

# NHS Rotherham Clinical Commissioning Governing Body

Operational Executive – 12 January 2018

Governing Body – 7 February 2018

AQuA – 6 March 2018

## **Procurement Policy**

Lead Executive:	Wendy Allott
Lead Officer:	Rory Browne
Lead GP:	Jason Page

### **Purpose:**

The Procurement Policy has been updated and is presented to GB for Ratification.

### **Background:**

The organisation previously had a 3 year Procurement Strategy to 2016. As part of the review of policies it was identified as being required, therefore a review of the strategy has taken place.

In light of the changes required a whole new policy has been drafted in line with guidance and new legislative requirements.

### **Analysis of key issues and of risks**

The organisation needs to have a ratified Procurement policy in place to support and guide the CCG's procurement process.

### **Patient, Public and Stakeholder Involvement:**

N/A

### **Equality Impact:**

Attached as Appendix A

### **Financial Implications:**

N/A

### **Human Resource Implications:**

N/A

### **Procurement:**

N/A

### **Approval history:**

N/A

### **Recommendations:**

- Governing Body is asked to approve the policy.

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Lead Officer:	Rory Browne
Lead GP:	Jason Page

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The Procurement Policy has been updated and is presented to OE for discussion and as the first step in the assurance process.

### **Background:**

The organisation previously had a 3 year Procurement Strategy to 2016. As part of the review of policies it was identified as being required, therefore a review of the strategy has taken place.

In light of the changes required a whole new policy has been drafted in line with guidance and new legislative requirements.

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The organisation needs to have a ratified Procurement policy in place to support and guide the CCG's procurement process.

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N/A

### **Equality Impact:**

Attached as Appendix A

### **Financial Implications:**

N/A

### **Human Resource Implications:**

N/A

### **Procurement:**

N/A

### **Approval history:**

N/A

### **Recommendations:**

- OE is asked to discuss and request AQuA to recommend the Policy to Governing Body for approval.



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## Equality Impact Assessment

<b>Title of policy or service:</b>	Procurement and Commissioning Policy	
<b>Name and role of officer/s completing the assessment:</b>	Alison Hague, Corporate Services Manager	
<b>Date of assessment:</b>	9 <sup>th</sup> January 2018	
<b>Type of EIA completed:</b>	Initial EIA 'Screening' <input checked="" type="checkbox"/> or 'Full' EIA process <input type="checkbox"/>	<i>(select one option - see page 4 for guidance)</i>

### 1. Outline

**Give a brief summary of your policy or service**

- Aims
- Objectives
- Links to other policies, including partners, national or regional

The aim of the policy is to provide an overview of how the CCG will operate and the ethos that will be applied to all procurement activity whilst ensuring compliance with statutory procurement guidelines. The also provides advice and guidance for all staff working within the CCG who procure any goods or services by setting out the procurement principles, rules and methods that the CCG will work within.

NHS Rotherham CCG will comply with procurement and competition law.

### Identifying impact:

- **Positive Impact:** will actively promote or improve equality of opportunity;
- **Neutral Impact:** where there are no notable consequences for any group;
- **Negative Impact:** negative or adverse impact causes disadvantage or exclusion. If such an impact is identified, the EIA should ensure, that as far as possible, it is either justified, eliminated, minimised or counter balanced by other measures. This may result in a 'full' EIA process.

## 2. Gathering of Information

This is the core of the analysis; what information do you have that might *impact on protected groups, with consideration of the General Equality Duty*.

(Please complete each area)	What key impact have you identified?			For impact identified (either positive and or negative) give details below:	
	Positive Impact	Neutral impact	Negative impact	How does this impact and what action, if any, do you need to take to address these issues?	What difference will this make?
Human rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Carers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Sex	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Religion or belief	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Sexual orientation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Pregnancy and maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Marriage and civil partnership (only eliminating discrimination)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Other relevant groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
HR Policies only: Part or Fixed term staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

**IMPORTANT NOTE:** If any of the above results in 'negative' impact, a 'full' EIA which covers a more in depth analysis on areas/groups impacted must be considered and may need to be carried out.

Having detailed the actions you need to take please transfer them to onto the action plan below.

3. Action plan				
Issues/impact identified	Actions required	How will you measure impact/progress	Timescale	Officer responsible

4. Monitoring, Review and Publication				
When will the proposal be reviewed and by whom?	Lead / Reviewing Officer:	January 2020	Date of next Review:	January 2020

Once completed, this form **must** be emailed to Alison Hague, Corporate Services Manager for sign

off: [Alison.hague@rotherhamccg.nhs.uk](mailto:Alison.hague@rotherhamccg.nhs.uk)

Alison Hague signature:	A Hague
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Title:	<b>Procurement and Commissioning Policy</b>
Reference No:	
Owner:	Operational Executive
Author:	Wendy Allott – Chief Finance Officer
First Issued On:	
Latest Issue Date:	
Operational Date:	
Review Date:	
Consultation Process:	
Ratified and Approved by:	
Distribution:	All staff and GP members of the CCG
Compliance:	Mandatory for all permanent & temporary employees of Rotherham CCG.
Equality & Diversity Statement:	In applying this policy, the Organisation will have due regard for the need to eliminate unlawful discrimination, promote equality of opportunity, and provide for good relations between people of diverse groups, in particular on the grounds of the following characteristics protected by the Equality Act (2010); age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation, in addition to offending background, trade union membership, or any other personal characteristic.

## Table of Contents

1. Introduction .....	3
2. Scope .....	3
3. Principles .....	3
4. Aims .....	4
5. Legal Framework .....	4
6. Definitions .....	4
7. The Approach to Procurement .....	5
7.1 NHS Rotherham CCG's Constitution .....	5
8. Duties .....	5
8.1 Chief Officer .....	5
8.2 Chief Finance Officer .....	5
8.3 Managers.....	5
8.4 Governing Body .....	5
9. Quality .....	5
9.1 Quality, Innovation, Productivity and Prevention (QIPP) .....	6
9.2 Commissioning for Quality and Innovation (CQUIN).....	6
9.3 UK Government's Approach to Quality.....	6
10 Collaborative Procurement.....	6
11 Decommissioning Contracts and Services .....	6
12 Staff, Public and Patient Engagement .....	7
13 Implementation .....	8
14 Review .....	8
15 Ensuring CCG Compliance with Procurement Rules and Regulation .....	9
15.1 Statutory Framework .....	9
15.2 Procurement Rules and EU Treaty Principles .....	9
15.3.1 Responsibilities .....	9
15.3.2 Health and Social Care Act 2012 .....	10
15.3.3 Integrated Care, Choice and Competition .....	10
15.3.4 Publishing Contract Opportunities .....	10
15.3.5 Public Services (Social Value) Act 2012 (UK) .....	11
15.3.6 Equality Act 2010 (UK) .....	11
15.3.7 Freedom of Information 2000 (UK) .....	11
15.3 The Role of NHS Improvement (Formerly "Monitor") .....	11
15.3.1 NHS Improvement's Testing Criteria .....	12
15.4 CCG's Prime Financial Policies .....	13

15.4.1	For expenditure up to £15k .....	14
15.4.2	For expenditure between £15k to £50k .....	14
15.4.3	For expenditure £50k and over .....	14
15.4.4	Tender/No Tender .....	14
15.5	Awarding of contracts .....	14
16	Avoidance of procurement rules .....	14
17	Document Hierarchy .....	15
18	Most Economically Advantageous Tender (MEAT) .....	15
19	Managing Conflicts of Interest .....	15
20	Pre-Procurement Engagement .....	16
20.1	OJEU Thresholds .....	16
20.2	Advertising Opportunities .....	16
20.3	Service Contracts .....	17
20.4	Exemptions for In-House Contracts and Joint Co-Operation .....	17
21	Choice of Procedure .....	18
21.1	New Procedures Available .....	18
21.2	Greater freedom to use competitive with negotiation and competitive dialogue procedures .....	18
22	Timescales .....	18
23	Selection (Pre-Qualification) Stage .....	18
23.1	New grounds for mandatory exclusion .....	18
23.2	Extension of grounds for discretionary exclusion .....	19
23.3	Duration of exclusion and 'self-cleaning' .....	19
23.4	Financial standing .....	19
23.5	Technical capability .....	19
24	Abnormally Low Tenders .....	19
25	Evaluating Experience at Award (Invitation to Tender) Stage .....	19
26	Regulation 84 Reports .....	20
27	Framework Agreements .....	20
28	Any Qualified Provider (AQP) .....	21
29	Pilot Projects .....	21
30	Dispute Avoidance .....	22
31	Sustainable Procurement .....	22
32	Third Sector/SME Support .....	22
Appendix 1	Procurement Activity Work Plan .....	23

## 1. Introduction

NHS Rotherham Clinical Commissioning Group (CCG) comprises 31 GP practices and is fully authorised as the statutory organisation with responsibility for commissioning (buying) many of the healthcare services for the Rotherham population of approximately 261,000 people. To maximise our ability to commission the highest quality services within the available resource allocation we work jointly with a range of partners which include NHS England, Rotherham Metropolitan Borough Council (RMBC), local health providers and the voluntary and community sector.

To ensure we commission services fairly and transparently NHS Rotherham CCG will comply with procurement and competition law.

## 2. Scope

This policy applies to those members of staff that are directly employed by NHS Rotherham CCG and for whom NHS Rotherham CCG has legal responsibility. For those staff covered by a letter of authority/honorary contract or work experience this policy is also applicable whilst undertaking duties on behalf of NHS Rotherham CCG or working on Rotherham CCG premises and forms part of their arrangements with NHS Rotherham CCG. As part of good employment practice, agency workers are also required to abide by NHS Rotherham CCG policies and procedures, as appropriate, to ensure their health, safety and welfare whilst undertaking work for NHS Rotherham CCG.

## 3. Principles

The overarching principles of public procurement within the NHS are as follows:

- **Transparency** – Commissioners are required to publish procurement strategies and intentions to procure, provide feedback to unsuccessful bidders, publish details of awarded contracts and maintain records which demonstrate how procurement decisions have been made;
- **Proportionality** – The level of capacity and resource involved in the procurement process both on behalf of the commissioner and the potential providers in relation to the value and complexity of the service being procured must be proportionate; and
- **Equality/Non-discriminatory** – The duty to treat all potential providers equally. This could include engagement with providers on service design to ensure service specifications have not been designed to exclude certain providers and the deadline for tender submissions has not been set to favour certain providers.

Where appropriate the CCG will work collaboratively across the wider health economy to jointly commission and procure services. The CCG will actively participate in projects/programmes where there are benefits to the Rotherham population, including the reduction of procurement costs and increased leverage with providers, by acting regionally.

Rotherham CCG purchases all specialist procurement advice from the South Yorkshire Procurement Service, a service also serving NHS Barnsley CCG, NHS Bassetlaw CCG and NHS Sheffield CCG. This service is hosted by NHS Sheffield CCG.

## **4. Aims**

The aims of this policy are three-fold:

1. To provide an overview of how the CCG will operate and the ethos that will be applied to all procurement activity whilst ensuring compliance with statutory procurement guidelines;
2. To provide advice and guidance for all staff working within the CCG who procure any goods or services by setting out the procurement principles, rules and methods that the CCG will work within; and
3. To set out a summary of procurement activity to be undertaken by the CCG, in the short and medium term.

## **5. Legal Framework**

This policy reflects existing national guidance, in particular the requirements of the NHS Procurement, Patient Choice and Competition Regulations 2013 (No. 2)<sup>1</sup>, the Procurement Guide for Commissioners of NHS Funded Services<sup>2</sup>, and NHS Improvement's \* Substantive guidance on the Procurement, Patient Choice and Competition Regulations<sup>3</sup>.

The full legal and regulatory framework that the CCG will abide by is made up of:

- The NHS (Clinical Commissioning Group) Regulation 2012 no. 1631 (2012);
- Securing best value for NHS patients (2012);
- Procurement briefings for Clinical Commissioning Groups (2012);
- Procurement Guide for commissioners of NHS-funded services (2012);
- Public Services (Social Value) Act (2012);
- Health and Social Care Act (2012);
- The National Health Service (Procurement, Patient Choice and Competition) (No 2) Regulations (2013);
- NHS Improvement's Substantive guidance on the Procurement, Patient Choice and Competition Regulations (2014);
- Managing Conflicts of Interest: Statutory Guidance for CCGs (2014); and
- The Public Contracts Regulations (2015).

*\* From 1<sup>st</sup> April 2016, Monitor became part of NHS Improvement. However for the avoidance of confusion references to Monitor have been replaced by NHS Improvement. NHS Improvement will be used as a way of referencing Monitor.*

## **6. Definitions**

Procurement	Procurement is the process of finding, agreeing terms and acquiring goods, services or works from an external source, often via a tendering or competitive bidding process
Commissioning	To formally choose someone to do a special piece of work or to formally ask for a special piece of work from someone.
Procurement activity	The act or instance of procuring goods/services.

<sup>1</sup> [http://www.legislation.gov.uk/uksi/2013/500/pdfs/ukxi\\_20130500\\_en.pdf](http://www.legislation.gov.uk/uksi/2013/500/pdfs/ukxi_20130500_en.pdf)

<sup>2</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/216280/dh\\_118219.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/216280/dh_118219.pdf)

<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/283505/SubstantiveGuidanceDec2013\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/283505/SubstantiveGuidanceDec2013_0.pdf)

## **7. The Approach to Procurement**

### **7.1 NHS Rotherham CCG's Constitution**

Our mission; working with the people of Rotherham to sustain and improve local health services, to improve health and to reduce health inequalities.

The NHS Rotherham CCG Constitution<sup>4</sup> sets out the arrangements made by the CCG to meet its responsibilities for commissioning care for the people to whom it is accountable. It describes the governing principles, rules and procedures that the CCG will establish to ensure probity and accountability in the day to day running of the Clinical Commissioning Group, to ensure that decisions are taken in an open and transparent way and that the interests of patients and the public are central.

## **8. Duties**

### **8.1 Chief Officer**

The Chief Officer of the CCG has overall responsibility for ensuring the CCG complies with all relevant legislation and works to best practice. The lead for procurement is delegated to the Chief Finance Officer.

### **8.2 Chief Finance Officer**

The Chief Finance Officer will ensure all Procurement takes place in line with this policy and the scheme of delegation.

### **8.3 Managers**

All line managers are responsible for:

- Implementing the policy within their sphere of responsibility where appropriate
- Ensuring all procurement they are responsible for is logged on the procurement activity Log (appendix 1) and the procurement procedure is complied with.

### **8.4 Governing Body**

The Governing Body has the ultimate responsibility for ensuring that the CCG meets its statutory requirements when procuring healthcare services.

The Governing Body will be the authorising body for awarding a contract once a formal tender process has been completed. When considering options for procurement the Governing Body will work within the guidelines set out by NHS Improvement as the appointed regulator of healthcare procurement and apply the NHS Improvement Key Test's as described within section 15.3.1 of this document.

## **9. Quality**

The overall quality of a Service will be determined by the successful implementation of the procurement process. Quality will be embedded throughout each process using the following tools:

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<sup>4</sup> <http://www.rotherhamccg.nhs.uk/Downloads/Constitution/Constitution%20-%20May%202016.pdf>

## 9.1 Quality, Innovation, Productivity and Prevention (QIPP)

All tender activity undertaken by the CCG will focus on the QIPP agenda and each successfully delivered tender will contribute to this wider programme:

- **Quality** – The quality of each service will be assessed through the evaluation of the successful bidder's tender submission and subsequently managed through an agreed performance management framework established at the tender stage and included in the Contract. This will cover, where relevant, any appropriate outcome measures specified as part of the tender process.
- **Innovation** – Emphasis will be placed on innovation to enable suppliers/providers to introduce efficiencies and new working methods into every area of service delivery.
- **Productivity** – Each tender will be evaluated against published assessment criteria and weightings using the published scoring mechanism to ensure that the Contract is awarded to the Provider/supplier who is/are adjudged to have submitted the Most Economically Advantageous Tender (MEAT).
- **Prevention** – For procurements this focuses on the problem of under or over supply as opposed to considering any health improvement and inequalities issues, which will be addressed as part of the quality and outcome specifications. A contract that delivers too much or too little activity is wasteful and will inevitably be an unwelcome expense to the commissioner of the service. There can also be associated risks to the provider which emphasises the need for thorough market analysis and the understanding of the service requirements.

## 9.2 Commissioning for Quality and Innovation (CQUIN)

CQUIN payments enable commissioners to reward suppliers by linking payments to local quality improvements goals. Where appropriate to the service being commissioned the South Yorkshire Procurement Service will offer advice to enable commissioners to embed these payments into the contractual agreement through an appropriate performance management framework as part of the tender process.

## 9.3 UK Government's Approach to Quality

Regulation 67 of the Public Contracts Regulations 2015 ('the PCR 2015') confirms that all contract awards must now be made to the 'Most Economically Advantageous Tender' (MEAT) using a cost effectiveness approach such as life-cycle costing to assess this; this may include best 'price-quality ratio' as assessed on the basis of the award criteria.

## 10 Collaborative Procurement

There are areas of supply management in which procurement collaboration is likely to bring benefits to Rotherham CCG whether it is the sharing of operational resources, or commitment to specific joint projects and/or contracts. Economies of scale can be achieved in both operational activity and through leveraging collective spend. Where a specific procurement warrants joint procurement activity and it can be evidenced that this would be the best thing for the Rotherham population, NHS Rotherham CCG will enter into collaborative procurement processes, e.g. with other CCGS, Local Authorities or as part of the Accountable Care Partnership / System.

## 11 Decommissioning Contracts and Services

The CCG will ensure that the way we approach the decommissioning of services will be fair, open and

transparent.

- a. Proposals to decommission a service or contract will meet the Secretary of State's four key tests for service change:
  - Support from GP commissioners;
  - Strong engagement, including local authorities, public and patients;
  - A clear clinical evidence base underpinning proposals; and
  - The need to develop and support patient choice.
- b. There must be clear and objective reasons for the decommissioning of a service. These are likely to be based on one or more of:
  - Failure to remedy poor performance;
  - Evidence that the service is not cost-effective;
  - Evidence that the service is not clinically effective – i.e. patient outcomes cannot be shown; and/or
  - Insufficient need for the service.
- c. Proposals will be clearly in line with the CCG's business aims and objectives, as set out in our annual commissioning intentions.
- d. Patient and service users' views will be taken into consideration in any decision to decommission a service, with formal public consultation when required.
- e. Proposals will be led by clinicians and will be based upon clear and strong evidence of clinical and cost effectiveness.
- f. Proposals will be backed by a robust business case that describes the benefits of decommissioning and demonstrates that the benefits will be achieved.
- g. The Governing Body will ultimately take the decision with regard to the decommissioning of any service.

## **12 Staff, Public and Patient Engagement**

Rotherham CCG is committed to engaging relevant stakeholders when undertaking active procurement exercises. The NHS Constitution<sup>5</sup> pledges that staff should be engaged in changes that affect them. Staff engagement is principally the responsibility of employers, but as commissioners the CCG recognises the value of effective staff engagement in improving the quality of commissioning and procurement.

The CCG recognises that the engagement of clinicians, patients and public in designing services results in better services. Our business processes require evidence of engagement for business cases to be approved and as a result, any procurement of contracts or services will have been informed by engagement at the design stage.

As well as engaging staff and service users at the business case development stage, the CCG is committed to involving individuals in the procurement process. The CCG will also ensure (where appropriate) engagement with service users and the public when evaluating tender submissions; our expectation is that relevant service users will be represented on tender evaluation panels and be given

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<sup>5</sup> <http://www.nhs.uk/choiceintheNHS/Rightsandpledges/NHSConstitution/Pages/Overview.aspx>

the opportunity to influence the outcome of procurement decisions.

### **13 Implementation**

This policy will be disseminated to staff via the intranet/internet

### **14 Review**

This Policy will be reviewed 3 years from the date of approval by the Governing Body or sooner if there is a requirement to meet legal, statutory or good practice standards.

## **Procedure**

### **15 Ensuring CCG Compliance with Procurement Rules and Regulation**

#### **15.1 Statutory Framework**

NHS Rotherham Clinical Commissioning Group (CCG) was established under the Health and Social Care Act (2012)<sup>6</sup>. CCGs are statutory bodies which have the function of commissioning services for the purposes of the health service in England and are treated as NHS bodies for the purposes of the National Health Service Act 2006 ('the 2006 Act'). The duties of clinical commissioning groups to commission certain health services are set out in section 3 of the 2006 Act, as amended by section 13 of the 2012 Act, and the regulations made under that provision.

The NHS Principles are outlined in National Health Service (Procurement, Patient Choice and Competition) (No 2) Regulations (2013) and NHS Improvement's Substantive guidance on the Procurement, Patient Choice and Competition Regulations (2014). The key deliverables are:

- a) Securing the needs of the people who use the services;
- b) Improving the quality of the services; and
- c) Improving efficiency in the provision of the services.

#### **15.2 Procurement Rules and EU Treaty Principles**

##### **15.3.1 Responsibilities**

All managers and commissioners with budgetary responsibility must make themselves familiar with the CCG Standing Orders (SO) and Prime Financial Policies (PFPs), which form part of the CCG's Constitution, together with relevant detailed financial policies available via the intranet and all relevant procurement procedures described in this document.

- All procurements will comply with the requirements of the SO and PFP's.
- Where applicable, all procurements will comply with the requirements of the European Union (EU) Procurement Directive 2014/24/EU as promulgated in UK law by The Public Contracts Regulations 2015 ('The Regulations'). Managers and commissioners should seek advice from the South Yorkshire Procurement Service to confirm when and if these Regulations apply.
- All clinical service procurements will abide by NHS Improvement's Substantive guidance on the Procurement, Patient Choice and Competition Regulations.

The EU Treaty and EU Directive on procurement require competition as the mechanism by which contracting authorities ensure equality of treatment, transparency and non-discrimination of providers.

Regardless of whether procurement is an 'above threshold' procurement, i.e. the contract value exceeds the threshold level above which it is mandatory to advertise the procurement in the Official Journal of the European Union (OJEU), it is important to note that the EU Treaty Principles still apply. It is further important to note that all tender opportunities of £25K and over must be advertised on the UK Government website "Contracts finder".

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<sup>6</sup> [http://www.legislation.gov.uk/ukpga/2012/7/pdfs/ukpga\\_20120007\\_en.pdf](http://www.legislation.gov.uk/ukpga/2012/7/pdfs/ukpga_20120007_en.pdf)

### 15.3.2 Health and Social Care Act 2012

The Health and Social Care Act describes the responsibilities of the commissioning organisations within the NHS and the wider UK healthcare landscape.

#### 15.3.3 Integrated Care, Choice and Competition

A key feature of the Health and Social Care Act is the emphasis on Integrated Care. Section 75 of the Act entitled 'Procurement, Patient Choice and Competition Regulations' requires commissioners to consider how they can procure services in a more integrated fashion to consider other Healthcare services, Healthcare related services and Social services.

The Regulations ask commissioners to consider when procuring services the impact on the patient who may have multiple healthcare needs and hence may traditionally have had to:

- Receive treatment from a number of different healthcare teams across a range of disciplines;
- Receive treatment over a number of different sites; or
- Receive treatment from a number of different healthcare providers.

No direct solution is given to address the issue other than to ensure that when procuring services they interface in a way which gives the patient a seamless service. NHS Improvement may test a commissioner's effectiveness in this by asking providers how they will co-operate in the delivery of a patients care with other providers.

In relation to Choice and Competition, commissioners are required to ensure appropriate choice and competition exists in the market to drive up quality and efficiency. In testing this NHS Improvement will assess how available 'Choice' is for patients and whether the number of providers in a particular market impacts on the incentive for providers to improve patient care. Where plurality of providers does not exist there is no requirement to introduce this until the incumbent provider's contract is up for renewal.

#### 15.3.4 Publishing Contract Opportunities

The Health and Social Care Act 2012 deals with the requirements for:

- The UK Government to maintain a website in which commissioners can publish notices (i.e. Contracts finder<sup>7</sup>);
- Arrangements to be put in place to enable providers to express interests in providing services;
- Commissioners to publish a notice where they do intend to publish their intention to seek offers from providers for a new contract;
- The content of published notices; and
- The ability of commissioners to avoid posting a notice where they don't wish to invite interest from providers and which to award the contract with a single provider.

In assessing the decision to not publish a notice NHS Improvement would assess whether there is only one provider capable to deliver the service or whether after a detailed review of local healthcare provision it is concluded there is a particular provider which is clearly superior in delivering the particular service and where the benefits of competitive tendering are outweighed by the cost of publishing the notice or running a competitive tender exercise.

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<sup>7</sup> <https://www.contractsfinder.service.gov.uk/Search>

There are certain benefits in selecting a particular provider and this could be due to location of provision, availability of particular infrastructure or where there is an immediate clinical need for which the selection of a particular provider is necessary on clinical safety grounds.

#### 15.3.5 Public Services (Social Value) Act 2012 (UK)

Commissioners must consider their responsibilities under the Public Services (Social Values) Act (2012)<sup>8</sup> for all healthcare (clinical) procurements conducted. Consideration should be proportional and equitable whilst ensuring that the economic, social and environmental needs of the local community are met.

There is specific provision in UK and EU legislation to enable commissioners to include evaluation criteria which supports economic, social and environmental well-being within an area. Criteria could include financial investment, employment opportunities, carbon reduction and wider supply chain impacts amongst others.

#### 15.3.6 Equality Act 2010 (UK)

Commissioners must consider their responsibilities under the Equality Act 2010<sup>9</sup> for all healthcare (clinical) procurements conducted. Potential Providers must not be discriminated against, in compliance with the requirements of the act, during the term of contract or the procurement process itself.

#### 15.3.7 Freedom of Information 2000 (UK)

Commissioners must consider their responsibilities under the Freedom of Information Act 2000 (FOI)<sup>10</sup> for all healthcare (clinical) procurements conducted. Care must be taken to ensure the rights of individuals and the rights of all organisations associated with the procurement process are protected during all correspondence and associated actions. Potential bidders must be made aware of the commissioner's responsibilities as a public sector organisation under the act during the preliminary stages of any procurement process.

### 15.3 The Role of NHS Improvement (Formerly "Monitor")

From 1 April 2016, NHS Improvement is the operational name for an organisation that brings together a number of former NHS bodies including Monitor. The NHS Improvement website states *'Part of our role is to make sure that procurement, patient choice and competition operate in the best interests of patients and to step in if anti-competitive behaviour by NHS commissioners or providers goes against patients' interests.*

*We can provide advice, including to providers and commissioners about these obligations. We can also look at complaints about how commissioners are commissioning healthcare services which might not be in the best interests of patients.*

*We will acknowledge your enquiry within 2 days and contact you within 18 working days to provide advice or let you know how we intend to proceed.*

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<sup>8</sup> <http://www.legislation.gov.uk/ukpga/2012/3/enacted>

<sup>9</sup> <http://www.legislation.gov.uk/ukpga/2010/15/contents/enacted>

<sup>10</sup> <http://www.legislation.gov.uk/ukpga/2000/36/contents>

Examples of advice we have given are:

- *a patient contacted us because they did not feel they were being treated quickly enough. We were able to advise them of the choices available to access quicker treatment*
- *a commissioner contacted us to discuss their plans for a prime contractor and we advised them how the rules applied to those plans*
- *a provider contacted us with concerns about a commissioner's conduct and we advised them about the rules relating to conflicts of interests'.*

Under the Health and Social Care Act 2012, NHS Improvement, as the sector's regulator, must ensure that relevant procurement guidelines are adhered to across the health economy. A provider who raises a challenge or dispute in relation to a tender process should be initially managed through a local Dispute Avoidance and Reconciliation process (DARP). Where the bidder is not satisfied by local DARP outcome bidders should be referred to NHS Improvement who will investigate procurement disputes to establish if there is a case to answer.

NHS Improvement's decision is binding in these instances, as described by the role of NHS Improvement as the independent regulator of competition within the NHS (section 62 of the Health and Social Care Act (2012)). NHS Improvement may request that the commissioning authority re-tenders an opportunity should any fault be found in the methodology used to select service providers.

A provider also has the right to raise a procurement challenge in the Technology and Construction Court, a division of the High Court, directly, without approaching NHS Improvement and in such instances the case may be heard through the judicial system.

### 15.3.1 NHS Improvement's Testing Criteria

The overarching purpose of the NHS Improvement testing criteria is to ensure that any healthcare procurement achieves the following:

- |  |
|--|
| <ul style="list-style-type: none"><li>• Securing the needs of health care service users;</li><li>• Improving the quality of services; and</li><li>• Improving the efficiency with which services are provided.</li></ul> |
|--|

The following not only applies to let contracts but also when selecting providers for frameworks or shortlisting as potential future providers. The criteria that NHS Improvement will evaluate in assessing whether the aforementioned objectives have been met are as follows:

- Steps taken to establish the levels of public engagement in the local community to establish whether the services being procured meet local health need.
- Establish whether a holistic view of the needs of healthcare users has been undertaken when procuring particular services, including their needs for related services i.e. services that health care users/patients can access from the same provider on the same site.
- Whether the commissioner has considered the needs of all health care users for which it is responsible when procuring services, including:
  - What steps the commissioner has taken to ensure equitable access to services, including by vulnerable and socially excluded members of the population;

- Whether the commissioner has had regard to the different needs of groups of patients, such as the need for some patients to receive a service in a particular setting;
- Whether the commissioner has considered the sustainability of services, including the impact that a procurement decision relating to one set of services may have on the ability of providers to deliver other services that health care users require; or
- Whether the commissioner has monitored the quality and efficiency of existing service provision and identified any areas where improvements are needed in advance of procuring services.

#### 15.4 CCG's Prime Financial Policies

Section 8 of the CCG's Standing Financial Instructions (Appendix E2 of the Constitution) sets out the Tendering and Contracting Procedure including the procurement limits for both revenue and capital purchases as follows:

<b>Total Contract Value</b>	<b>Type of Procurement Required</b>	<b>Procurement Options</b>	<b>Timescales</b>
Up to £15k	1 quotation required use standard requisition process. For audit purposes and to demonstrate that value for money has been considered, wherever possible staff should ensure that a quotation is attached to the requisition for both single and multiple items if this is not already available via an existing contract.	Adhere to local/national contracts	1 week
Between £15k and £50k	3 quotations sought (waiver required if 3 quotes weren't sought)	'Call for further competition' through framework agreement	2-4 weeks
		For a value exceeding £20K tender will be published on Contracts finder	
Over £50k	Full tender required (Any decision not to put a service out to tender should be discussed and confirmed at Governing Body.)	Any Qualified Provider (AQP)	2-4 months
		Standard OJEU - Open	5-6 months
		Standard OJEU - Restricted	
		Complex OJEU - Competitive Dialogue	5-6 months + 6

In certain circumstances the procurement route specified below might not be appropriate. In such circumstances a procurement Waiver may be requested by the relevant director and authorised by the Accountable Officer or Chief Finance Officer.

#### 15.4.1 For expenditure up to £15k

The procurement can be done locally and should follow the normal requisitioning procedures. All requisitioners will be expected to adhere to those contracts which have been negotiated by Regional or National Procurement teams for all goods/services; this includes items under £15K. Where no contracts have been negotiated, or if they prove unsuitable, purchasers are free to request quotes from the open market.

#### 15.4.2 For expenditure between £15k to £50k

The procurement can be done locally and should follow the normal requisitioning procedures. All requisitioners will be expected to adhere to those contracts which have been negotiated by Regional or National Procurement teams for all goods/services. Where no contracts have been negotiated, or if they prove unsuitable, purchasers are free to request quotes from the open market. A minimum of 3 organisations should be approached to provide quotes.

#### 15.4.3 For expenditure £50k and over

Some form of competitive process should take place. This is likely to require input from South Yorkshire Procurement Service and the budget holder should seek appropriate advice.

If a competitive process is not going to be followed then a waiver form must be completed.

A full competitive process is expected to take place for services over £50k unless the Governing Body has determined that the service will not be subject to tender and has set out the rationale for its decision.

Where a full OJEU compliant tender is required the procurement work-plan must be updated and the NHS South Yorkshire Procurement Service informed to enable capacity planning. Procurement requests should be routed through the Head of Procurement. Tenders will be advertised on Contracts Finder and published via the online portal [www.nhssourcing.co.uk](http://www.nhssourcing.co.uk)

#### 15.4.4 Tender/No Tender

Advice should be sought from the NHS South Yorkshire Procurement Service if there is any doubt as to whether a tender process should be conducted.

### 15.5 Awarding of contracts

The Governing Body may choose, depending on the nature and value of the procurement, to delegate sign off to the Accountable Officer or Chief Finance Officer. If this process is not agreed for an individual procurement, the CCG Governing Body should be consulted on the outcome of a process and receive a recommendation for contract award before the CCG can make an award of contract.

## **16 Avoidance of procurement rules**

The UK courts take a strict line when they perceive that public contracts have been awarded without

taking the necessary steps to ensure competition rules have been adhered to. Commissioners should be aware of several forms of avoidance that have been commonplace within the NHS:

- a) Pilot Projects – Awarding a contract through the guise of a ‘pilot project’ without following the correct procedure (as described below in Pilot Projects 2.23):
  - Pilot Projects have been awarded as a stop-gap measure when the commissioner has no intention to undertake a competitive process in the future. These contracts are often extended without competition, and;
  - Projects have been labelled as a pilot when the previous contract lapses and procurement has not taken place.
- b) Contract lengths are reduced (i.e. a 3 year contract is awarded as a 1 year contract) to artificially alter the contract value to avoid the compulsory OJEU thresholds<sup>11</sup>, and;
- c) Using negotiation with existing providers as a mechanism to improve services when the contract lapses (for clarification, negotiation is a viable method within the contract term but should not be used to renew or extend a contract).
- d) Designing a specification so that only one, or a small number of bidders, may tender for it, conversely designing a specification so that it excludes some bidders from tendering.

The UK courts have the authority to award damages to providers who have been unfairly excluded from the market through the use of such tactics, depending on the circumstances.

## **17 Document Hierarchy**

The CCG recognises that there is the potential for conflict between local, regional, national and European legislation within the UK healthcare system. The CCG will ensure that the processes it adopts comply with judicial legislation in accordance with the most up to date policies, guidance and procedures.

## **18 Most Economically Advantageous Tender (MEAT)**

With support from the South Yorkshire Procurement Service the CCG will ensure that every healthcare (clinical) service procurement will evaluate bidders’ submissions using the MEAT strategy rather than solely on a lowest price basis. This approach allows commissioners to consider the whole life cost of bids and takes into account the quality of the deliverable elements. It will be for the commissioner of the service to determine the priorities when setting out the bid evaluation criteria.

## **19 Managing Conflicts of Interest**

When commissioning services for which GP practices/CCGs could be potential providers, or where staff may have a conflict of interest, the CCG will refer to the advice and guidance published by NHS England<sup>12</sup> dealing with potential conflicts of interest. This guidance describes the responsibility of the CCG to demonstrate that those services commissioned:

- Clearly meet local health needs and have been planned appropriately;
- Go beyond the scope of the GP contract; and
- The appropriate procurement approach is used.

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<sup>11</sup> <https://www.ojeu.eu/thresholds.aspx>

<sup>12</sup> <http://www.commissioningboard.nhs.uk/resources/resources-for-ccgs/>

Rotherham CCG has a requirement to manage conflicts of interest and has the following processes in place:

- Arrangements for declaring interests;
- Maintaining a register of interests;
- Excluding individuals from decision-making where a conflict arises; and
- Engagement with a range of potential providers on service design.

The PCR 2015 also regulates conflicts of interest (Regulation 24), imposing a requirement that contracting authorities take measures to prevent, identify and remedy such conflicts and ensure equal treatment and non-distortion of competition.

In particular, Regulation 24 highlights the potential for conflict where staff members of the contracting authority have a direct or indirect interest which could prejudice their impartiality in the running of the procurement. An unresolvable conflict of interest forms a new ground for discretionary exclusion at selection stage.

## **20 Pre-Procurement Engagement**

The PCR 2015 officially gives blessing to consultation of the market pre-procurement, provided this is within the parameters of Regulations 40 and 41. Regulation 40 expressly allows contracting authorities to use advice gained as part of a pre-market engagement process in the planning and conduct of the procurement, provided that this is not anti-competitive or a breach of transparency and non-discrimination principles.

Regulation 41 imposes express requirements where a supplier has had prior involvement in the preparation of the procurement; a contracting authority must ensure that the relevant information is disseminated amongst all bidders to ensure a level playing field and that sensible bid deadlines are set. There is a presumption that the bidder with prior involvement will only be excluded if there is no other way to ensure equality of treatment amongst bidders.

### **20.1 OJEU Thresholds**

As with the PCR 2006, the PCR 2015 will only apply where the contract being awarded is within the scope of the PCR 2015 and exceeds a value threshold (which is set out in Article 4(a) to (c) of the Directive). Regulation 6 of the PCR 2015 sets out the rules on how to calculate the value of a contract for the purposes of assessing whether the threshold is exceeded (broadly speaking, the position here is unchanged from that of the PCR 2006, in particular the rules around aggregation of requirements and contract values).

Thresholds are published every two years. Current published thresholds are applicable for the period 1<sup>st</sup> January 2018 to 31<sup>st</sup> December 2019. Commissioners should consult the South Yorkshire Procurement Service for advice on current thresholds and their application to ensure the correct procurement route is adopted.

### **20.2 Advertising Opportunities**

Regulation 53 of the PCR 2015 requires all contracting authorities to offer full and unrestricted access to all the procurement documents from the date that a contract (OJEU) notice (or invitation to confirm interest following a PIN) is published in the OJEU. 'Procurement documents' is a defined term in the PCR 2015 and will include, in addition to the call for competition itself, and non-exhaustively, technical specifications, descriptive documents, pre-qualification questionnaires, invitations to tender, and the

terms and conditions of the contract.

### 20.3 Service Contracts

Under the PCR 2006, contracts for so-called Part B Services were exempt from the full application of the rules (particularly, there was no requirement to advertise in the OJEU). Under the PCR 2015, the distinction between Part A and Part B Services has been removed and replaced by what is becoming known as the 'Light Touch' regime. Details of this regime are at Regulation 74 onwards of the PCR 2015.

A services contract will fall within the scope of the Light Touch regime if it is for the certain types of services listed at Schedule 3 of the PCR 2015. For these Light Touch regime contracts, a higher threshold than that for ordinary service contracts will apply, before the Light Touch regime is applicable. This threshold is set out at Article 4(d) of the Directive and at the time of writing is £589,148.

Note that the services listed at Schedule 3 of the PCR 2015 do not exactly mirror what used to be categorised as Part B Services under the PCR 2006; if a service is not listed at Schedule 3 of the PCR 2015 it will be subject to the full regime rather than only the Light Touch regime. Health, Social and Related Services are included in Schedule 3.

While the Light Touch regime is not prescriptive as to how contracting authorities design their procurement process for Light Touch regime services contracts, it does for the first time require that services contracts that fall within the Light Touch regime are advertised.

### 20.4 Exemptions for In-House Contracts and Joint Co-Operation

Previously we relied on European case law (particularly, the Teckal and Hamburg cases) for authority on when an in-house contract or joint co-operation arrangement fell outside the scope of the PCR 2006. The PCR 2015 now sets out these exemptions in statute for the first time.

Regulation 12 states that a contract will be regarded as an exempt in-house contract where:

- The contracting authority exercises over the contractor concerned a control which is similar to that which it exercises over its own departments ("similar control" in this context means the contracting authority exercising "a decisive influence over both strategic objectives and significant decisions" of the contractor. It includes where this control is exercised by another body, provided that other body is itself controlled by the contracting authority); and
- More than 80 % of the activities of the contractor are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other bodies that are themselves controlled by that contracting authority; and
- There is no private sector ownership of the contractor, with certain exceptions.

Regulation 12(2) specifically permits an extension of the Teckal exemption to what can be called "horizontal in-house transactions". Provided that the three conditions listed above have been met, Regulation 12(2) states the exemption will also apply where "a controlled legal person, also being a contracting authority, awards a contract to its controlling contracting authority or to another entity that is also controlled by that controlling contracting authority".

Regulation 12 also provides an exemption for joint co-operation between contracting authorities where:

- The contract establishes joint co-operation in the performance of public services with a view to achieving mutual objectives; and

- The implementation of the co-operation is governed only by the public interest; and
- The participating authorities perform “on the open market” less than 20% of activities concerned by the co-operation.

## **21 Choice of Procedure**

### 21.1 New Procedures Available

Under the PCR 2015 five standard procurement procedures are available, as follows:

- Open (Regulation 27);
- Restricted (Regulation 28);
- Competitive with negotiation (Regulation 29);
- Competitive dialogue (Regulation 30); and
- Innovation partnership (Regulation 31).

### 21.2 Greater freedom to use competitive with negotiation and competitive dialogue procedures

Under the PCR 2015 these procedures can now be used when:

- Needs can't be met without adapting readily available solutions; or
- Requirements involve design or innovative solutions; or
- The contract cannot be awarded without negotiation due to nature, complexity, legal or financial make up or risks attached; or
- The specifications can't be established with sufficient precision; or
- Following an open/restricted procedure, where only irregular or unacceptable tenders were submitted.

## **22 Timescales**

Timescales for all the procedures have been shortened; please refer to the South Yorkshire Procurement Service for advice on procurement timescales.

Commissioners should note that there is a requirement at Regulation 47(3) to extend time limits where information requested by bidders is not provided to them at least 6 days prior to the bid deadline or where significant changes are made to the procurement documents (for example, such changes could perhaps be needed because the contracting authority has had to rush the preparation of the procurement documents in order make these available electronically from day one, in accordance with Regulation 53).

## **23 Selection (Pre-Qualification) Stage**

### 23.1 New grounds for mandatory exclusion

The PCR 2015 has updated the list of offences set out at Regulation 57(1). New offences include those under the Counter Terrorism Act 2008 and the Serious Crime Act 2007. In addition, for example, where a supplier has failed to pay taxes or social security contributions and there has been a binding judgment or decision in the case, that supplier must be excluded (Regulation 57(3)).

### 23.2 Extension of grounds for discretionary exclusion

Regulation 57 includes new grounds for discretionary exclusion which the CCG will need to address, for example, where the supplier has:

- Failed to pay taxes or social security contributions and the contracting authority can demonstrate this by 'appropriate means' even in the absence of a formal ruling; or has performed poorly on previous contracts, resulting in termination or damages or the equivalent; or
- Exerted undue influence on procurement decision making process; or
- Various other circumstances which would distort competition e.g. conflicts of interest, collusion, prior involvement (where the impact of this is incapable of being neutralised by dissemination of information to other bidders).

### 23.3 Duration of exclusion and 'self-cleaning'

Bidders may not be excluded forever. Regulation 57(11) states that for a mandatory exclusion offence a bidder shall be excluded for a period of five years, and for a discretionary exclusion, a period of three years.

In addition, Regulation 57(13) sets out a "self-cleaning" mechanism where a supplier may provide evidence that, despite the existence of mandatory or discretionary grounds, it can demonstrate its reliability and that it has taken compensatory measures to prevent the issue happening again (see Regulation 57(15)).

There is an obligation on the CCG to evaluate the evidence in the light of the gravity and circumstances of the misconduct, and to provide reasons to the supplier if it considers the 'self-cleaning' to be insufficient and it wishes to proceed to exclude in any event (Regulation 57(17)).

### 23.4 Financial standing

Regulation 58 limits the maximum turnover requirements that the CCG may set to a maximum of twice the contract value.

### 23.5 Technical capability

Regulation 58 confirms the CCG may require a sufficient level of experience to perform a contract to 'an appropriate quality standard' and this may be required to be demonstrated by references from previous contracts.

## **24 Abnormally Low Tenders**

Regulation 69 requires contracting authorities to demand an explanation where a tender appears to abnormally low and states that bids may only be rejected where this explanation is unsatisfactory (Regulation 69(4)). However, where it is established that the tender is low due to breaches of environmental, social or labour law, the contracting authority is obliged to reject the tender (Regulation 69(5)). The regulation does not contain any real definition of what amounts to an 'abnormally low' bid.

## **25 Evaluating Experience at Award (Invitation to Tender) Stage**

The PCR 2015 confirms (Regulation 67(3)(b)) that it is possible to evaluate the experience of the staff assigned to performance of the contract, where staff quality is likely to have significant impact on performance levels (this is particularly likely to be true for example, contracts for clinical services, training and consultancy services).

## 26 **Regulation 84 Reports**

Regulation 84 requires the CCG to draw up a report in relation to each contract or framework that is awarded and ensure that it includes all the information set out at Regulation 84(1). This requirement does not apply to contracts called off from a framework agreement (see Regulation 84(2)). There is an ability to cross refer to the contract award notice where this already contains all the information required. Note, the Cabinet Office has the right to request a copy of the report.

As well as the general details of the winning bid, the suppliers involved, the value and subject matter of the contract, the Regulation 84 report on a particular contract must also include:

- Where the competitive with negotiation, competitive dialogue, or negotiated without notice procedure was used, the justifications for this choice;
- Where a procurement procedure is abandoned, the reasons why the contracting authority decided not to proceed;
- Details of any conflicts of interest identified and how these were resolved; and
- If any bids were found to be abnormally low, reasons for the rejection of these.

A further requirement is to publish contract award notices for any contract entered into which includes contracts entered into without competition (e.g. acute contracts, GP contracts etc.). To be compliant, all CCGs must publish contract award notices:

- For any contract above the Contracts finder threshold (currently £25,000 over the life of the contract) on [contractsfinder.service.gov.uk](http://contractsfinder.service.gov.uk);
- For any 'non-light touch regime' contract above OJEU threshold (currently £181,302 over the life of the contract) on [www.ojeu.eu/thresholds.aspx](http://www.ojeu.eu/thresholds.aspx) as well as on [www.contractsfinder.service.gov.uk](http://www.contractsfinder.service.gov.uk); and
- For any 'light touch regime' contract above OJEU threshold (currently £615,278 over the life of the contract) on [www.ojeu.eu/thresholds.aspx](http://www.ojeu.eu/thresholds.aspx) as well as on [www.contractsfinder.service.gov.uk](http://www.contractsfinder.service.gov.uk).

The South Yorkshire Procurement Service will publish contract award notices on behalf of CCG commissioners.

## 27 **Framework Agreements**

A framework is an umbrella agreement which sets out the terms on which the purchasing organisation and the provider(s) will enter into contracts.

These agreements can be established on both a national or regional level and are constituted by a number of pre-approved providers who supply a similar range of goods from which a purchase can be made relatively quickly and easily.

Various framework agreements are available through:

- The Crown Commercial Services (CCS)<sup>13</sup>;
- NHS North of England Commercial Procurement Collaborative (NOECPC)<sup>14</sup>;
- NHS Supply chain<sup>15</sup>; or
- Department of Health<sup>16</sup>.

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<sup>13</sup> <http://ccs.cabinetoffice.gov.uk/>

<sup>14</sup> <https://www.noecpc.nhs.uk/>

<sup>15</sup> <http://www.supplychain.nhs.uk/>

<sup>16</sup> <http://www.dh.gov.uk/>

There are two options available to purchase from a framework agreement:

- Apply the terms of the framework agreement:  
This option would apply when the terms and conditions of a purchase are set out (e.g. Provider A is cheaper than provider B for the product you are looking for therefore no competition is required).
- Hold a further competition:  
Where the requirements are more complex the CCG will hold a mini-competition or 'call for further competition'. Note, the CCG cannot just pick suppliers off the list and should approach all suppliers appointed to the framework in relation to a proposed call-off. In practice, frameworks with a large number of suppliers can, for this reason, be just as time consuming as embarking on a new procurement exercise.

The purchaser can be assured that the providers on a framework are financially stable and that the goods and/or services on offer are of a high quality because the suppliers have already been approved and rigorously assessed. Any purchase made through a framework is also compliant with procurement legislation, provided that the rules to engage providers through the terms of the framework have been followed.

The South Yorkshire Procurement Service can advise commissioners on either the use of existing framework agreements or the procurement of a new framework agreement.

## **28 Any Qualified Provider (AQP)**

The use of AQP should be determined at a local level where increasing the role of competition and patient choice can be proven to improve quality and patient care. Providers must be Care Quality Commission (CQC) registered (or, where CQC registration is not required to deliver the service, an appropriate registration body) or licensed by NHS Improvement to take part in this truncated selection process, and all providers will be required to operate within the same pricing structure.

The South Yorkshire Procurement Service will advise commissioners on the suitability and applicability of the Any Qualified Provider procurement route.

## **29 Pilot Projects**

In order to identify new working practices through the use of pilot projects, the CCG must establish that a project is in fact a pilot *via* the following definitions:

- There is a specific goal;
- The timetable is clearly laid out with defined periods for:
  - Start date;
  - End date; and
  - Period for lessons to be learnt.
- Clear and signed contract with the pilot service provider;
- Right to terminate a pilot must be included if it is found to be unsafe or the outcomes cannot be met.
- Robust plan/process for evaluation; and/or
- A concluding report is to be written which incorporates the learning from the Pilot and the basis for the specification of any future procurement process.

It is important for commissioners to use pilot projects only in circumstances where the clinical outputs

are not known or cannot be accurately predicted. The CCG should contact the South Yorkshire Procurement Service for specialist advice before embarking on a pilot project to ensure compliance with procurement and competition law.

### **30 Dispute Avoidance**

Where disputes arise as a result of a competitive procurement process the CCG dispute policy will apply.

### **31 Sustainable Procurement**

NHS Rotherham CCG is committed to the principles of sustainable development and demonstrates leadership in sustainable development to support central Government and Department of Health commitments in this area of policy, and the improvement of the nation's health and wellbeing.

Sustainable procurement is defined as a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.

Sustainable procurement should consider the environmental, social and economic consequences of:

- Design;
- Non-renewable material use;
- Manufacture and production methods;
- Logistics;
- Service delivery;
- Use / operation / maintenance / reuse / recycling and disposal options; and
- Carbon Reduction.

Each supplier's capability to address these consequences should be considered throughout the supply chain and effective procurement processes can support and encourage environmental and socially responsible procurement activity.

### **32 Third Sector/SME Support**

The South Yorkshire Procurement Service will support and encourage Small & Medium sized Enterprise (SME) suppliers, Third Sector/Voluntary organisations and local enterprises in bidding for contracts. NHS Rotherham CCG will ensure that Healthcare (clinical) Service tender processes promote equality and do not discriminate on the grounds of age, race, gender, culture, religion, sexual orientation or disability.

The CCG will aim to support Government guidelines seeking the optimal involvement of SME's and the Third Sector in public service delivery without acting in contravention of public sector procurement legislation and guidance.

The NHS is keen to encourage innovative approaches that could be offered by new providers – including independent sector, voluntary and third sector providers. NHS Rotherham CCG is committed to the development of local providers that understand the needs of local communities. It is vital to ensure that the Organisation's approach to healthcare procurement is open and transparent and that it does not act as a barrier to new providers.

## **Appendix 1 Procurement Activity Work Plan**

A procurement work plan will be prepared, agreed and published at the beginning of each financial year to support the priorities and requirements set out in the CCG's annual commissioning and business plans.

The function of the procurement work plan is to highlight the proposed procurement priorities and opportunities, clearly defining the CCG's direction of travel for potential and existing providers. By adopting a project management approach to the prioritisation and delivery of all procurement activities, resources can be allocated to ensure effective delivery.

The work plan is a key tool to improve communication between the CCG and providers. By having transparent and open processes, we will seek to actively encourage provider engagement at an early stage of any procurement, particularly when reviewing existing services with existing providers.

The procurement work plan is a public document and ensures that the CCG is transparent about its procurement decision making processes and rationale. It is published on the CCG internet site, and updated quarterly, [Procurement Intentions and Register](#). This will allow us to communicate short, medium and long term goals to the widest possible audience, and demonstrates a range of potential opportunities within the Rotherham health economy, rather than a series of 'one-off' procurements. This will encourage greater provider interest.

Not all commissioning priorities will have or will result in formal procurement activity. When considering appropriate actions to effect required changes and improvements, competition is only one lever available to NHS Rotherham CCG, and a range of other levers will also be considered (e.g. delivery of service redesign through partnership working).