

Belfast Health and Social Care Trust Procurement Strategy

2021 - 2024

Updated 01 March 2022

SECTION 1.0 – INTRODUCTION AND CONTEXT

1.1 Purpose of Strategy

1.1.1 The purpose of this strategy is to outline the key aims and objectives which should be applied by the Trust in addressing a range of key procurement issues over the **next 3 years**. The strategy draws from DoH guidance and The Northern Ireland Public Procurement Policy 2002, which was reviewed and updated in 2014. A copy of the policy is available at: [NI Public Procurement Policy document \(finance-ni.gov.uk\)](http://finance-ni.gov.uk)

1.1.2 This strategy document is not a manual of guidance nor does it define how these aims and objectives should be implemented, on the basis that such guidance is explicit within a range of other procurement documentation. Rather, this document provides a direction of travel for the Trust in how it should proceed in conjunction with the Department's two CoPEs (BSO PaLS and CPD Construction Division – Health Projects) and for procurements derogated to the Trust for management, specifically Estates Services, Pharmacy and areas of Health and Social Care Procurement.

1.1.3 The Director of Finance, Estates and Capital Development is responsible for preparing this strategy and bringing it to Procurement Board for approval.

1.2 What is public procurement?

1.2.1 Public procurement is “the process of the acquisition, usually by means of a contractual arrangement after public competition, of goods, services and works and other supplies by the public service”. Examples of each of these different kinds of procurement are given below:

- Supplies procurement (office supplies, vehicles, medicines, hospital equipment);

- Services procurement (e.g. externally managed ICT systems, consultancy, full facilities management services, externally provided social care services); and
- Works procurement (e.g. construction & maintenance of the infrastructure and Government Estate).

1.2.2 The definition of public procurement covers both conventionally funded contracts and more innovative types of procurement such as Public Private Partnerships (PPP) and Private Finance Initiatives (PFI).

1.2.3 The procurement process spans the whole life cycle of the procurement from conception and definition of need through to the end of the useful life of an asset or the end of a contract. It includes pre-contract activities such as market sounding, sourcing and post contract activities such as contract management, service and maintenance and supplier relationship management activities. These may be considered in three distinct phases: Commissioning, Procurement and Contract Management.

1.3 Legislative Framework

1.3.1 Public procurement is regulated in the UK through the Public Contracts Regulations 2015 (PCR 2015)*

1.3.2 The purpose of the PCR 2015 is to open up the public procurement market. The development of Public Procurement Policy must be taken forward in the context of this legislative environment.

*NB Due to EU Exit, PCR2015 is currently under review, and as such could change in 2022/23.

1.4 Procurement Strategy Key Principles

The following are the core principles guiding the Trust when making decisions and taking forward any procurement. These principles will be integral to the detailed decision making and procurement processes and the supporting toolkit, ensuring all procurements are handled consistently and comply with the principles.

1.4.2 Safety, Quality and Experience

Risk assessment to improve safety.

Standardisation of products and practice to reduce risk and increase flexibility

Ensure resilience in the supply chain.

Governance process – clear processes for approval to purchase and selection of products or services.

1.4.3 Strategy and Partnerships

Strategic Influencing – the Trust shall seek to develop partnerships based on mutually agreed goals linked to the Trusts strategic objectives.

Openness and Transparency.

Market Development – the Trust will seek to develop competitive markets and not place unnecessary barriers in the way of product or service innovation.

Partnerships with COPEs .



1.4.4 People and Culture was Staff

Clear roles and responsibilities.

Engagement with staff.

Knowledge and skills development to

ensure staff have the necessary skills to fulfil their role including relevant legislation and policy that impact procurement.

Accountability (at individual and group level)

Probity

1.4.5 Resources

Value for Money – procurement based upon selection of the most economically advantageous tender.

Sustainability – embedding sustainable procurement within Trust activities

Affordability – procurement decisions informed by budgetary constraints

Focus on Performance Management – key performance indicators for all areas of performance.

Social Value – scoring in line with relevant PPN

1.4.6 Service Delivery

Driving improved performance against agreed goals and outcomes in partnership with our partners

Flexibility

Act as ‘Intelligent Customer’ – understand the principles of procurement and their application and through that build more effective procurement outcomes.

1.4.7 Underpinning the key principles of the Trusts Procurement Strategy will be the 12 Guiding Principles contained within the N.I. Public Procurement Policy;

- **Accountability:**
Effective mechanisms must be in place in order to enable Accounting Officers to discharge their personal responsibility on issues of procurement risk and expenditure.
- **Competitive Supply:**
Procurement should be carried out by competition unless there are convincing reasons to the contrary.
- **Consistency:**
Suppliers should, all other things being equal, be able to expect the same general procurement policy across the public sector.
- **Effectiveness:**
Public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.
- **Efficiency:**
Procurement processes should be carried out as cost effectively as possible.
- **Fair-dealing:**
Suppliers should be treated fairly and without unfair discrimination, including protection of commercial confidentiality where required. Public bodies should not impose unnecessary burdens or constraints on suppliers or potential suppliers.
- **Integration:**
In line with the NI Executive’s policy on joined-up government, procurement policy should pay due regard to the Executive’s other economic and social policies, rather than cut across them.

- **Integrity:**
There should be no corruption or collusion with suppliers or others.
- **Informed decision-making:**
Public bodies need to base decisions on accurate information and to monitor requirements to ensure that they are being met.
- **Legality:**
Public bodies must conform to Public Contracts Regulations 2015 and other legal requirements.
- **Responsiveness:**
Public bodies should endeavour to meet the aspirations, expectations and needs of the community served by the procurement.
- **Transparency:**
Public bodies should ensure that there is openness and clarity on procurement policy and its delivery.

1.4.8 The principle elements of the Northern Ireland Procurement Policy are summarised below.

(a) Best Value for Money

Best Value for Money is the primary objective of procurement policy. The Executive approved a new definition of Best Value for Money (VfM) in March 2011. It is now defined as: *“the most advantageous combination of cost, quality and sustainability to meet customer requirements.”*

In this context, cost means consideration of the whole life cost; quality means meeting a specification which is fit for purpose and sufficient to meet the customer’s requirements; and sustainability means economic, social and environmental benefits, considered in the business case, in support of the Programme for Government.

When the 12 guiding principles of public procurement (as outlined in paragraph 1.4.7 above) have been satisfied to an acceptable level, then “best value for money” can be said to have been achieved.

(b) Integration of Equality of Opportunity and Sustainable Development

One of the guiding principles within Public Procurement Policy is integration, which, when read in the context of the Executive's policy on joined up Government, requires procurement policy to pay due regard to the Executive's other social and economic policies, rather than cut across them.

The importance and relevance of this principle has been further reinforced by the focus on integrating equality and sustainable development into public sector procurement.

(c) Procurement through a Centre of Procurement Expertise

It is a mandatory requirement of the NI Public Procurement Policy that all public procurement is carried out by a CoPE or under the influence of a CoPE. This is to ensure that procurement is compliant with UK legislation and is efficient, effective and in line with best practice.

Public bodies falling under the NI Public Procurement Policy must generally secure the services of a CoPE through a Service Level Agreement (SLA) which details the range of services to be provided.

In respect of the procurement of goods and services, the CoPE is the Business Services Organisation's Procurement and Logistics Service (PaLS). The Trust must have an agreed SLA with BSO in order to ensure that it is able to access professional procurement advice and to have procurements conducted in accordance with current regulations and guidance.

CPD Construction Division – Health Projects fulfils the role of construction CoPE, recognising the bespoke nature and potential complexity of healthcare construction. The Trust must use CPD for the procurement of construction works and design services. In the circumstances where the Trust opts to not follow CPD's professional procurement advice, the Trust's Accounting Officer

is required to inform the Departmental Accounting Officer and to justify such a decision.

(d) Award of Contracts on the basis of Most Economically Advantageous Tender or Lowest Price

Contracts should be awarded on the basis of objective criteria which ensure compliance with the PCR 2015 and which guarantee that tenders are assessed in conditions of effective competition. This permits contracts over the procurement control limits threshold to be awarded on the basis of either the Most Economically Advantageous Tender (MEAT) or lowest price.

For contracts below the procurement control limits threshold, the basis of award must be either the Best combination of Price and Quality (BPQ) or lowest acceptable price. For contracts for the supply of standard goods, non-construction services or below procurement control limits threshold construction works and design services, the preferred basis of award should be the lowest price or lowest acceptable price. In this context, 'standard' means when the goods, services or works can be clearly and simply specified, and are capable of being routinely delivered by a number of suppliers/contractors.

For more complex or strategic requirements for goods, services or construction, when the performance of a contract is crucial to meet business objectives, MEAT or BPQ may be used on the advice of a CoPE.

(e) Procurement Control Limits

The NI Procurement Board sets optimum limits for the procurement of general supplies, works and services which are detailed in Procurement Guidance notes issued by DOH.

Procurement Control Limits

The specific thresholds that apply to projects when determining whether or not a contract for services, or a works contract, must comply with the Public Contracts Regulations 2015 (and particularly those that require a Contract Notice to be published in Find a Tender Service) are now as follows:

2 years from 1 January 2020

Contract Type	Threshold from 1 January 2020
Supplies & Services	£122,976
Light Touch Regime – Contracts for social and other specific services	£663,540
Works	£4,733,252

2 years from 1 January 2022

Contract Type	Threshold from 1 January 2022
Supplies & Services	£138,760 (inclusive of VAT)
Light Touch Regime – Contracts for social and other specific services	£663,540 (inclusive of VAT)
Works	£5,336,937 (inclusive of VAT)

(f) Achieving Excellence in Construction

In 2002, the NI Procurement Board approved a Northern Ireland version of the Achieving Excellence initiative with the aim of making the public sector a best practice client when procuring construction works and services. Considerable progress has been made in the intervening period in relation to the key themes of Achieving Excellence – Management, Measurement, Standardisation and Integration. Its principles are now well established and are reflected in the procurement guidance issued by CPD and endorsed by the NI Procurement Board.

(g) Programme and Project Management (PPM)

The NI Procurement Board considers it critical that projects and programmes are managed in accordance with best practice and that they are subject to the Gateway Review Process, which is managed in Northern Ireland by CPD via the CPD Centre of Expertise for Programme and Project Management, an OGC Authorised Hub. CPD Construction Division – Health Projects has been awarded sub-hub status by the CPD Centre of Expertise. This enables the Gateway Review Process to be replaced by CPD’s bespoke Internal Peer Review Process in selected projects, generating considerable savings in consultants’ fees and time associated with the process.

(h) Northern Ireland Guide to Expenditure, Appraisal and Evaluation

The principles set out in this guide should be applied with proportionate effort to every decision or proposal that entails spending or saving public money or otherwise changes the way resources are used.

1.5 Procurement Guidance

1.5.1 Procurement Policy Notes Guidance Notes (PGNs) will be replaced where appropriate by Procurement Policy Notes (PPNs), a Sourcing Playbook or Procurement Advisory Note (PAN) from 2021 onwards. These are the administrative means by which the Northern Ireland Public Sector is advised of procurement policy and best practice developments.

1.5.2 Within the HSC, PGNs, PPNs, PAN’s and Sourcing Playbooks are currently issued as either HSC (F) circulars or Professional Estates Letters (PELs) by the DOH.

1.5.3 The main source of guidance from CPD Construction Division is the Estates Procurement Manual, which all ALBs are required to follow for their procurements to be considered under the ‘influence of a CoPE’.

1.6 Structure of Procurement within DOH/HSC

1.6.1 Procurement within DOH and its ALBs is largely effected through two CoPEs – CPD Construction Division (Health Projects) and Procurement and Logistics Service within the Business Services Organisation.

1.6.2 **CPD Construction Division – Health projects** is the CoPE for construction works and design services for DOH. In this role, CPD is responsible for developing, disseminating and monitoring compliance with Northern Ireland Public Procurement Policy and best practice guidance. CPD also provides strategic estate planning and project management services in an ‘intelligent client’ role in the delivery of major projects in the DOH capital development programme. The delivery of sustainable procurement is also achieved through the CoPE’s procurement processes.

1.6.3 **Procurement and Logistics Service (PaLS)** – provides strategic and operational procurement services covering both contracting for goods and services and where no contract exists, negotiating prices and placing purchase orders on behalf of the DOH and its ALBs. PaLS is therefore largely involved in the procurement of the day to day services which keep the health service running.

1.6.4 **A Regional HSC Procurement Board**, comprising all major customers of BSO PaLS, provides regional oversight and strategic direction for PaLS on actions necessary to improve procurement practice/performance. It is chaired by the Permanent Secretary for Health and its responsibilities include:

- Developing an overarching Annual Procurement Plan which sets the strategic direction on HSC procurement matters and which aligns with Departmental Policy and the HSC procurement strategy;
- Overseeing the Goods and Services Procurement savings initiatives;
- Supporting strong governance arrangements for procurement, maximising the purchasing power of HSC Trusts, and enhancing

patient care through sustainable savings and improved products and services;

- Championing the cause of collaborative working and the profile of Procurement and supply chain management within HSC bodies, and in the wider Public Sector; and
- Supporting cross-cutting and collaborative procurement activities across UK Health and other government bodies

1.6.5 Pharmaceutical Procurement - The arrangements for pharmaceutical procurement within HSC are well established and have been an integral component of the development of innovative procurement approaches aimed at improving value for money as well as therapeutic and safety benefits.

Within the HSC, a Regional Pharmaceutical Contracting Executive Group (RPCEG) is responsible for the governance and oversight of procurements in this area, including the prioritisation of tender activity and agreement of areas of specific work. This group is a sub-group of Regional Procurement Board and members of the group are drawn from Trusts, HSCB, BSO and a representative of Community Pharmacy NI. The RPCEG is also responsible for approving the award of all contracts that are awarded for pharmaceuticals and dressings across the HSC. A review of these arrangements has been conducted to ensure transparency, accountability and that appropriate governance and reporting structures are in place, it is anticipated that this will be implemented in 2022.

In terms of the delivery of compliant pharmaceutical procurement arrangements, this is undertaken by the Regional Pharmaceutical Procurement Service based at the Northern HSC Trust on behalf of all HSC organisations, and in conjunction with BSO PaLS, which is an accredited CoPE and conducts the procurements on behalf of the HSC.

BHSCT as a tertiary centre with complex specialist medicines leads on an increasing number of medicines procurement and supply chain projects and the

learning shared with other HSC Trusts. This is in partnership with BSO and the Regional Pharmaceutical Procurement Service.

Pharmacy and Medicines Management work closely and in partnership with finance and clinical services within BHSC in order to maximise effectiveness in procurement activity, compliance, evidence based audit and best practice.

1.6.6 Social Care Procurement

The PCR 2015 introduced a light touch approach to Social Care and Independent Healthcare Services. The Social Care Procurement Board is a sub group of the Regional Procurement Board and includes membership from DOH, HSCB, PHA, Trusts, BSO DLS, BSO PaLS, Regional PPI lead, RQIA and NISCC. This Board is chaired by HSCB Director of Social Care and Children. The scope of this Board is to provide strategic oversight to the commissioning, planning, procurement and monitoring / contract management of regional issues for social care and support services on behalf of all HSC Organisations. This oversight aligns with the Regional Procurement Plan - Social Care as agreed by the Regional Procurement Board and spans all programmes of care. The arrangements for social care procurement HSC are not well established. Meetings of SCPB were suspended in August 2021 and a workshop was held in December 2021. An outcome of that workshop was a proposed reconfiguration of SCPB with further update and direction to be provided by the Chair.

Healthcare Procurement

The future requirements for independent healthcare procurement including associated resources and governance arrangements are currently in discussion on a regional basis with involvement from HSCB, BSO PaLS and HSC Trusts.

1.6.7 Regional ICT Procurement

Another subgroup of the Regional Procurement Board is the Regional ICT Procurement Board (RICTB), and the membership of this group includes Trusts, HSCB, DHCNI, BSO ITS, Encompass, BSO DLS and BSO PaLS. This Board is chaired by AD of DHCNI. In seeking to maximise the benefits of the resources available to HSC to procure ICT software and hardware it is critical that a collegiate approach is adopted which recognises the principle of “once for NI”. To support such an approach it is important that procurement decisions are made that do not threaten that principle and that enable HSC to leverage the best deals in the marketplace. The establishment of a Regional ICT Procurement Group will support this and will provide scrutiny, transparency, co-ordination and advice to deliver improvements in ICT procurement and to ensure procurement decisions are in accord with the strategic direction for ICT in HSC.

1.6.8 Regional Estates Procurement

The Regional Estates Procurement Group (REPG) is a further sub-group of the Regional Procurement Board, and reports on progress of the Service and Maintenance Contracts Programme. Primarily this group is responsible for the strategic direction and accountability of decisions taken on collaborating for regional benefit, and agreeing a prioritised regional work plan.

SECTION 2.0 – STRATEGIC AIMS & OBJECTIVES

2.1 The Trust’s Strategic aims and objectives for procurement and contract management are:

- To have clear and appropriate governance and accountability arrangements are in place for the management and oversight of the procurement and contract management processes in the Trust.
- To have arrangements/processes in place to ensure the Trust operates within NI Public Procurement Policy and in support of the DOH procurement guidance

- To work collaboratively with all procurement partners to increase the level of expenditure through Centres of Procurement Expertise and ensure procurement priorities are aligned to corporate objectives as outlined in the Trust's Delivery Plan.
- To work with the Social Care Procurement Board, to agree a regional approach to the procurement of social care within the principles and policy direction of ensuring that public procurements are supported and influenced by a relevant CoPE.
- To ensure adequate skilled resources are available to support compliance with the agreed regional approach to social care procurement and contribute to the development of a regional/local contracting & procurement plan, based on a risk managed approach, to increase compliance with social care procurement.
- To regularly monitor and report compliance against the NI Public Procurement Policy, DOH guidance and controls assurance standards via agreed key performance indicators
- To minimise the use of direct award contracts through actively exploring and targeting the scope for standardisation and product and supplier rationalisation
- To ensure adequate training and resources are available to staff to support compliance with procurement and contract management guidance
- To exploit the benefits of information technology to achieve procurement savings
- To provide report and review performance quarterly and report on an annual basis to Trust Board

SECTION 3.0 – ROLES AND RESPONSIBILITIES

3.1 Trust Procurement Board

The Trust will establish a Trust Procurement Board to oversee procurement and the oversight of contract management arrangements in the Trust. The Director of Finance, Estates and Capital Development will be the chair of this committee, it is envisaged it will have representation from Finance, Contracting, Pharmacy, PCSS, Laboratories, Acute Services, Estates, ICT, Social Care Procurement and PaLS (this is a guide, not a definitive list). Procurement Board will report to the Executive Team, who will triage any issues or risks. Executive Team will either resolve it at their level or escalate onwards to Audit Committee or Trust Board as appropriate.

3.2 Managers and staff

Managers and officers acting on behalf of the Trust must ensure that they comply fully with the Trust guidance on procurement (including Direct Award Contracts) and contract management.

SECTION 4.0 – REVIEW

4.1 The Strategy will be subject to annual review by the Trust Procurement Board and any proposed significant revisions discussed with the Chief Executive.

4.2 The Strategy will be a three year strategy, however should significant changes in the legislative framework or guidance occur, the Strategy will be reviewed in the intervening period.