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## Introduction

2020/2021 was an unprecedented year within the NHS. Due to the Covid-19 Pandemic not all of the expected Capital Works could be carried out. There was however more expenditure on Medical Equipment.

In compliance with the Procurement Reform (Scotland) Act 2014 (The Act) NHS Ayrshire & Arran (NHSA&A) publishes a list of regulated procurements planned for the next two years and this report details the award of business made from this list of procurements with detail of compliance with key duties stipulated within The Act.

A regulated procurement is any procurement for goods or services with an estimated value for the life of the contract of £50,000 or more and any such procurement for works with an estimated value for the life of the contract of £2,000,000 or more.

The professional management of procurement activity is an important factor contributing towards the efficient operation of NHS Ayrshire & Arran (NHSA&A) and the attainment of corporate objectives as identified within the Transformational Change Improvement Plan 2017-20. It is vital to staff and patients that quality projects, supplies and services are delivered on time to NHSA&A within optimum commercial arrangements.

NHSA&A has a total non-pay spend of £102M of which approximately £58M p.a. is expenditure with 3<sup>rd</sup> Party providers and as such can be influenced by procurement activity.

The Procurement Strategy positions procurement activity visibly within the organisation establishing Board level commitment to and involvement in the management of the Health Board's procurement deliverables. It additionally sets out clear, measurable objectives and priorities for improvement which is closely monitored. Progress against strategic objectives is reported annually to NHSA&A, CMT by the Director of Finance who chairs bi-monthly meetings of the Procurement Scrutiny Group. The strategy addresses key procurement issues over a 3 year time frame and is subject to annual review.

The strategy is pursued through the line management accountability structures with clear targets and timescales being established in relation to improvement in procurement activity undertaken at strategic and operational levels. These targets are reflected within the individual performance plans of appropriate Senior Managers.

Procurement Managers and Senior Managers with Designated Purchasing Authority (DPOs) have responsibility for procurement services and cover NHS A&A Corporate, Acute and Partnerships Divisions. Therefore the compliance and outcomes set-out in the Strategy document apply to all parts of the organisation and all procurement activity undertaken by NHSA&A.

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## 1 Summary of Regulated Procurements 2020/21

The following is a list of regulated procurements completed during the period April 2020 to March 2021.

Tender No.	Description	Complied with Procurement Strategy	Community Benefit
AA1411	Demolition of IPCU Building at Ailsa Hospital	Y	N
AA1436	Portable Appliance Testing	Y	N
AA1438	Gas Boilers, Biggart Hospital	Y	N
AA1439	Medical Services at HMP Kilmarnock	Y	N
AA1443	High Voltage Maintenance	Y	N

### Regulated Procurements April 2020 – March 2021 Called off Frameworks

Framework Number	Description	Complied with Procurement Strategy	Community Benefits
NP143	5 New Sterilisers, CDU, ACH	Y	N
NP167	3 Dimension Mammography System, ACH	Y	N
NP167	Affinity Ultrasound System	Y	N
NP167	Replacement Probes	Y	N
NP167	E8 Ultrasound Scanner and Probes	Y	N
NP167	Gamma Camera for Crosshouse	Y	N
NP167	Multi-purpose Fluoroscopy system for Ayr X-Ray	Y	N
NP184	Non-Imaging Monitors for CCU	Y	N
NP147	Stack and endoscopes across NHS A&A	Y	N
ESPO636	Electrical Vehicle Infrastructure	Y	N
NF002415	MYSOS Mandown System	Y	N
MIT2020-1138	Radiography Information System (RIS)	Y	N
SBS/16/SG/FNY/9022/03	Blood Gas Testing Service	Y	N
OP00641	Clinical Portal Enterprise Licence	Y	N
NP147	Service Contract for Flexible Endoscopes	Y	N
NP147	Symbia Intevo Bold	Y	N
NP167	FDR Visionary Suite, UHC	Y	N

NP167	FDR Visionary Suite, Girvan	Y	N
NP167	FDR Visionary Suite, ACH	Y	N
NP167	FDR Visionary Suite, EACH	Y	N
NP184	AK98 v3 230v Bio Machines	Y	N
207/ s 003942	SLIT Lamps	Y	N
NP167	OEC Elite C-Arm X-ray System, UHA	Y	N
NP167	OEC Elite C-Arm X-ray System, UHC	Y	N
NP167	Acusan Redwood Ultrasound UHA	Y	N
NP167	FDR Go Plus DRMobile X-ray Solution ACH	Y	N
NP167	EU OEU Elite 9inch	Y	N
NP145	WM –NP3 Laparoscopic Workstation, UHA	Y	N

## 2 Procurements not complying with NHS Ayrshire & Arran Procurement Strategy

The procurements are overseen by Procurement Managers or DPOs and there is scrutiny of each proposed procurement before it is approved for going to competition.

All of the regulated procurements awarded over the period April 2020 to March 2021 complied with the NHS A&A procurement strategy requirements.

The strategy is currently being reviewed and will be published on the NHS A&A public web site.

## 3 Community Benefits

Below is a list of projects which provided benefits to the Board.

### 3.1 Spend to save projects

#### Insulation works – External theatre ducts – University Hospital Crosshouse

Works were undertaken to improve and insulate open pipe work and non-insulated heating ducts within the University Hospital Crosshouse. This work pays back very quickly as the losses of heat at these temperatures provides a payback of projects of around 1 year.

### 3.2 QQ Gas Utility Savings – Spend to save projects

#### Ailsa Hospital – Gas main ring connection and meter removal project

Works were undertaken to replace the main gas ring networks isolation valves which were inoperable and did not meet current regulations. Once the valves were replaced the gas ring was opened up, to supply the full site in one loop. Tests over winter were undertaken to ensure that gas supply to the site could be handled through one gas meter which were successful, so in early spring the second gas meter was removed making a saving of £14k to the Board per annum.

### 3.3 National Tender – Net Zero Pathway Pilot Project

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## A route map overview for the board to lay out a pathway to net zero

Working with Ricardo AEA consultancy, 4 months was spent collecting data on the Greenhouse gas emission from the estate, to build up a baseline picture for 2019/20. This working included 43 emissions sources which the Board report on each year, and a suggested pathway to 2045 has been addressed within this work. Granted it is a high level desk top exercise, but gives us a broad picture of the challenged that lie ahead and outline costs required to get to carbon neutrality.

### **3.4 BEIS – MEP Project – Catapult Office – HM Treasury**

#### UK wide project by BEIS to look at a pathway to reduce Ayr Hospital's carbon emissions by 50% by 2030

University Hospital Ayr was the only Scottish Hospital to take part in this government led project. 34 sites across the country were selected to be evaluated. Metering was installed to help collect site data, and a pathway created with detailed technical engineering reports, indicating costs to ensure a reduction of emissions by 50%.

### **3.5 Energy Policy – Procurement guidance produced**

#### Board Energy Policy updated with new requirements for all procurement of purchases

A revision to our Energy Policy has seen a large section within the policy giving guidance on procurement of goods over 10kW or 50 in numbers. This guidance sets out clear instruction to evaluate products on whole life costing modelling, carbon emissions, waste and disposal, and environmental impact over the life of said good or service that we purchase.

### **3.6 WARP-IT**

The Board is developing the Warp-It site but last year we saved £2,337 by recycling furniture within the Board. We hope to expand on this during this financial year due to additional training being provided to members of the team who are taking this forward.

## **4 Supported Businesses**

NHS Ayrshire and Arran are committed to facilitating the involvement of supported businesses in competition and the award of business through our procurement processes.

During 2020/21 work has been undertaken to provide business for the furniture workshop at Ailsa hospital.

## **5 Proposed Regulated Procurements 2021/22 and 2022/2023**

The following is a list of regulated procurements likely to be undertaken during the next two financial years. Definitive start dates and go live dates are dependent on allocated capital and final approval to proceed.

This will be published on the NHS Ayrshire and Arran public Website.

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Title	Annual Budget	Start Date
NP167 CT Scanner for Crosshouse	620,000	
NP147 Endoscopes	237,000	
NP184 Reverse Osmosis Unit	40,000	
NP162 Operating tables for Ayr Main Theatres	25,000	
Biggart Hospital – Nurse Call System Upgrade	20,000	
UHA – Air Handling Unit Upgrade Modifications	95,000	
AA1141 UHC - Air Handling Unit Upgrade Modifications	55,000	
AA1443 UHA – High Voltage Electrical Switchgear Upgrade	240,000	
ACH – Boiler Replacement – Pavillion 10 & 11	75,000	
UHC – Replacement Programme for Main Fuel Storage Tanks	50,000	
AA1438 Biggart Hospital - Boiler House – replace Main Boilers & BMS Upgrade	200,000	
UHA – Air Handling Unit Upgrade Modifications	400,000	
UHC – Nurse Call System Upgrade	75,000	
UHC – Site Wide – Continuation of Program, to Upgrade Fire Detection Systems & Front End Graphics	45,000	
Maintenance of Patient Lifting Equipment	30,000	
AA1444 Kitchen Structural and Ventilation Cleans	23,000	
Fire Damper Inspection	30,000	
UHA/Ailsa Security	150,000	
GP Premises Contingency	500,000	
UHA Outpatients – Ophthalmology	20,000	

UHA Endoscopy Decontamination	450,000	
Board wide Chemotherapy Review UHA	400,000	
Dementia Ward 5D UHC – Upgrade	50,000	
NSAIS – National Forensic Service for Adolescents in Scotland	8,600,000	

## 5 Reference Documents / Appendices

*Procurement Reform (Scotland) Act 2014*

*Procurement Strategy*

*Procurement Operating Procedures*

## 6 Glossary of Terms

CMT	Corporate Management Team
UHA	University Hospital Ayr
UHC	University Hospital Crosshouse
ACH	Ayrshire Central Hospital
Framework Agreement	In the context of this document a contract establishing a supplier or suppliers with agreed terms and conditions for the supply of goods services or works established for one or more health board who will call off as required.
Ranked Framework	A ranked framework establishes several suppliers on agreed terms and conditions with rates however the 1 <sup>st</sup> ranked supplier will be the supplier who gets the work if they are able to carry it out. If they cannot then it will be offered to the 2 <sup>nd</sup> ranked, then 3 <sup>rd</sup> etc.
NSS	NHS NSS is the common name for the common Services Agency for the Scottish Health Service Including providing a procurement and program management service for NHSScotland. Offering expertise and guidance
EACH	East Ayrshire Community Hospital
CCU	Coronary Care Unit