

Procurement Strategy

2018 – 2021

Version:	1.0
Bodies consulted:	EMT
Approved by:	Board of Directors
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Lead Manager:	Director of Financial Operations
Lead Director:	Director of Finance
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Intranet:	Yes
Extranet	Yes

1. INTRODUCTION

- 1.1. This strategy is designed to ensure the purchase of goods, works and services required for the Trust is handled in a transparent, timely and cost-effective manner with due regard to purchasing best practice.
- 1.2. For the avoidance of doubt, this strategy applies to all goods and services acquired by the Trust, both for clinical and for non-clinical purposes.
- 1.3. Procurement is one of the key functions responsible for ensuring all goods, works and services that are procured by the Trust:
 - Represent best value and appropriate quality,
 - Are market tested to ensure best value,
 - Are protected by a legally enforceable contract,
 - Have been purchased in compliance with the Trusts SFIs and Public Sector Regulations, and are
 - Procured from the most sustainable resources.
- 1.4. The underlying purpose of this strategy is to positively influence procurement throughout the Trust, supporting it to deliver high quality healthcare and education to patients and students through a philosophy of best value and best practice. It has been developed to address the total supply chain and:
 - Provide a strategic vision and priority for initiatives for the next 3 years
 - Is flexible to meet the changing needs of the wider NHS
 - Satisfies legislative compliance and Public Sector policy including current EU regulations and the Public Contracts Regulations 2015
 - Will actively contribute to Non-Pay Efficiency Savings targets set for the Trust
 - Will actively seek to reduce the Trust's burden on the environment through various means such as locally sourced goods, procuring only energy efficient appliances and working with suppliers to reduce packaging.

2. BACKGROUND

National Agenda & Priorities

- 2.1. The Department of Health (DH) has launched a suite of strategies, guides and resources in recent years, notably:
 - E- Procurement Strategy - (NHS e-Procurement Strategy, 2014)
 - NHS Procurement Standards - (NHS Procurement Standards, 2013)
 - NHS Procurement Dashboard - (NHS Procurement Dashboard, 2013)
 - NHS Procurement Transparency - (Procurement Transparency, 2014).

2.2. These are underpinned by a supporting Centre for Procurement Excellence (CPE) within the DH. The CPE is focusing on supporting Trusts with the following priorities:

- Board level recognition and sponsorship of Procurement
- Executive authority and influence
- Organisational alignment
- Category management and sourcing strategies
- Supplier Relationship Management
- Risk management
- Operational Process Management
- Performance management
- Data, information and knowledge
- People strategy
- Excellence in governance, planning, programme and change management.

2.3. This strategy aims to address the areas identified as priorities by the CPE.

2.4. The strategic objectives and actions herein have been designed to align with the DH guidance and fall within 4 main themes:

- Leadership
- People
- Partnership
- Process.

3. THE OBJECTIVES OF THIS PROCUREMENT STRATEGY

3.1. The following principles underpin the strategy and will be applied to all purchasing activity conducted on behalf of the Trust.

3.2. **Patient Care** – Products and services will be purchased which will be supportive of patient care within available resources consistent with the Trusts governance, health and safety and other policies.

3.3. **Best Value** – Procurement activity will be conducted to ensure that best value is attained, taking account of not just purchase price but whole life acquisition and process costs.

3.4. **Reduction in the use of Waivers** – Goods, works and services will be market tested quickly and efficiently to ensure value for money is obtained. Users will be encouraged to approach Procurement for all purchases over the Trusts Tender / Quote financial limits.

3.5. **Procurement Savings** – Purchasing will contribute savings towards the Trust's efficiency saving targets. Targets are set in areas of high spend annually.

- 3.6. **Collaborative Purchasing** – Where appropriate / feasible, the Trust will work collaboratively with other health bodies in order to maximise its purchasing power and to optimise its operating costs. This will include the use of National Frameworks, purchasing consortia and other joint sourcing initiatives. Usage data for high spend items will be shared with NHS Improvement to compare and contrast with that of other Trusts to ensure price consistency nationally.
- 3.7. **Selection of Products/Services** – In selecting goods and services to be used, the Trust will generally adopt generic specifications, promote standardisation and rationalisation and ensure that product/service users are appropriately engaged on the procurement process.
- 3.8. **Environmental Consideration** – In the selection of goods and services the Trust will take into consideration the environmental and carbon impacts associated with the product, and wherever possible aim to reduce the impact to a minimum.
- 3.9. **Suppliers** – the Trust will work in partnership with its suppliers, seeking to develop long-term mutually beneficial relationships, promoting innovation and technical advancement wherever appropriate and will be seen to reduce the number of suppliers where possible. The Trust will seek to work closely with SMEs to ensure they are able to participate in the Trusts procurement processes.
- 3.10. **Usage and Disposal of Products** – The Trust will promote the efficient use of products recognising that overall expenditure is significantly influenced by the effective management of demand as much as the purchase price paid.
- 3.11. **Promotion of the reduction of waste** associated with the use and disposal of products. Purchasing and disposal of waste will be in line with WEE regulations.
- 3.12. **Purchasing Cards** – are used to process low value and specialised overseas orders to reduce both process cost and time.
- 3.13. **NHS Standards in Procurement** –The Trust will seek to work towards a minimum Level 1 accreditation within the next 3 years.
- 3.14. The other major component of this strategy is the continued modernisation of the ‘purchase to pay’ cycle and increased economies of scale through the collaboration with partners with the local area.

4. SUSTAINABLE AND ENVIRONMENTAL PURCHASING

- 4.1. The Trust will ensure that all goods and services purchased take into account Central Government and Department of Health commitments to Sustainable Policies, including reduction in the Trust’s carbon footprint.
- 4.2. Whilst complying with EU rules and domestic policy governing public procurement, the Trust will ensure that it will:
 - Integrate environmental considerations in purchasing procedures in accordance with Government and EU guidelines.
 - Specify and exercise a preference for environmentally preferable products that offer value for money
 - Take account of whole-life costs in the evaluation of tenders, wherever practical

- Reduce the environmental impact of purchasing and supply activities by reducing paper flow through the procurement process
 - Work in partnership with other government purchasing organisations and service providers especially, where possible, those operating in the local community
 - Ensure our purchasing and supply activities contribute positively to the Trust's overarching environmental policy.
 - Explore ways of measuring the environmental and carbon impacts associated with procurement to enable the Trust to further reduce its carbon footprint.
- 4.3. In respect of the efficient use of materials, our aim is to minimise the consumption of finite natural resources and to minimise the quantity of waste being sent to landfill sites.
- 4.4. These objectives to be pursued while avoiding adverse impact on cost, quality or other requirements in this strategy.

5. E-PROCUREMENT

- 5.1. The Trust has an integrated finance system for the production of Purchase Orders (SBS.) Users must raise purchase orders on this system before ordering any goods, works or service and can then approve invoices electronically through this system. The system will be constantly monitored to ensure it can be used to its full capacity.
- 5.2. The potential future benefits through better use of the system will be:
- Establishment of Catalogues of approved products as a mechanism for standardisation and consolidation.
 - Improved reporting and visibility of Budgets with improved 'drill down' facilities for all budget holders.
- 5.3. A recent improvement in this area has been the implementation of an eTendering software package which sends out and receipt pre-qualification questionnaires and tenders electronically, giving better visibility to suppliers and a clear audit trail for the Trust.
- 5.4. This system also ensures transparency for the Trust as all tender projects will be available on Contracts Finder. Contracts Finder is part of the GOV.UK website. This ensures compliance with the transparency and partnership aspects of EU legislation, by advertising all Public Sector requirements over 25k. This encourages smaller businesses to participate and broadens the market for all products/services.

6. ROLES, RESPONSIBILITIES, RESOURCES

- 6.1. The Chief Executive has overall responsibility for the maintenance and implementation of the strategy.
- 6.2. The Director of Finance is the Board Level lead responsible for the implementation of the strategy.
- 6.3. It is recognised that the dedicated resources available to the Trust in this area are very limited. This will, inevitably, limit the speed and scope by which the Trust will be able to pursue the strategy.

7. MONITORING ARRANGEMENTS

7.1. Departments will be monitored on their adherence to the procurement strategy and related documents. A review of departmental practices will be undertaken at least once a year by Finance / Procurement.

Equality Impact Assessment

Completed by	Verity White
Position	Procurement Consultant
Date	28 August 2018

The following questions determine whether analysis is needed	Yes	No
Is it likely to affect people with particular protected characteristics differently?		X
Is it a major strategy, significantly affecting how Trust services are delivered?		X
Will the strategy have a significant effect on how partner organisations operate in terms of equality?		X
Does the strategy relate to functions that have been identified through engagement as being important to people with particular protected characteristics?		X
Does the strategy relate to an area with known inequalities?		X
Does the strategy relate to any equality objectives that have been set by the Trust?		X
Other?		

If the answer to *all* of these questions was no, then the assessment is complete.

If the answer to *any* of the questions was yes, then undertake the following analysis:

	Yes	No	Comment
Do policy outcomes and service take-up differ between people with different protected characteristics?			
What are the key findings of any engagement you have undertaken?			
If there is a greater effect on one group, is that consistent with the policy aims?			
If the policy has negative effects on people sharing particular characteristics, what steps can be taken to mitigate these effects?			
Will the policy deliver practical benefits for certain groups?			
Does the policy miss opportunities to advance equality of opportunity and foster good relations?			
Do other policies need to change to enable this policy to be effective?			
Additional comments			

If one or more answers are yes, then the policy may be unlawful under the Equality Act 2010 – seek advice from Human Resources (for staff related policies) or the Trust’s Equalities Lead (for all other policies).