

Cardiff and Vale University Health Board

PROCUREMENT GUIDE FOR STAFF

In conjunction with NHS Wales Shared Services
Partnership Procurement Services



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1. Purpose

This guide sets out NHS Wales Shared Services Partnership (NWSSP) Procurement Services' standards for procurement on behalf of Cardiff and Vale UHB in order to ensure compliance with regulatory and UHB/Trust requirements, whilst allowing the organisation to achieve its objectives and deliver value for money.

This guide is to be read in conjunction with the NWSSP Procurement Policy, UHB's/Trust Standing Orders (SOs), Standing Financial Instructions (SFIs) and Financial Control Procedures (FCPs) (*where appropriate*), which set out the governing principles for public procurement. It is also supported by detailed procedures which have been developed to standardise processes based on best procurement practice, e.g. Scheme of Delegation.

2. Governance

a. Scope and Role of Procurement

This guide applies to all procurement activity undertaken by NWSSP staff on behalf of the UHB/Trust and the term 'Procurement' is to embrace the complete process from sourcing and ordering to taking delivery and payment for all works, goods and services required.

As part of the NHS Wales Shared Services Partnership organisation it is the role of Procurement Services to act as a centre of excellence and expertise for all procurement and supply chain related issues within NHS Wales.

b. Responsibilities

• NWSSP Procurement Services' Staff

All members of staff working in Procurement Services are responsible for ensuring compliance with the Procurement Policy and associated procedures. They will also ensure that they meet any specific requirements as set out in the UHB/Trust SOs, SFIs and FCPS and give due regard to developments in statutory requirements (including European Union Directives), Welsh Government / Central Government policy and Audit Commission Guidelines.

All Procurement Services' staff shall strive to:

- Achieve value for money on behalf of the UHB
- Ensure all suppliers compete on a fair and equal basis
- Ensure compliance and probity



- Ensure that all equipment and consumable products/services purchased are of the appropriate specification for their intended purpose
- Ensure that customers are satisfied with the goods and services provided
- Ensure key processes and procedures are in place to ensure the right quality, price, source, quantity and timing are achieved
- Monitor and manage contract performance to ensure the contract is being delivered as specified

• **UHB Staff**

All NHS staff must adhere to this Procurement Guide and other rules and regulations as set out in the UHB SOs, SFIs, FCPs and Code of Conduct/Standards of Behaviour Framework.

All staff within the UHB/Trust are required to consult with Procurement Services in relation to all procurement issues and particularly on complex and major procurements, including all EU procurement exercises.

It is essential that NHS staff taking part in any procurement exercise carried out on their behalf by Procurement Services fully understand and fulfil their obligations including for example, participation in working/project groups and product evaluations.

c. Enforcement of Procurement Rules

Procurement Services reserves the right to decline to place orders, award contracts and / or pay invoices for any goods or services that have not followed the guidelines stipulated in this Guide, or UHB/Trust SOs, SFIs and FCPs relating to procurement.

d. Legal Framework

Procurement Services must comply with all its legal obligations and operates within a legal framework for public procurement which includes;

- EU and other international obligations as implemented in UK legislation
- Specific domestic legislation eg., on corrupt gifts or unfair contract terms
- Contract and commercial law in general
- UK/Domestic case law

This is achieved by ensuring our Procurement Policy, associated procedures and guidance is consistent with UHB/Trust SOs, SFIs, FCPs and supplementary guidance. These documents set out the duties and responsibilities of UHBs/Trusts and embody the legal and governing principles guiding public procurement which are;



- **Transparency:** public bodies should ensure that there is openness and clarity on procurement processes and how they are implemented
- **Non-discrimination:** public bodies may not discriminate between suppliers or products on grounds of their origin
- **Fair treatment:** suppliers should be treated fairly and without discrimination, including in particular equality of opportunity and access to information
- **Legality:** public bodies must conform to European Community and other legal requirements
- **Integrity:** there should be no corruption or collusion with suppliers or others
- **Effectiveness and efficiency:** public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.
- **Efficiency:** procurement processes should be carried out as cost effectively as possible and secure value for money

E. Governance and Audit

A programme of independent internal and external audits has been established by UHBs/Trusts to ensure effective internal control arrangements are in place. These audits include a review and report on standards of risk management and governance with regard to procurement, including aspects of both compliance and effectiveness of processes. Reports are made available to the appropriate UHB/Trust Board and Senior Management of NWSSP Procurement Services.

3. Procurement Processes

a. Initial considerations when making a purchase

Once you have identified a requirement to purchase, and considered the value of the purchase (in line with the UHBs/Trust SO's/SFIs), you need to consider / confirm:

1. Do I have the funding?
2. Do I have approval?
3. Am I familiar with the Procurement process required? (*If not Procurement will offer advice and assistance*).

If there is NO existing contract(s) or alternative framework agreements you will need to consider undertaking a procurement exercise. Once the decision has been taken to commence the exercise, it is in your best interests to contact Procurement as early as possible, in order that you are advised correctly.

NB: All purchases over £5,000 must have the involvement of a trained Procurement Officer, as listed below, and be authorised as outlined in the Schemes of Delegation

b. Procurement Thresholds



In establishing the appropriate procurement route, minimum thresholds for quotes and competitive tendering set out in the UHB/Trust SO/SFIs will be adhered to. These thresholds reflect EU Directives and UK Regulation requirements, and are summarised in the following table:

Contract Value(ex VAT)	Minimum Competition
<£5,000	At discretion of appropriate Director
£5,000-£25,000	3 written quotations *
£25,000-OJEU threshold	4 tenders *
Above OJEU threshold (currently £106,047)	5 tenders *
Contracts between £0.500k and £1 million	WG Ministerial Approval For Noting
Contracts above £1 million	WG Ministerial Approval required

*Where it is not practicable to invite minimum competition i.e. finite market /other, this should be documented within both the briefing/planning papers and requests for approval/consent documents.

- Additional details of the thresholds, applying from 1st January 2014 are given below. Thresholds are net of VAT.

Public contracts

The European public contracts directive (2014/24/EU) applies to public authorities including, amongst others, government departments, local authorities and NHS Authorities and Trusts.

Research and development services are exempt, except the Common Procurement Vocabulary (CPV) codes listed in Article 14 of the public contracts directive.

	SUPPLIES	SERVICES	WORKS
Central government authorities, as listed in Schedule 1 of the regulations	£106,047	£106,047	£4,104,394

Utilities contracts

The values indicated are representative of the spend throughout the LIFE of the contract i.e. Total cost, and is applicable for all sources of funding i.e. capital/revenue/funding.



All requests to purchase new/replacement Capital Equipment must be costed by the Procurement team before submitting to the Finance department, in conjunction with approval from both Clinical Engineering/EBME and IM&T departments, *(as appropriate)*

c. Changes to Procurement Contract Regulations 2015

The Public Contracts Regulations (PCR) 2015 enshrine in UK law the EU Procurement Rules for all public sector bodies including NHS Wales. The PCR 2015 includes a number of amendments to the rules and regulations which were effective, in Law, from February 2015. In summary the main changes include:

- Changes to accelerate the advertising and tendering timelines
- Greater flexibility around establishing Innovation Partnerships
- Abolition of Lowest Price only as an award criteria
- Greater emphasis and flexibility on social criteria in procurement awards
- Simplification of the tendering process for SME's including proportionality around turnover required and a self-certification protocol around pre selection
- Poor previous performance can now be taken into consideration when evaluating
- Removal of the distinction and differential treatment of certain services (Part A & B Services).
- Inclusion of a "Lighter Touch" process for a range of health related services

Procurements under the guise of the PCR 2015 are often complex and advice must always be sought from procurement if and when a project is being considered that may fall under this jurisdiction. Procurement Services will have access to a wealth of information and knowledge to ensure a procurement is undertaken in a timely, compliant and efficient manner. The consequences of getting aspects of this wrong could be significant in terms of financial, reputational risk and/or project delay.

EC Procurement Thresholds

4. Contracts & Purchase Orders

All supplies of goods and services will be covered by an appropriate contract, purchase order or agreement. Ordering of goods and services requires compliance by all UHB/Trust staff with the following key system controls, in accordance with the UHB's/Trust 'No Purchase Order/No Pay Policy': *(where operational)*



- Official orders are to be raised via Oracle in respect of all goods and services required by the organisation, except those specifically exempted. Contractors will be notified that they should not accept orders other than in an official form.
- Orders will only be placed in accordance with the appropriate, approved scheme of budgetary delegation.
- UHB/Trust staff must be able to demonstrate that best value for money has been achieved in the procurement of goods and services.
- **UHB/Trust/SSP staff, where applicable, must ensure that all orders are receipted on the Oracle system in a timely manner to ensure that the UHB meets its statutory obligation to pay all suppliers promptly in accordance with the requirements of the Public Sector Payments Policy. Failure to acknowledge receipt may result in our account and further deliveries being suspended by the supplier**
- Specialist procurement advice should be sought from NWSSP Procurement Services wherever necessary.
- Where contracts have been let on behalf of Trusts/UHBs by NWSSP Procurement Services or other public bodies eg. National Procurement Service for Wales, these contracts must be used, unless an alternative source of supply has been agreed in advance.

a. Evaluation Criteria

The evaluation criteria for a procurement activity shall be agreed jointly between Procurement Services, the evaluation group and/or UHB/Trust representatives. This agreement will be reached prior to the issue of the tender or quotation documentation. Any criteria that is mandatory or has a minimum standard shall be clearly identified.

The process for establishing and agreeing scores and weightings for evaluation criteria is set out in NWSSP procedures, and will be discussed by the Procurement team prior to commencing.

b. Contract Approval

Approval of the contract award decision will be obtained in line with the UHB/Trust Standing Orders and relevant scheme of delegation. The approval process will also take into consideration any further direction or requirements from the Welsh Government, which will include for example consent for contracts over £1 million and monitoring requirements for contracts between £250,000 to £500,000 and £500,000 to £1 million.



c. NHS Terms & Conditions

The NHS Conditions of Contract will form the basis of any contract entered into with suppliers unless otherwise agreed. Copies of current standard terms and conditions are available on the Procurement Services web-site, or directly from your local Procurement team.

d. Single Quotation/Tender(s) Justification – Should this be possible, can it be justified?

Usually NOT, it can be seen as contrary to achieving Value for Money through open and fair competition. Therefore single tender action should normally be avoided. However there may be exceptional cases where single quotation/tendering may be justified, (in line with SO's/SFI's);

Single tender action shall only be permitted when a single firm or contractor or a proprietary item or service of a special character is required and as set out in law. Single tender action shall only be employed following a formal submission and with the express written authority of the Director of Finance having taken into consideration due regard of procurement requirements. (delegations apply)

If you believe that you have justification for inviting one supplier to quote/tender, you should complete a 'Single Justification Form' justifying the decision. The form must be signed by the user responsible for the goods/service, counter signed by the Head of Procurement and passed to the Director of Finance & CEO for approval. This form is allocated a unique number by Procurement and records kept within the Procurement department. Single tender documentation is then issued to the appropriate supplier and reported to the UHB's Audit Committee

e. Extending Contracts – Can I extend?

It is a common misconception that any contract can be extended to finish a job/extend a service that has expired/overrun, or has been deflected by external or unforeseen circumstances. However, a contract can ONLY be legally extended if there is provision to do so, (*Procurement can advise in this area*), if not a new contract will have to be created, in which case a new tender will need to be issued. In all cases of Contract Extensions, approval [in line with SFI's must be provided];

Subject to complying with any legal requirements and agreed contract conditions, a contract may be extended on a single occasion provided the additional cost does not exceed 50% of the original value of the contract to a maximum of £75,000 exclusive of VAT. Such extension must have the express approval of the Chief Executive (or designated officer) in their absence. In addition any contract extension(s) must be



checked and validated by the Director of Procurement services prior to submission of the CEO (or designated officer), and subsequently reported to the Audit Committee.

Where a contract was advertised and includes a legal clause providing the option to extend, such approval is not required unless there is a change to any of the current contract terms and conditions including price. Contract extensions will also be referred to the Minister where the extension value warrants ministerial approval values.

f. Use of Framework Agreement

A framework agreement is a type of 'umbrella' agreement negotiated with suppliers by an organisation, on behalf of the public sector. Each framework agreement comes with standard terms and conditions.

Direct Award against a framework agreement

Where there is only one supplier on the agreement, or if there is an option for direct award within the guidance notes for the agreement, you can place an order directly with the supplier. Buying organisations should familiarise themselves with all guidance documents linked to the applicable framework agreement. Consideration will also need to be given to the SO/SFI's at the UHB/Trust around direct award.

'Mini-Competition' against a framework agreement

If there's more than one possible supplier on the framework or direct award is not applicable, a 'mini-competition' should be held to decide who gets the contract.

The buying organisation will need to add their requirements, specifications, assessment criteria and any other documents the supplier needs to complete their bid. Suppliers should be invited to bid through Bravo e Tender Wales ensuring the unique framework number is referenced. The bid documentation, evaluation and award are completed by the buying organisation, as well as the on-going management of the contract

5. CORPORATE Social Responsibility

Procurement Services has an opportunity to make a significant contribution towards the Welsh Government's commitment on sustainable development by including, wherever it is sensible and legitimate to do so, sustainability objectives within the overall assessment of value for money and affordability in its procurement activity.

A Corporate Social Responsibility Policy has been published and endorsed by the NWSSP – Procurement Services Senior Management Team setting out the objectives



and plans in relation to sustainability, and a Sustainable Risk Assessment will be undertaken for all contracts over £25,000 taking into account social, economic and environmental issues. The Procurement Policy statement has been developed with due regard to:

- European, national and Welsh Government policy and guidance
- Relevant regulation and legislation
- Examples of best practice

Procurement services will benchmark its performance in sustainable procurement through its use of the Sustainable Procurement Assessment Framework (SPAF).

Welsh Government will provide Community Benefits policy; strengthening support available on the ground and challenging the application

The Welsh public sector will appoint a community benefits champion for their organisation and advise Welsh Government

- apply a Community Benefits approach to all public sector procurements
- apply the Measurement Tool to all such contracts over £1m, as a minimum.
- Provide justification for all contracts valued above £1m where the approach has not been used

6. Dealing with Supplier representatives

NHS Wales Shared Services Procurement Policy puts the relationship between the staff and its current and potential suppliers on a sound and professional footing, and to provide suppliers and their representatives with information on how they are expected to behave and what behaviour they can expect from the UHB, clinical and non-clinical.

Cold Calling is strictly forbidden. [*Please refer to Representative Policy on the Procurement website for further guidance/or available from your local Procurement team*].

7.E-Commerce

Procurement Services supports the Welsh Government Electronic Procurement initiative(s) which aim to enable all public sector organisations in Wales and their suppliers to trade with each other electronically, with the aim of increasing procurement efficiencies and productivity and thereby reducing costs.



We shall work closely with suppliers as our interactions become increasingly electronically driven. We currently employ e-tendering and e-payment tools and this is being extended over time to include the scanning and processing of invoices and development of a central electronic catalogue.

8. General good practice tips

Don'ts

- ❖ **Don't** place an order via telephone. All goods and services must be covered by an official order. Manual invoices (*if not included in exceptions list*) will NOT be paid/will be delayed for payment.
- ❖ **Don't** purchase non-essential items. All goods and services must be justified
- ❖ **Don't** purchase items if there is no budget for those items.
- ❖ **Don't** purchase items where the budget line is already overspent.
- ❖ **Don't** purchase items where costs appear unrealistic.
- ❖ **Don't** source tenders or quotations for any products: specifications and suggested suppliers should be sent to Procurement.
- ❖ **Don't** sign a requisition if it has not been fully completed, otherwise it will be returned.
- ❖ **Don't** proceed with a requisition unless it has been duly authorized by an approved authorized signatory.
- ❖ **Don't** undertake product trials without the prior involvement of the Procurement Department completion of a new/ alternative product form, and a business case being completed.
- ❖ **Don't** extend contracts independently of the Procurement Department.

Do's

- ✓ **Do** ensure purchase orders comply with EC procurement rules and the UHB Standing Orders and Standing Financial Instructions.
- ✓ **Do** fully understand the content of FCP? and have it available for reference
- ✓ **Do** contact and discuss any uncertainties or problems with the Procurement Department.
- ✓ **Do** refer to associated guidance where necessary e.g. Standing Orders, Standing Financial Instructions, Tendering/Quotation procedure etc.
- ✓ **Do** ensure that requisitions are fully completed otherwise they will be returned.
- ✓ **Do** consult with the Procurement Department for estimated costs of items.
- ✓ **Do** follow the procedure in FCP for the receipt of goods and services, regardless of whether the order has been fully or partially delivered and also regardless of



any differences in prices charged (price differentials are dealt with by the Finance Department upon receipt of the invoice).

- ✓ **Do** receipt all orders once the goods or services have been delivered.

9. Procurement Contact Details.

All enquiries relating to this guide and any aspect of procurement should be addressed to:

Claire Salisbury Head of Procurement Email: claire.Salisbury@wales.nhs.uk Telephone: 02920 746310	
Chris Thain Deputy Head of Procurement Email: chris.thain@wales.nhs.uk Telephone: 02920 746310	Rhian Lye Procurement Business Manager Email: rhian.lye@wales.nhs.uk Telephone: 02920 746577
Jane Boulton Business Manager – Projects Email: jan.boulton@wales.nhs.uk Telephone: 02920 741992	Sarah Yellen Business Manager – PCIC& Mental Health Email: sarah.yeeln@wales.nhs.uk Telephone: 02920 746368
Jean Fudge Business Manager – P2P Email: jean.fudge@wales.nhs.uk Telephone: 02920 746277	Emma Keen Business Manager – Estates and Facilities Email: emm.keen@wales.nhs.uk Telephone: 02920 746887
Nadine Stokes Procurement Business Manager – Specialist Services Email: nadine.stokes@wales.nhs.uk Telephone: 02920 746246	
Nicky Arnold Assistant Business Manager – Projects	Emma Lane Assistant Business Manager – Sourcing



<p>Email: nicola.arnold@wales.nhs.uk</p> <p>Telephone: 02920 7463987</p>	<p>Email: emma.lane@wales.nhs.uk</p> <p>Telephone: 02920 746363</p>
<p>Lee Jenkins Asst Procurement Business Officer – Surgery Email: lee.jenkins@wales.nhs.uk</p> <p>Telephone: 02920 746216</p>	<p>Gemma Roscrow Asst Procurement Business Officer – Specialist Services Email: gemma.roscrow@wales.nhs.uk</p> <p>Telephone: 02920 743763</p>
<p>Brynmor Jones Asst Procurement Business Officer – CD&T Email: brynmor.jones@wales.nhs.uk</p> <p>Telephone: 02920 746266</p>	<p>Nia Miles Asst Procurement Business Officer – Sourcing Email: nia.miles@wales.nhs.uk</p> <p>Telephone: 02920 744939</p>
<p>Rhys Jenkins Asst Procurement Business Officer – Specialist Services Email: rhys.jenkins@wales.nhs.uk</p> <p>Telephone: 02920 744353</p>	<p>Jacob Stokes Asst Procurement Business Officer – Sourcing Email: jacob.stokes@wales.nhs.uk</p> <p>Telephone: 02920 743261</p>
<p>Paula Davies Asst Procurement Business Officer – P2P Email: paula.davies@wales.nhs.uk</p> <p>Telephone: 02920 746214</p>	<p>Gaynor Bright Asst Procurement Business Officer – P2P Email: gaynor.bright@wales.nhs.uk</p> <p>Telephone: 02920 744163</p>
<p>Karen French Purchasing Assistant Email: karen.french@wales.nhs.uk</p> <p>Telephone: 02920 746206</p>	<p>Terry Evans Purchasing Assistant Email: terence.evans@wales.nhs.uk</p> <p>Telephone: 02920 746235</p>
<p>Adam Salisbury Purchasing Assistant Email: adam.salisbury@wales.nhs.uk</p> <p>Telephone: 02920 746375</p>	



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All Wales Sourcing/Contracting

The **Sourcing team** supporting the UHB/Trust is based at NWSSP Procurement Services, **South Wales Region on 4th Floor Companies House**, Crown Way, Cardiff CF14 3UB. / **North Wales Region (St Asaph Office)**- Alder House, Alder Court, St Asaph Business Park, St Asaph LL17 0JL

Further information about ordering and paying for goods and services is available on the Procurement Services webpage.

Sourcing team **contact details** are available from

howis.wales.nhs.uk/sitesplus/888/page/53034

E-Enablement

The E-Enablement Team supporting the UHB/Trust and are based within the NWSSP Procurement services team, 4th Floor Companies House, Crown Way, Cardiff CF14 3UB. The E-Enablement team administer the Oracle procurement systems and their responsibilities include:

- Oracle password resets
- Oracle System Issues
- Oracle setup requests for new user accounts and suppliers
- Oracle training requests (please ensure in the first instance training is requested via the Service Desk on 02920 903880 or [NWSSP Procurement eEnablement Servicedesk@wales.nhs.uk](mailto:NWSSP_Procurement_eEnablement_Servicedesk@wales.nhs.uk)

The e-mail address

[NWSSP Procurement eEnablement ServiceDesk@wales.nhs.uk](mailto:NWSSP_Procurement_eEnablement_ServiceDesk@wales.nhs.uk) should be used to log Procurement and Oracle related calls and will automatically raise a 'call' reference number on Action point.

E-Enablement Team **contact details** are available from:

howis.wales.nhs.uk/sitesplus/888/page/53034#eEnablement

Accounts Payable

The **Accounts Payable team** supporting the UHB/Trust is based at NWSSP Procurement Service, **South Wales Region on 4th Floor Companies House**,



Crown Way, Cardiff CF14 3UB. / **North Wales Region (St Asaph Office)**- Alder House, Alder Court, St Asaph Business Park, St Asaph LL17 0JL

Further information about ordering and paying for goods and services is available on the Procurement Services webpage.

Accounts Payable team **contact details** are Tel: 02920 903700

Supply Chain/R&D

The **Supply Chain team** supporting the UHB/Trust is based at NWSSP Procurement Services, Lakeside Stores, University Hospital of Wales, Cardiff, CF14 4XW

Further information about receipt and distribution of goods and services is available on the Procurement Services webpage.

Supply Chain team **contact details** are available from:

Martin Schell – Regional Supply Chain Manager (South East) Tel : 02920 742210

Phil Thomas - Assistant Supply chain Manager Tel: 02920 746364

Debbie Greenstock - Senior Supply Chain Officer Tel: 02920 745328



Appendix I

IR35 Guidance



Procurement Process
IR35.pdf



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Payroll Procurement C

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