

**NHS NATIONAL SERVICES SCOTLAND**

# **ANNUAL PROCUREMENT REPORT**

**Date of Issue: 26<sup>th</sup> August 2020**

**Date of next review: April 2021**

Owner: S.Mclaughlin, NSS Head of Procurement

## Table of Contents

1	Purpose and Executive Summary.....	3
2	Summary of Regulated Procurements Completed.....	5
3	Review of Regulated Procurement Compliance .....	6
4	Community Benefit Summary .....	14
5	Supported Businesses Summary.....	16
6	Future Regulated Procurement Summary .....	17
7	Global Supplier Spotlight .....	19
8	Report ownership and contact details.....	22
9	Appendix 1 – Regulated Procurements in Period .....	23
10	Appendix 2 – Reporting Metrics.....	26
11	Glossary .....	30
	DOCUMENT CONTROL SHEET: .....	33

# 1 Purpose and Executive Summary

## 1.1 Purpose

The purpose of this annual report is to aid visibility of NHS National Services Scotland's ("the Authority") purchasing activities and to allow us to record and publicise our performance and achievements in delivering our procurement [strategy](#). This report allows us to demonstrate to our stakeholders that our procurement spend is being used to best effect to achieve:

- Security of Supply
- Better public services;
- Social, economic and environmental outcomes in our area; and,
- A range of local and national policies e.g. those relating to tackling inequality and meeting climate change obligations.

As well as providing information on how we consult and engage with our stakeholders, alongside the procurement strategy, this report is a key document to inform and engage with our external and internal clients, our strategic partners, suppliers and potential suppliers and the general public.

As detailed within our Procurement Strategy this report will focus on the Authority's corporate expenditure of £53M.

## 1.2 Executive Summary

This report evidences the ongoing commitment from the NHS NSS Procurement team to deliver on our strategic objectives i.e. compliance and governance, value delivery and ethical and sustainable procurement.

The past year, again has been challenging, we continue to experience resource impacts through;

- Brexit activity;
- NHS Scotland ongoing clinical waste contingency, and toward year end,
- The early and severe impacts of the Covid-19 Pandemic

Against this backdrop we delivered the following;

- Approved savings of just over £1.1M from tendering and commercial initiatives

- Commencing the transition to a ‘Digital First’ colleague engagement model making it easier for colleagues to find the information they need and allow us to focus on more value add activity
- In a recent customer survey, we achieved satisfaction scores that exceeded NHS NSS internal targets demonstrating our commitment to partnership working with colleagues
- We expanded our commitment to social benefits from procurement through;
  - Awarding a £1M contract to Capture All, a supported business to send and digitise NHS Scotland GP practice patient records,
  - Paying the Real Living wage by uplifting pay levels for our Facilities contractors on NSS sites.
  - Apprenticeships created for 2 young people and 1 young person employed directly as a result of our business award

### **Taking our Environmental Responsibilities Seriously**

The Scottish Blood Transfusion Service (SNBTS) is an integral part of NHS NSS which provides a vital service for NHS Scotland as such, much of its products and services are provided by suppliers with a global presence. In the year we focused our attention with these suppliers on environmental improvement activity and are pleased to say that our suppliers are providing clear evidence of their commitment to reducing environmental impacts from their operations (detailed in section 7).

We continue to prioritise spend transparency through our public contract register both for our £53M corporate spend and those awards NSS administers on behalf of NHSS. As a result, our contract register’s local contract lines have grown 10% year on year.

Our team have recently taken on responsibility for Procurement for Public Health Scotland and look forward to working closely with them to help them deliver against their ambitions.

Our priorities remain constant, allied with continuous improvement in our people and processes and we remain confident that we can continue to deliver across all our commitments in future.

## 2 Summary of Regulated Procurements Completed

### 2.1 Definition

In accordance with the Procurement Reform (Scotland) Act 2014, any Public contract of £50,000 or greater and public works contract of £2,000,000 or greater is considered a Regulated Contract. A Regulated Procurement is any procedure leading to the award of a Regulated Contract.

### 2.2 Summary of Procurements

We made 39 contract awards in the period amounting to a contract value of just over £16.4M. Due to the complex nature of NHS NSS an element of this value covers work done on behalf of NHS Scotland. This demonstrates how our Procurement service supports national programmes in its day to day activities.

### 2.3 Collaborative Contracts

NHS NSS is classified as a 'National' Health Board in Scotland - the scope of its services is national in nature. We implement contracts in collaboration with other Public Bodies and in the period we placed contracts for NHS Scotland for;

- Healthcare Waste Audit training
- Patient records scanning
- Skilled IT contract resource

We also placed contracts for Scottish Government colleagues in the following areas;

- Return to work support training
- Financial consultancy services

## 3 Review of Regulated Procurement Compliance

### 3.1 Introduction

This section demonstrates how NHS NSS Procurement has contributed to the achievement of our specific objectives and to the general duties in the Procurement Reform (Scotland) Act 2014. Section 3.3 discusses our performance against the mandatory elements of our strategy while section 3.4 details how we performed against our three overarching objectives.

### 3.2 How we review our Regulated Procurements

NHS NSS Procurement observes the Procurement Journey methodology including application of the Sustainable Procurement tools highlighted in 3.4 and 4.1 for all of its Regulated Procurements where a tendering process is required. Route 2 is used when below OJEU level and route 3 for OJEU procurements. Call off contracts are checked with the host organisation e.g. NHS National Procurement, Scottish Government and, where necessary, Crown Commercial Service or other UK NHS bodies for compliance with regulations and policy before we enact these. Our policy is that Frameworks, 'Let' by these bodies are the only valid route for NHS NSS Call-Off awards.

We review all direct award contract awards through our Sole Source Justification procedure. This procedure mandates that any spend over £10K if not tendered or on a pre-let contract or Framework Agreement is accompanied by a sole source justification form.

The sole source justification form allows us to correctly categorise spend within the Regulatory framework i.e. within the following categories;

1. The requirement falls under the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 Sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations; examples being;
  - a. Property rental
  - b. client legal representation
  - c. legal advice
  - d. Public Sector to Public Sector contracts under regulation 13(8) of the aforementioned regulations

2. Specific situations apply meaning that the requirement can only be delivered by a certain supplier under regulation 33 of the aforementioned regulations, we publish a contract notice under these circumstances.
3. Research and development spend which benefits NHS Scotland and its patients.

### **3.3 Delivering against our Mandatory Obligations**

This section reviews our performance against the commitment stated in section 6 of our Procurement Strategy.

#### **Commitment 1 – Regulated and OJEU Procurements**

We committed to advertising opportunities and placing award notices for our call off requirements on Public Contracts Scotland to maintain our Public Contract Register. As stated in section 2.2 we performed 39 Regulated Procurements over the period. Of the procurements 33 of these complied with our strategy with 6 being non-compliant, 96% of our Regulated Procurements by value over the period were compliant.

Due to our Sole Source Justification process we can easily identify those procurements' that don't comply along with the reasons for this. These reasons are scrutinised by Procurement and where necessary the NHS NSS Director of Finance, if these are approved to proceed we work with colleagues to ensure that we plan in any follow-on purchases through a Regulated Procurement process. We also now have a digital procurement presence across NHS NSS which provides a simpler way for colleagues to interact with us and to access clear information on what contracts are available for use. Our contract register is highly accurate and our message is clear that we prize transparency in spend very highly and will publish non conformant spend to reinforce our commitment to that transparency.

#### **Commitment 2 – Achieving our purpose**

We committed to working closely with colleagues in Regulated and OJEU procurements and to use Procurement Journey Route(s) 2 and 3. In the period we delivered 14 regulated procurements across a varied portfolio from site demolition to blood analyses testing. Each of the specifications and evaluation criteria were informed by an expert user intelligence group made up of internal colleagues and supported by Health Board colleagues if the Procurement was collaborative in nature.

#### **Commitment 3 - Delivery of value for money**

We committed to obtain value for money through best practice contracting and supplier management and through undertaking key strategic procurement activities. Over the period we delivered over £1.1M in savings and cost avoidances.

#### **Commitment 4 - Utilising the Scottish Model of Procurement**

We committed to ensuring our procurement activity was optimised to the Scottish Model of Procurement. We did this by ensuring we used central framework agreements from our Procurement Centre of Expertise (NHS National Procurement), Scottish Government and other UK Health Authorities. Around 32% (c.18M) of our contracts are call offs from these sources based on our public contracts register.

#### **Commitment 5 - Engaging with our service users**

We pledged to work with colleagues in NHS NSS to utilise NHS NSS embedded approaches to facilitate better engagement with the public. In reality our services are primarily targeted at service users within NHS NSS rather than patients. To understand how we are viewed by our colleagues and where we can improve we regularly survey our service users. Our recent survey demonstrated that we are exceeding the NHS NSS benchmark satisfaction scores;

**Customer Satisfaction: 87%** (NSS Target 70%)

Methodology: On a scale of 1 – 10, the number of respondents answering 7 - 10 to the question '**Overall how satisfied are you with X?**'

**Net Promoter Score: 60%** (NSS Target 0%)

Methodology: On a scale of 1 – 10, the number of respondents answering 9 - 10 to the question '**How likely are you to recommend X to a colleague/associate**' minus No. of respondents answering 1 - 6

**Customer Effort Score: 77%** (NSS Target 62%)

Methodology: On a scale of 1 – 10, the number of respondents answering 7-10 to the question '**how easy is it to do business with X?**'

#### **Commitment 6 - Engaging with Suppliers**

We continue to use our Dynamic Purchasing System allowing us to issue multiple tenders in a very short timescale with low entry barriers typically suited to SMEs.

We attend Procurex annually and we were part of the development team working on Procurement 4 Health 2020 which unfortunately had to be cancelled due to the Covid-19 outbreak. We recognise that this is a continuous endeavour and will continue to reduce barriers to our opportunities for suppliers.

### **Commitment 7 - Community benefits**

Please refer to Section 4.

### **Commitment 8 – Food Procurement**

We stated that we would work closely with NHS National Procurement to ensure the highest level of standards are maintained in both the obtaining of food supplies and the onsite preparation of food to ensure the wellbeing of our staff and visitors. Our retail offering to staff and visitors maintains Health Living Award + and retail standard. We have worked with NHS National Procurement to reduce non-contract spend which gives us assurance that the integrity of our food supply chain maintains the highest standards. Work has begun to look at strengthening our Scottish supply base through strategies such as Food for Life and Quality Meat Scotland incorporating Red Tractor and the animal welfare charter.

### **Commitment 9 – Real Living Wage**

NHS NSS Procurement will work with suppliers through contracting and relationship management to look for opportunities for its suppliers to implement the Real Living Wage within their staff structures through focus on fair working practices. Specifically, over the report period we agreed to uplift salaries for our security operatives contract staff on our facilities soft services contract to the Real Living Wage and scored fair working practices across seven Regulated Procurement's.

This is an important area for us and we will attempt to increase our understanding of our supply chains wage levels based on 'high risk' services identified through prioritisation.

## **Commitment 10 - Compliance by contractors and sub-contractors with the Health and Safety at Work etc. Act 1974**

We stated that all non-NHS NSS personnel working on site are expected to adhere to NHS NSS facilities management processes and procedures. We engage regularly with our Facilities colleagues to ensure all procurement and SFI compliance at all times. Our facilities team are construction site safety management certified which includes legal and practical knowledge of health and safety management on construction works including the Health and Safety at Work, Etc. Act 1974. This supports our in-house capability to ensure any works completed on behalf of the NHS NSS are performed to the latest Health and Safety standards. All building tenders and quotes are run in accordance with the Construction (Design and Management) Regulations 2015.

### **3.4 Strategy Performance Review**

Within our strategy our objectives were aligned under three overarching themes. Our performance in this section therefore will be reviewed through the lens of these overarching objectives.

#### **3.4.1 NHS NSS Strategic Objectives**

As detailed in the Procurement Strategy, the following four strategic objectives form the basis of how NHS NSS will deliver against its strategy.

1. Customers at the heart of everything we do
2. Increasing our service value
3. Improving the way we do things
4. Become a great place to work

#### **Objective 1: Compliance and Governance**

##### **Goals**

- ❖ Comply fully with the Procurement Regulations and the Reform Act
- ❖ Promote and drive compliance with NHS NSS Standing Financial Instructions
- ❖ Make best use of the regulations to achieve optimal value

##### **Summary of performance**

##### **Activities completed**

- ✓ Developed visual Sole Source Justification process flow to make this easier to understand for colleagues
- ✓ Identification and review of sole source contracts, working with the NHS NSS lead department to improve planning and publishing these on our contract register in support of greater transparency
- ✓ Regularly refreshed contract register accessible to all staff to view currently available contracts

### **Activities rescheduled**

- Our objective to drive more spend on to the Public Contracts Scotland portal's quick quote facility requires to be re-planned. This will require much closer working with colleagues and we are in the process of building up resource that should help with this,
- There were 6 identified non-compliances in financial year 19-20 with a value of £664,858. Almost half of these breaches, in terms of value, related to the supply of temporary agency staff where suppliers were not re-awarded to category 'A' frameworks. Ensuring compliance in these instances has proven challenging and further engagement with colleagues is required. Going forward, the identification of non-compliant spend patterns will be significantly improved due to the digitisation of our Sole Source Justification process.

## **Objective 2: Delivering Savings and Value**

### **Goals**

- ❖ Support NHS NSS in meeting and exceeding Procurement savings targets
- ❖ Promote the Procurement profession and demonstrate added value
- ❖ Make Procurement integral to NHS NSS delivery

## **Summary of performance**

### **Activities completed**

- ✓ Implemented 'Digital First' procurement approach through our new internal procurement portal

- ✓ Secured over £1.1M in savings and cost avoidances in the year
- ✓ Segmented our supplier base identifying four tiers of supplier importance, supporting re-focusing on key suppliers and contracts
- ✓ Working with NHS NSS Director of Finance we put in place a new governance group with key SBU Directors in attendance to drive better commercial value

### **Activities Rescheduled**

- The identification and reporting of additional added value delivered via procurement projects continues to be a challenge due to resource and complexity of evidencing non-cash releasing benefits. The implementation of a new digital work-plan tracking tool has helped in recording some of these additional benefits although more focus from the team is required.
- There continues to be a small number of instances of late procurement involvement in certain areas which can limit the value that can added to projects. A roll out of a business partner approach to procurement during the year, although interrupted by the Covid-19 response, will help to embed procurement colleagues within Strategic Business Areas and enable colleagues to engage with procurement at an earlier stage.

### **Objective 3: Progress Ethical and Sustainable Procurement across NHS NSS**

#### **Goals**

- ❖ To champion, support and promote the benefits of sustainable procurement including supporting the transition to a circular economy applying whole life costing, early supplier involvement and encouraging innovative products and solutions
- ❖ To be compliant with the Reform Act and the general and specific duties it imposes on Scottish authorities, including the Sustainable Procurement Duty
- ❖ To embed sustainability in procurements in a relevant and proportionate manner, as required by the Reform Act and to provide best value and secure wider social, economic and environmental benefits
- ❖ To promote and support NHS NSS strategic objectives, key priorities and policies.

- ❖ Embed ethical procurement into NHS NSS procurement processes

## Summary of performance

### Activities completed

- ✓ Included Fair Work First in 7 contract awards
- ✓ 8 contract awards featured community benefit criteria
- ✓ We opened up all spend and tendering systems and provided training to provide full access to our Counter Fraud Services colleagues

### Activities Rescheduled

- There has been limited opportunity for the team during the year to drive the transition to a circular economy applying whole life costing, early supplier involvement and encouraging innovative products and solutions. This is in part due to a number of strategic contracts being extended instead of retendered reducing the scope to carry out such activities.

## 3.5 Invoice payment performance

This is an area of major importance within the Procurement and Finance communities, with payment times measured and reviewed on a monthly basis; 96.6% of invoices were paid within the stipulated contractual terms across the period covered by this report.

## 4 Community Benefit Summary

### 4.1 General Policy

Within our Procurement Strategy we stated that NHS NSS will use the following Scottish Government recommended tools to meet our Community Benefit goals. By using the tools below and with reference to the Statutory Guidance we implemented the community benefits detailed in section 4.2.

- Scottish Public Procurement Prioritisation Tool;
- The Sustainability test;
- Life Cycle Impact Mapping; and
- the Scottish Flexible Framework

### 4.2 Benefits delivered in period

NHS National Services Scotland community benefits delivered in year are based on ten awards in the year. In effect we had community benefit criterion in over 50% of all tenders delivered within NSS in the period.

The associated benefits, both expected and delivered can be viewed on the NHS NSS public contract register on [Public Contracts Scotland](#).

Expected benefits based on the tender exercises, contract extensions and supplier management carried out during the year included the following;

1. The winning bidder of a Digital Design contract signed up to the Scottish Business Pledge and registered for accreditation with the Living Wage Foundation. They also make use of government approved apprenticeship schemes from which full-time employment has then been gained by two apprentices with support for school and university work placements.
2. The awarded supplier for a Demolition Project made a commitment to utilise local suppliers and recruited an additional young person on a permanent contract who is still with the company.
3. As part of a contract for a package of works all replacement flooring was made from recycled fishing nets.
4. A contract for Records Scanning was put in place via a mini competition from the Scottish Government Supported Factories and Businesses Framework Agreement and successfully awarded to a supported business.

5. As part a tender exercise for Telephony Support the awarded contractor committed to fair work practices and confirmed they do not employ staff on zero-hour contracts and would limit the use of agency staff.
6. The NSS Procurement Team was asked to put in place a contract for training developed by the National Institute of Disability Management and Research (NIDMAR) for the NHS and wider third sector. The training supports the public either back into work or to stay in work and supports public health and the economy.
7. All organisation requirements for signage have been procured via the Scottish Government Framework for Supported Businesses.
8. As part of the extension process for a facilities service contract all security staff dedicated to NSS sites pay was uplifted to the Real Living Wage.

## 5 Supported Businesses Summary

### 5.1 Contracts Awarded

Within the report period NHS NSS Procurement let one contract with Capture All Ltd to deliver a scanning service to scan patient records that NHS NSS receives from GP Practices. The contract has a three-year duration.

Also, due to Haven sign factory exiting the signage business we transitioned all of our signage requirements to Scotland's Bravest Ltd.

Both suppliers were sourced through the Scottish Government Supported Business Framework.

### 5.2 Summary of Procurements in period

The table below details our formal contract with Capture All.

Supported Business Contracts	Supplier	Estimated Contract Value
GP Practice Record Scanning	Capture All Ltd	£987,376

Capture All acknowledges the necessity of a Real Living Wage for its Employees and has implemented annual percentage wage increases to align with the recommended Living Wage by the end of 2020. Currently, 50% of the workforce is in receipt of the Real Living Wage or above.

## 6 Future Regulated Procurement Summary

Below we present our current view of upcoming regulated procurements over the next 2 years.

TITLE	Workplan Activity	Contract Start Date	Expected Award Date	Expected Publish Date	Notice	Estimated Contract Value
Disinfectant Arm Wipes	Renewal	17/10/2020	26/09/2020	N/A	Framework Call Off	£360,000
Supply of Anti Sera Reagents	Renewal	31/03/2021	10/03/2021	N/A	Framework Call Off	£240,000
Off-site storage for the NDC	Renewal	31/10/2021	10/10/2021	24/02/2021		£7,600,000
Extracorporeal Photopheresis System Consumables	Renewal	31/01/2021	10/01/2021	N/A	Framework Call Off	£1,200,000
Extracorporeal Apheresis System Maintenance	Renewal	31/01/2021	10/01/2021	N/A	Framework Call Off	£87,000
Hard Facilities Management	Renewal	03/04/2021	13/03/2021	26/03/2021		£1,900,000
Soft Facilities Management	Renewal	03/04/2021	13/03/2021	26/03/2021		£1,000,000
NDC Managed Transport Service	Renewal	03/04/2021	13/03/2021	26/03/2021		£9,200,000
Red Cell Serology	Renewal	01/01/2023	01/07/2022	01/07/2021		£4,900,000
Nucleic Acid Testing	Renewal	31/10/2022	01/04/2022	01/10/2021		£2,450,000
Eurobloodpack	Renewal	01/03/2022	01/11/2021	N/A	Framework Call Off	£4,800,000

Owner: S.Mclaughlin, NSS Head of Procurement

<b>TITLE</b>	<b>Workplan Activity</b>	<b>Contract Start Date</b>	<b>Expected Award Date</b>	<b>Expected Publish Date</b>	<b>Notice</b>	<b>Estimated Contract Value</b>
<b>Irradiator Indicator Labels</b>	Renewal	01/09/2021	01/06/2021	N/A	Framework Call	£128,000
				Off		
<b>Apheresis Kits and Equipment</b>	Renewal	01/03/2022	30/09/2021	30/09/2020		£3,500,000
<b>Dry Ice</b>	Renewal	05/01/2022	01/10/2021	01/04/2021		£120,000
<b>Platelet Additive Solution</b>	Renewal	01/12/2022	01/08/2022	N/A	Framework Call	£100,000
				Off		
<b>Blood Delivery Service</b>	New	01/09/2021	01/07/2021	30/11/2020		£1,000,000
<b>Print</b>	Mini comp	01/12/2020	01/11/2020	N/A	Framework Call	£200,000
				Off		
<b>Marketing Services</b>	Mini comp	01/12/2020	01/11/2020	N/A	Framework Call	£55,000
				Off		
<b>Creative Services</b>	Mini comp	01/12/2020	01/11/2020	N/A	Framework Call	£145,000
				Off		
<b>BacTalert</b>	New	01/04/2021	01/02/2021	01/09/2020		£360,000
<b>Calibration services</b>	New	01/04/2021	01/02/2021	01/09/2020		£160,000

## **7 Global Supplier Spotlight**

### **7.1 Sustainability Progress**

This section highlights some of the great work that our key suppliers are doing to minimise their impacts on the environment and how procurement can influence and generate additional value for our organisation. Specifically, our focus here is on suppliers of blood testing equipment into SNBTS.

As the majority of key suppliers are global players in each of their markets it was difficult for procurement and the suppliers to establish exactly how we would be able to deliver sustainable benefits locally for Scotland. This therefore encouraged both parties to look at additional areas of sustainability that could demonstrate added value to NHS NSS through its supply chain.

Each of our key suppliers were requested present their sustainability highlights to us. This activity reinforced our belief that our key suppliers were prioritising activities against this challenge on a global scale. Targets include reduction in CO<sup>2</sup> emissions, reducing water usage and reduction in overall waste produced.

Further analysis showed how some of these areas could actually translate into local sustainable benefits for Scotland.

### **7.2 Example: Diagnostic System Upgrade**

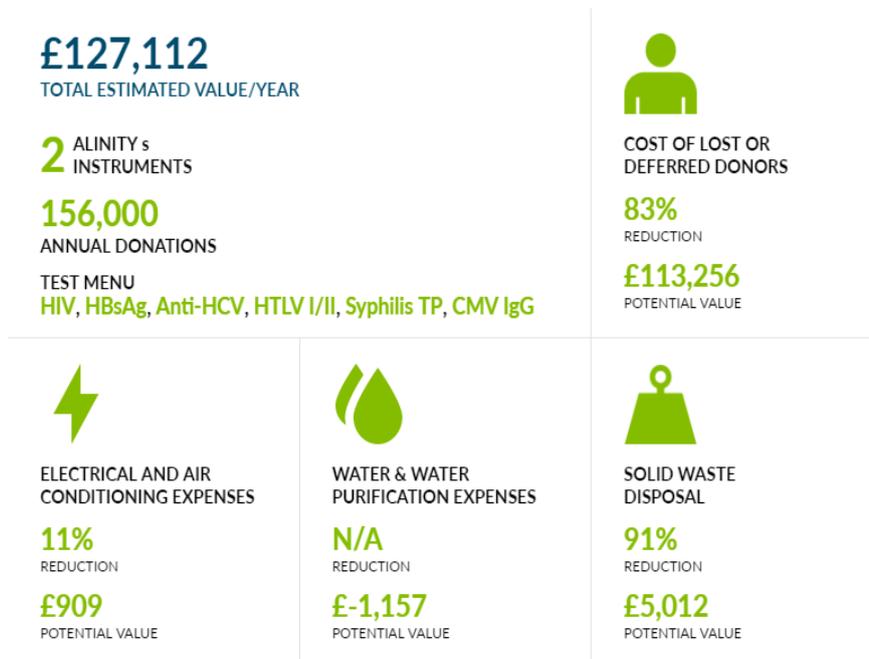
One of our key suppliers is Abbott Diagnostics; we have been a customer of Abbott Diagnostics for a number of years now and have recently upgraded a vital piece of their blood testing equipment that had been in use for a number of years. As sustainability has been a focus at our review meetings Abbott presented the sustainable benefits of this upgrade to us during one of our regular supplier review meetings.

In the past when new platforms have been introduced the only area that was looked at was performance and reliability, however with our additional focus on sustainability we can be assured that this upgrade provides the following additional benefits:

**Performance and Environmental Benefits compared to previous system\***

- Reduced Energy usage
- Reduced Solid waste disposal requirements – Induction heating innovation
- Potential Reduction in Donor deferral rate – sustainability of the donor base
- Water usage is increased vs. PRISM – **however**, processes have changed and allow for **significant reduction in waste generation**.

\*This information is only offered as an ESTIMATE and is NOT for accurate reporting. Detailed information will be required from the customer to provide accurate reports. Greater Energy efficiency, CO2 impact will be dependent on the production mode of SNBTSs supplier/Local Market prices. To give this accurately it relies on accurate customer information – this can be provided, but will need close liaison. Water use is an increase over the PRISM, but the changed process does allow for considerable less solid waste – plastic waste.



This is valuable information for SNBTS to have access to as well as the supplier being in a position to demonstrate these type of benefits for any new tender process and to keep SNBTS up to date with further developments.

This process has proved to be extremely rewarding to both stakeholders and to supplier representatives as it helps us all to further understand how global suppliers are tackling these issues and how these are being monitored at a corporate level within supplier organisations.

Suppliers, working with procurement We also believe that this will help suppliers with future tendering opportunities as they are aware that a greater emphasis will be placed on these areas and that they will be scored accordingly. This should help us to deliver a more sustainable supply chain that is measurable and benefits all areas.

## **8 Report ownership and contact details**

In line with the Reform Act and to ensure our Annual Procurement report details our performance against strategy, this report will be subject to formal annual review and approval by the NHS NSS Performance, Procurement and Finance Committee.

**Report Owner: Stevie Mclaughlin**

**Designation: Head of Procurement**

**Email: [steven.mclaughlin@nhs.net](mailto:steven.mclaughlin@nhs.net)**

**Telephone: 01698 794578**

## 9 Appendix 1 – Regulated Procurements in Period

Supplier	Title	Value
Abellio ScotRail Ltd (GB)	Business Travel United Kingdom rail tickets	£1,500,000
Albion Environmental Ltd (GB)	Healthcare waste pre-acceptance audit training and consultancy	£100,000
CASKIE LIMITED (GB)	Ellen's Glen Road Demolition	£191,650
CitySprint (UK) Ltd (GB)	GP Record Transfer	£84,240
Corporate Travel Management (GB)	Business Travel Management Services	£5,000,000
EUROPEAN DYNAMICS (GB)	Catalogue Content Management System	£288,000
GVA Grimley (GB)	Professional Design Team Service	£122,730
JDA Software (GB)	NHS NSS NDC warehouse management system	£338,000
JDA Software (GB)	Annual Support and Maintenance Licence	£100,235
KPMG LLP (GB)	Provision of Personnel to the Scottish Government's Chief Nursing Officer Directorate	£70,000
Livingston James Group (GB)	Digital Office Programme Improvement Manager	£241,280
Maintel Europe Ltd (GB)	Avaya Support and SIP Trunk	£667,210
Morgan Hunt (GB)	Office 365 Project Manager	£65,000
Morgan Philips Executive Search (GB)	NSS Office 365 IT contractors	£1,800,000
PayStream (GB)	CHI and Child Health Transformation Programme Resource	£140,940
Permaban (GB)	Repair to concrete slab joints within Warehouse NDC Larkhall	£64,452

Owner: S.Mclaughlin, NSS Head of Procurement

Supplier	Title	Value
ServiceNow (GB)	ServiceNow Licences	£1,068,947
Socius24 Limited (GB)	Consultancy in relation to the upgrade of the NDC Warehouse Management System	£75,000
Softcat (GB)	Security Gateway Appliances	£675,000
SOFTWARE BOX LIMITED (GB)	Replacement of Storage Arrays for NHS NSS	£147,610
Well Working Matters Ltd (GB)	NIDMAR Training	£500,000
Applied Science, Inc (GB)	Blood Mixers	£340,000
bioMerieux UK Limited (GB)	Automated Testing Platform for Blood Borne Infections and Associated Consumables	£98,000
BECKMAN COULTER UK LTD (GB)	Automated Haematology Analysers	£240,000
Capture All Ltd	GP Practice Record Scanning	£987,376
CHI Programme Manager	A.Consultant (DPS Award)	£45,000
Finance Consultancy	Redpoll Group (DPS Award)	£152,750
NSS Service Design	We are Snook (DPS Award)	£49,200
Digital Accessibility Services	RNIB Enterprises Ltd (DPS Award)	£44,500
Digital Service Design and Development	Tactuum (DPS Award)	£205,000
NSS Information Security	Capgemini Uk Plc (DPS Award)	£107,920
Health and Social Care Consultancy	Risk Asset Consulting Ltd (DPS Award)	£67,740
Finance Business Partner Training	Arcus (DPS Award)	£190,480

<b>Supplier</b>	<b>Title</b>	<b>Value</b>
Ernst and Young	Intelligent Automation	£79,500
Parity Professionals	Finance and IT temporary staff	£149,810
Hudson Global	IT temporary staff	£96,023
Search Consultancy	Processing temporary staff	£71,525
Trescal Limited	Equipment Calibration services	£168,000
Carat	Media Campaign purchase	£100,000

## 10 Appendix 2 – Reporting Metrics

---

<b>1. Organisation and report details</b>	
a) Contracting Authority Name	<b>NHS National Services Scotland</b>
b) Period of the annual procurement report	April 2019 to March 2020
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
<b>2. Summary of Regulated Procurements Completed</b>	
a) Total number of regulated contracts awarded within the report period	39
b) Total value of regulated contracts awarded within the report period	£16,433,118
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	35
i) how many of these unique suppliers are SMEs	23
ii) how many of these unique suppliers how many are Third sector bodies	1
<b>3. Review of Regulated Procurements Compliance</b>	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	33
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	6
<b>4. Community Benefit Requirements Summary</b>	
<b>Use of Community Benefit Requirements in Procurement:</b>	

---

Owner: S.Mclaughlin, NSS Head of Procurement

a) Total number of regulated contracts awarded with a value of £4 million or greater.	1
b) Total number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements	0
c) Total number of regulated contracts awarded with a value of less than £4 million that contain a Community Benefit Requirements	8
<b>Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:</b>	
d) Number of Jobs Filled by Priority Groups ( <i>Each contracting authority sets its own priority groups</i> )	3
e) Number of Apprenticeships Filled by Priority Groups	2
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	£0
i) Total Value of contracts sub-contracted to Social Enterprises	£0
j) Total Value of contracts sub-contracted to Supported Businesses	£0
k) Other community benefit(s) fulfilled	See section 4
<b>5. Fair Work and the real Living Wage</b>	
a) Number of regulated contracts awarded during the period that have included a scored Fair Work criterion.	7
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	1

c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract awarded during the period.	1
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract awarded during the period.	1
<b>6. Payment performance</b>	
a) Number of valid invoices received during the reporting period.	96,241
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	96.6%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	33
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0
<b>7. Supported Businesses Summary</b>	
a) Total number of regulated contracts awarded to supported businesses during the period	1
b) Total spend with supported businesses during the period covered by the report, including:	
i) spend within the reporting year on regulated contracts	£0
ii) spend within the reporting year on non-regulated contracts	£707
<b>8. Spend and Savings Summary</b>	
a) Total procurement spend for the period covered by the annual procurement report.	c. £53M
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	c. £27M
c) Total procurement spend with Third sector bodies during the period covered by the report.	£16,362.51

d) Percentage of total procurement spend through collaborative contracts.	c. 32%
e) Total targeted cash savings for the period covered by the annual procurement report	£500,000
i) targeted cash savings for Cat A contracts	-
ii) targeted cash savings for Cat B contracts	-
iii) targeted cash savings for Cat C contracts	-
f) Total delivered cash savings for the period covered by the annual procurement report	£1,143.951
i) delivered cash savings for Cat A contracts	-
ii) delivered cash savings for Cat B contracts	-
iii) delivered cash savings for Cat C contracts	£1,143.951
g) Total non-cash savings value for the period covered by the annual procurement report	£0
<b>9. Future regulated procurements</b>	
a) Total number of regulated procurements expected to commence in the next two financial years	21
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£39,505,000

## 11 Glossary

Term	Definition
Cash releasing Efficiency Savings (CRES)	A cash saving on a given budget which reduces that budget from a previous baseline e.g. if it costs £100 to deliver a service previously and a new contract delivers the service at £90 the difference is the CRES.
Category	A collection of similar commodities grouped together to support category management
Category Management	a process which relies on cross functional teamwork to generate procurement outcomes that fully satisfy agreed business needs
Circular Economy	A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life
Commodity	Classification for NHS NSS to provide the ability to accurately describe the primary business activities of their suppliers.
Community Benefits	Community Benefits are requirements which deliver wider benefits in addition to the core purpose of a contract. These can relate to social- economic and or environmental benefits.
Cost Avoidance	The act of eliminating costs or preventing their occurrence in the first place. It tends not to show up on, but materially impacts, the bottom-line cost and is normally referred to as a “soft” cost saving i.e. negating supplier requests to

Term	Definition
	increase costs, procuring services/goods/ works under budget, obtaining prices lower than the market average/median
Dynamic Purchasing System (DPS)	An electronic system through which contracting authorities can source requirements by inviting tenders from admitted suppliers. Unlike framework agreements, suppliers can apply to join the DPS at any time in the life of the DPS; they are not required to submit tenders in order to join the DPS. All suppliers who meet the selection criteria have to be admitted. A DPS permits contracting authorities to move straight to the tender phase when a contract opportunity arises.
European Single Procurement Document (ESPD)	A single common document intended, by the European Commission, to reduce the administrative burden on bidders and remove some of the barriers to participation in public procurement, especially for small to medium-sized enterprises (SMEs)
Freedom of Information	A public "right of access" to information held by public authorities
Healthy Living Award +	The healthy living award <i>plus</i> is a higher level of award, which rewards catering establishments that demonstrate a greater commitment to supporting healthier eating.
Healthcare Retail Standard (HRS)	A standard defined by Scottish Government that defines the standard of food served by retail outlets in Healthcare building in Scotland
Invitation to Tender	A call for bids, call for tenders, or invitation to tender (ITT, often called tender for short) is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts.
IR35	The Intermediaries legislation is a legal obligation on Public Authorities to ensure that any business owner

Term	Definition
	working for them on a consultancy (non-employed) basis pays the correct tax based on their working relationship with the Authority
Red Tractor	The UK's biggest farm and food standards scheme, covering all of animal welfare, food safety, traceability and environmental protection.
SNBTS	Scottish National Blood Transfusion Service – a NHS NSS Strategic Business Unit
Supported Business	An establishment where more than 50% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market
Standing Financial Instructions	Details the financial responsibilities, policies and procedures adopted by NHS NSS. They are designed to ensure that financial transactions are carried out in accordance with the law and government policy in order to achieve probity and accuracy.
The Living Wage	An hourly rate set independently and updated annually by the Living Wage Foundation
SNBTS	Scottish National Blood Transfusion Service
Small and Medium Sized Enterprises	Enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding Enterprises (SMEs) 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro
Whole Life Costing	A technique used to establish the total cost of acquisition and ownership. It is a structured approach which addresses all the elements of cost and can be used to produce a spend profile of the product over its anticipated lifespan.

## DOCUMENT CONTROL SHEET:

### Key Information:

<b>Title:</b>	NHS National Services Scotland Annual Procurement Report
<b>Date</b>	21 <sup>st</sup> July 2020
<b>Date Effective From:</b>	26 <sup>th</sup> August 2020
<b>Version/Issue</b>	1.0
<b>Document Type:</b>	Report
<b>Document Status:</b>	Approved
<b>Author:</b>	S.Mclaughlin
<b>Owner:</b>	NHS NSS Head of Procurement
<b>Approver:</b>	NHS NSS Finance, Performance and Procurement Committee
<b>Approved by and Date:</b>	NHS NSS Finance, Performance and Procurement Committee, 26/08/2020
<b>Contact:</b>	Steven.mclaughlin@nhs.net
<b>File Location:</b>	np-bcs\12 PCandF\Sourcing\NHS NSS Procurement\Annual Procurement Report

### Revision History:

Version:	Date:	Summary of Changes:	Name:
0.1	14/07/2020	Draft	S.Mclaughlin
0.2	21/07/2020	Updated Draft after Director of NP review	S.Mclaughlin
1.0	26/08/2020	Approved version	S.Mclaughlin

**Approvals:** This document requires the following approvals.

NHS NSS Finance, Performance and Procurement Committee

**Distribution:** Published on NSS website.