



Procurement Annual Report
Period: April 2021 – March 2022

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Introduction

NHS Lanarkshire has a trade spend with third party suppliers of around £270m per annum. The Procurement Department provides a comprehensive procurement and logistics service for all Health Board functions. This includes strategic sourcing and advice to improve effectiveness and value for money for all expenditure on goods, services and works.

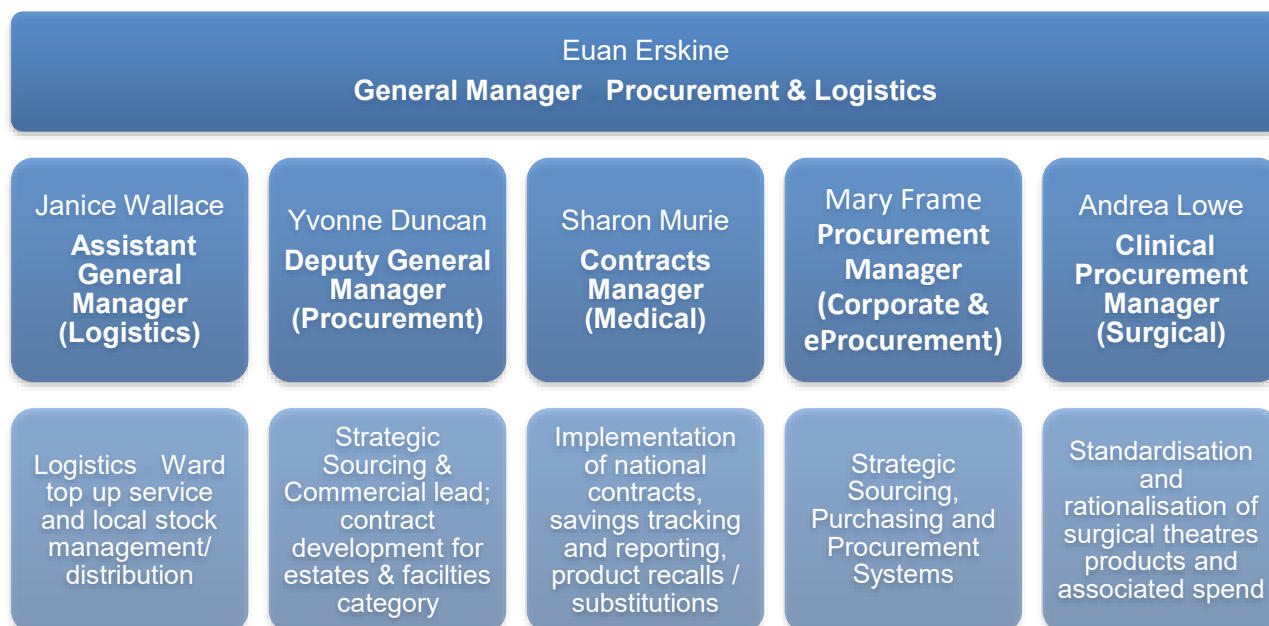
We operate within the context of a published [Procurement Strategy](#). Whilst a new strategy has recently been published for the 2022-2025 period, the strategic aims in the year 2021-22 were:

- To provide a supply of goods and services where needed, when needed and to the required quality.
- Delivering effective procurement activity that generates savings that can be reinvested into patient care and service delivery.
- To keep the service and accountable officers compliant with statutory and regulatory requirements.
- To support general health and wellbeing by ensuring that, where appropriate, contracts include community benefits and sustainability criteria supporting local suppliers, micro, small and medium enterprises and the and the third sector.

NHS Lanarkshire sources its requirements via local, regional or national framework contracts wherever possible. This takes the form of either direct call-offs, or where required by the framework terms, further competition (also known as mini-competition) exercises are undertaken. Contracts established via these further competitions are themselves regulated procurements.

Where our requirements cannot be met by local, regional or national frameworks, contract requirements in excess of £50,000 (regulated procurements) are advertised on the Public Contracts Scotland website which has UK-wide reach. To ensure best value, for procurements under £50,000 contract value we undertake competitive quotation processes to a lower threshold of £10,000.

The senior procurement team structure is as follows:



Summary of Regulated Procurements Completed

In total, NHS Lanarkshire awarded 27 regulated contracts with a combined value (including extension options) of £69.8m in the period 1st April 2021 – 31st March 2022:

TITLE	TYPE	AWARD DATE	VALUE	SUPPLIER NAME
Labs Managed Service Contract (Extension)	Services	28/01/2022	£6,000,000.00	Roche Diagnostics Ltd
Award of NHS Lanarkshire MRP Legal and Contractual Advice	Services	20/01/2022	£900,000.00	MacRoberts LLP
Award of Outsourced Elective Activity Requirement: 2022/23	Services	30/03/2022	£4,940,000.00	BMI Ross Hall Hospital
Award of IT Service Desk Analyst	Services	04/03/2022	£65,000.00	Venesky Brown Ltd
Provision of Confidential Counselling Services	Services	25/03/2022	£332,500.00	The Talking Rooms
Intravitreal procedure packs	Supplies	08/03/2022	£249,496.00	Spectrum
Award of NHSL679 Fire Improvement Works	Works	08/03/2022	£572,348.51	MPMH Construction Ltd
Pressure Relieving Redistribution Products & Associated Service Provision	Supplies	16/02/2022	£1,560,904.50	Drive DeVilbiss Sidhil Ltd
Mental Health and Wellbeing Worker Service	Services	20/12/2021	£3,094,780.00	Lanarkshire Association for Mental Health(LAMH)
Young Person Intensive Support Outreach	Services	30/12/2021	£2,250,000.49	Regenfx Youth Trust
South ADP Assertive Outreach and Intensive Case Management Support	Services	24/12/2021	£4,249,925.00	Turning Point Scotland
NHSL658 - Stigma Free Lanarkshire	Services	16/12/2021	£220,000.00	Lanarkshire Links
South ADP Peer Education Harm Reduction Programme	Services	26/10/2021	£459,520.00	Glasgow Council on Alcohol
Veterans Peer Support Service	Services	22/10/2021	£186,126.00	Lanarkshire Association for Mental Health (LAMH)
Supporting Individuals and Families Affected by Substance Misuse in North Lanarkshire	Services	20/12/2021	£1,625,042.55	Phoenix Futures
Coordination, Advocacy and Support for Young People Impacted by Substance Misuse in North Lanarkshire	Services	13/10/2021	£1,491,820.00	Barnardo's
Award of Health Records Scanning Bureau Printers	Supplies	25/10/2021	£57,000.00	Concept Group Ltd

University Hospital Monklands Replacement Boilers	Supplies	20/10/2021	£303,716.67	James Ramsay (Glasgow) Ltd
Framework for Grounds Maintenance, Snow Clearing and Winter Gritting Assistance	Services	08/11/2021	£130,000.00	Ipsium
Supply of Commercial Laundry Equipment- Replacement Continuous Batch Washer	Supplies	15/10/2021	£467,422.00	Jensen UK Ltd
NHSL 382-21 Keyholding And Manned Response Service	Services	15/09/2021	£80,000.00	Allander Security Limited
Award of Lease of 4x4 vehicles (Out of Hours GP service)	Supplies	01/08/2021	£120,000.00	KINTO UK Ltd
Award of FS3 Principal Supply Chain Partner - NHS Lanarkshire Projects 2021 - 2026	Works	05/04/2021	£40,000,000.00	GRAHAM Construction
Supply of Theatre Footwear	Supplies	05/07/2021	£230,000.00	Toffeln Ltd
Supply of Renal Catheters and Fistula Packs	Supplies	18/06/2021	£136,378.20	Bunzl Retail & Healthcare Supplies Ltd (365 Healthcare)
Award of Supply of Enteral Feeds- Adult Use Only	Supplies	15/04/2021	£0.00	Abbott Laboratories Ltd
Legionella Risk Assessment Surveys	Services	04/05/2021	£60,544.00	Healthy Buildings International

Details of all contracts awarded can be viewed in detail on the Health Board's public facing contracts register, which contains information on current and expired contracts and can be accessed at the following link:

https://www.publiccontractsscotland.gov.uk/Contracts/Contracts_Search.aspx?AuthID=AA00297

Review of Regulated Procurement Compliance

A review of the regulated procurement activity in the defined period has concluded that all of these procurements complied with NHS Lanarkshire's Procurement Strategy for the year 2021-22.

Community Benefit Summary

Where appropriate, NHS Lanarkshire has included corporate and social responsibility factors in the tender evaluation criteria in order to recognise employers who pay the real living wage, employ local people through apprenticeship schemes, and/or are involved with local charities.

Specific community benefit requirements delivered in two contracts awarded with a value in excess of £4m were:

FS3 Principal Supply Chain Partner – this contract was a further competition from NHS Scotland Frameworks Scotland 3. This NHSS framework contains provisions requiring the delivery of community benefits and the contract awarded sets targets for delivery of new jobs, graduate jobs and apprenticeships based on the value of projects being delivered.

South ADP Assertive Outreach and Intensive Case Management Support – the contract contains a commitment to payment of the Scottish Real Living Wage, as well as targeted local recruitment and provision of training opportunities and work placements.

Supported Businesses Summary

The Public Contracts (Scotland) Regulations 2015 define a supported business as an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons. In 2021-22, £117,325 was spent with the following supported businesses:

- Haven Products Limited. Approximately 35% of the Health Board's spend of £111,795 on staff uniforms was sub-contracted to Haven Products Ltd under the terms of the national contract for staff uniforms.
- Scotland's Bravest Manufacturing Co. Total spend £5,406 on wayfinding signage.

NHS Lanarkshire's refreshed Procurement Strategy for the period 2022 to 2025 has set out an approach to increasing the Health Board's spend with supported and local businesses wherever practicable.

Future Regulated Procurements Summary

During the next two financial years, the authority expects to commence the following regulated procurement activity:

Ref	Contract Description	Procurement Type
NHSL638	Records Storage Consolidation	Framework Direct Award
TBC	Fixed Electrical Testing	Further Competition
NHSL221-17	Window Cleaning Services	Extension
NHSL676- 22(B)	Catering Equipment- Regeneration Trolleys	Framework Direct Award
TBC	Washers/Dryers Replacement	Tender
NHSL 349-19	EVAR and FEVAR Consumables	Extension
NHSL767-22 (A)	Catering Equipment - Warewashing	Tender
NHSL223-19	Pest Control Services	Extension
NHSL449-02	Managed Service for Winter Grounds Maintenance at UHW	Extension
NHSL 475-22	CRM System (Salus)	Quick Quote
NHSL421-19	Health Record Document Scanning Support	Quick Quote
NHSL 375	Police Custody Healthcare and Forensic Medical Services	Tender
NHSL409	Converged Infrastructure Environment	Call-off CCS
NHSL89-17	NHS Lanarkshire Taxi Contract	Tender
NHSL513	South Lanarkshire ADP Recovery Hubs	Tender
NHSL442-18	Renal Transport Service	Tender
NHSL279-19	Supply of Physiotherapy Services	Extension
NHSL404	Orthotic Consumables	Extension
TBC	BMS Remedial Works	Tender
NHSL389	Mechanical & Electrical PPM and Reactive Maintenance	Tender
NHSL451	Framework Agreement for the Supply of Cleanroom Clothing & Mopping Equipment	Tender
NHSL380	Asbestos Remedial works	Tender
NHSL 459-19	Ward Curtains and Screens Cleaning Service	Tender
TBC	Disposable Curtains Bulk Purchase	Further Competition
NHSL348	Managed Print Services	Further Competition
TBC	NADP Assertive Outreach	Tender

TBC	Slip Testing & Risk Assessments	Tender
NHSL447	Nail Surgery Procedure Pack	Tender
TBC	Supply of Microfibre Cleaning Systems	Tender
NHSL547	Recovery Development Team in North Lanarkshire	Tender
NHSL548	North Lanarkshire ADP Individual Placement Support	Tender
NHSL 542	Drug & Alcohol Awareness in NL Targeting Young People	Tender
NHSL283	Supply of Procedure Packs	Further Competition
NHSL 435	Leadership Skills for Managers	Quick Quote
NHSL544	Positive Smoke Free Role Models	Extension
NHSL158	Medical Instrument Sterilisation Services	Tender
NHSL 450	Pharmaceutical Stock Supplies to Independent Hospices	Tender
TBC	Winter Grounds Equipment	Tender
NHSL631	Mental Health and Wellbeing Worker Service	Extension
NHSL 271-19	MSM LGBTI Sexual Health Improvement Service	Extension
NHSL 274-19	Viral Hepatitis Support Service	Extension
NHSL 273-19	BBV, Health & Wellbeing Services for BME Community	Extension
N/A	Lease of Commercial Vehicles (West of Scotland Laundry)	Further Competition
TBC	Supply of Telehandler	Tender
NHSL634	Trakcare Hosting	Framework Direct Award
TBC	Lease Vehicles - Logistics	Further Competition
TBC	Dilapidation Surveys	Tender
NHSL329-19	Joinery Contractor Framework (Spend review pre extension)	Extension
NHSL328-19	Building Contractor Framework (Spend review pre extension)	Extension
TBC	Authorising Engineer- HV/LV (NP813/17)	Framework Direct Award
TBC	Authorising Engineer- MGPS (NP813/17)	Framework Direct Award
TBC	Authorising Engineer- Pressure Systems (NP813/17)	Framework Direct Award
TBC	Authorising Engineer- Ventilation (NP813/17)	Framework Direct Award
TBC	Authorising Engineer- Water (NP813/18a)	Framework Direct Award
TBC	Authorising Engineer- Confined Space (NP813/17)	Framework Direct Award
TBC	Authorising Engineer- Asbestos	Extension

TBC	Authorising Engineer- Lifts	Extension
TBC	Authorising Engineer- Decontamination	Extension
NHSL221-17	Window Cleaning Services	Tender
NHSL 428	Bean to Cup Machines and associated consumables	Quick Quote
TBC	Fire Fighting Equipment	Framework Direct Award
NHSL417	Supply of Pressure Monitoring Sets	Tender
NHSL285	Medical Locums Neutral Vendor Service	Framework Direct Award
NHSL574	Bed and Hoist Maintenance	Extension
NHSL612-23	Paediatric Feeds Homecare Service	Implementation
NHSL231-19	Grounds Maintenance Vehicles Lease	Further Competition
TBC	Transport Management	Tender
TBC	Energy Performance Certificates	Tender
NHSL526	GP Premises Hard FM	Tender
TBC	Senior Management Leadership Training	Tender
NHSL498	Tree Work	Tender
NHSL383	Asbestos Consultancy	Tender
NHSL 686	Roofing Contractors Day Rate Contract	Tender
NHSL158	Medical Instrument Sterilisation Services	Tender

Some of these contracts have extension options available. If extension options are utilised the commencement of the new procurement process will be extended in line with the duration of the extension.

Monklands Replacement Project (MRP)

The Health Board is progressing plans to replace University Hospital Monklands, which involves a sizeable procurement process to appoint a construction contractor. In developing procurement documents for the MRP, NHS Lanarkshire have included sustainability and social value factors as well community benefit requirements intended to support local economic development through, for example, mandatory advertising of subcontracting opportunities as well as employment and training opportunities.

Savings

The Procurement Department record all savings associated with the implementation of contracts in a savings tracker. The savings and cost avoidance delivered in the year 2021-22 are shown in the table below.

Spend Category	Savings	Commentary
Medical Locums	£1,400,000	Continued efficiencies from the West of Scotland Neutral Vendor contract including control of the supply market and use of direct engagement model. Note that this is against the backdrop of overall increased spend on agency staffing.
Medical Devices and Clinical Consumables	£196,385	Savings delivered following re-procurement of a contract for the supply of Oral Nutritional Supplements.
Medical Consumables	£0	Due to the impact of the Covid-19 pandemic on National Procurement activity, all projects aimed at delivering savings in this area were deferred or cancelled.
Medical Equipment	£207,000	These are avoided costs delivered through the procurement of medical equipment including endoscopes and patient monitoring equipment.
Grand Total	£1,803,385	

Contract Compliance

A key aspect of the Board's Procurement Strategy is adherence to local, regional and national contracts wherever possible, and accordingly the Board had a 90% contract spend target for year 2021-22. Spend, organised by category and level of contract compliance, is shown below.

Category	Non-Contract	Contract	Grand Total	Compliance (Target = 90%)	2020-21 Compliance	Yr to Yr Diff
PFI / Hubco Hospitals & Health Centres		£66,634,576	£66,634,576	● 100%	● 100%	0%
Pharmaceuticals	£1,572,649	£51,695,231	£53,267,880	● 97%	● 98%	-1%
Medical Devices & Clinical Consumables	£3,075,138	£22,039,544	£25,114,682	● 88%	● 82%	6%
Health & Social Care	£1,907,703	£18,098,340	£20,006,043	● 90%	● 92%	-2%
Supplementary Staffing	£11,142,521	£5,920,803	£17,063,324	● 35%	● 42%	-7%
Property & Support Services	£2,369,412	£12,937,142	£15,306,554	● 85%	● 81%	4%
National Distribution Centre	£2,270,823	£12,065,707	£14,336,529	● 84%	● 71%	13%
Information Communication Technology	£939,871	£11,531,316	£12,471,187	● 92%	● 92%	0%
Laboratory Equipment & Services	£1,046,203	£8,109,528	£9,155,730	● 89%	● 91%	-2%
Medical Equipment	£851,235	£7,914,312	£8,765,547	● 90%	● 98%	-8%
External Medical Services	£335,166	£7,786,811	£8,121,977	● 96%	● 99%	-3%
Professional Services	£197,425	£5,016,083	£5,213,509	● 96%	● 91%	5%
Utilities & Energy	£106,027	£4,642,717	£4,748,744	● 98%	● 98%	0%
Taxis / Patient Transport	£576,421	£1,770,931	£2,347,351	● 75%	● 71%	4%
Vehicles	£196,827	£1,910,331	£2,107,158	● 91%	● 85%	6%
Instrument Sterilisation Services		£1,947,833	£1,947,833	● 100%	● 100%	0%
Postal & Courier Services	£4,107	£1,073,526	£1,077,633	● 100%	● 100%	0%
Food, Beverage & Catering	£198,005	£1,434,001	£1,632,005	● 88%	● 87%	1%
Other Goods & Services	£573,002	£62,684	£635,687	● 10%	● 0%	10%
Training	£480,071	£55,858	£535,929	● 10%	● 30%	-20%
External Print / Promotional	£94,057	£363,971	£458,028	● 79%	● 80%	-1%
Professional Bodies / Associations	£449,223		£449,223	● 0%	● 0%	0%
Stationery & Office Products	£39,735	£312,532	£352,267	● 89%	● 91%	-2%
Staff Uniform & Clothing	£1,818	£324,090	£325,908	● 99%	● 100%	-1%
Furniture	£16,598	£306,254	£322,851	● 95%	● 100%	-5%
Travel & Accommodation	£159,274	£11,993	£171,266	● 7%	● 0%	7%
Marketing & Media	£57,995	£85,224	£143,220	● 60%	● 69%	-9%
Education	£34,480	£86,060	£120,540	● 71%	● 81%	-10%
Occupational Health Related	£30,395	£82,374	£112,769	● 73%	● 61%	12%
Translation & Interpretation Services	£536	£71,990	£72,526	● 99%	● 96%	3%
Grand Total	£28,726,716	£244,291,762	£273,018,478	● 89.5%	● 91.1%	-1.6%

Compared to the prior financial year, contract compliance dropped 1.6% in 2021-22. The greatest contributing factor to this was increased expenditure on supplementary staffing. Much of this additional expenditure was with non-contract agencies for the supply of nursing staff.

Annex A - Annual Procurement Report template

1. Organisation and report details	
a) Contracting Authority Name	Lanarkshire Health Board
b) Period of the annual procurement report	2021 - 2022
c) Required by s18 Procurement Reform (Scotland) Act 2014 to prepare an annual procurement report? (Yes / No)	Yes
2. Summary of Regulated Procurements Completed	
a) Total number of regulated contracts awarded within the report period	27
b) Total value of regulated contracts awarded within the report period	£69,782,523.92
c) Total number of unique suppliers awarded a place on a regulated contract awarded during the period	26
i) how many of these unique suppliers are SMEs	5
ii) how many of these unique suppliers how many are Third sector bodies	7
3. Review of Regulated Procurements Compliance	
a) Number of regulated contracts awarded within the period that complied with your Procurement Strategy	27
b) Number of regulated contracts awarded within the period that did not comply with your Procurement Strategy	0
4. Community Benefit Requirements Summary	
Use of Community Benefit Requirements in Procurement:	
a) Total Number of regulated contracts awarded with a value of £4 million or greater.	4
b) Total Number of regulated contracts awarded with a value of £4 million or greater that contain Community Benefit Requirements.	2
c) Total Number of regulated contracts awarded with a value of less than £4 million that contain Community Benefit Requirements	0

Key Contract Information on community benefit requirements imposed as part of a regulated procurement that were fulfilled during the period:

d) Number of Jobs Filled by Priority Groups (Each contracting authority sets its own priority groups)	0
e) Number of Apprenticeships Filled by Priority Groups	0
f) Number of Work Placements for Priority Groups	0
g) Number of Qualifications Achieved Through Training by Priority Groups	0
h) Total Value of contracts sub-contracted to SMEs	Data unavailable
i) Total Value of contracts sub-contracted to Social Enterprises	Data unavailable
j) Total Value of contracts sub-contracted to Supported Businesses	Data unavailable
k) Other community benefit(s) fulfilled	Employment, training and sub-contract opportunities made available through the relevant contracts.

5. Fair Work and the real Living Wage

a) Number of regulated contracts awarded during the period that included a Fair Work First criterion.	12
b) Number of unique suppliers who have committed to pay the real Living Wage in the delivery of a regulated contract awarded during the period.	9
c) Number of unique suppliers who are accredited Living Wage employers and were awarded a regulated contract during the period.	6
d) Number of unique suppliers who have signed up to the Scottish Business Pledge and were awarded a regulated contract during the period.	3

6. Payment performance

a) Number of valid invoices received during the reporting period.	192,447
b) Percentage of invoices paid on time during the period (“On time” means within the time period set out in the contract terms.)	95.4%
c) Number of regulated contracts awarded during the period containing a contract term requiring the prompt payment of invoices in public contract supply chains.	27
d) Number of concerns raised by sub-contractors about the timely payment of invoices within the supply chain of public contracts.	0

7. Supported Businesses Summary

a) Total number of regulated contracts awarded to supported businesses during the period	0
b) Total spend with supported businesses during the period covered by the report, including:	£117,325
i) spend within the reporting year on regulated contracts	£111,919
ii) spend within the reporting year on non-regulated contracts	£5,406

8. Spend and Savings Summary

a) Total procurement spend for the period covered by the annual procurement report.	£273,018,478
b) Total procurement spend with SMEs during the period covered by the annual procurement report.	£34,559,032
c) Total procurement spend with third sector bodies during the period covered by the report.	£12,294,576
d) Percentage of total procurement spend through collaborative contracts.	48.5%
e) Total targeted cash savings for the period covered by the annual procurement report	£1,000,000
i) targeted cash savings for Cat A contracts	0
ii) targeted cash savings for Cat B contracts	£800,000
iii) targeted cash savings for Cat C contracts	£200,000

f) Total delivered cash savings for the period covered by the annual procurement report	£1,803,385
i) delivered cash savings for Cat A contracts	£0
ii) delivered cash savings for Cat B contracts	£0
iii) delivered cash savings for Cat C contracts	£1,596,385
g) Total non-cash savings value for the period covered by the annual procurement report	£207,000
9. Future regulated procurements	
a) Total number of regulated procurements expected to commence in the next two financial years	74
b) Total estimated value of regulated procurements expected to commence in the next two financial years	£35,000,000