Procurement Strategy

2016 – 2019
## Document Control

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### Revisions

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### Version Lead Author

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1. EXECUTIVE SUMMARY

1.1 Purpose
This Strategy explains how the Trust will conduct its Purchasing activity in order to increase the efficiency and effectiveness in purchasing and supply management enabling optimisation of the money available to fund direct patient care.

The strategy will address means to allow the Procurement department to best support the Trust’s wards and departments to provide goods and services of appropriate quality and value whilst adhering to local standing financial instructions, UK and EU law and working within the spirit of fairness, equality and transparency.

1.2 The National Procurement Picture
Over the last few years, procurement within the public sector has ‘enjoyed’ an ever-increasing profile.

The commitment from government to modernise the Procurement function is apparent by publications such as the 1998 Cabinet Office’s NHS Procurement Review endorsing the 1998 Audit Commission report – *Goods for your Health*. The Audit Commission report pushed for Trusts to:

- Develop and implement a procurement strategy
- Appoint a Board level lead on Supply matters
- Set an overall procurement efficiency target
- Progressively extend the procurement strategy to cover all non-pay expenditure.

The subsequent publication of the Department of Health’s “Necessity not Nicety” report outlined a new commercial operating model for the NHS with implications for Trusts and for Frimley Health around the minimising of competition between procurement organizations, the bolstering of the NHS Supply Chain (NHSSC) contract and the integration into the OGC (Office of Government Commerce) of the key NHS PASA (Purchasing and Supply Agency) activities.

This Strategy will also align itself with the latest Department of Health Procurement Development programmes as laid down in:

- Better Procurement, Better Value, Better Care (Aug 13)
- NHS e-Procurement Strategy – published (Apr 2013)
- Lord Carter report – Operational productivity and performance in English NHS acute hospitals: Unwarranted variation (Feb 16)
1.3 Scope
This paper sets out the strategy for the Trust’s Procurement Department from 2016 to 2019. It covers the procurement of goods and services carried out within the Procurement Department in the following areas:

- Medical and Surgical consumables and equipment.
- IT hardware, software, systems and services.
- Furnishings, fittings and office equipment and stationery.
- Major capital equipment purchases and fitting out of new clinical and non-clinical areas.
- Procurement of services such as Grounds, Financial (Audit) services.

The Procurement department will, at all times, work within the Trust’s Standing Orders and Standing Financial Instructions.

1.4 Financial Context and the Importance of Procurement
The Trust spend analytics system shows an annual spend of £243m on goods and services. Although not all spend is influencable this spend is over a third of the Trust’s annual turnover. How we manage this spend is therefore a critical part of addressing the Trust’s deficit and creating a financially sustainable organization.

During 2015/16 the Trust invoiced spend was as follows:

(Source: Spend by e-Class Mar 15 – Feb 16, Bravo Spend Analytics spend by invoice)
1.5 Roles and Responsibilities
1.5.1 Trust Board
The Director of Finance has executive responsibility for Procurement at Trust Board level.

1.5.2 Trust Staff
All Trust staff have a responsibility to adhere to the Trust’s Standing Financial Instructions, EU and UK law, the principles of which are embodied in this strategy.

1.5.3 Procurement
The Associate Director of Procurement has responsibility for the Procurement function and is responsible for this strategy and its objectives and implementation.

The Procurement team provide an end to end procurement service consisting of the following key areas:

1.6 What are we trying to achieve?
Our aim is to provide a professional, procurement service which is efficient, effective and provides excellent value to the Trust. We intend to gain control of our resources and deliver a category management led workplan that delivers savings and compliance.

1.7 What support do we need?
We need the continued support and focus of the Board and Executive team along with support from staff at all levels across the Trust.
## 2. Strategy and Organisation

<table>
<thead>
<tr>
<th>NHS Standards of Procurement</th>
<th>Departmental Objectives</th>
</tr>
</thead>
</table>
| **1. Strategy and Organisation** | - Improve our Internal and External Engagement  
- Develop a more Collaborative approach to procurement  
- Support of the national programme |

<table>
<thead>
<tr>
<th><strong>2. People and Skills</strong></th>
<th><strong>Departmental and Staff Development</strong></th>
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</table>
|                           | - Develop the Department to ensure the right expertise are available to support the Trust’s Objectives  
                              and the National Procurement agenda  
- Encourage and seek out opportunities for staff training (CIPS or otherwise)  
- Ensure Training Needs Analysis are carried out and regularly reviewed for all staff  
- Achieve Level 1 of the DH Standards of Procurement by Sep 2017  
- Make progress towards achievement of Level 2 |

<table>
<thead>
<tr>
<th><strong>3. Strategic Procurement</strong></th>
<th><strong>Efficient and Value Added Procurement</strong></th>
</tr>
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</table>
|                            | - Standardisation and alignment of contracts across all sites  
- Programme of standardisation of products  
- Active engagement with our key suppliers  
- Workplan developed which details category sourcing activity  
- Undertake regular benchmarking  
- Deliver annual CIPS targets |

### Responsible Procurement
- Encourage the engagement of SMEs with the Trust  
- Corporate Social Responsibility
### 4. Supply Chain

**Inventory Management**
- Implement an Inventory Management System
- Development of the Materials Management service

### 5. Data Systems and Performance Management

**Optimising use of systems**
- Implement a single eProcurement system
- Standardise procurement processes and forms
- Increase and promote the use of eProcurement
- Develop and produce KPIs that include the Carter metrics
- Work to implement GS1 and PEPPOL across the Trust in line with the NHS eProcurement strategy
- Utilise and develop spend analytics to drive standardisation and efficiencies

### 6. Policies and Procedures

- Publish revised Trust Procurement Manual
- Improve contract compliance
We shall develop our Procurement Strategy and gain Board approval and support.

2.1 Collaborative Procurement
We will:

- Support the development of the National NHS Commercial Procurement Skills Development (PSD) Network
- Continue to utilize appropriate Procurement Hubs to support procurement activity and ensure value for money. Our current strategy is to use:
  - Clinical Support – NHS Commercial Solutions and the NHS Commercial Alliance
  - Corporate Support – Crown Commercial Services
  - Consumables – NHS Supply Chain and Bunzl.

2.2 National Strategy for Procurement
We will actively support procurement at the national level wherever it is appropriate to do so. This includes:

- Involvement on the Supply Chain Customer Board (through the Director of Finance).
- Support the development of the NHS Standards of Procurement through the DH Centre for Procurement Excellence.
- Support and actively contribute to the Procurement work-stream of the Lord Carter review led by NHS Improvement.

2.3 Internet and Intranet Sites
We shall make use of the Trust’s Intranet and Internet sites and:

- Work with the Communications department to develop the public web portal on the Trust’s website so as to detail supply opportunities and other information useful for suppliers wishing to do business with the Trust.
- Maintain the department’s own intranet site to provide useful information for the Trust and include regular publication of up to date national procurement developments.

2.4 Customer Service

- Procurement shall strive to provide excellent customer service to all its customers. The department shall seek to remove unnecessary bureaucracy from its procedures and shall aim to embrace a “can do” attitude.

3. People and Skills

3.1 Departmental and Staff Development
The Department recognises that its staff are its most important asset and shall take the following actions:
• Ensure appraisals are kept up to date and that any skill gaps and training have been identified and addressed.
• Issue a programme of competency based assessment in order to ensure our workforce is skilled and appropriately trained. A developmental and training plan shall be developed for all procurement staff, feeding in to the appraisal and based on the competency assessment.
• We shall foster and encourage local talent by investing in appropriate training through the Chartered Institute of Purchasing and Supply
• Continue to ensure staff take advantage of nationally offered procurement training and are kept up to date on changes in the procurement landscape.
• Provide specific training on I.T. skills as required.
• Engage with Learning and Development to support us to identify and provide appropriate training.

3.2 Career Progression
We shall develop our structure to allow for natural progression from a Materials Management assistant through to Head of Procurement. We shall recognize and encourage ‘home grown’ talent.

3.3 Trust Development
We shall:
• Provide training for staff not within the Procurement department on Procurement skills as required.
• Promote understanding across the organization of the new EU legislation and Remedies directive by direct teaching or the production of bulletins.

3.4 NHS Standards of Procurement
The department aims to achieve Level 1 of the DH Standards of Procurement by Sep 2017 and make progress towards achievement of Level 2

The department has undertaken an initial self-assessment against Level 1 of the standards and has developed an action plan.

The level 1 and level 2 criteria are detailed at Appendix 1.
3.4.1 Current Progress against NHS Standards of Procurement

![Diagram showing current progress against NHS standards of procurement for various aspects such as Strategy & Organisation, People & Skills, Strategic Procurement, Supply Chain, Data, Systems and Performance Management, and Policies & Procedures. The diagram compares current performance against targets for the years 2016-17 and 2017-18.]
4. **Strategic Procurement**

4.1 **Efficient and Value Added Procurement**

The Procurement department aims to ensure that all of the goods and services procured through the department are of the appropriate quality, bring value for money to the Trust, are delivered on time and in the right quantities.

This strategy will support this aim by:

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<tr>
<th>What we shall achieve</th>
<th>How we'll achieve this</th>
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| Understanding what the Trust requires, where the money is spent and with whom. | • Detailed ongoing analysis through our spend analytics system  
• Development of category plans and strategies which will assess the opportunities in each spend category |
| Identifying inefficient and inappropriate purchases and taking action to reduce these incidences. | • Rigorous scrutiny of transactions through our e-procurement system using the spend analytics tool  
• Strict catalogue control and use of Materials Management processes wherever possible  
• Implementing ‘best of breed’ solutions for goods and services across our organization – ensuring standardization and contract alignment across sites.  
• Refresh the Trust’s Procurement Manual and roll out. |
| Striving to identify equivalent products and services that offer best value for money using benchmarking and competitive tenders. | • Engagement with Clinical Procurement networks and Collaborative bodies (including Procurement Hubs and NHS Supply Chain) to identify new opportunities and examples of good practice.  
• Promote and encourage clinical representation and interactive discussions at the Trust’s Product Selection Groups |
| Taking appropriate action to reduce failures of products and services. | • Ensure proactive contract management with our key suppliers and fostering a spirit of collaboration and partnership. |
Monitoring the effectiveness of our suppliers.

- Identification of our key suppliers and the establishment of monitored KPIs for high spend contracts.

**4.2 Product and Supplier Selection**

The Trust has developed a Category Management approach to its sourcing activity. This is further detailed in the Category Management Strategy at Appendix 2.

The selection of appropriate products and suppliers forms the beginning of the Supply Chain and as such the Trust must make informed decisions on the products and services it uses.

The Procurement department shall work with clinicians to standardise its range of products as much as possible taking advice from Trust staff and Groups.

**4.2.1 Product Selection Group**

The Procurement department shall champion and proactively support the development and influence of the Product Selection Group and the Theatre Product Selection Group as the vehicles to drive change and standardization of medical and surgical products and consumables.

The Product Selection Group shall be responsible for the introduction and evaluation of all medical consumables within the Trust and it acts as the focal point for the improvement in the selection or use of materials in order to improve the treatment or comfort of patients or to render these processes more economic.

The Procurement department will be responsible for enforcing the decisions of this Group in order to drive product standardization and patient safety across the Trust.

**4.3 Regulatory Requirements**

The Procurement Department shall:

- Assist with the production of business cases for all major procurements and ensure there is a full understanding of the requirements by all stakeholders before undertaking a competitive tender.
- Ensure that all procurements above the published EU tender values are correctly advertised and tendered.
- Promote the need to advertise and competitively tender those procurements that fall below the published EU tender values.
- Maximise the use of the Trust’s e-tendering solution.
- Keep up to date and publish annually its Workplan.
4.4 Rep Credentialling
The department shall investigate and look to introduce a system of company representative (rep) credentialing to change the way we do business with suppliers. Whilst acknowledging the valuable and supportive service that most representatives offer, the proliferation of company sales reps bypassing the procurement process and directly targeting clinicians can affect the correct decision making process.

4.5 Responsible Procurement

4.5.1 Fair Treatment
To assist Suppliers and encourage the participation of SMEs, the Procurement Department shall:

- Seek to ensure the tendering process is clear, free from jargon and as transparent as possible;
- Issue competition within lots so as to attract SMEs where appropriate;
- Enforce and support the Publics Contract Regulations with regard to the use of Pre-Qualification Questionnaires and, where issued, to only ask for information if strictly required;
- Seek to reduce duplication of information by the use of online databases such as SID4Gov.
- Seek to advertise its non-mandatory tenders (those below the OJEU threshold) on the Trust’s e-tendering portal and on Contracts Finder where required.
- Seek to publish our workplan on the Trust’s public website.

4.5.2 Equality and Diversity
The principles of Equality and Diversity shall be second nature to our operation. The Department recognises and understands that we shall treat our suppliers and stakeholders with equality not only in regards to disability, race, and gender but that we shall undertake our procurements with fairness and transparency.

In addition we expect and shall ask for proof that Suppliers shall demonstrate that they share our beliefs in equality and diversity.

4.5.3 Sustainability
The Department recognises that it has a duty to procure sensibly and with regard to the environment.

Therefore we shall:

- Work with suppliers to reduce waste through packaging and the use of re-usable containers.
- Work with suppliers to reduce carbon emissions where possible by sensibly scheduling deliveries only as required.
- Promote the use of recyclable and recycled goods where appropriate.
- Consider the disposal costs as an important part of whole life costs for equipment procurements.
- Work closely with the Trust’s Environmental Officer to identify and support schemes that add to sustainable development.
- Support and develop a sustainability “champion” within the department to keep up to date (and to keep all Procurement staff up to date) with current legislation, information and projects of interest.

5. **Supply Chain**

5.1 **Inventory Management**

**Carter Recommendation**

Following publication of Lord Carter’s report “Operational productivity and performance in English NHS acute hospitals: Unwarranted variation (Feb 16)”, the department shall work with key stakeholders to develop a business case to introduce an inventory management system.

The department shall be the lead in rolling out inventory management to appropriate areas across the organization and be responsible for the ongoing management of the system.

Inventory Management shall fall within the remit of the Materials Management team. All clinical goods shall be supplied and replenished by means of the materials management service or an inventory management system.

The department will produce a strategy for the approach to inventory and materials management once the introduction of inventory management has been agreed.
## 6. Data Systems and Performance Management

### 6.1 Optimising Use of Systems

**Information Technology**

The Trust uses a range of electronic systems to efficiently manage the Procurement function.

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<tr>
<th>Procurement Function</th>
<th>Trust System</th>
<th>Strategy and Development</th>
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<tr>
<td><strong>e-Procurement</strong></td>
<td>EROS</td>
<td>EROS to be fully rolled out to all areas of the Trust with priority to:</td>
</tr>
<tr>
<td>- Online requisitioning, order placement and purchase to pay functionality</td>
<td></td>
<td>- Estates and Capital Projects</td>
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<tr>
<td></td>
<td></td>
<td>- Appliance (Orthotics)</td>
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<tr>
<td></td>
<td></td>
<td>- Pathology across all SPS sites</td>
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<td></td>
<td></td>
<td>- IM&amp;T</td>
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<tr>
<td><strong>Order Exchange</strong></td>
<td>GHX Exchange</td>
<td>Increase of the use of GHX Exchange for the transfer of orders. Track and record orders placed via the Exchange. The department shall work with our suppliers to look at solutions to improve our direct ordering capability such as allowing orders to be paperlessly input into suppliers’ own systems thus increasing efficiency and helping to remove process costs.</td>
</tr>
<tr>
<td>- Tracked order despatch to supplier system to system</td>
<td></td>
<td></td>
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<tr>
<td><strong>Cataloguing</strong></td>
<td>GHX Nexus</td>
<td>Active monitoring and maintenance of the catalogue. Superceded products to be removed and the range of products to be listed reduced so as to ensure standardisation.</td>
</tr>
<tr>
<td>- Product management and masking</td>
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**Carter Metric**

The department shall aim to achieve the metric “80% of addressable spend placed via purchase order” by Sep 18.
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<tr>
<td><strong>Carter metric</strong></td>
<td></td>
<td>The department will aim to maintain and exceed the metric “80% of addressable spend on catalogue” by Sep 2017</td>
</tr>
<tr>
<td><strong>e-Sourcing</strong></td>
<td>Bravo e-Tendering</td>
<td>The department shall aim to ensure that all competitions in excess of £50k shall be run through the Bravo e-tendering portal. The department shall provide training to users as required.</td>
</tr>
<tr>
<td><strong>Contract Management</strong></td>
<td>Bravo Contract Manager</td>
<td>The department shall work to collect and maintain an accurate database of all of the Trust’s contracts for addressable spend onto the Bravo system. The department shall ensure that the contract product information is correctly uploaded to the Nexus cataloguing system. A programme of timely renewal of contracts shall be included on the departmental workplan. <strong>Carter Metric</strong> The department will aim to achieve the metric “90% of addressable spend by value under contract” by Sep 2019</td>
</tr>
<tr>
<td><strong>Spend Analytics</strong></td>
<td>BravoHealth</td>
<td>The department shall continue to proactively use the system to inform the procurement workplan, drive savings and enable standardisation. The department shall routinely benchmark spend with other organisations using the spend analytics tool and challenge suppliers offering non-competitive pricing.</td>
</tr>
<tr>
<td><strong>Inventory Management</strong></td>
<td>To be introduced</td>
<td>Considered above.</td>
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6.2 NHS e-Procurement Strategy
The Department will look to implement the eProcurement Strategy for GS1 and PEPPOL and will develop an action plan with the Trust to satisfy the requirements of the strategy.

6.3 Use of eProcurement

The Trust’s e-Procurement system, EROS, shall be used for all purchase orders for ‘non-stock’ products and services falling within the scope of this strategy (see 1.3). The Procurement department shall promote the use of EROS and provide training to all users requiring access to the system.

Stock products are determined as those items available from one of the Trust’s stock suppliers namely:

- NHS Supply Chain
- Bunzl

Stock products shall be accessed either through the Materials Management Service or via EROS if the products are listed.

7. Policies and Procedures

7.1 Policies
We will:

- Publish and review a revised Trust Procurement manual
- Publish updates on the national and international regulations as required

7.2 Contract Compliance
We will:

- Put in place a system to ensure that contracts are properly captured and the pricing is managed on our catalogue management system
- Review and take action on maverick spend identified through our spend analytics system
- Record the % of spend under contract and work towards 80% of addressable spend under contract as recommended by Lord Carter.

7.3 Contract Management
It is recognised that the award of a contract is not the end of the procurement process. Procurement and contract stakeholders are often poor at managing an existing contract. This lack of management is often a reason for user dissatisfaction and not realising value for money.
The Procurement Department will ensure that there is a named person for each contract either within or outside of the department who will take on the role of the day to day (or as required) management of that contract. In addition, the Procurement Department shall review all contracts on an annual basis. All contracts shall therefore be recorded on a central database and include the following minimum information:

- Contract reference
- Contract title
- Details of stakeholders
- Date of award
- Details of successful Supplier
- Details of products, units of issue and pricing
- OJEU reference and details of date milestones during the tender process (if appropriate)

The Procurement Department shall also engage in contract take up and management of contracts awarded by Collaborative bodies with which the Trust is engaged (such as NHS Commercial Solutions).
8. Publications

Better Procurement, Better Value, Better Care. A Procurement Development Programme for the NHS – August 2013

NHS eProcurement Strategy – April 2014


An independent report for the Department of Health by Lord Carter of Coles

Trust Category Management Strategy
## Appendix 1: NHS Standards of Procurement – Levels 1 and 2

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Ref</th>
<th>Criteria</th>
<th>Level 1 - Procurement and Supplies Focus</th>
<th>Level 2 - Procurement &amp; Commercial Activity Organisation-wide</th>
</tr>
</thead>
</table>
| 1. Strategy & Organisation       | 1.1 | Strategy                      | • Clearly identified responsibility & accountability for all areas of non-pay spend. Clear understanding of spend which is addressable by the Procurement team.  
• Procurement strategy in place and developed in support of the organisation’s strategy.  
• Procurement annual work plan agreed. | • Procurement and Commercial strategy approved by the Board.  
• Clear evidence that the Procurement strategy is being implemented and that the Procurement team regularly updates the Board on progress.  
• Procurement strategy is backed by detailed short and medium-term plans for delivery (i.e. an annual work plan).  
• Procurement strategy references progress against the Procurement & Commercial Diagnostic Improvement Tool. |
|                                  | 1.2 | Executive Procurement & Commercial Leadership | • Clear accountability at Executive level for the Procurement strategy.  
• Identified Non Exec Director and/or Governor link to provide challenge/scrutiny for Procurement activity. | • Executives are clear advocates for Procurement arrangements throughout the organisation. Budget holders have received procurement & commercial training as appropriate.  
• Clear accountability at Executive level for the all commercial decision making. |
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</table>
| 1.3       |     | Procurement & Commercial Leadership | ● The Procurement leader is involved in some strategic decisions; mainly focused around procurement activity.  
|           |     |   | ● Evidence that the Procurement leader communicates regularly with customers, stakeholders and suppliers.  
|           |     |   | ● The Procurement leader is an integral part of the directorate senior management team (SMT).  
|           |     | 1.4 Internal Engagement | ● Informative and useful procurement communication channels in place (e.g. intranet, newsletter, directorate team meetings etc.)  
|           |     |   | ● Mechanisms are in place to ensure that staff understand the procurement processes within the organisation.  
|           |     |   | ● Evidence that staff know when to engage and who to involve from the Procurement team e.g. through colleague survey results.  
|           |     |   | ● The Procurement team work closely with other departments on specific projects.  
|           |     |   | ● The Procurement leader is involved in all relevant key commercial and strategic decisions as appropriate.  
|           |     |   | ● The Procurement leader is integrated with the organisation's business and financial planning process.  
|           |     |   | ● The Procurement leader is known and recognised across the organisation and included in the organisation's Senior Leadership Team events (for example top 100 away days).  
|           |     |   | ● The Procurement leader helps to raise commercial & procurement standards across the organisation through education and promotion.  
|           |     |   | ● The Procurement team has a defined process and programme for internal stakeholder engagement, which includes identifying and communicating with key stakeholders.  
|           |     |   | ● Evidence that commercially trained staff proactively collaborate in the significant (applicable) product areas/ categories to deliver non-pay expenditure efficiencies and maximise income where appropriate.  
|           |     |   | ● Evidence that all relevant staff (including budget holders) understand and follow the procurement processes in place.  

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<th>Level 2 - Procurement &amp; Commercial Activity Organisation-wide</th>
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<tr>
<td></td>
<td>1.5</td>
<td>External Engagement</td>
<td>● Procurement team can evidence collaboration with other NHS bodies.</td>
<td>● Procurement team is proactively engaged with other NHS organisations, groups and bodies and other public sector organisations where appropriate (e.g. Procurement hubs and CCS).</td>
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<td>● Procurement team attend regional network events to gather learning from other organisations.</td>
<td>● Evidence Procurement team actively contributes to regional and national networks to share learning with other organisations.</td>
</tr>
<tr>
<td>2. People &amp; Skills</td>
<td>2.1</td>
<td>People Development and Skills</td>
<td>● Procurement skills / competencies clearly documented in job descriptions.</td>
<td>● All Procurement staff are clear on their development needs and there is evidence that these are supported by clearly articulated development plans.</td>
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<td>● Skills gap analysis and training plans in place for all staff in the Procurement Team. Evidence that the Procurement team maximises training opportunities available.</td>
<td>● Procurement staff can demonstrate a commitment to continuous professional development (CPD). For example having relevant professional qualifications (e.g. CIPS &amp; IACCM) and evidence of CPD.</td>
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<td>● Training plan in place for all new staff involved in procurement activities; this should be tailored to the amount of time expected to be spent on them.</td>
<td>● Procurement development programme in place to support individuals involved with commercial activity across the organisation.</td>
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<td>● Clearly defined annual objectives and appraisal process in place for all Procurement staff. These should be up to date and support commercial competencies.</td>
<td>● Good mix of &quot;on the job&quot; training and classroom training provided to the Procurement teams.</td>
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<td>● The Procurement team has the appropriate mix of skills enabling transactional and strategic working as required.</td>
<td>● Procurement team actively participate in networks which provide training, mentoring and sharing of best practice (for example the Procurement Skills Development network).</td>
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<td>Dimension</td>
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<td></td>
<td>2.2</td>
<td>Scope and Influence</td>
<td>● Procurement team influences some but not all areas of the organisation's non pay spend.</td>
<td>● Responsibility and accountability for entire procurement activity of the organisation is clear - whether it is through hubs, national, procurement, end user, PFI.</td>
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<td>● Procurement strategy articulates the scope and influence of the Procurement team.</td>
<td>● Procurement teams are strategically involved in all relevant key procurement and commercial decision making across the organisation (for example including pre-market engagement, contract/supplier reviews and make/buy decisions).</td>
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<td></td>
<td>2.3</td>
<td>Resourcing</td>
<td>● Balance of skills (e.g. strategic versus tactical) optimised within Procurement. Where relevant a business case for appropriate staff requirements developed and submitted to for approval.</td>
<td>● The Procurement leader holds a 3-year plan of the organisation's procurement activity, and match skills, knowledge, experience and ability of staff to the relevant roles.</td>
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<td>● Annual plan of the organisation's procurement &amp; commercial activity and resource requirements in place.</td>
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<td>● Proportion of &quot;strategic&quot; versus &quot;tactical&quot; skills optimized through use of technology, collaboration and up-skilling over time.</td>
</tr>
<tr>
<td>3. Strategic Procurement</td>
<td>3.1</td>
<td>Category Expertise</td>
<td>● Evidence of Procurement category expertise utilised in some but not all categories (this can be either in house expertise or via another route e.g. a procurement hub).</td>
<td>● A broad range of category expertise is readily available to the organisation.</td>
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<td>● Category experts used have a good understanding of the core supply markets of their categories.</td>
<td>● Category expertise is utilised on all major procurement &amp; commercial arrangements.</td>
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<td>● Category plans in place for key spend areas (including income areas where relevant).</td>
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<td>3.2</td>
<td></td>
<td>Contract and Supplier Management</td>
<td>● Database of contracts managed by the Procurement team, flagged for renewals with action plan.</td>
<td>● Evidence of a robust and well maintained contract database system in place making it is easy to access a complete list of contracts for a specific supplier from across the organisation.</td>
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<td>● Expenditure is categorised and analysed to identify and prioritise opportunities to pursue through contract management.</td>
<td>● Contract management system/process provides electronic alerts for renewals.</td>
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<td>● Basic contract management processes are developed and implemented with key suppliers.  For example ad hoc management of contract key performance indicators (KPIs).</td>
<td>● Effective activity &amp; demand management in place for key contracts.  Strategy for contract and supplier management across the organisation is in place with clarity on responsibility on who leads.</td>
</tr>
<tr>
<td>3.3</td>
<td></td>
<td>Supplier Relationship Management (SRM)</td>
<td>● An assessment process has been undertaken to identify key suppliers.</td>
<td>● Detailed Supplier Relationship Management (SRM) programme in place with key suppliers with clear roles and responsibilities.</td>
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<td>● Evidence that Procurement are involved in the performance of some key strategic suppliers.</td>
<td>● Key suppliers identified have structured supplier appraisal with agreed representatives from the organisation. Review of both qualitative and quantitative measures (for example quality, delivery, total cost of ownership, innovation).</td>
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<td>● Procurement team reactively supports innovation within the organisation when requested.</td>
<td>● Joint meetings / seminars / workshops held with key suppliers with clearly defined objectives and development plans.</td>
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<td>● Procurement team has a mechanism / process in place for encouraging new suppliers who can provide new ideas and solutions.</td>
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</table>
|           | 3.4 | Risk Management | ● Procurement risk register in place & regularly reviewed.  
● Critical goods and services and / or suppliers are identified by assessing the impact of supply failure.  
● Emergency process in place - there is a named lead for co-ordinating responses to disruptions in supply of critical goods and services. | ● Disruption to the supply of critical goods and services has been considered for addition to the corporate risk register.  
● Evidence that managing risk, continuity of supply and supply chain resilience are routine elements of contract management.  
● Risks to the supply of critical goods and services are assessed and mitigation / contingency plans are developed and implemented.  
● Business continuity plans of suppliers of critical goods and services are have been reviewed. |
|           | 3.5 | Sourcing Process | ● Standard sourcing approach used periodically/for certain key categories and major procurements.  
● Evidence that all sourcing options are identified and evaluated for all major procurements.  
(Sourcing options to be considered include the use of hubs / national frameworks and other collaborative routes. Where an organisation specific tender is undertaken the reasoning will be made clear including use of e-auctions/DPS.)  
● Collaborative sourcing opportunities explored and used as appropriate.  
● E-Sourcing system in place and utilised for all EU level tenders as a minimum. | ● Sourcing process outlined, communicated and used by all Procurement and commercial staff as appropriate.  
● Sourcing plans developed and agreed for each EU level tender.  
● Make or buy decisions considered routinely as part of strategic sourcing process.  
● E-sourcing system used for all tenders over £25k. |
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<td>● Evidence that ad hoc price benchmarking activity is carried out with other organisations (formally / informally).</td>
<td>● Price benchmarking tool / process implemented.</td>
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<td>● Clear evidence that action plans based on variances identified through benchmarking with other organisations are being implemented (e.g. the Lord Carter top 100).</td>
<td>● Price benchmarking is undertaken prior to all major strategic exercises as a matter of course.</td>
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<tr>
<td>3.6</td>
<td></td>
<td>Benchmarking</td>
<td>● Benchmarking tool / process implemented.</td>
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<td></td>
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<td></td>
<td>● Price benchmarking is undertaken prior to all major strategic exercises as a matter of course.</td>
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<tr>
<td>3.7</td>
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<td>Specifications &amp; Whole Life Costs</td>
<td>● Procurement team has some involvement in the specifying process and looks to standardise certain purchases and make sure the specification allows for reasonable competition.</td>
<td>● Product / service specification are governed, developed, evaluated and managed by stakeholder user groups, particularly clinical decision-making groups where relevant.</td>
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<td>● Standard specifications used within the organisation where possible.</td>
<td>● Organisation implements and pro-actively supports the development of national specifications.</td>
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<td>● Whole life costs are assessed as part of the strategic sourcing process (for example taking in to account consumables and maintenance costs).</td>
<td>● Evidence that specifications are challenged appropriately.</td>
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<td>● Commercial decision making takes account of all whole life costs across the organisation (for example: early discharge, time in theatre etc).</td>
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| 4. Supply Chain                 | 4.1 | Inventory Management/ Stock Control | ● There is documentary evidence of / strategy in place outlining an agreed approach for inventory / materials management.  
   ● Where appropriate there is a materials management service in place (top up and put away service).  
   ● Store locations have a regular cycle (minimum annually) of stock checks in place (including a review of min/max levels).  
   ● The organisation knows the estimated value items held in stock. | ● Optimum internal logistics (R&D) model implemented.  
   ● Where appropriate systems are in place that enable active management of inventory.  
   ● Inventory holding and stock management costs are known.  
   ● Value of stock written-off for date expired and obsolescent stock quantified. |
|                                 | 4.2 | Logistics                           | ● Where in place Receipts and Distribution (R&D) are responsible for matching receipts to orders and arranging the internal delivery schedule  
   ● Goods usually distributed the day they arrive, except where there is a clear policy of goods to be stored centrally. | ● Optimum internal logistics model determined and documented which covers all key areas involved in moving goods across the organisation: for example porters, post, pharmacy, SDU, procurement, catering etc.  
   ● Minimum disruption to visitors, patients and staff from deliveries. |
| 5. Data, Systems and Performance Management | 5.1 | Performance Measurement             | ● Measures in place (including Lord Carter metrics as appropriate) which are reported within the Procurement teams and to the agreed Board member (e.g. Director of Finance). | ● Key performance indicators approved by the Board and reported at least annually to the appropriate Board Committee with a link to the Non Executive Directors.  
   ● Clear plans and structures in place aimed at continuously improving performance. |
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<th>Dimension</th>
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|           | 5.2 | Savings Measurement & Credibility | ● Agreed definitions with Finance on calculation of savings with audit trail on their reporting.  
● All cash releasing savings are validated by agreed stakeholders and Finance. | ● There is a clear process for translating cost reductions identified into budget reductions or spend redeployment.  
● The benefits realisation process is integrated into the Finance function.  
● Stakeholders recognise savings when they are delivered. |
|           | 5.3 | Catalogue Management | ● Electronic catalogue system in place and regularly used for key areas of spend.  
● Strategy agreed on range of products/services to be included in the catalogue with plans to increase coverage to circa 80% of the addressable transaction volume by September 2017. Agreed process in place to respond to purchases made off catalogue. | ● Well developed catalogue system in place which covers all regularly used supplies across the organisation. Catalogue coverage is 80% or more of the addressable transaction volumes.  
● Evidence catalogue is well maintained and pricing is up to date and subject to formal competition as appropriate.  
● Free text ordering confined to only genuine one off orders or services. |
|           | 5.4 | Procure to Pay (P2P) | ● Electronic ordering system in place and utilised.  
● Strategy in place as to which goods and services should be undertaken via PO, NHS SC, free text etc developed (includes procedures for orders placed not following process).  
● Plan in place to ensure that 90% of the addressable transaction volume is on an electronic ordering system by September 2017. | ● E-procurement solution operating effectively and transacting 90% or more of the addressable transaction volume.  
● E-invoicing strategy in place with timeline for implementation. |
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<td>5.5</td>
<td>Cost Assurance</td>
<td>● Some cost assurance activities undertaken (reconciliation audits).</td>
<td>● Cost assurance audits completed on key areas of spend (including but not limited to utilities, IT, VAT and duplicate payments)</td>
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<td>● Invoice tolerances are in place with % and maximum value. Effective process for challenging price queries evidenced.</td>
<td>● Process or system implemented to ensure internal prices are consistent and visible and any variances are addressed.</td>
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<td>● Tight tolerances are in place (max 10% and / or £10 whichever is lower) at invoice level with routine challenge to queries and no tolerance for goods without a receipt note.</td>
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<td>5.6</td>
<td>Spend Analysis</td>
<td>● Spend analysis tool available for use by Procurement staff who regularly review key suppliers and categories by spend with a strategy for improvement.</td>
<td>● Spend analysis capability in place. Ability to analyse spend through a number of dimensions (for example department, e-class and supplier).</td>
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<td>● Procurement regarded as a key source of information on non-pay expenditure intelligence.</td>
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<td></td>
<td>5.7</td>
<td>GS1 and Patient Level Costing</td>
<td>● Procurement team understand and support the organisation’s approach to patient level costing and GS1 compliance.</td>
<td>● Action plan agreed for the development and implementation of e-procurement, including plans for the adoption of GS1 standards.</td>
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<td>(Where relevant)</td>
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<td>● E-procurement action plan being executed and delivered.</td>
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<td>● Some patient level costing systems in place in high value areas with evidence that system is being used to drive efficiency across the organisation with high levels of coding accuracy.</td>
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<td>Dimension</td>
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<tr>
<td><strong>6. Policies &amp; Procedures</strong></td>
<td>6.1</td>
<td>Procurement Policy &amp; Guidance</td>
<td>● Published Standing Orders (SOs) and Standing Financial Instructions (SFIs) and scheme of delegation.&lt;br&gt;● Published and communicated Procurement processes in place to relevant staff across the organisation.&lt;br&gt;● A published Procurement manual is in place, incorporating processes, policies and procedures (EU compliant) which clearly describe how all procurements are governed and managed.</td>
<td>● Agreed Procurement processes adopted and monitored across the organisation with evidence of high levels of compliance.&lt;br&gt;● All departments / staff with procurement &amp; commercial responsibilities are identified and agreed approval limits are embedded in systems across the organisation.&lt;br&gt;● Policies and procedures are in place to assist with the control of Commercial / Sales representatives on-site.</td>
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<td>6.2</td>
<td>Process Compliance</td>
<td>● Evidence that compliance to preferred suppliers, contracts and catalogues items is strong in some targeted categories.&lt;br&gt;● Maverick spend is measured, with plans in place to follow up non compliance.</td>
<td>● No PO No Pay policy in place with high levels of compliance - 90% or more of ’addressable’ purchases are against a PO (not retrospective).</td>
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<td>6.3</td>
<td>Asset Management</td>
<td>● Evidence that Procurement team is linked in to the capital asset / equipment replacement programme.</td>
<td>● Asset register in place with procedures that support development of the capital programme.</td>
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<td>Dimension</td>
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<td>● Evidence that all aspects of CSR are considered during the procurement process (as appropriate).</td>
<td>● Organisation’s CSR policy includes the procurement approach to sustainability, modern slavery and all other appropriate ethical standards and approaches.</td>
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<tr>
<td>6.4</td>
<td></td>
<td>Corporate Social Responsibility (CSR)</td>
<td></td>
<td>● Significant sustainable development aspects, opportunities and risks identified and addressed within procurement policies and procedures.</td>
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<td>● Sustainable developments incorporated into wider procurement &amp; commercial training, induction and development activity.</td>
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<td>6.5</td>
<td></td>
<td>Small to Medium Sized Enterprises (SMEs)</td>
<td>● The case for engaging ‘encouraged enterprises’ (SMEs) is documented and can be identified by staff with procurement responsibilities.</td>
<td>● Systems in place to routinely capture data that supports the identification of &quot;encouraged enterprises&quot;.</td>
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<td>● Procurement documentation, including terms and conditions are proportionate and not excessively burdensome so as to exclude “encouraged enterprises” (e.g. levels of insurance cover, terms of payment).</td>
<td>● Engagement of &quot;encouraged enterprises&quot; is incorporated into procurement training, induction and staff development activity. Strategy in place to increase spend with SME’s to % as appropriate.</td>
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</table>
# Appendix 2 – Category Management Strategy

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1.0 Overview

Over the last few years, procurement within the public sector has 'enjoyed' an ever-increasing profile. Lord Carter’s report, published Feb 2016, has identified that the Trust should have a local Procurement Transformation Programme (PTP) in place by July 2016. The PTP should include plans to meet the model hospital benchmarks and identify ways to collaborate with other Trusts and the national solutions such as NHS Supply Chain. The Department of Health has been developing the NHS Standards of Procurement, which provide a clear vision of high quality procurement performance. The expectation is that Trusts achieve level 1 by October 2017. The aims of the NHS Standards of Procurement are to improve the effectiveness of Procurement enabling Teams to deliver value for money (VFM) through all procurement activity. VFM is about obtaining the maximum benefit with the resources available. It is getting the right balance between quality and cost; as well as achieving the right balance between economy, efficiency and effectiveness.

Frimley Health’s procurement team is responsible for ensuring the effective management of non-pay spend by working with, and in support of, clinical and corporate departments. The team is comprised of:

- an operations team – responsible for supporting the Purchase to Pay process
- a dedicated medical and non-medical sourcing team
- supply chain team – responsible for materials management and stores

The teams oversee c.300 sourcing initiatives and influence circa. £88m of spend each year through a combination of:

- product standardisation
- supply consolidation
- competitive re-tender
- demand reduction
- process re-design

The Trust operates a category management approach to procurement. Category Management is a strategic approach which relies on cross functional teamwork to generate outcomes that meet the agreed business needs. The Category Management strategy has been developed in partnership with the Procurement Strategy and outlines how the team will contribute to the overall aims and objectives set out in the Procurement Transformation Programme.
2.0 Category strategy

Frimley Health’s category management structure has expanded to meet the requirements of the NHS Standards of Procurement (3.1 Category Expertise). The Trust has re-defined the procurement categories to enable the category management team to specialise and become category experts in their particular field (Appendix 1). Category expertise will be in place across all key categories of spend with the category managers pro-actively providing the organisation with regular updates on potential opportunities and market developments. The category management team will follow a standard sourcing approach (3.5 Sourcing Approach) which will review the market and sourcing options (distribution routes, framework and collaborative opportunities) to deliver value for money. As part of this process the category management team will;

- Publish a strategic 3 year plan of procurement activity (3.5 Sourcing Approach / 2.3 Resourcing)
- Complete a Project Report for each major procurement
- Publish all opportunities and awards over £50k on contracts finder

The word “opportunity” has a specific meaning. The rules do not mean that all requirements over the threshold must be advertised on Contracts Finder. They mean that an advert must be placed on Contracts Finder if the requirement is (or should be) advertised elsewhere. To give an example, if Department A has an internal policy that for services up to £50k, 3 competitive tenders is sought without placing an advert, advertising on CF would not be required.

Each category manager will be responsible for preparing a category strategy. The strategy will identify how they will:

- Monitor spend & prioritise opportunities – feeding into the procurement Workplan
- Complete regular market intelligence activities, including:
  - Benchmarking and producing action plans based on any identified variances (3.6 Benchmarking)
  - Keeping up-to-date on market developments, opportunities and risks
- Manage the supply base (3.3 Supplier Relationship Management), including:
  - Assessing key suppliers within their category
  - Develop a category specific SRM programme with clear roles and responsibilities
- Achieve the Carter metric ‘90% of addressable spend by value under contract’
- Contribute to catalogue ratification, with an objective to purchase less than 12,000 unique items in a year
2.1 Supplier Relationship Management

Supplier Relationship Management (SRM) is the discipline of strategically planning for, and managing, all interactions with third party organisations that supply goods and/or services in order to maximise the value of those interactions in order to uncover and realise new value and reduce risk of failure. NHS Standards of Procurement (3.3 Supplier Relationship Management) details that the Trust must have an assessment process to identify key suppliers.

The identified key suppliers should have a structured appraisal with agreed representatives from the organisation to review both qualitative and quantitative measures e.g. (quality, delivery, total cost of ownership and innovation). Joint meeting, seminars or workshops will be held to create development plans and explore innovation.

Frimley Health’s criteria in determining a key supplier is that the organisation will comply with at least one of the measures below:

Service Criteria
- Provide goods to the Trust that would cause appointments to be cancelled if an alternative could not be sourced within 72 hours due to failure to supply e.g. products that have a capital requirement 3M Ranger Fluid Warmers.

Financial Criteria
- A trust wide annual spend of over £750,000
- A category spend of over £200,000

Partnership Criteria
- A commitment to the Trust to deliver over £100,000 cash-releasing savings annually

The Medical and Surgical Suppliers that meet these criteria at this time are:

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<th>Manufacturer/Brand</th>
<th>Spend FY:2015</th>
</tr>
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<tr>
<td>OLYMPUS</td>
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2.2 Communication Strategy

The success of the category management is based on cross function teamwork, engaging with end users and budget holders amongst various other stakeholders. The Category Management team will develop their internal communication channels to fully integrate with departments throughout the organisation (1.4 Internal Engagement) by:

- Board reporting via the Finance and Procurement sub-board committee
- Quarterly review meetings with the clinical executive team
- Quarterly category review meetings with the Chief of Services and Associate Directors
- Product Selection Groups
- Practice Development Forum, via our Clinical Procurement Nurse Specialist
- Nurse Specialist forum, via our Clinical Procurement Nurse Specialist
- Publishing a quarterly newsletter
- Regular updates to the Trust intranet
- Procurement Buyer updates via the operational purchasing staff meetings

The Category Management team will develop their external communication channels (1.5 External Engagement) by:

- Collaborating, where possible, with other NHS Bodies
- Attending regional network events to share best practice with other organisations, this is achieved through:
  - South East Regional Category Management Planning Groups
  - South East Regional Heads of Procurement
  - Bravo Cohort’s Procurement Intelligence Forum
  - South Central Skills Development Network Procurement Group
- Supporting and making use of the Department of Health’s Centre for Procurement Efficiency
2.3 Contract Definition

Contracts are agreements that are legally enforceable. A contract can be either written or verbal and must include an offer, an acceptance and consideration (an exchange in value). Carter’s report identified that, NHS Trusts should have 90% of their addressable spend, by value, under contract by September 2017.

NHS Standards of Procurement (3.2 Contract and Supplier Management) require Trusts to have a robust and well maintained contract database system in place making it is easy to access a complete list of contracts. The contract management system must provide electronic alerts for renewals.

Frimley Health manages contracts on the Bravo Solution portal: https://commercialsolutions.bravosolution.co.uk

The Trust’s definition of a contract, which will be tracked against the Carter metric, is:

- Any agreement or contract raised with a price validity of more than 6 months
- Any one-off purchases over £10,000 which would have required the submission of written quotes
- Any procurement that followed SFIs with a resultant ‘award’, including waivered agreements

Bravo will allocate a contract reference (ecm_xxxx), which, as of 1st June 2016, must be uploaded alongside the catalogue item in Nexus (Appendix 2 and 3). The Systems team must ensure any items uploaded to the catalogues have this reference and challenge a request if it is absent.

Existing contracts will be amended on an adhoc basis by the Systems and Category Management team;

**Systems:** As the team starts to review and reduce catalogues (items that haven’t been purchased in the last 12 months) they will update any contract references found with the appropriate ECM numbers. Items with contract codes which are not recognisable on Bravo will be discussed with the relevant Buyer or Category Manager and assigned the correct code.

**Category Management:** The team will review their categories with respect to the Workplan and update any non-compliant contract codes. Category Managers will be expected to have a clear sight of spend within the category and will be required to monitor and report contract compliance quarterly with measurable action plans in place to address under performance.
2.4 Contract Compliance

An effective communication strategy will support contract compliance through the engagement and buy-in from the Chief of Services and regular updates being provided to requisitioners and buyers through team briefs, product selection groups and newsletters.

At this time the Trust still permit requisitioners to free format. However to ensure a high level of contract compliance is achieved a new process will be piloted. If a requisition is received with free formatting then the Buyers will identify what the product is, if the product is:

- On contract but does not currently appear in the catalogue then they will add the item to the catalogue and process the order.

- An alternative size to a contract item (no material change to the contract items) e.g. an additional stent size then the Buyer will add the item to the catalogue and contract and process the order.

- A NHS Supply Chain item then the Buyer will contact the Supply Chain Manager and confirm if the product should be added to the catalogue or rejected. When rejected the Supply Chain Manager will make contact with the Requisitioner and discuss why the item has been removed from the order, identifying the Trust agreed contracted products.

- A capital item then the Buyer will transfer to the Capital Buyers to process according to the Trust SFIs ensuring that if the purchase is over £10,000 written quotes have been received and uploaded onto Bravo.

- Repairs and Maintenance then the Buyer will discuss with Estates, upload the agreements to Bravo and processing the order with the relevant ECM number attached.

- Loan Kits will be referred to the Category Manager for Theatres

Any products that do not meet one of these descriptions e.g. if the Buyer is unable to distinguish if the item is related to a contract, then the order should be transferred to the Category Support Administrators purchasing queue. The Category Support Administrator will discuss with the relevant Category Manager to identify if the item can be added into a contract or if the item needs to be added to the Workplan and reviewed. The Category Support Administrators will ultimately decide whether the order can be sent to the supplier and action accordingly (Appendix 2 and 3).
2.5 Collaborative Procurement

Frimley Health proactively engages with NHS organisations, groups & bodies and other public sector organisations where possible. The Trust’s key collaborative partnerships are detailed below:

**NHS Commercial Solutions**
Frimley Health is a member of NHS Commercial Solutions, a group purchasing organisation (GPO). The Trust pays an annual subscription in return for access to procure from a range of clinical and non-clinical framework agreements. The Trust manages the effectiveness of the service provided by:

- Setting an expected return of investment of 5:1 – a current target of £750,000
- Measuring project delivery against pre-agreed timescales
- The organisations ability to support the Trust’s objectives

Membership of Commercial Solutions provides the Trust with an invitation to regional Category Management Planning Groups to discuss procurement strategy. 6 other acute NHS Trusts attend this meeting i.e. Ashford and St Peters NHS Foundation Trust, East Kent Hospitals University Foundation Trust, East Sussex Healthcare NHS Foundation Trust, Royal Surrey County Hospital NHS Foundation Trust, University Hospital Southampton NHS Foundation Trust and Western Sussex Hospitals NHS Foundation Trust.

**NHS Supply Chain**
Frimley Health is working closely with NHS Supply Chain to review national initiatives. The Trust’s Supply Chain Manager and Clinical Procurement Nurse Specialist work with account managers and Supply Chain’s Clinical Nurse Advisor to review all potential opportunities highlighted in national schemes and assess the suitability of products through Product Selection Groups and engagement with end users. Frimley Health is one of NHS Supply Chains trusted Trust’s and has been assigned additional resource via a Partnership Support Manager to assist in project and savings delivery.

**Clinical Procurement Specialist Network**
Frimley Health is an active member of the Clinical Procurement Specialist Network, attending both regional and national meetings. Regionally the Trust works closely with Brighton and Sussex University Hospitals NHS Foundation Trust, Poole Hospital NHS Foundation Trust, University Hospital Southampton NHS Foundation Trust and Western Sussex Hospitals NHS Foundation Trust.
Bravo Spend Analytics

Frimley Health is part of the Bravo Spend Cohort. The Cohort’s data covers 20% of the total spend of NHS England and is aligned and involved with all national procurement transformation initiatives, including Getting it Right First Time (GIRFT), the DH efficiency metrics and GS1 demonstrator sites. The Trust attends a monthly procurement forum, which enables working within a community with likeminded Trusts to improve collaboration, operational efficiency and problem solving. Benchmarking is completed with 21 other NHS organisations:

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<th>Royal Cornwall Hospitals NHS Trust</th>
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<tbody>
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</tr>
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<tr>
<td>Robert Jones and Agnes Hunt Orthopaedic Hospital NHS FT</td>
<td>Worcestershire Acute Hospitals NHS Trust</td>
</tr>
<tr>
<td>Royal Bournemouth and Christchurch Hospitals NHS FT</td>
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</tbody>
</table>

2.6 Savings Process & Targets

Frimley Health has an agreed a savings definition with finance (5.2 Savings Measurement and Credibility) and savings templates are in use for all recorded savings to ensure an audit trial for reporting purposes. Savings are agreed with stakeholders and finance as part of the Category Management sourcing process and recorded in the Procurement Savings log. The savings process utilises Bravo Spend analytics to provide usage data, which is then recorded in the Procurement Savings document which reports savings down to cost centre and account code level.

The department records cash releasing savings, cost avoidance and will aim, where possible, to record added value.
3.0 APPENDICES

3.1 Appendix 1 – Clinical Category Management Structure
The clinical category is sub-divided into 5 distinct areas, which mirrors the Trust’s organisation structure. Each Category Manager will work with the Chief of Services and AD’s to develop a category strategy, with support from the Clinical Executive Team.

Clinical Executive Team

- Timothy Ho
  Medical Director
- Nicola Ranger
  Director of Nursing
- Helen Coe & Lisa Glynn
  Director of Operations

Cardiology & Orthopaedic Prosthesis

- Peter Clarkson
  Cardiology
- John Seymour
  Medicine
- Andrew Perry
  Orthopaedics

Cardiology

- John Seymour
  Medicine
- Andrew Perry
  Orthopaedics

Pathology and Radiology

- Ian Fry
  Pathology
- Andrew Hatrick
  Radiology

Surgical

- Jonathan Hern
  Specialist Surgery
- Ian Laidlaw
  General Surgery & Urology

Anaesthetics, Theatres & Appliances

- Bill Jewsbury
  Theatres, critical care, anaesthetics
- Gareth Beynon
  Maternity & Gynae

Medical

- Jo Philpot
  Paediatrics
- Prem Premachandran
  Emergency department
3.2 Appendix 2 – Process for Free Formats

Free formatted order appears in buyers’ queue

Q1 – Can product be added to an existing contract?

Yes →

Q2 – Does the Supplier allow the addition of the product to an existing contract?

Yes →

Information passed to systems to add the products to contract

No →

Order passed to Cat Support Administrator queue for action

Q3 – Is there an agreed standardised alternative?

Yes →

Details of the alternative product passed to requisitioner, requisition cancelled

No →

Q4 – Can new contract be awarded or is this a one-off justifiable requirement?

Yes →

Information passed to systems to add product as a non-contract item.

No →

Product Ordered
3.3 Appendix 3 – Process for uploading Contract items to Nexus

New Contract signed. Category Support Administrator passed details

Added to Bravo. Ecm number generated. Contract owner advised

Contract owner passes product line detail and ecm number to Systems

Systems upload the contract onto GHX Nexus using the ecm number as contract reference. Products made available to order.

Key:

Contract Owner (Op Purchasing Buyer or Category Manager)

Contract Systems Administrator

Systems Team