

NHS Board Meeting  
31 March 2021

Lanarkshire NHS Board  
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**SUBJECT: CONTRACT FOR PRINCIPAL SUPPLY CHAIN PARTNER,  
LANARKSHIRE PROJECTS 2021 – 2026**

**1. PURPOSE**

The purpose of this paper is to seek Board Members approval to award the Principal Supply Chain Partner, Lanarkshire Projects 2021 – 2026 contract to John Graham Construction Ltd following a tender exercise.

For approval	<input checked="" type="checkbox"/>	For Assurance	<input type="checkbox"/>	For Information	<input type="checkbox"/>
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**2. ROUTE TO THE BOARD**

This paper has been prepared by Chris Sanderson, General Manager, Procurement, and was endorsed by the Corporate Management Team on 22 March 2021.

**3. SUMMARY OF KEY ISSUES**

**Background**

In 2014 NHS Lanarkshire (NHSL) entered a contract with John Graham Construction Ltd to act as construction Principal Supply Chain Partner (PSCP) for Monklands and Lanarkshire-wide business continuity programmes, as well other service development projects. The contract resulted from a tender process within the Health Facilities Scotland (HFS) Frameworks 2 (FS2) and is due to expire on 31st March 2021.

When the new HFS Frameworks 3 PSCP framework went live recently, a similar tender process to appoint a PSCP for a new contract term commenced with the issue of tender documents via the Public Contracts Scotland portal in January 2021. The estimated value of the future programme is around £40 million over a period of five years, but NHS Lanarkshire will not be bound to any level of expenditure under the contract.

**Tender Evaluation**

Four tenders were received from Balfour Beatty, Graham Construction, Keir Construction, and McLaughlin & Harvey. The evaluation panel consisted of a cross-section of NHS Lanarkshire staff from Property & Support Services Division, Planning & Development, Finance and Procurement. The Board were also assisted and advised throughout the process by an appointed officer from the HFS Frameworks 3 team and lead advisors, Aecom.

Tender evaluation was based upon determination of the most economically advantageous tender through price and quality factors, with the weightings attached to each 40% and 60% respectively.

The combined scoring resulting from the tender process is shown below. All tenderers receive a ‘standstill letter’ with their score and the winning tenderers score with feedback. The contract award (if approved by Board) will also result in the publication of a contract award notice which will be in the public domain. To protect unsuccessful bidders’ anonymity, the individual scores have been anonymised in the table below:

Tenderer	Quality (%)	Price (%)	Grand Total
Tenderer A	52	31	83%
John Graham Construction Ltd	58	39	97%
Tenderer B	49	34	83%
Tenderer C	60	32	92%

**4. STRATEGIC CONTEXT**

This paper links to the following:

Corporate objectives	<input checked="" type="checkbox"/>	AOP	<input checked="" type="checkbox"/>	Government policy	<input checked="" type="checkbox"/>
Government directive	<input checked="" type="checkbox"/>	Statutory requirement	<input checked="" type="checkbox"/>	AHF/local policy	<input type="checkbox"/>
Urgent operational issue	<input checked="" type="checkbox"/>	Other	<input type="checkbox"/>		

**5. CONTRIBUTION TO QUALITY**

This paper aligns to the following elements of safety and quality improvement:

*Three Quality Ambitions:*

Safe	<input checked="" type="checkbox"/>	Effective	<input checked="" type="checkbox"/>	Person Centred	<input checked="" type="checkbox"/>
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*Six Quality Outcomes:*

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	<input checked="" type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<input checked="" type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<input type="checkbox"/>
Staff feel supported and engaged; (Effective)	<input type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	<input checked="" type="checkbox"/>
Best use is made of available resources. (Effective)	<input checked="" type="checkbox"/>

**6. MEASURES FOR IMPROVEMENT**

These are contained within the contract.

**7. FINANCIAL IMPLICATIONS**

The tender exercise was undertaken to obtain best value.

**8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS**

Not Applicable.

**9. FIT WITH BEST VALUE CRITERIA**

This paper aligns to the following best value criteria:

Vision and leadership	<input checked="" type="checkbox"/>	Effective partnerships	<input checked="" type="checkbox"/>	Governance and accountability	<input checked="" type="checkbox"/>
Use of resources	<input checked="" type="checkbox"/>	Performance Management	<input type="checkbox"/>	Equality	<input type="checkbox"/>
Sustainability Management	<input checked="" type="checkbox"/>				

**10. EQUALITY IMPACT ASSESSMENT / FAIRER SCOTLAND DUTY**

Not Applicable.

**11. CONSULTATION AND ENGAGEMENT**

Not Applicable.

**12. ACTIONS FOR THE BOARD**

Approve	<input checked="" type="checkbox"/>	Accept the assurance provided	<input type="checkbox"/>	Note the information provided	<input type="checkbox"/>
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The Board is asked to

1. Note the outcome of the tender exercise; and
2. Approve the award of the contract to John Graham Construction Ltd.

**13. FURTHER INFORMATION**

For further information about any aspect of this paper, please contact:

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