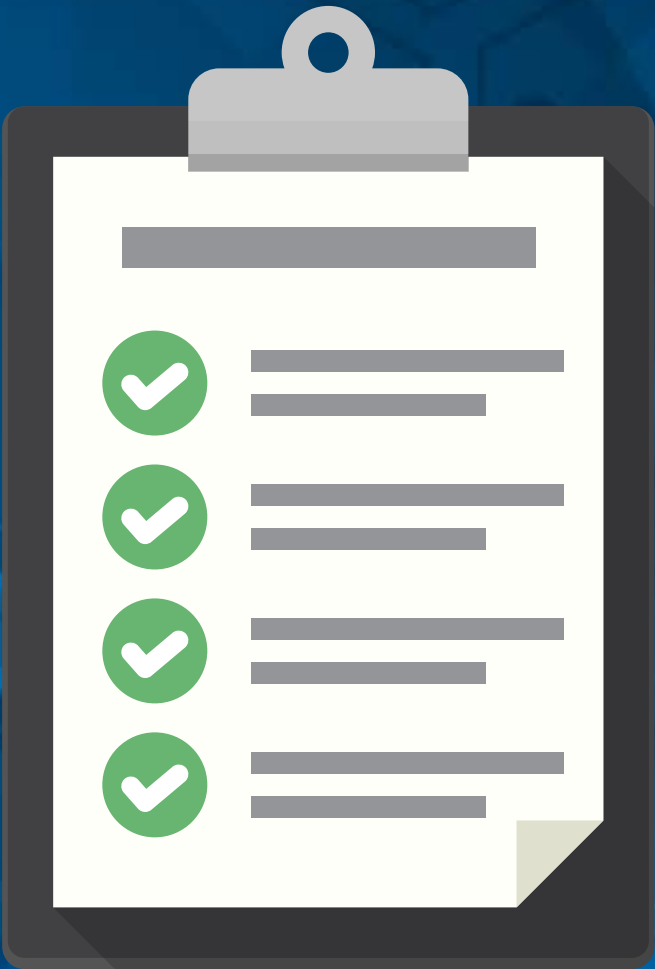
This is not an exhaustive list of how to implement and subsequently manage a contract as requirements vary - but will help ensure value for money continues to be delivered after the contract award stage:

Implementation:

- ✓ Did you have a pre contract implementation meeting?
- ✓ Are all parties clear of their roles and repsonsibilities?
- ✓ Have sufficient resources been allocated by both parties to achieve key milestones?
- ✓ Are inter dependant tasks mapped?
- ✓ Is there a clear implementation plan?
- ✓ Are payment milestones clearly defined?
- ✓ Are implementation meetings planned through to 'go live'
- ✓ Should actions fall behind is there an agreed process to plan the recovery?

Contract Management:

- ✓ Are all contract management meetings planned for the next 12 months?
- ✓ Are you in control of the contract review meeting agenda?
- ✓ Are you still within budget?
- ✓ Are you using the contract management template?
- ✓ Is the supplier still delivering value for money?
- ✓ Are any corrective actions needed and are they documented on the contract management template?



Proceed to the Next Step



Revisit with Procurement Services what you've done

Transactional Processes

Page

Purchasing Transaction Manual

50

Transactional Processes

Invoices relating to Purchase Orders can only be paid when the relevant goods/services receipt has been processed in the financial management system (Oracle). If there is no receipt or if any of the quantity or price details differ, the invoice will be placed on hold.

Transactional Processes: Finance Academy – Purchasing Transaction Manual

Transactional Processes

The majority of the Procurement Manual focusses on providing support and advice to ensure the requirements for competition as outlined in the Standing Financial Instructions (SFI's) are not breached and appropriate approval is sought to award contracts in line with the Scheme of Delegation.

The 'Procurement Transactional Manual' provides equivalent guidance to ensure the 'No PO No Pay' policy is not breached i.e. goods/services/works are officially:

- Ordered
- Receipted and
- Paid for on time!

This manual provides guidance on:

- the roles and responsibilities of the individual departments involved in the transactional elements of the procurement
- key contacts and useful links to training material.

ACCESS THE GUIDE BY CLICKING ON THE URL BELOW OR PASTING IT INTO YOUR BROWSER.

<http://nww.fsd.wales.nhs.uk/sitesplus/documents/1084/Purchasing%20Compliance%20Guide.pdf>



Tools and Information

Page

Flow Diagrams	52
Templates	59
Key Contacts	60
FAQ's	66
Glossary	68
Useful Links	69

Tools & Information

Supporting tools and information as referenced throughout this Procurement Manual.

Flow Diagrams

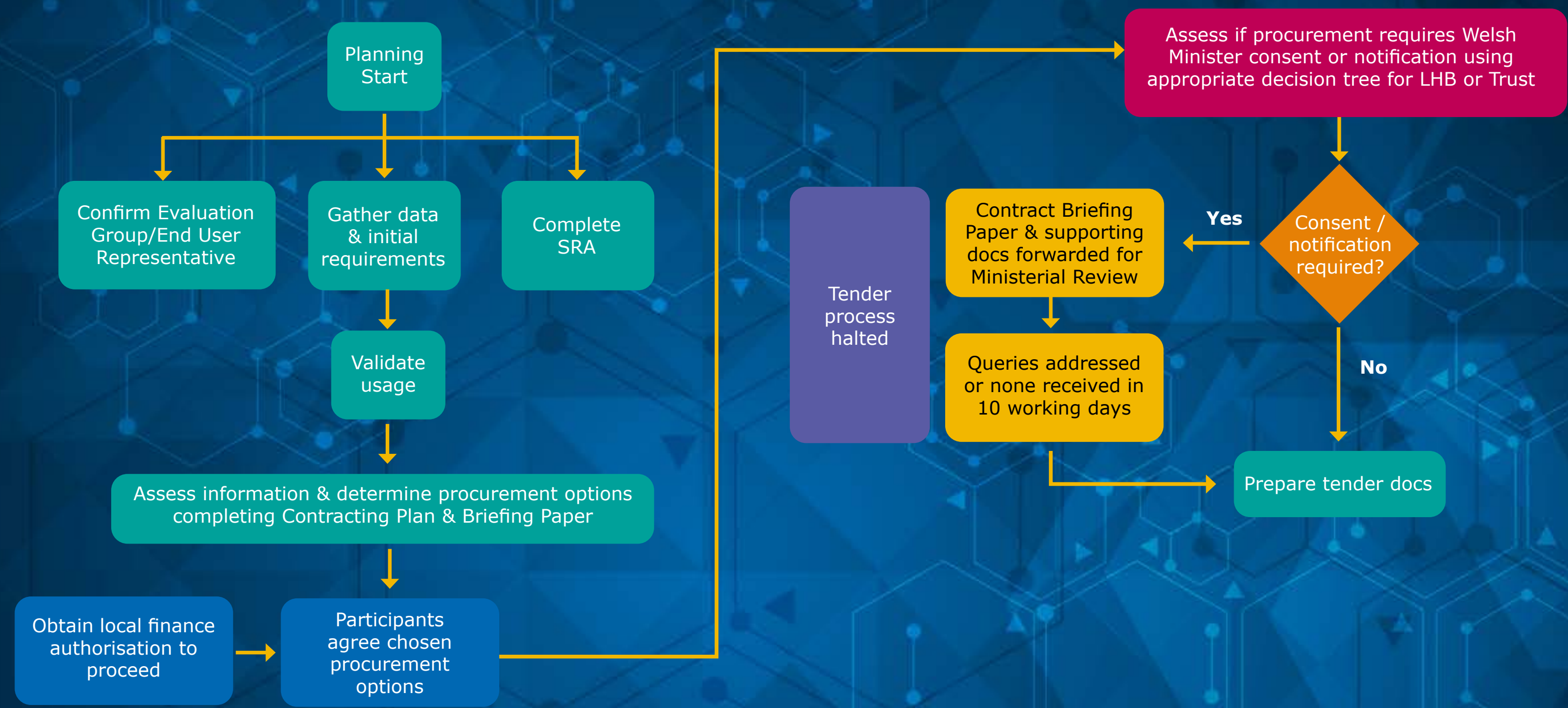
Page

Planning Pre-Tender	53
Routes	54
P2P process	55
Single Quotation/Tender waivers	56
Welsh Government Process to Obtain Consent – Health Board Only	57
Welsh Government Process for Providing Notification – NHS Trusts and Special Health Authorities	58

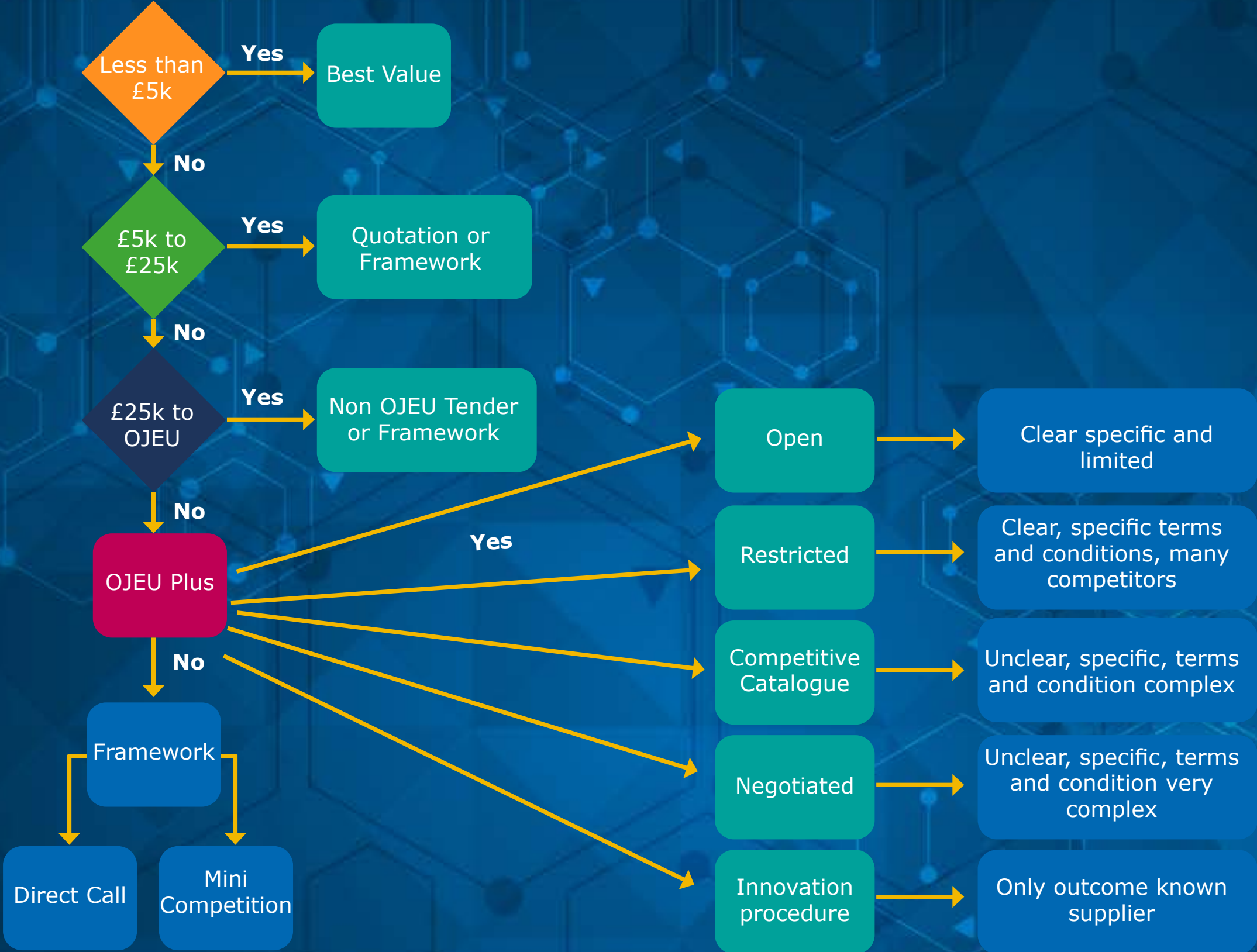
Flow Diagrams

The diagrams available in this section are only intended as a guide. As part of the planning process, your Procurement Lead will discuss with you the most appropriate course of action for your intended purchase.

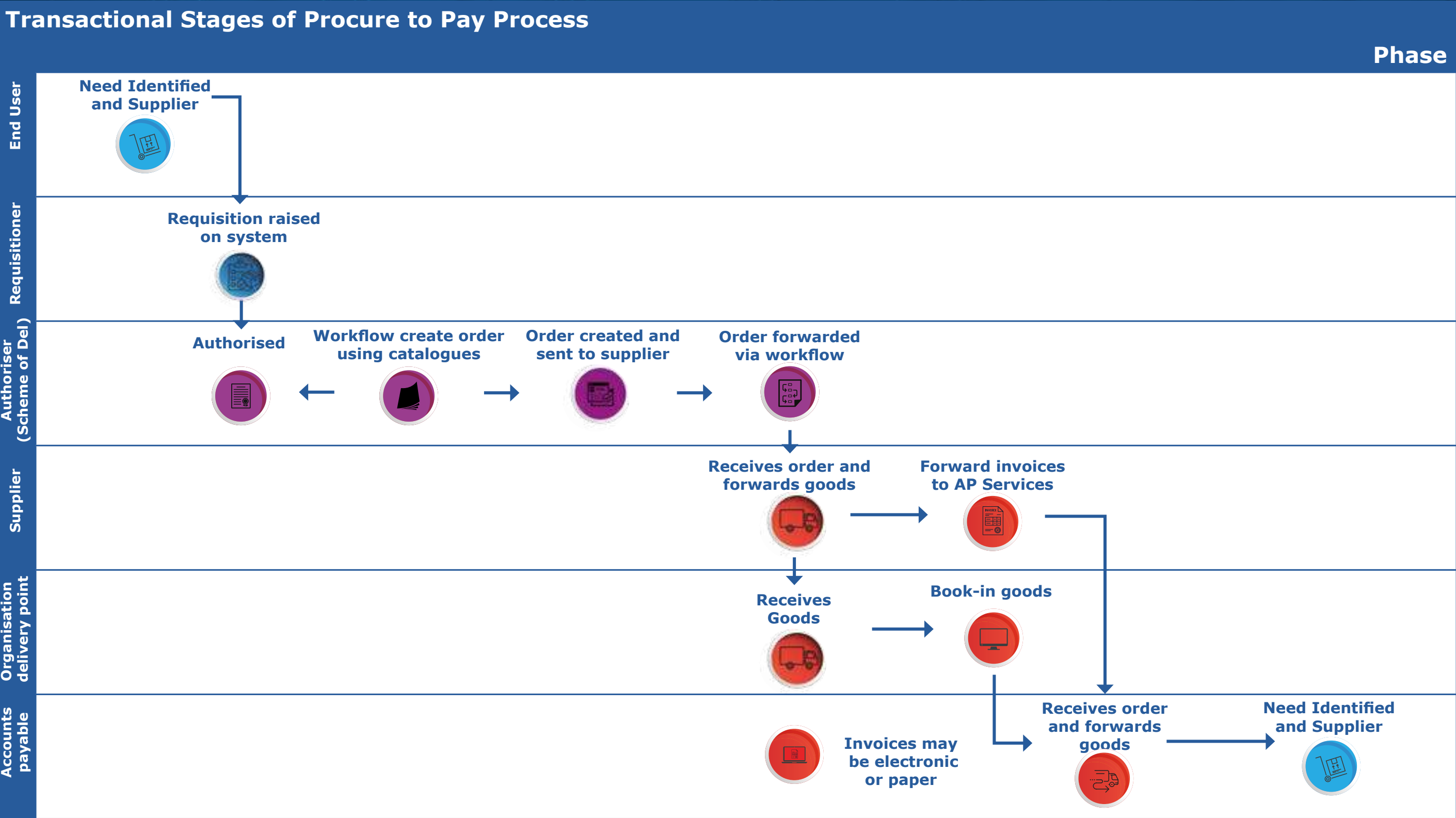
Tools & Information: Flow Diagrams – Planning Pre-Tender



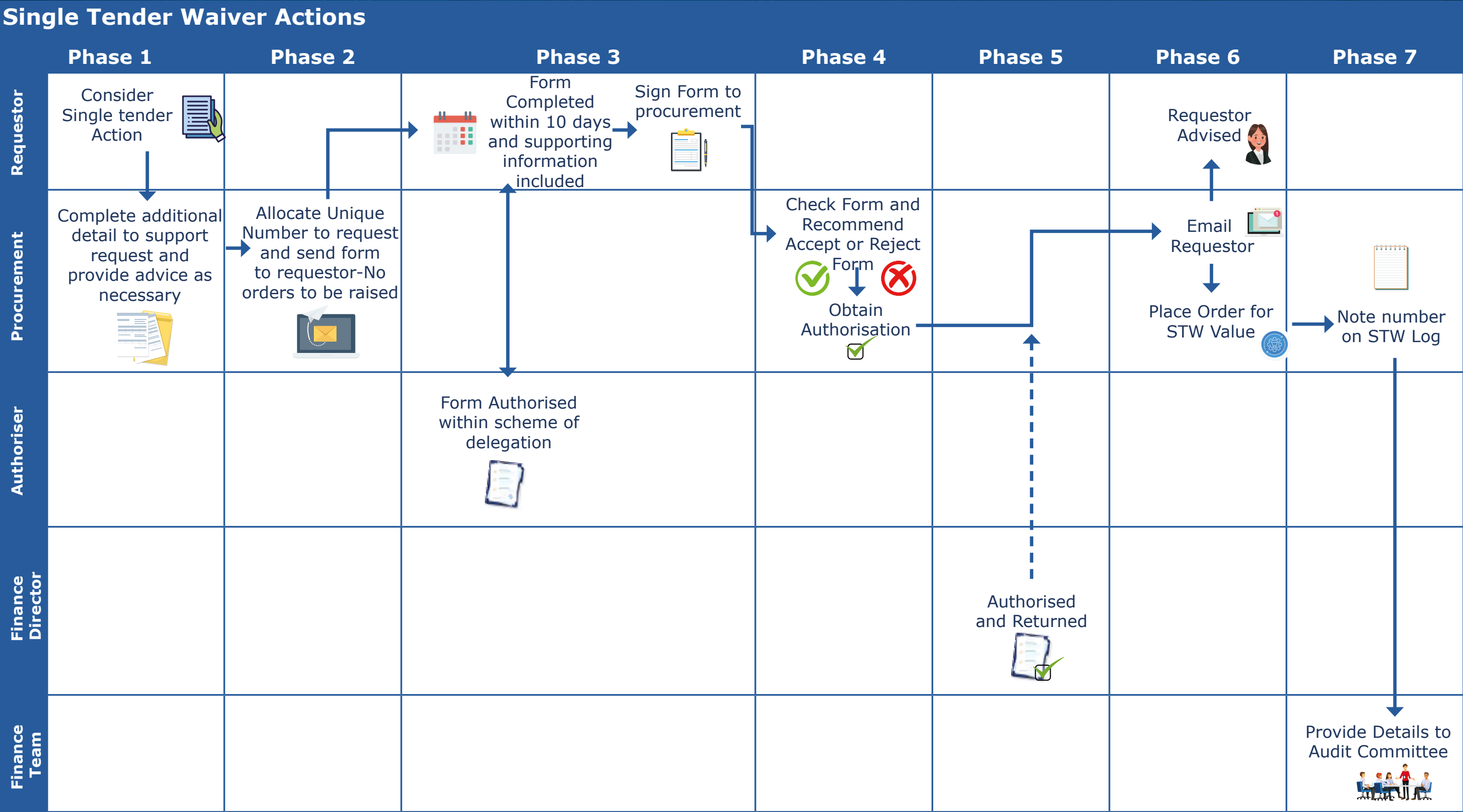
Tools & Information: Flow Diagrams – Routes



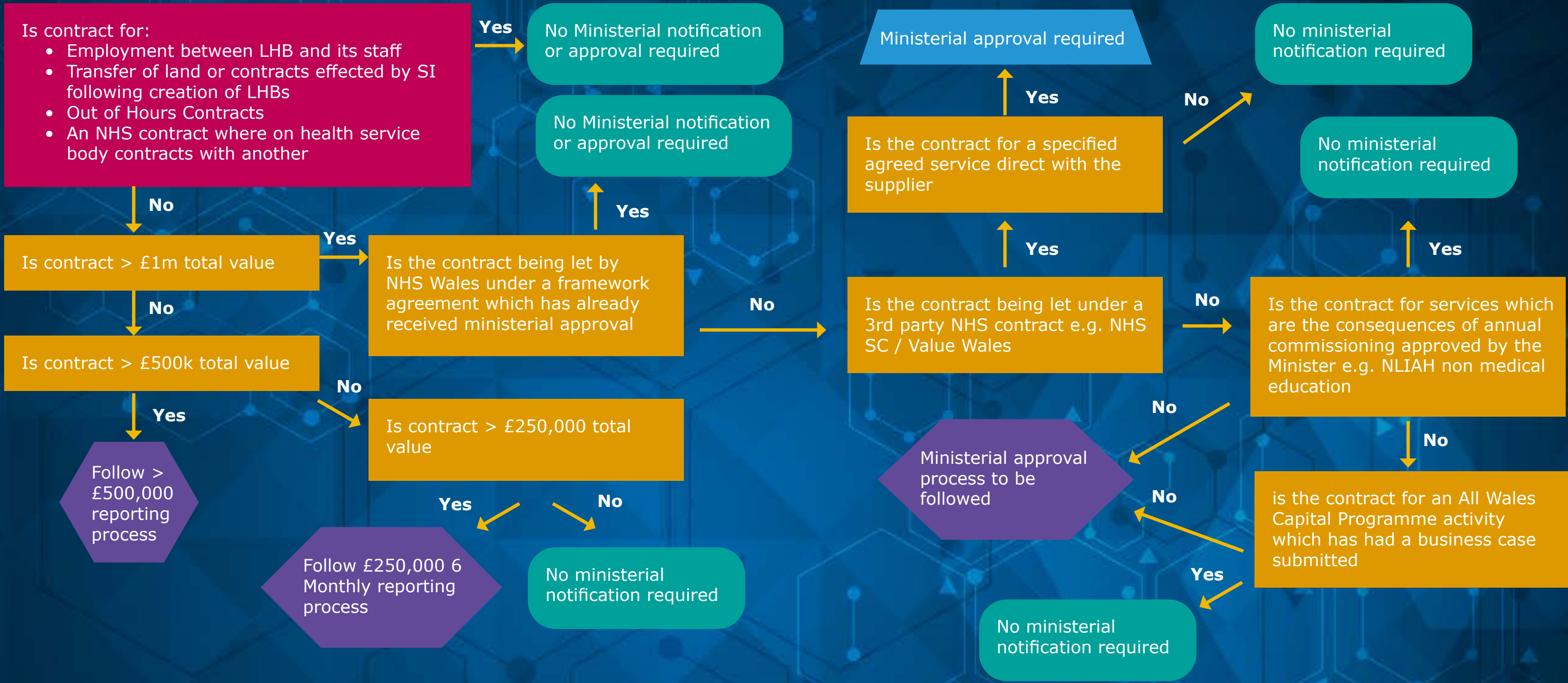
Tools & Information: Flow Diagrams – P2P process



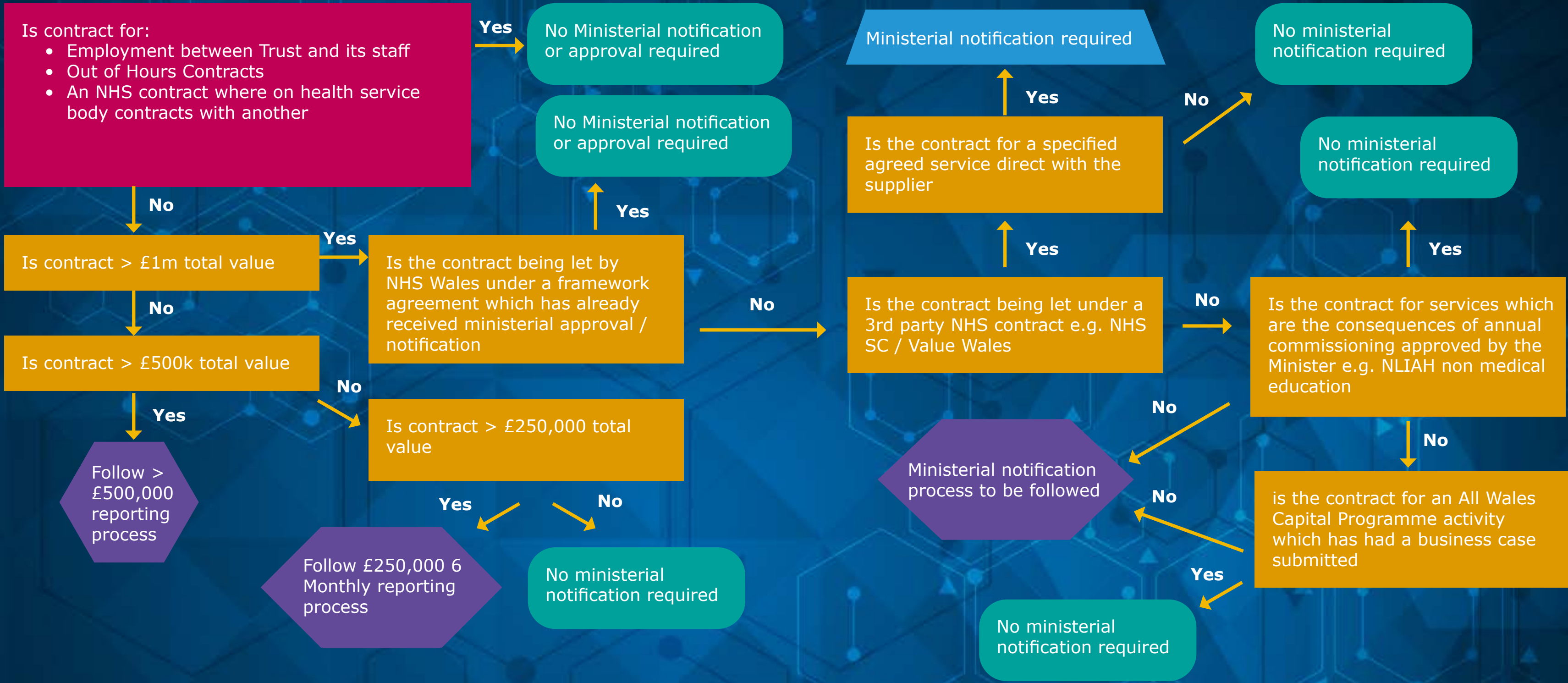
Tools & Information: Flow Diagrams – Single Quotation/Tender waivers



Tools & Information: Welsh Government Process to Obtain Consent – Health Board Only



Tools & Information: Welsh Government Process for Providing Notification – NHS Trusts and Special Health Authorities



Tools & Information: Templates

These templates are only intended to aid preparation for discussion with the Procurement Service. Official issue of competition documents is controlled by the Procurement Service in order to protect the integrity of the competition. Competition documents must be issued via the appointed e-Procurement Systems within the Procurement Service.

Section 1
Planning



Section 2
Competition Requirements



Section 3
Evaluating Responses



Section 4
Approval & Reward



Section 5
Implementation & Contract Management



Tools & Information: Key Contacts

Click on the buttons below to access the relevant contact details.



**Local
Procurement
Team**



**Procurement
Supply Chain and
Health Courier
Services**



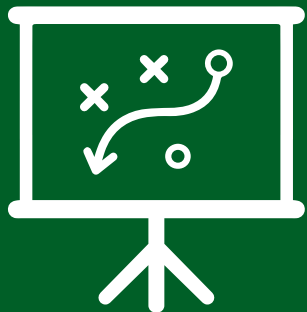
**Procurement
e-Enablement**



**Procurement
Accounts Payable**



**Counter Fraud
Services**



**Organisational
Planning**



Finance



Governance



**Welsh
Language**



**Audit and
Assurance**

Tools & Information: Local Procurement Team

Contact Information

Please find below the dedicated Actionpoint address for your Organisation's Local Procurement Team.

Aneurin Bevan University Health Board

ActionPoint Address:
NWSSP.AneurinBevan.Procurement@wales.nhs.uk

**Betsi Cadwaladr, Powys Teaching Health Board
Welsh Ambulance Services NHS Trust**

ActionPoint Address:
NWSSP.NWales.Procurement@wales.nhs.uk

Cardiff and Vale University Health Board

ActionPoint Address:
NWSSP.Cardiff.Procurement@wales.nhs.uk

Cwm Taf Morgannwg UHB

ActionPoint Address:
NWSSP.CWMTaf.Procurement@wales.nhs.uk

Hywel Dda University Health Board

ActionPoint Address:
NWSSP.HywelDda.Procurement@wales.nhs.uk

**Health Education Improvement Wales, Public Health
Wales NHS Trust, Velindre NHS Trust Including Hosted
Units**

ActionPoint Address:
NWSSP.HEIW.PHW.VEL.Procurement@wales.nhs.uk

Swansea Bay University Health Board

ActionPoint Address:
NWSSP.ABMU.Procurement@wales.nhs.uk

Customer Resources

www.sharedservicespartnership.wales.nhs.uk/procurement-services

Tools & Information: Organisation Planning Contacts

Contact Information

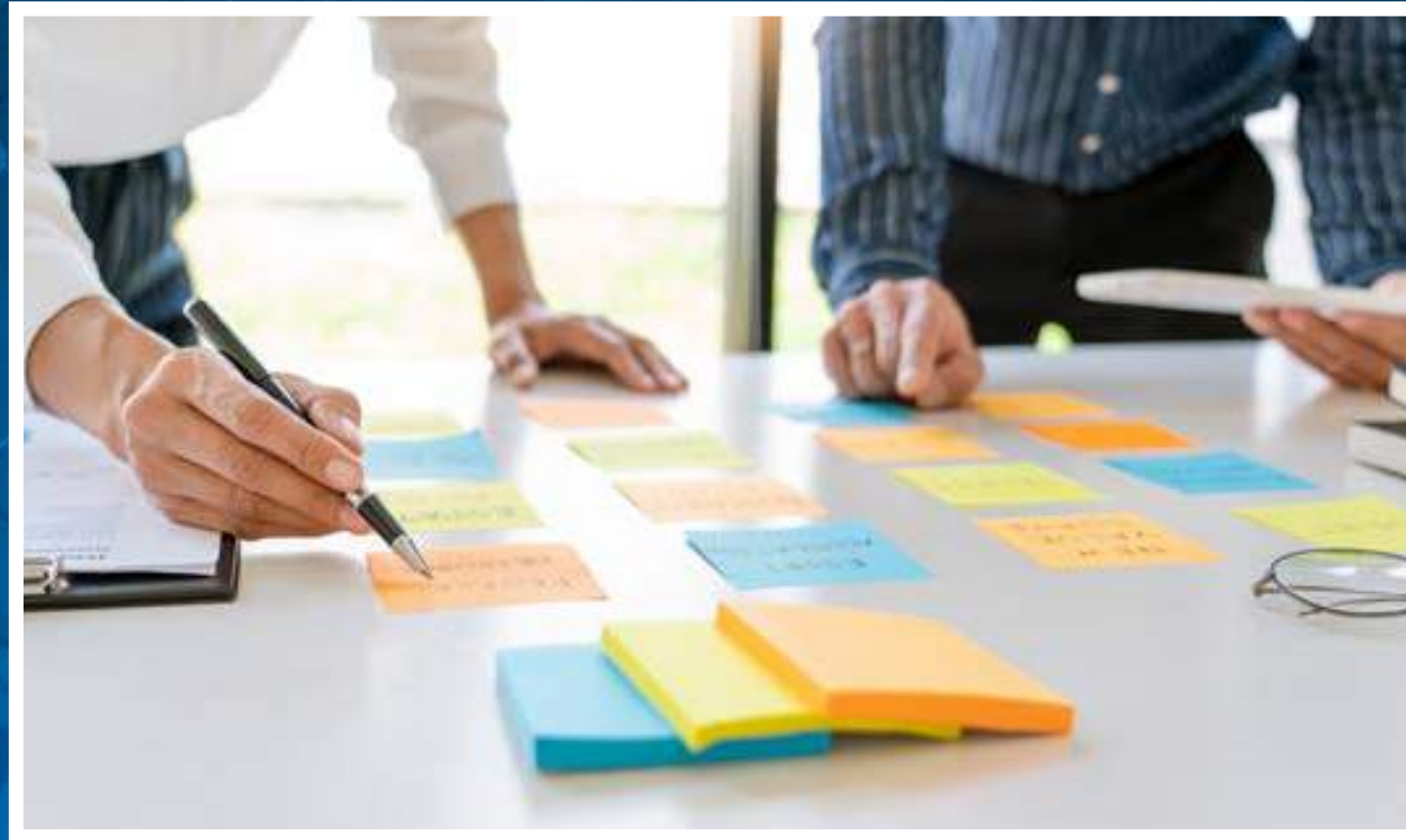
Please see your organisation's planning pages below:

- [Aneurin Bevan University Health Board \(Link Pending\)](#)
- [Betsi Cadwaladr University Health Board](#)
- [Cardiff and Vale University Health Board \(Link Pending\)](#)
- [Cwm Taf Morgannwg University Health Board](#)
- [Hywel Dda University Health Board \(Link Pending\)](#)
- [Health Education Improvement Wales](#)
- [NHS Wales Shared Services Partnership \(Link Pending\)](#)
- [NHS Wales Informatics Service \(Link Pending\)](#)
- [Powys Teaching Health Board \(Link Pending\)](#)
- [Public Health Wales NHS Trust](#)

[Long Term Strategy](#)

[Operational Plan 2020-22](#)

- [Velindre University NHS Trust \(Link Pending\)](#)
- [Welsh Ambulance Service Trust \(Link Pending\)](#)



Tools & Information: Finance

Contact Information

Please see your organisation's Finance pages below:

- [Aneurin Bevan University Health Board \(Link Pending\)](#)
- [Betsi Cadwaladr University Health Board](#)
- [Cardiff and Vale University Health Board \(Link Pending\)](#)
- [Cwm Taf Morgannwg University Health Board](#)
- [Finance Academy](#)

[NHS Wales Finance Academy | Welcome Guide to NHS Wales Finance](#)

Generic email address: HEIW.FinanceTeam@wales.nhs.uk

- [Hywel Dda University Health Board \(Link Pending\)](#)
- [Health Education Improvement Wales](#)
- [NHS Wales Shared Services Partnership](#)
- [NHS Wales Informatics Service \(Link Pending\)](#)
- [Powys Teaching Health Board \(Link Pending\)](#)
- [Public Health Wales NHS Trust](#)
- [Velindre University NHS Trust \(Link Pending\)](#)

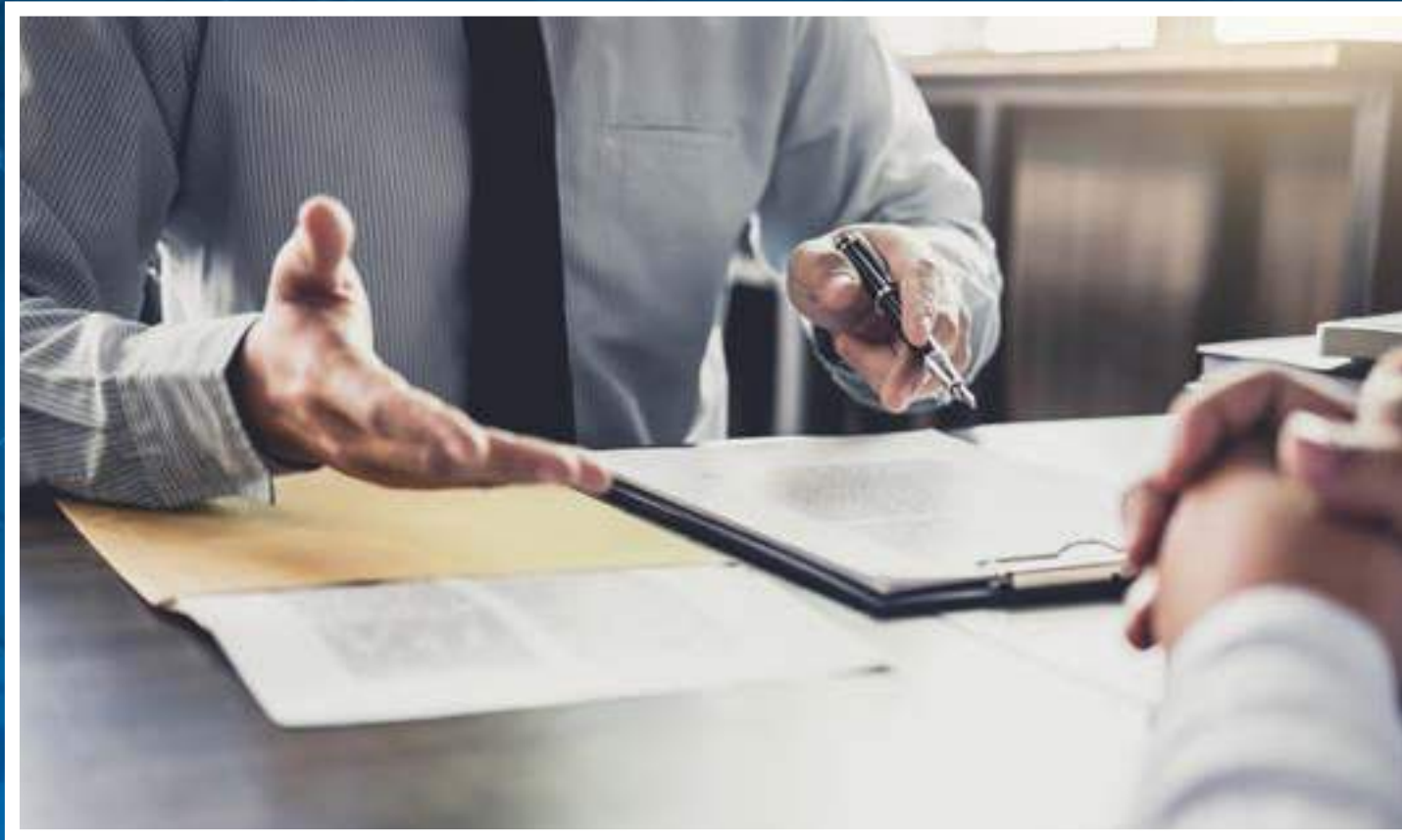


Tools & Information: Governance

Contact Information

Please see your organisation's Governance pages below:

- [Aneurin Bevan University Health Board \(Link Pending\)](#)
- [Betsi Cadwaladr University Health Board](#)
- [Cardiff and Vale University Health Board \(Link Pending\)](#)
- [Cwm Taf Morgannwg University Health Board](#)
- [Hywel Dda University Health Board \(Link Pending\)](#)
- [Health Education Improvement Wales](#)
[HEIW Board: Executive team](#)
- [NHS Wales Shared Services Partnership](#)
- [NHS Wales Informatics Service \(Link Pending\)](#)
- [Powys Teaching Health Board \(Link Pending\)](#)
- [Public Health Wales NHS Trust](#)
- [Velindre University NHS Trust](#)
- [Welsh Ambulance Service Trust \(Link Pending\)](#)



Tools & Information: Welsh Language Key Contacts

Contact Information

Please contact your Welsh Language Officer and visit your own organisation's Compliance Notice.

- Aneurin Bevan University Health Board (Link Pending)
- [Betsi Cadwaladr University Health Board](#)
- Cardiff and Vale University Health Board (Link Pending)
- [Cwm Taf Morgannwg University Health Board](#)
- Hywel Dda University Health Board (Link Pending)
- [Health Education Improvement Wales](#)
- [NHS Wales Shared Services Partnership](#)
- Powys Teaching Health Board (Link Pending)
- [Public Health Wales NHS Trust](#)
- Swansea Bay University Health Board (Link Pending)
- [Velindre University NHS Trust](#)
- Welsh Ambulance Services NHS Trust (Link Pending)



Tools & Information: FAQ's

NB: The Procurement Service will add to the list of FAQ's as time progresses and in response to feedback received.

General Procurement FAQ's

Q: Why do we have procurement rules?

A: Spending public money means we have a responsibility to ensure the best possible value for money outcome is achieved in a manner which would withhold scrutiny and be transparent, open and fair.

Q: Why shouldn't I issue tenders myself?

A: NHS Wales has committed to supporting the WG Welsh Procurement Policy Statement (WPPS), in this statement are clear policy directions all Welsh Public Sector organisations are required to follow. Within this policy statement, there is a requirement to issue all tenders using a secure electronic platform. These platforms are only accessible to members of the Procurement Service who have received the required training.

A: Using the designated electronic platform ensures a level of transparency and fairness when managing the bidding process. It also ensures all Bidders are treated equitably in terms of clarification queries.

Q: Why can't the Procurement Service write our specifications?

A: The Procurement Service may be able to provide example specifications, but the setting of the specification is the responsibility of the operational department. The operational department itself is in the best position to understand the needs and articulate them. Many specifications also require clinical standards, MHRA requirements, ISO procedures etc. to be referenced. This level of specialist knowledge sits within each specific operational department.

Q: Why can't I just keep rolling my agreement forward or use the same supplier?

A: The potential value of any agreement needs to consider the full value of the requirement for the period the goods/ services/works are required. Without appropriate planning, it is possible the incorrect competition threshold will be applied resulting in a breach of your organisations Standing Financial Instructions.

Q: What if I have joined a new post and identified a number of legacy agreements that have been in place for a long time?

A: Contact your Finance Business Partner and Procurement Service who will be able to offer advice and appropriate course of action if needed.

Tools & Information: FAQ's

Brexit Specific

Q1: Who do I contact for pharmaceuticals?

A: Acute shortages out of hours should be directed to the on-call pharmacist at the relevant Health Board/Hospital.

Q2: Who do I contact for spares maintenance?

A: Contact the local Procurement Team, they will link in with appropriate contracts team.

Q3: Why is Covid PPE dealt with separately?

A: Covid now has its own well established business as usual process, to change this at such a critical time may cause further confusion.

Q4: How is the process managed for non-stock items?

A: Email the local action point address of your Local Procurement Team and they will respond to your query.

Q5: What about Social Care?

A: We have an agreed process for the LAs in Wales with an agreed process. Essentially the first port of call is to contact the respective LA to deal with any issues.

Q6: What about Primary Care?

A: Email the local action point address and they will respond to your query.

Q7: Why can't I just ring the Procurement Team?

A: We need to be able to log the query with all of the details as provided in this presentation.

Q8: Why shouldn't I ring supplier direct?

A: It causes a layer of confusion and potential conflicting messages and a false impression of the true supply position.

Q9: Who is responsible for keeping the Health Board customer updated?

A: This is the responsibility of Frontline Procurement Team staff member.

Tools & Information: Glossary

NB: The Procurement Service will add to the glossary list as time progresses and in response to feedback received.

- ADC** – Automatic Data Capture
- ADOF** – Assistant Director of Finance
- AdviseInc** – Business intelligence solution used to analyse expenditure
- BI** – Business Intelligence
- Brexit** – The withdrawal of the United Kingdom from the European Union
- CHC** – Community Health Council
- CIPS** – Chartered Institute of Procurement and Supply
- CRM** – Customer Relationship Management
- CSE** – Customer Service Excellence
- DOF** – Director of Finance
- EU** – European Union
- GHX** – Global Healthcare Exchange

- GP** – General Practitioner
- GS1** – Global Standards (bar coding)
- HB** – Health Boards
- HCS** – Health Courier Service
- ICHOM** – International Consortium for Health Outcome Measurement
- IM&T** – Information Management and Technology
- IMTP** – Integrated Medium Term Plan
- ISO** – International Organisation for Standardisation
- KPI** – Key Performance Indicator
- NHS** – National Health Service
- NHSSC** – NHS Supply Chain in England
- NPS** – National Procurement Service
- NWSSP** – NHS Wales Shared Services Partnership
- OCR** – Optical Character Recognition

- P2P** – Procure to Pay
- PEPPOL** – Pan –European Public Procurement Online
- PPIB** – Procurement Price Indices Benchmarking
- PSPP** – Public Sector Payment Policy
- Qlikview** – Business intelligence tool with dashboard presentation
- SLA** – Service Level Agreement
- SME** – Small and Medium-sized Enterprises
- SRM** – Supplier Relationship Management
- VBHC** – Value Based Healthcare
- VBP** – Value Based Procurement
- VFM** – Value for Money
- WAO** – Welsh Audit Office
- WBFGA** – Wellbeing of Future Generations Act
- WG** – Welsh Government

Tools & Information: Useful Links

Planning



- 1. [Sustainable Procurement - Circular Economy](#)
- 2. [Wrap](#)
- 3. [Sustainable Procurement - Foundational Economy Welsh Government](#)
- 4. [Foundational Economy](#)
- 5. [NHS Wales Planning Framework](#)
- 6. [Ethical employment in supply chains: code of practice, guidance and training](#)
- 7. [Environment & Sustainable Development](#)
- 8. [Mapping Greener Healthcare](#)
- 9. [Health and Sustainability](#)
- 10. [United Nations Environment Programme](#)
- 11. [Procurement: guidance on speculative framework agreements](#)
- 12. [Welsh Government Procurement Policy Statement](#)
- 13. [Value Based Healthcare](#)

Competition Requirements



- 1. [Stakeholder Engagement](#)
- 2. [NHS Wales Contract Programme \(no registration required\)](#)
- 3. [NHS Supply Chain Catalogue \(registration required\)](#)
- 4. [National Procurement Service \(registration required\)](#)
- 5. [Crown Commercial Service \(no registration required\)](#)

Tools & Information



- 1. [Oracle i_procurement training](#)

Feedback

NWSSP Procurement Services do hope you find this pilot version of the all Wales Procurement Manual useful.

We wish to support you further by continuing to improve the manual, please take a moment to provide feedback by completing this short survey.

Procurement Manual Feedback



GIG
CYMRU
NHS
WALES

Partneriaeth
Cydwasaethau
Gwasanaethau Caffael
Shared Services
Partnership
Procurement Services