

**THE STATE HOSPITALS BOARD FOR SCOTLAND**

**ANNUAL PROCUREMENT REPORT**

**April 2023 March 2024**

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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 2023 to March 2024. In addition to reporting previous activity, the report includes information on all regulated procurements that are planned for the period (April 2024 – March 2025).

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 £7.0m per annum including VAT with around £3.2m 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 and Risk committee.

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

- Fully supported the Capital Group to ensure projects were delivered including the implementation of the new Wireless Network
- Implementation of the NHS Scotland Genesis Ward Product Management System
- Contributed to the successful NIS Audit
- £108k in cash releasing and cost avoidance savings
- 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 Find a Tender System. The following table provides a high-level summary of the regulated procurements awarded within the 2023/24 financial year covered by this report:

| <b>Date of Award</b> | <b>Contract Description</b>   | <b>Awarded To</b>            | <b>Estimated Value</b> |
|----------------------|-------------------------------|------------------------------|------------------------|
| 04/08/23             | Wireless Network Replacement  | Insight Direct Ltd           | £63,000                |
| 12/10/23             | Rio Software Support Contract | The Access Group             | £450,000               |
| 26/01/24             | Hospital Shop Retail Goods    | J.W, Filshill Ltd            | £200,000               |
| 01/03/24             | Tractor                       | The Double A Trading Company | £57,000                |

1.2 Non - Regulated Procurements and Service Level Agreements completed during the year:

| <b>Date of Award</b> | <b>Contract Description</b>       | <b>Awarded To</b>                 | <b>Estimated Value</b> |
|----------------------|-----------------------------------|-----------------------------------|------------------------|
| 01/04/23             | Salary Sacrifice Cycle Scheme     | Blackhawk Network Ltd             | £15,000                |
| 19/05/23             | Ophthalmology Services            | Brown Opticians                   | £27,000                |
| 01/04/23             | Maintenance of Gates & Turnstiles | Automatic Sense Control           | £14,000                |
| 06/03/24             | Software ProSupport               | Computacenter Ltd                 | £21,000                |
| 01/04/23             | Speech & Language Therapy Service | NHS Lanarkshire                   | £28,000                |
| 01/04/23             | Laundry Services                  | Scotland Laundry Consortium Group | £65,000                |
| 01/04/23             | Community Dental Service          | NHS Lanarkshire                   | £39,000                |
| 01/04/23             | Payroll Services                  | NHS Greater Glasgow & Clyde       | £45,000                |

## Section 2 – Review of Regulated Procurement Compliance

### 2.1 Tender Waivers

In the year 2023/2024, 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                   | Value      |
|---------------|-------------------------------------|------------------------------|------------|
| 09/05/23      | Datix licence renewal for 23/24     | Datix                        | £25,193.69 |
| 23/08/23      | Improvement to the vehicle gates    | ASC Ltd                      | £33,481.91 |
| 11/09/23      | Annual maintenance of BMS           | Schneider                    | £28,500.00 |
| 04/10/23      | Installation of EV charging points  | Boyd Brothers                | £57,526.06 |
| 23/02/24      | Avix Autonomic Laser Bird Deterrent | Pest Solutions Ltd           | £21,823.43 |
| 08/03/24      | Music Therapy Service for Patients  | Nordoff Robbins              | £18,000.00 |
| 19/03/24      | Call recording system               | HFD Intelligent Technologies | £23,761.39 |
| 21/03/24      | Datix licence renewal for 24/25     | Datix                        | £26,428.00 |

Although these Procurements have been waived, a formal process and sign off was undertaken with Procurement involvement.

Only one waiver was over the regulated tender level of £50k.

## Section 3 - Community Benefit Summary

During the reporting period, there were no community benefit requirements as part of the regulated procurements undertaken. Sustainability is embedded in all Procurement processes, including the fair work first criteria in order to recognise employers who pay the real living wage, employ people through apprenticeship schemes and/or are involved in local charities. Although not a mandatory requirement TSH will consider Community Benefit clauses in all regulated tenders.

## Section 4 - Supported Business Summary

£9,402 was spent with 2 different Supported Businesses during this period and we will actively continue where possible to award orders to Supported Businesses.

## Section 5 - Future Regulated Procurements Summary

| Tender Title                   | Procurement Type | Intended Start Date | Estimated Value |
|--------------------------------|------------------|---------------------|-----------------|
| Digital Innovation Systems     | Open Tender      | TBC                 | Unknown         |
| Replacement of Diesel Vehicles | Framework        | May 2024            | £100k           |
| Fire and Security Maintenance  | Open Tender      | August 2024         | £150K           |

## Section 6 - Other Content for Consideration

### 6.1 Collaborative working

The State Hospital is fully engaged with the wider NHS Scotland Procurement community working closely with National Procurement and other Boards as well as the Scottish Government Procurement Directorate.

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 (EV) have now been added to the Fleet and the Procurement Team are working with Estates and Facilities to introduce further EV's. EV charging points have now been extended fully to the Car Park for staff use. New LED lighting is also being introduced across the Hospital. We are also fully engaged with the Climate Change and Sustainability Group in supporting the transition to a net-zero carbon emissions organisation supporting a number of initiatives.

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