

THE STATE HOSPITALS BOARD FOR SCOTLAND

ANNUAL PROCUREMENT REPORT

March 2021 April 2022

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Approved by	The State Hospital Audit Committee
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Introduction

To comply with the Procurement Reform (Scotland) Act 2014 (The Act), the State Hospitals Board for Scotland is required to publish a Procurement Report annually detailing information on all regulated procurement activity. This report reflects information for the period April 2021 to March 2022. In addition to reporting previous activity, the report includes information on all regulated procurements that are planned for the period (April 2022 – March 2023).

The professional management of procurement activity is an important factor contributing towards the efficient operation of the State Hospitals Board for Scotland and the attainment of corporate objectives as identified within the Local Delivery Plan.

The State Hospital has a total non-pay spend of around £9m per annum including VAT with around £2.6m spend with other public bodies.

The current Procurement Strategy positions procurement activity visibly within the Board objectives establishing Board level commitment to and involvement in the management of the Health Board's procurement deliverables. In addition, it sets out clear, measurable objectives and priorities for improvement, which are closely monitored. Progress against strategic objectives is reported annually to the Board Audit and Risk Committee, and the Senior Management Team by the Finance and e-Health Director who is the nominated Director with responsibility for Procurement Services.

The strategy addresses key procurement issues over a 3-year period and is subject to annual review.

Following publication of the Boards Annual Procurement report, the Board's Procurement Strategy shall be updated in line with "The Act" and presented for approval at a future Audit committee and Procurement Steering Group meeting.

The strategy is delivered 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 the Head of Procurement.

The compliance and outcomes set out in the Strategy document apply to all parts of the organisation and all procurement activity undertaken by The State Hospital.

The State Hospital procurement requirements are met via local, regional or National contracts. Other routes to market include, in excess of £50,000 (regulated procurements) are advertised on the Public Contracts Scotland website and for regulated procurements over previous EU thresholds, in the Find a Tender (FTS) website

The State Hospital has also taken the decision to publish both regulated and non-regulated contracts on our public facing contracts register on Public Contracts Scotland.

Procurement Highlights

- Procurement Team won the Outstanding (Non Patient Facing) Team Excellence Award 2021 for the work carried out during the COVID pandemic, ensuring PPE and other supplies were sourced and delivered to colleagues in a timely manner.
- Fully supported the Capital Group to ensure projects were delivered including the award of the Key Vend Management System due to be implemented shortly
- Introduced a new Tendering and Contracting Policy to ensure better governance
- Refresh of Standing Financial instructions to ensure compliance with updated Procurement Regulations
- Overhaul of Contracts Register to ensure better governance of contracts and SLA's including adopting the NHSS Contracts Register system
- Developed a new Workplan to manage Procurement Projects
- Successful Internal Audit Report with all outstanding actions now completed
- Head of Procurement represents all National Boards Heads of Procurement at Procurement Strategic Group chaired by Scottish Government

Section 1 – Summary of Regulated Procurement Completed

1.1 As a Scottish Public Body, The State Hospital is committed to the principle of transparency which it implements through publishing its regulated procurement activities via the Public Contracts Scotland portal and, where appropriate, the Official Journal of the European Union. The following table provides a high-level summary of the regulated procurements awarded within the 2021/22 financial year covered by this report:

Date of Award	Contract Description	Awarded To	Estimated Value
28/07/2021	Key Vend Management System	Deister Ltd	£250,000

1.2 Non - Regulated Procurements completed during the year:

Date of Award	Contract Description	Awarded To	Estimated Value
15/10/21	Hospital Ward Dishwashers	Meiko Ltd	£10,000
18/10/21	Maintenance & Servicing of Biomass System	BBSM Ltd	£23,000
21/11/21	Water Cooler Sanitation Service	Homespring Ltd	£20,000
02/11/21	Purchase of Tractor	Hamilton Tractors Ltd	£27,000
10/12/21	Lease of Security Vehicle	Western Commercial Ltd	£26,500
01/07/21	Alterations to Family Centre Garden Area	Priory Bridge Landscaping	£48,000

15/06/21	Single Use Non Plastic Kitchen Disposables	Celebration Packaging Ltd	£25,000
19/07/21	PABX Telephony Maintenance Services	HFD Technologies	£43,000
30/08/21	Website Redesign	Daysix Ltd	£12,000

Section 2 – Review of Regulated Procurement Compliance

2.1 Tender Waivers

In the year 2021/2022, the State Hospital chose to waive its standard SFI's relating to the quotation and tendering process for the following contracts:

Date of Award	Contract Description	Awarded to	Estimated Value
26/04/21	Additional Server	Health Edge	£5,550
14/05/21	Replacement doors for reception Building	Chubb Custodial Locks	£16,445
31/05/21	L8 Legionella Review	Dma Canyon	£5,700
23/06/21	Desktop Narcotics Detector Itemiser	Scanna	£28,545
22/06/21	Electric Vehicle for porters. (Specialised non-road Vehicle)	Epower Trucks Ltd	£37,565
25/05/21	Hostile Vehicle Mitigation - Detailed Design	D J Goode & Associates	£24,350
21/07/21	Telephony system	Daisy Communications	£11,000
21/07/21	Maintenance and licenses for hospital radio system	Pmr Products	£10,513
09/08/21	BMS maintenance support	Schneider Electric	£26,170
10/09/21	Swan connection upgrades & circuit rental	Capita Business Services	£10,785
13/09/21	Ups replacement	Softcat plc	£21,937
12/10/21	Safety adaptation to patient room	Safety Padding Ltd	£53,500

19/01/22	X-ray & archway maintenance	Leidos	£26,064
26/01/22	Building management system transition	Schneider Electric	£350,000
27/01/22	Safety mirrors for wards/Skye centre	Clark Safety Mirrors	£8,180
23/02/22	Provision of primary health care	Cademuir Clinic Ltd	£49,999
21/03/22	Maintenance of rainwater harvesting systems	Stormsaver Ltd	£10,662
21/03/22	Website refresh	Daysix	£20,500

Although these Procurements have been waived a formal process and sign off was undertaken with Procurement involvement. There has been a reduction in the number of waivers completed this year which reflects better collaborative work from Procurement with other departments.

Section 3 - Community Benefit Summary

During the reporting period, there were no community benefit requirements as part of the regulated procurements undertaken. Where appropriate, The State Hospital have included corporate and social responsibility factors, including the fair work first criteria in the tender evaluation criteria in order to recognise employers who pay the real living wage, employ people through apprenticeship schemes and/or are involved in local charities.

Section 4 - Supported Business Summary

The project to modify doors throughout the Hospital which was carried out by a supported business, finished in 2020 and therefore no spend occurred over the duration of this report with a supported business.

However, a new project to procure patient lockers has commenced September 2022 which will be carried out by a supported business and will be reported on in 2022/23.

Section 5 - Future Regulated Procurements Summary

Tender Title	Procurement Type	Intended Start Date	Estimated Value
Patient bank/Monies System	Open Tender	TBC	Unknown
Occupational Health Services	SLA with other NHS provider or Open Tender	August 2022	£300K
Replacement for Wireless Network	Framework	April 2022	£100K
Patient Shop	Open Tender	TBC	£500K

Section 6 - Other Content for Consideration

6.1 Collaborative working

The National Health Boards (NHB) Procurement Group continue to meet monthly and are working together to focus on collective targeted savings, seeking new opportunities to work collaboratively across the NHB community.

The State Hospital also procures various services from the territorial boards to ensure the spirit of collaboration is maintained across the entire procurement arena. We regularly work with other Boards to develop service level agreements to meet the needs of both our patients and the organisation. A large programme of work is continuing to review these agreements to meet our current requirements.

6.2 Sustainable Procurement Duty

The Procurement Reform (Scotland) Act 2014 requires authorities to comply with the Sustainable Procurement Duty where applicable. The Scottish Government Sustainability Toolkit is used in all regulated Tenders to identify opportunities to ensure sustainable contracts. Electric Vehicles have now been added to the Fleet and the Procurement Team are working with Estates and Facilities to introduce further EV charging points and new LED lighting across the Hospital. We are also fully engaged with the new Climate Change and Sustainability Group in supporting the transition to a net-zero carbon emissions organisation.

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