Recommendation for Award

Contract Title: Agency Locum Doctors: NP500/12
Recommendation for Award
Contract: Agency Locum Doctors
Reference: NP500/12

CONTENTS

Executive Summary

Appendix A - Background Information

Appendix B - Post Project Review Data
Recommendation for Award  
**Contract:**  Agency Locum Doctors 
**Reference:**  NP500/12

---

**Executive Summary**  
Agency Locum Doctors is a term used to describe temporary doctors supplied through an Agency. The contracted agencies are required to provide the services to the health boards of doctor locums of all grades and specialities. The exact requirements of each health board will be determined locally.

**Contract Value (per annum):**  
**Total £40m** (pro-rata 2012/13 Accounts payable data)

**Contract Duration:**  
Two (2) Years plus two (2) optional one (1) year extension periods.

**Contract Commencement:**  
1st March 2013

**Type of Contract:**  
Single Lot Framework  
Multi Supplier Framework arrangement: 10 suppliers  
Method of evaluation – Most Economically Advantageous Tender.  
Non Ranked

**Method of Call-off:**  
Non-ranked. Call off from the Framework Agreement shall be by submission of Orders by the relevant Participating Authorities to the Framework Participants.

Where Participating Authorities intend to call off the Framework Agreement by submission of an Order they shall approach each Framework Participant. To determine whether or not a Framework Participant is able or capable of meeting a Participating Authority’s specific requirements the Participating Authority will consider:

1. The suitability of the Agency Worker proposed  
2. The cost of the call off.

**Secured Savings**  
Target Secured Saving was zero.  
Secured Savings are being calculated and are likely to be over £500k based on a £25m basket of goods.

**Adopted Strategy:**  
- Open Procedure  
- Mandatory requirements to be met  
- Single Lot  
- Set Pay rates based on Bank equivalent – competition on commission.  
- Engagement with National Groups on Medical Staffing / Staff Banks  
- Non Cost Evaluation  
- 25% Technical Merit  
- 15% Quality Assurance  
- 10% Implementation
Recommendation for Award
Contract: Agency Locum Doctors
Reference: NP500/12

Recommended Contractors:
It is therefore recommended that the following suppliers are awarded to the contract under Non ranked Framework Agreement:

<table>
<thead>
<tr>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>MP Locums</td>
</tr>
<tr>
<td>Medecho Ltd</td>
</tr>
<tr>
<td>Athona Doctor</td>
</tr>
<tr>
<td>HCL Doctors</td>
</tr>
<tr>
<td>Direct Medics Ltd</td>
</tr>
<tr>
<td>First Medical</td>
</tr>
<tr>
<td>Medacs Healthcare</td>
</tr>
<tr>
<td>Templar Company Ltd</td>
</tr>
<tr>
<td>Reed Specialist Recruitment</td>
</tr>
<tr>
<td>Accident &amp; Emergency Agency Ltd</td>
</tr>
</tbody>
</table>

Please note that the maximum scoring that could be achieved was 100

Risks & Issues
- Main incumbent not awarded onto new framework

Mitigation
- 10 suppliers appointed cover over 66% spend
- Full CLO Engagement in process
- ITT submissions scored independently then consensus reached.
- CAP competent to make assessment – Medical Staffing
- Full process described in ITT & OJEU advert
- Standstill letter to be reviewed prior to issue

Risks & Issues
- Agency Locums are not vetted or are not of the calibre required.

Mitigation
- The framework agreement is very clear about the requirements of NHSS in relation to vetting and background checks. This is a contractual requirement and will be supplemented by audit checks, initially to confirm compliance. Additionally contracted agencies have identified the need to meet with all Health Boards to fully understand particular local requirements.

Risks & Issues
- Award Envisaged 8 Suppliers10 appointed to framework owing to very close scoring. Risk is that 11th supplier etc query why the line was drawn at 10 and not 11 or 12
Mitigation

- ITT documentation "envisages" an awarded number
- Scoring very close
- Addition of suppliers discussed with CLO
- CLO advice sought in response - differential in scores achieved was not considered significant by the evaluation panel and accordingly two additional bidders were appointed to the framework

Risks & Issues

- One challenge received 12 days after standstill commenced

Mitigation

- CLO Engaged and responded to each of the grounds
- Standstill extended to provide adequate time for the Supplier to respond
- Standstill ends close of business on 4th March

Recommended for approval

I recommend the contract is approved for award including any actionable extensions.

Signed: ....... Date: 04/03/13
Peter McConnell
Strategic Sourcing Manager

Approved

Contract recommendation is approved for award subject to satisfactory completion of the mandatory standstill Period

Signed: Date:04/03/13
Colin Sinclair
Director of National Procurement

Signed: Date:04/03/13
Simon Belfer
NSS Finance Director
APPENDIX A – Background Information

Current contractual Arrangements

Commodity Description

1.1 Commodity Profile

The contract for the provision of temporary Agency Locum Doctors relates to the provision of Agency services in providing suitably vetted Medical Doctors to meet the temporary medical staffing cover requirements of NHSS Boards

1.2 Current status

The multi supplier framework is for the period of 2 years which commenced on 1st June 2010, with option to extend for 2 x 12 month periods. First extension expires 31st May 2013

1.3 Current Suppliers

There are currently five suppliers Reed Doctor, DRC Locums, MP Locums, Templars and First Medical Staffing Solutions.

1.4 Spend

2009 – 2010 £36m,
2010 – 2011 £34m
2011 – 2012 £35m
2012-2013 (£40m est based on £20m for first 6 months)

2. Proposed shape of contract

2.1 Scope

Single Lot Multi supplier framework with 10 participants (envisaged 8)

2.2 Strategic recommendations and reasoning

- National Tender
- Introduce Pay rates which are in line with NHSS pay strategy This is a continuation of the existing strategy and to do otherwise may impact on NHSS Staff Bank progress.
- National Standards as basis of “mandatory requirements” in ITT. Evaluation based cost and on fewer probing questions on service offering
- Review of “upstream activities” generating demand and how demand is communicated to supply base.

2.3 CLO Engagement Strategy

Full CLO Engagement in Process – Involvement note 6th Sept prior to ITT Issue. CLO Tender analysis review 10th Jan.

2.4 Stakeholder Engagement

- The contracting process is an agenda item on the Supplementary Medical Staff Implementation Group, chaired by [Redacted]. In addition to this the HR Sub group were engaged in the development of the specification documents prior to ITT Issue.
- CLO Engagement at all key stages
- Medical Staffing Managers engaged in the development of ITT documents and the scoring of ITT submissions.
- Medical Staffing managers engaged at Contract award recommendations
- National Medical Staff Bank Group engaged at contract award recommendations

**Stakeholder Map & Engagement**

NHSS Boards were contacted per WI for CAP nominations with limited success. The previous stakeholder model was complex but necessary as there was no national management or organisational structure for the engagement of this service.

As there is now a National Approach to supplementary medical staffing, supported by established SLWG, the proposal is to use those groups (on individual basis) in the execution of the re-tender. Tender scoring will be carried out by a limited number of NHSS Board MSOs and recommendations will be taken to group meetings as part of the approval process.

**3 New Contract Process and Award**

**3.1 Route to Market**
OJEU issued 7th Sept 2012

**3.2 PQQ Process**
Not applicable. An Open Procedure was implemented.

**3.3 Tender Issued**
Tenders Issued: 75
Tenders Returned: 35

**3.4 Tender Evaluation**
14 Admissible bids
21 Did not meet minimum conditions
Recommendation for Award
Contract: Agency Locum Doctors
Reference: NP500/12

The Tender evaluation criterion was developed through CAP meetings. Agreement was reached with CAP on weightings, structure and format of the evaluation.

- Must comply with regulations 23 and 24 of the public contracts (Scotland) regulations
- Must provide required references
- Must meet minimum turnover requirement £2m
- Must meet minimum required number of Doctors (to NHSS standards)

Cost 50%
Technical Merit 25%
Quality 15%
Implementation 10%

Envisaged 8 participants.
10 actual – based on close final score. CAP in agreement since increasing the pool is in line with the strategy to assure supply sources meet NHSS T&Cs.

3.5 Commentary on any current suppliers not on new contract
[Redacted] provide about 10% £4m of Locum Doctors to NHSS Scotland and this represents about 10% of their £41m turnover.

4 Return on Investment
4.1 Savings

Secured Savings

Non Targeted

- Estimated £500k based on a £25m basket of goods

Potential additional savings

Additional savings by moving from Agency to internal bank. Using analysis of uptake information will aid demand management strategy.

Ease of Implementation

5 Use of the Contract

Call Off from the Framework arrangement will be by submission of orders. Participants represent over 80% of spend

6 Risks and Issues

Any major barriers to success

Risks & Issues

- Main incumbent not awarded onto new framework

Mitigation

- 10 suppliers appointed cover over 80% spend
Recommendation for Award
Contract: Agency Locum Doctors
Reference: NP500/12

- Full CLO Engagement in process
- ITT submissions scored independently then consensus reached.
- CAP competent to make assessment – Medical Staffing
- Full process described in ITT & OJEU advert
- Standstill letter to be reviewed prior to issue

Risks & Issues
- Agency Locums are not vetted or are not of the calibre required.

Mitigation
- The framework agreement is very clear about the requirements of NHSS in relation to vetting and background checks. This is a contractual requirement and will be supplemented by audit checks, initially to confirm compliance. Additionally contracted agencies have identified the need to meet with all Health Boards to fully understand particular local requirements.

Risks & Issues
- Award Envisaged 8 Suppliers10 appointed to framework owing to very close scoring. Risk is that 11th supplier etc query why the line was drawn at 10 and not 11 or 12

Mitigation
- ITT documentation "envisages" an awarded number
- Scoring very close
- Addition of suppliers discussed with CLO
- CLO advice sought in response

Risks & Issues
- Many requests for additional debrief information, although nothing formal and no Legal challenges received at time of writing. One request citing FOIA One request citing FOIA querying why a supplier with previous CVA was included in award

Mitigation
- Tracker for responses set up and replying to each individually
- Reg 32 basis of response to expedite replied
  Potential to extend standstill, if required to allow Suppliers time to review responses

Risks & Issues
- One challenge received 12 days after standstill commenced

Mitigation
Recommendation for Award
Contract: Agency Locum Doctors
Reference: NP500/12

- CLO Engaged and responded to each of the grounds
- Standstill extended to provide adequate time for the Supplier to respond
- Standstill ends close of business on 4th March

7 Recommendation for Award
I here by recommend the suppliers detailed below are awarded to the Contract for a period of 2 years including the option to extend for two 12 month periods.

Name:

Title: Commodity Manager  Date:

I confirm my endorsement of the above recommendation and request it is approved in accordance with the standing financial instructions.

Name: [Signature]

Title: Category Manager  Date: 28/02/2013

Name: [Signature]

Title: Strategic Sourcing Manager  Date: 28/02/2013
**APPENDIX B - Post Project Review Data**

<table>
<thead>
<tr>
<th>Contract Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Contract</td>
</tr>
<tr>
<td>Type of Contract</td>
</tr>
<tr>
<td>Term of Contract</td>
</tr>
<tr>
<td>Contract Start Date</td>
</tr>
<tr>
<td>No. of days</td>
</tr>
<tr>
<td>Performance to Programme</td>
</tr>
<tr>
<td>No. of days</td>
</tr>
<tr>
<td>No. of change plans</td>
</tr>
<tr>
<td>Return on Investment</td>
</tr>
<tr>
<td>Secured Savings</td>
</tr>
<tr>
<td>Other non savings Benefits</td>
</tr>
<tr>
<td>Details</td>
</tr>
<tr>
<td>Product Security</td>
</tr>
<tr>
<td>Increased Collaboration</td>
</tr>
<tr>
<td>Rationalisation</td>
</tr>
<tr>
<td>Contract coverage</td>
</tr>
<tr>
<td>Supply chain/NDC Improvement</td>
</tr>
<tr>
<td>Customer Demand</td>
</tr>
<tr>
<td>CSR/Sustainability</td>
</tr>
<tr>
<td>Other ?</td>
</tr>
<tr>
<td>Supplier Rationalisation</td>
</tr>
<tr>
<td>No. of Suppliers</td>
</tr>
</tbody>
</table>