****

Procurement Strategy & Handbook 2024

Document Control

|  |  |
| --- | --- |
| **Document** | Procurement Strategy & Handbook 2024 |
| **Version** | 1.2 |
| **Author** | Adrian Trevor |
| **Department** | Finance/Procurement |
| **Date** | 29/01/2024 |

# Approvals

|  |  |  |
| --- | --- | --- |
| **Approver** | **Dated Submitted** | **Date Approved** |
| Director of Finance & Procurement | 27/12/2023 | 05/01/2024 |
| CMT | 23/01/2024 | 23/01/2024 |
| Board | 28/02/2024 | 28/02/2024 |

# Revisions

|  |  |  |
| --- | --- | --- |
| Version | Date Revised | Purpose |
| 2016 version1.0 revised to 1.1 | 04.09.2015 | Corrections + additions |
| 2016 V1.1 revised to 1.2 | 30.12.2015 | Corrections + amendments |
| 2016 1.2 revised to 1.3 | 26/01/2016 | Correction as per CMT |
| 2016 replaced with 2024 | 01/12/2023 | Updated for 2024 |
| 2024 v1.0 replaced with v1.1 | 29.12.2023 | Added Appendix 6 |
| 2024 v1.1 replaced with v1.2 | 29/01/2024 | Correction as per CMT |

Contents

1. **Handbook.**
2. **Strategy.**
3. **Contracts Management.**
4. **Supplier Management.**

# Appendices

I – Purchasing Thresholds Reference Guide.

II – Contract Implementation Checklist.

III - Supplier Performance Monitoring Scorecard.

IV - Scorecard Guidance Notes.

V - Purchase to Pay Process, Roles and Responsibilities.

VI - Sources of Additional Information

1. Procurement Handbook.

## 1.1 Introduction

The Procurement Handbook sets out the fundamental rules, behaviours and standards applicable to procurement activity in NHS Western Isles (NHSWI).

By applying best practice, procurement and complying with the principles and requirements of this handbook NHSWI will be able to demonstrate value for money, governance and accountability, ensuring appropriate management of public funds and expenditure.

This document should be read in conjunction with the NHSWI Procurement Policy, and for detailed work methods, reference should be made to the relevant work instructions.

## 1.2 Procurement Governance

The scope of this document encompasses all procurement activity undertaken by NHSWI, focusing specifically upon efficiency improvements to achieve qualitative and quantitative benefits for customers.

## 1.3 Procurement Function

The Procurement function forms part of the Finance Department. This gives ownership, focus and sponsorship to our on-going work and direction through the Director of Finance & Procurement, who is a board member.

The procurement function is managed by the Head of Procurement and Transport and is appropriately staffed and resourced to deliver the strategic and operational procurement requirements of NHSWI.

The function Influences all expenditure on goods, capital equipment and services – Approximately £18m in 2023

At all times the department will ensure compliance with legislation and deliver best value on all areas of in-scope spend, whilst meeting customer needs.

### 1.3.1 Role of the procurement function

* Provide professional procurement expertise, advice and services.
* Provide strategic procurement advice and adhere to procurement best practice.
* Ensure business needs are met through procurement of goods, services and works.
* Contribute to the aims and objectives of the organisation, ensuring delivery of the overall business plan.
* Liaise closely with National Procurement and other NHS Scotland Health Boards to develop contracting opportunities and ensure effective implementation of national contracts.
* Deliver benefits by fully evaluating the supply chain opportunities via the National Distribution Centre.
* Develop a portfolio of category C (local) contracts, utilising the Pubic Contracts Scotland (PCS) portal to advertise and tender this work.
* Develop collaboration opportunities with other NHS organisations, and the wider public sector.
* Ensure that value for money is achieved and customer needs are met.
* Proactively manage and develop the supplier base and supplier relationships.
* Encourage small and medium enterprises and voluntary sector organisations to engage with NHSWI and compete for business.
* Support and promote sustainable procurement in terms of economy, environment and social responsibility.
* Develop, promote and implement appropriate procurement strategies and procedures using the Procurement Journey toolkit.
* Assess procurement competencies across the organisation, using tools such as the Scottish Procurement Competency Framework
* Co-ordinate procurement training across the function & wider organisation.
* Promote public procurement legislation & best practice awareness at all levels across NHSWI.
* Support customers in the delivery of their operational and financial targets.
* Review operational practices such as Ward Product Management, to ensure they continue to meet the needs of customers and offer best value.
* Escalate to Director of Finance & Procurement any instances where breaches or possible failures to follow procedures are suspected.

### 1.3.2 Role of procurement officers – Tendering

A “procurement officer” is a member of staff who is authorised to purchase goods, services and works and can place contracts on behalf of the organisation. This includes staff outside the Procurement department who are placing orders for equipment and services not already covered by a contract – regardless of their job title.

**Definition: Contract Categories**

* **Category A** – National contract open to all public sector organisations (NHS, Local authority, police etc)
* **Category B** – Single sector national contracts. There are over 200 NHS contracts.
* **Category C** – Local contracts let by an individual organisation.
* **Category C1** – Collaborative local contracts – e.g. between NHSWI & CnES.

For Category A and B procurements, NHSWI will actively participate in Commodity Advisory Panels and procurement representatives will input into the commercial elements of the process.

For Cat C and C1 Procurement we will:

* Develop procurement strategies in conjunction with customers and suppliers.
* Challenge customer requirements, looking at best value and total costs of ownership.
* Develop output based specifications in conjunction with customers and suppliers.
* Ensure sustainability and corporate social responsibility is considered in all procurement strategies and contracting processes.
* Liaise with the Central Legal Office if advice is required during the contracting process.
* Publicise the department through the buyer profile on the Public Contracts Scotland Portal (PCSP).
* Utilise the PCSP to publish all contracting activity, including the use of the quick quote facility.
* Ensure procurement decisions are aligned to the organisational objectives.
* Ensure procurement activity is aligned to The Public Contracts (Scotland) Regulations and the NHSWI Standing Financial Instructions and Scheme of Delegation.
* Develop evaluation criteria to promote award to the most economically advantageous tenders - taking into account price, quality and service.
* Ensure pre-qualification questionnaires, (PQQ), are issued and evaluated if required.
* Manage the procurement procedure and conduct clarification and negotiation, if required, prior to contract award.
* Analyse bids and ensure NHSWI can demonstrate value for money. This will be through whole-life costing, quality of product or service, and ensuring fit for purpose products and services.
* Award contracts and advise suppliers promptly of the outcome of the tendering process.
* Provide full de-briefs if required and handle any challenges to the procurement process.
* Ensure contract and supplier management arrangements are undertaken in line with the Scottish Government Procurement Journey.
* Ensure all Regulated (over £50k) contracts are in line with the Procurement Reform (Scotland) Act 2014.
* Evaluate the procurement processes with customers and develop processes based on their feedback.
* Share best practice with colleagues and provide ‘lessons learnt’ if appropriate.

## 1.4 Role of the customer – Tendering

“Customers” in NHSWI are the end users of the products and services. It is important that customers recognise their role which is different from that of the procurement officers who are the “buyers”.

For Category A and B procurements, NHSWI will participate in Commodity Advisory Panels and key personnel will be selected for their technical knowledge to represent NHSWI either remotely or in person.

For Category C procurements key personnel who can formulate the requirement and the budget holder for the goods and services will be involved.

* The Procurement Department will ensure customers are fully aware of the legal obligations relating to contracting for goods and services.
* The Procurement Department will ensure customers are fully aware of sustainability and corporate social responsibilities.
* The Procurement Department will assist the customers to define their needs and distinguish what is essential/desirable etc.
* The customer will contribute to the development of the out-put based specification.
* The customer, if required, will assist in the scoring of the PQQ’s.
* The customer, if required, will undertake and score product evaluations using their technical knowledge.
* The customer will be engaged in the model for whole life costing.
* The customer will be engaged in contract implementation.
* The customers will be engaged during the contract life cycle to ensure the contract continues to develop and reflect the needs of the service.

The customer will not have direct contact with the bidder(s) during the procurement process without the full involvement and or approval of the procurement officer.

## 1.5 Role of Procurement – Operational

* Efficiently process requisitions, ensuring we work to a prompt turnaround.
* Work to roll out efficient effective eProcurement & stock management solutions across NHSWI.
* Promote & monitor adherence to agreed product ranges.
* Support customers to source goods and services from existing contract arrangements whilst ensuring best value is delivered.
* Expedite outstanding orders to ensure efficient order fulfilment by suppliers.
* Answer customer enquiries efficiently and effectively.
* Escalation.

## 1.6 Audit

NHSWI procurement is subject to a regular internal audit and also audit by external auditors.

Audit reports with management responses are taken formally to the Healthcare Governance and Audit Committee, where outstanding actions are monitored.

## 1.7 EEC Treaty and EU Procurement Directives

The UK left the European Union in January 2020.

EU public procurement directives ceased to apply in the UK in January 2021. However, the trade deal signed in December 2020 (the TCA) enshrined many of principles. In addition, the General Procurement Agreement (GPA) still applies.

In Scotland, the key principles of the EU directives were incorporated into the Public Procurement Reform Act (Scotland) 2014 and the Public procurement (Scotland) Regulations 2016 developed from the Act. However these principles were applied at a threshold of £50,000 rather than the OJEU threshold which fluctuated around the £100,000 mark dependent on exchange rates with the Euro.

The fundamental principles are:

* Transparency
* Equal treatment and non-discrimination
* Proportionality
* Mutual Recognition (giving equal validity to qualifications and standards from EU member states where appropriate)

The Public Procurement (Scotland) Regulations 2016 must be followed during all procurements above the threshold for “Regulated Contracts” - £50,000.

In practical terms this means that procurements are still conducted in the same way and using the same principals.

However publication in the TED journal (OJEU) is no longer mandatory in all cases but is advisable in most NHS Scotland contracts in order not to limit responses.

The impact in Western Isles is minimal as the Board will continue to apply the 2016 regulations and publish tenders through the PCS portal. The vast majority of contracting activity in WI is through interaction with National NHS frameworks.

Local tenders are of minimal interest to the international market in the EU and beyond.

## 1.8 Formal Challenges

Regulation 47 of The Public Procurement (Scotland) Regulations 2016 allows suppliers to bring proceedings in the Sherriff Court or Court of Session against NHSWI if we have infringed our obligations to comply with the regulations.

A formal challenge will be fully investigated by a senior officer as delegated by Chief Executive, and advice will be taken from the Central Legal Office.

In addition any individual may bring an alleged breach of the TCA or GPA procurement directives to the attention of the European Commission. Should this be raised against NHSWI the Scottish Procurement Directorate will co-ordinate the UK response and liaise with NHSWI in formulating this.

## 1.9 Working with Suppliers

NHSWI is fully committed to the Suppliers Charter and this in highlighted in our Buyers profile on the PCSP. We will endeavour to engage with local businesses and supported businesses whenever opportunities arise.

NHSWI will actively participate in Meet the Buyer events and engage with the local Chamber of Commerce.

NHSWI will work with suppliers to continue to develop and enhance the services or products they supply to drive further benefits for our customers.

When dealing with suppliers we will maintain the highest standards of integrity in our business relationships.

We will maintain and continue to develop our technical knowledge.

We will respond promptly and efficiently to suggestions or enquiries, ensuring we respect the confidentiality of information received.

At all times we will be honest and clear.

## 1.10 Gifts and Hospitality

It is an offence under the Prevention of Corruption Act 1906 for those employed in contracting to accept any gift, as an inducement or reward for doing or refraining from doing anything or showing favour or disfavour to any person.

Under the Prevention of Corruption Act 1906, any money, gift or consideration received from a person or organisation holding or seeking to obtain a contract will be deemed by the courts to have been received corruptly unless proved to the contrary.

We will also declare any personal interest which may affect, or be seen by others to affect, impartiality. This information will be held by the relevant senior line manager.

Points 1.09 and 1.10 are further expanded in the section on corporate and social responsibility in the Procurement strategy. See Section 2.5 on page 15.

## 1.11 Handling Complaints – Including Freedom of Information Requests

Informal complaints from suppliers will be reviewed by the Head of Procurement (or Director of Finance & Procurement where appropriate) and a response will be provided in a timely manner. Formal complaints will be processed via the Board’s Complaints Procedure.

Freedom of Information Requests are received and sent to the department by an information governance officer. A response will be provided by the Procurement department and the formal response to the request will be provided by the Information Governance Manager.

## 1.12 Ordering and Payment Procedures

All goods and services are required to be ordered as per NHSWI Standing Financial Instructions.

This ensures that the budget holder has the authority to requisition the goods or services and provides financial authority for the expenditure. The procurement team have the authority to place orders on behalf of NHSWI.

A ‘no purchase order no payment’ policy has been implemented and communicated across NHSWI and our supplier base.

This will ensure NHSWI is fully aware of all committed expenditure before orders are placed.

Within the Accounts Payable function, payment terms are set at ‘immediate’ to ensure where possible we comply with the guidance to pay suppliers within 10 days from receipt of invoice. Standard terms and conditions state that all payments will be made within 30 days of receipt of a valid invoice.

## 1.13 Key Performance Indicators

A set of Key Performance Indicators (KPI) will be developed to ensure we measure our performance.

We will monitor:

* Progress against savings & eProcurement implementation targets.
* Reduction of urgent orders.
* Response to customer queries.
* Stock & Purchasing Efficiency.
* Customer Satisfaction.
* Contract Compliance.

2. Procurement Strategy.

## 2.1 PURPOSE

Effective management of product and services procurement is an important factor contributing towards the efficient operation of NHS Western Isles and the achievement of corporate objectives. NHS Western Isles currently spends about £18m a year on products and services. It is vital to staff and patients that products and services of the right quality and quantity are available at the right time, in the correct place and that they are provided at the lowest achievable total costs of supply to NHS Western Isles.

NHS Western Isles’ Procurement Strategy positions procurement activity visibly within the organisation, establishing board level commitment and involvement in the management of the Board’s supply chain. It additionally sets out clear, measurable objectives and priorities for improvement, which will be closely monitored. Progress against strategic objectives will be reported annually to the Corporate Management Team (CMT). The strategy addresses key procurement issues over a 3 year time frame and is subject to annual review.

## 2.2 SCOPE

The Strategy encompasses all procurement and logistics activity undertaken by NHS Western Isles, focusing specifically upon the areas of activity where improvements in procurement practice will achieve major qualitative and financial benefits to the Board.

Procurement activity in NHS Scotland is led by National Procurement, who, in conjunction with key stakeholders and users across NHSS, develop procurement strategies for products and services and put in place fully committed national contracts. NHS Western Isles’ key responsibility in this regard is to support National Procurement strategies and to ensure full implementation and compliance with national contracts to maximise benefits to the organisation and to NHS Scotland as a whole. These include a significant annual contribution to reducing our total cost of supply for our products and services.

This Strategy is being developed in line with the Scottish Procurement Policy Handbook (December 2008). The 2014 Public procurement reform act and the 2016 public procurement regulations.

## 2.3 RESPONSIBILITY AND ACCOUNTABILITY

The Chief Executive is ultimately responsible and accountable to the Board ensuring that systems are in place and working effectively. Specific responsibility for the delivery of the strategic objectives is vested in the Director of Finance & Procurement (DoFP). The DoFP is professionally accountable in relation to NHS Western Isles for procurement matters, with the exception of medicines, where professional accountability lies with the Chief Pharmacist.

Executive Directors are individually and collectively accountable and responsible for ensuring that they and their respective teams and staff are aware and comply with the agreed requirements of the handbook.

In addressing strategic objectives, the DoFP will be supported by and work in partnership with the Board’s designated Budget Holders, who, combined, oversee all procurement activity undertaken within NHS Western Isles. These officers manage specific procurement remits and are responsible and accountable together with the Head of Procurement for the delivery of the strategic objectives. Through the Procurement Strategy, annual Procurement Action Plans, and Standing Financial Instructions, Budget Holders are also responsible and accountable for working within the appropriate procurement management control mechanisms, addressing any other actions required and delivery of the desired outcomes.

All NHSWI staff are required to understand their own individual role and responsibilities in relation to efficient and effective procurement, and to comply in full with the agreed system and processes in place.

The Director of Finance & procurement’s role is integral to the delivery of the strategy in terms of service efficiency (Accounts Payable) and procedural guidance (Standing Financial Instructions). Similarly, the achievement of objectives will require a substantial contribution from other internal support functions, including internal audit and National Procurement, to ensure that systems are developed which support key staff in procurement decision making and delivery.

Progress in achieving strategic objectives will be monitored on a regular basis by the Corporate Management Team, according to established line management arrangements. Management and support, including monitoring, will be assisted through the production of internal performance measures, and through close collaboration with National Procurement, which will assist service redesign to meet both strategic and operational objectives. Progress will also be reported to the NHS Western Isles Board on an annual basis.

The Director of Finance & Procurement and designated Budget Holders are also accountable to the users of products and services procured on their behalf, and must ensure that their needs are met efficiently and economically. Service standards will be agreed with users in this respect and monitored formally via assessment of performance against the standards.

## 2.4 OBJECTIVES

The following are the headline objectives associated with the Procurement Strategy:

2.4.1. Achieve quality and efficiency improvements on product and services procurement expenditure

Through:

* Ensuring maximum compliance with national contracts for the supply of products and services.
* Maximising use of the National Distribution Centre in line with national logistics strategy.
* Implementing robust national contract implementation arrangements.
* Identifying opportunities within national contracts and tracking delivery of the expected benefits.
* Rationalisation of the supplier base in order to secure supply lines at the most economical total cost.
* Optimising engagement of key stakeholders and users in National Contract developments.
* Exploration of joint working arrangements with Comhairle nan Eilean Siar and other Community Planning Partners, by increasing leverage / purchasing power.
* Improved procurement mechanisms and controls.
* Advertising local contracts as widely as possible, using the Public Contracts Scotland portal.
* Examining usage practices associated with products and services.
* Working with other Health Boards and NHS procurement consortia to deliver value for money and share best practice.

2.4.2 Improve the quality of Procurement Service delivery to users

Through:

* Ease and convenience of access to appropriate product / service information.
* Ongoing identification and updating of products / service user requirements.
* Ease and convenience of access to procurement service information and advice.
* User-friendly products / service requisitioning systems.
* Agreeing procurement service standards with users, and continuously adapting those to meet service user requirements.

2.4.3. Achieve value for money in procurement service delivery

Through:

* Engaging in internal service performance and redesign via use of key internal performance indicators.
* Engaging in external performance comparison and redesign via benchmarking, based on Procurement and Commercial Improvement Programme (PCIP) assessments.
* Identifying and importing best practice.
* Supply chain review and implementation of National Procurement & Logistics revised supply chain models as they are developed.

2.4.4. Support the Board’s Procurement & Logistics Infrastructure via appropriate investment in human and physical resources

Through:

* Ensuring that the procurement & logistics infrastructure is professionally managed.
* Ensuring that reasonable staff resources are in place to deliver the strategic objectives.
* Ensuring that adequate physical resources are in place to deliver the strategic objectives.
* Identifying and acting upon the training and development needs of all staff engaged in procurement & logistics activity.
* Developing the infrastructure through the introduction of national e-procurement systems - Pecos Internet Procurement Manager, Genesis Ward Product Management and Pecos Catalogue Content Management (PCCM).
* Ensuring that the procurement and transactional processes utilised are efficient.
* Working with the Capital Group to ensure best use of available funds to replace/upgrade equipment associated with the infrastructure.

In addition to addressing the above headline objectives, the Strategy will ensure that health, safety and environmental issues are accounted for within operational procurement procedures. Ethical issues will also be fully addressed through compliance with SGHD guidance, the adoption of the Chartered Institute of Purchasing and Supply Ethical Code, the adoption of the Suppliers’ Charter (see below), and adherence to the Board’s Counter Fraud Policy.

Infection prevention & control objectives will be supported by maximising use of pre-approved National Contract products and adherence to governance in place for minor equipment and capital purchases. Minor equipment and capital requisitions will not be processed without the appropriate consultation with the Infection Prevention & Control team.

## 2.5 Corporate and Social Responsibility

NHS Western Isles recognises that although the primary responsibility of public procurement is to provide value for money to the taxpayer, there are additional benefits that can be obtained through approaching contracts with a view to sustainability and supporting the local economy and environment.

The link between the economic health and physical health of the community is widely accepted and in supporting the local economy, NHS Western Isles can contribute to its core aim of maintaining and improving the health of the community.

Because the principals of transparency and equal treatment are overarching to all public procurements, support will mainly consist of:

* Education – NHSWI will endeavour to make local suppliers aware of contract opportunities, requirements and tendering procedures.
* Accessibility – Tender opportunities will be widely advertised and documents will be kept as simple as possible.

## The Suppliers’ Charter

NHS National Services Scotland have signed up to the Scottish Government Suppliers’ Charter on behalf of all Health Boards in Scotland. NHS Western Isles will support the charter in all contracting activity.

The Suppliers' Charter is a joint statement between public sector buying organisations and Scottish businesses to agree to work together to improve public sector procurement processes and dialogue.

A top priority of the Public Procurement Reform Programme is to use public procurement spending as a driver of economic growth while continuing to deliver value for the taxpayer and we are committed to ensuring that Small and Medium-sized Enterprises (SMEs) have fair and equal access to public sector contracts in Scotland.

We recognise the need, where practical, to simplify and standardise processes and to ensure consistency in order to provide a fair and open approach to tendering. With these aims in mind:-

**NHS Western Isles will:**

* Consult with the local business community to identify and reduce barriers to trading with the NHS.
* Facilitate understanding of public sector procurement policy and legislation by relevant stakeholders.
* Ensure that the approach to individual contracts, including large contracts and framework agreements, is supported by a sound business case.
* Keep the tender process as simple as possible, but consistent with achieving Best Value/value for money, to help minimise costs to suppliers.
* Unless there are compelling business reasons to the contrary, ensure that adequate and appropriate publicity is given to contract opportunities that fall below the regulated thresholds or are otherwise exempt from the public procurement directives. (Compelling reasons may, for example, include the factor that the proposed firm is by recent experience (within 3 months) the best value for money supplier and would be likely to remain so in another competition).
* Commit to using the core questionnaire for routine procurements with bespoke additions on a case by case basis. Procurement officers will be expected to follow this format and, as closely as possible, wording for routine open procedure procurements.
* Offer meaningful feedback to suppliers on the evaluation of their proposal at the end of the tendering process.
* Publish guidance for the business community on tendering for opportunities.
* Support training for procurement staff to develop consistency in the use of best practice procurement activity.

## Supported Businesses

A supported business is a service where more than 50% of the workers are disabled persons who by reason of the nature or severity of their disability are unable to take up work in the open labour market.

Article 19 (Regulation 7) of the EU Procurement Directive 2004/18/EC describes the ability for public sector bodies to reserve contracts where there may be supported businesses who could furnish their requirements. This Directive was written into UK law following the UK exit from the EU.

As stated in the Scottish Sustainable Action Plan it is Scottish Government policy that every public body should, where appropriate, aim to have a strategy for awarding at least one contract to a supported factory or business.

NHS Western Isles will proactively discuss opportunities with supported businesses in order to adhere to this policy.

### Key Activities

In practical terms NHS Western Isles will support these objectives with the following key activities:

* Advertising contracts using the Public Contracts Scotland (PCS) advertising portal and encouraging suppliers to maintain a supplier profile on the site.
* Using the PCS Quick Quote facility to access local suppliers directly with invitations to quote.
* Holding contract awareness events for contracts where suppliers in the local community will have a significant interest. (e.g. fresh foods, taxi and courier services, electrical services and other trades not covered by facilities staff).
* Collaborating with the local authority (Comhairle nan Eilean Siar) in supplier information events.
* Holding contract opportunity and introductory meetings with supported businesses.
* Maintaining simple and consistent documentation for use in invitations to tender.
* Raising awareness and encouraging discussion on supplier performance in the areas of sustainability, environment and equal opportunities by including related questions in standard tender documentation.
* Creating opportunities for National Contract providers to sub-contract service elements to local companies.

## 2.6 MAKING IT HAPPEN

The Procurement Strategy will be delivered operationally through an annual Procurement Action Plan. The Plan will focus on operational tasks that require to be addressed during the course of a financial year. Accountability for delivery of the Plan will be placed with the Procurement team, in partnership with managers and designated Budget Holders, and supported by clinicians, nurses, and other healthcare professionals.

The Action Plan will be revised annually in the light of progress against the Plan and in the light of any change to the Procurement Strategy. The Head of Procurement will establish a draft Action Plan annually - in conjunction with the Director of Finance & Procurement - for agreement with other appropriate Directors prior to seeking the formal approval of the Corporate Management Team. Supporting strategies must reflect requirements associated with the Procurement Strategy.

3. Contracts Management Strategy.

## 3.1 Contracts Workplan

Contracting departments are required to produce a contracts workplan to cover activity to take place during the current financial year. This will cover:

* Implementation of National Category A & B contracts.
* Local category C & C1 contracts for goods and services.
* Service contracts for equipment, vehicles & installations with a value of £10,000 or over.
* Capital purchases with a net Value of £10,000 or over.

Workplans will be developed from the following sources:

* The National Procurement contracts workplan - this will inform of Category A & B contracts to be implemented during the year.
* A comprehensive review of the previous year’s spending to identify areas of high expenditure which are not covered by a contract. Priority will be given to areas where annual spend exceeds £50,000. This will inform the workplan for category C contracts.
* The Board’s Capital Programme for the year.
* The Board’s Property and Asset Management Strategy.
* Collaboration with Public Sector partners to explore the potential for category C1 contracts.
* eHealth Strategy.

## 3.2 Contracting & Contract Implementation.

All purchasing activity should be conducted with reference to the following guidance which gives advice on the procurement methods to be used depending on the anticipated value of the goods or services required.

In addition the following mandatory procurement rules will apply.

1. All procurements with a value of £10,000 Net must follow a competitive procedure requiring at least 3 written quotations to be obtained.
2. All contracts with a value of £50,000 or more must be advertised through the Public Contracts Scotland Website.

<http://www.publiccontractsscotland.gov.uk/Default.aspx>

1. All contracts with a value of £100,000\* must also be advertised in the Official Journal of the European Union (OJEU). (required under the GPA)

\**This figure is currently below the legal threshold for schedule 1 GPA authorities such as the NHS. Should the legal threshold change, the lower of the two figures will take precedence.*

1. The Scottish Government “Procurement Journey” should be used to manage all Invitations To Tender (ITT), and Invitations To Quote (ITQ) where a qualitative element will be included in the evaluation.

<http://www.gov.scot/Topics/Government/Procurement/buyer-information/spdlowlevel>

## 3.3 Purchasing Thresholds

All figures are net of VAT. A quick reference guide is provided at **Appendix I** on page 31.

**Scope**

The advice below relates to the purchase of off contract non catalogue items where it has already been established that no National Contract exists.

**Whole life costs**

The value of a contract or purchase should be calculated on the basis of its cost over the item’s useful lifespan.

E.g. a piece of equipment may cost £40,000 but a service contract at £4,000 per annum may need to be purchased with it. If the equipment is expected to last 5 years then the total cost of the purchase would be 40k + 4k x 5 = £60,000

If in doubt, please contact the Procurement Department

## <£2500 – < 1 day lead required.

Attempt to source goods from more than one supplier (3 or more is best) and select the one that appears to offer the best value. No formal competitive process is required. Quotes received should be recorded internally.

## £2500-£10k – 5 day lead required.

For purchases of this value you will require a specification which details exactly what is required – quotes should relate directly to this specification (for advice on writing a specification please contact the procurement department or visit the Procurement Journey Website).

Your specification should detail all the essential features of the products or service required and all quality criteria that need to be met. Evaluation should be done on the basis of **Price Only**.

A minimum of 3 suppliers should be contacted directly to discuss requirements before selecting where to purchase from. Written quotations should be obtained for effective evaluation and audit purposes. Public Contracts Scotland (PCS) Quick Quote should be used.

## £10k to £50k – 10 day minimum lead required from formal specification.

Formal invitations to quote (ITQ) are required based on a detailed written specification of requirements. The specification should define quality requirements.

The Quick Quote function on the PCS portal should be used to issue ITQs.

Complex requirements requiring a qualitative element to the evaluation may need a simple tender exercise. The Procurement Journey Route 1 should be used if a tender is required.

A written waiver signed by the Chief Executive is required if it is proposed to purchase without a competitive process.

Advice should be sought from the procurement function in all cases.

## £50k to £100k – 30 day minimum lead from final specification.

Requires formal identification of need, specification of requirements and Invitations to Tender (ITT) in most circumstances. Where the requirement is very simple or the number of suppliers is very limited, an ITQ can be used.

All purchases will require a defined set of evaluation criteria, a quality questionnaire and evaluation by a panel of at least 2 people (including a representative from the procurement team).

SPD Procurement journey routes 1 or 2 should be followed depending on the complexity of the purchase.

All contracts valued over £50k net should be advertised through PCS. This is in accordance with the Public Contracts (Scotland) regulations 2016.

Advice should be sought from the Procurement Department in all cases.

## £100k + requires minimum 45 day lead from competition of documents.

Full GPA tender process required which includes all of the above.

Procurement Journey Route 2 should be followed as a minimum.

A formal standstill period (10 days from selection of the “preferred” supplier to the formal award of the contract) is required.

It is sometimes necessary to select suppliers by Pre Qualification Questionnaire using a 2 stage Restricted Procedure. This would be used where a very large number of responses were expected or where it would be necessary to formally assess the competence and capability of suppliers before considering them.

## 3.4 Other Circumstances

Some purchases may require specialist advice from the Central Legal Office (CLO) or Health Facilities Scotland (HFS). The Procurement Department will advise you when this is required.

Buildings and Works contracts require specialist procurement consultancy which will normally be outsourced to an external procurement consultancy supplier.

**Non Competitive tendering** – a written waiver is required to award a contract without following a competitive process. The Waiver document should list the reasons for making a direct award and should be submitted to the Chief Executive for approval.

## 3.5 Websites referred to in this document

*If you are viewing this document in PDF format, please copy and paste the links to your browser.*

**Public Contracts Scotland**

<http://www.publiccontractsscotland.gov.uk>

You need to register on the website to use Quick Quote or advertise tenders. Once you have registered, your authorisation & access level will be set by the Head of Procurement. All Regulated tenders will be checked by Procurement before publication.

**The Procurement Journey**

[Home | Procurement Journey](https://www.procurementjourney.scot/)

The Procurement journey website contains all the necessary advice and instructions for conducting tender exercises in accordance with current Scottish Government Best Practice for public sector procurement. Please note that use of the procurement journey for tenders is mandatory. You should be able to demonstrate that you have used the journey for audit purposes.

The website also has templates for all the key letters & documents you will need which can be modified to suit your specific requirements.

## 3.6 Implementing National Contracts.

The majority of national contracts are let as multi supplier frameworks so further competitive process or analysis may be required to select a supplier. Suppliers can be selected by:

* A further “mini-competition” within the framework where suppliers are asked to quote against a local specification of requirements. This should be used for high value and critical supplies.
* An “assessment of needs” – a less formal desktop evaluation of sample products and costs. This should be used for items where the cost and quality of the products is broadly similar and the impacts of the decision less critical. E.g. soap, toilet paper, syringes etc.
* Ranking. Some frameworks are ranked. The 1st ranked supplier should be considered first and reasons should be documented if they are not selected.
* Sole Supplier. Include only a single supplier for each lot so no further selection process is required.

### 3.6.1 Non-Compliance

Where there is a desired alternative to using a national contract product or service:

Application should be made in writing stating the reasons why the national contract product is NOT suitable. Also list the alternative non-contract products selected and the comparative cost.

Authorisation to use non-contract products can only be provided by the Chief Executive, Medical Director, Nursing Director or Director of Finance.

### 3.6.2 Implementation Process.

All national contracts will follow a broadly similar implementation process as outlined below. All implementations will be supported by completion of a Contract Implementation Checklist document or the same information on a department workplan (see **Appendix II** on page 32).

* Identify potential savings and add to annual workplan.
* Approach contract suppliers and conduct product matching.
* Analyse potential savings.
* Identify local stakeholders and arrange an implementation meeting.
* Arrange and review sample products if required.
* Finalise supplier and product selection on multi-supplier frameworks.
* Finalise supply chain and carriage terms.
* Set up products on local stock management and purchasing systems.
* For general use items such as exam gloves or stationery, release a bulletin informing staff of the changes.
* Add the contract to the central contracts register.
* Place initial orders.

## 3.7 Responsibilities

The responsibilities of the Procurement Department and of Procurement Officers are detailed in **Section 1.3.2**, page 5, of this handbook.

It should be noted that anyone purchasing on behalf of NHS Western Isles can be considered a Procurement Officer – it does not only apply to staff with that specific job title.

## 3.8 Contract Managers and Contract Leads

Responsibility for managing contracts should be defined in the contracts register. The Post Award Management activities described below under “Monitoring” will be the responsibility of the contract lead. “Maintenance” will usually be performed by the contract manager – who will normally be a procurement professional.

**Speciality Contracts.**

Where contracts primarily apply to a specific department, and purchasing from the contract is mostly done directly from the department via Pecos, the department manager (contract lead) will be responsible for monitoring the contract. E.g. Theatre contracts, catering, radiology.

**General Contracts & Stock Items.**

For contracts used by multiple departments and for items held in stock (e.g. exam gloves, stationery, IV products, syringes) a contract lead will be nominated from the procurement department (this may be the same person as the contract manager) and this person will be responsible for monitoring the contract.

## 3.9 Contract Monitoring

Monitoring should include any or all of the following KPIs which will be scored from 1-5 where 1 = unacceptable and 5 = excellent.

These KPIs will be formally assessed as part of contract performance review meetings with the supplier, procurement department and key stakeholders (contract leads or departmental/clinical advisors) See **Section 4** on Page 25 for further details of NHSWI’s Supplier Management Policy

## 3.10 Contract/Supplier KPIs

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service Element** | **1** | **2** | **3** | **4** | **5** |
| **Product Quality** |  |  |  |  |  |
| **Order fulfilment** |  |  |  |  |  |
| **Back-order fulfilment** |  |  |  |  |  |
| **Delivery Speed** |  |  |  |  |  |
| **Returns Process** |  |  |  |  |  |
| **Packaging** |  |  |  |  |  |
| **Shelf Life** |  |  |  |  |  |
| **Carriage terms** |  |  |  |  |  |
| **Documentation** |  |  |  |  |  |
| **Customer Services - Availability** |  |  |  |  |  |
| **Customer Services – Speed of issue resolution** |  |  |  |  |  |
| **Pricing** |  |  |  |  |  |
| **Catalogue** |  |  |  |  |  |
| **Technology** |  |  |  |  |  |
| **Installation and Servicing** |  |  |  |  |  |
| **Skills, competence and training** |  |  |  |  |  |
| **Sub-contractor management** |  |  |  |  |  |
| **Service Delivery Planning & Implementation** |  |  |  |  |  |
| **Environment** |  |  |  |  |  |
| **Equality & Diversity** |  |  |  |  |  |

## 3.11 Contract Maintenance

Contract maintenance will be the responsibility of the contract manager and will comprise:

* Ensuring Pecos catalogues (where used) are up to date.
* Complaint handling.
* Performance reviews and development.
* Publicising the contract & updating the contracts register as required.
* Managing Contract Documentation.

## 3.12 Catalogues

Pecos catalogues for national contracts (level 1) are maintained by National Procurement and are available to all Boards. It will sometimes be preferable to maintain a local (level 2) catalogue for national contracts where the selection is very large and only a small proportion is used or where variable pricing structures exist.

Level 2 local catalogues should be created and maintained for other suppliers where possible and will be the responsibility of the Procurement department\*. Contracts let and managed in other departments will require a request to be made to Procurement for catalogues to be created.

## 3.13 Complaint Handling

End users and departments can supply feedback and make complaints regarding supplier performance and product quality by contacting the Head of Procurement.

The feedback will be reviewed, investigated as required, and distributed to Contract Managers for action where necessary.

National Services Scotland will also be involved if the product was soured through a National Contract and the complaint is upheld after a local investigation.

## 3.14 Performance

The contract manager will be responsible for addressing performance issues and ensuring that contracts perform in line with expectations and in accordance with their terms and conditions. They will also be responsible for developing contracts and supplier relationships beyond the minimum terms of the contract and enhancing mutual benefits for the supplier and the organisation.

## 3.15 Publicity & Contracts Register

It is important that all stakeholders are aware of new contracts, changes to contracts and their responsibilities regarding them.

Contract managers should ensure relevant parties have all the information they need by means of email bulletins and intranet publications.

The contracts register will be maintained by the central procurement function. It is the responsibility of other departments involved in contracting activity to notify Procurement of any new contracts which have been let.

## 3.16 Contract Documentation

Documentation relating to the let of local contracts or implementation of national contracts should be retained by the contract manager.

This should include as a minimum:

**National Contracts**

* The NP Buyers Guide sometimes referred to as a “Commodity Action Report and Electronic Bulletin” (Careb) .
* The Contract Implementation Checklist or department workplan entry.
* The pricing schedule & or catalogue file.
* Any bulletins issued.

**Local Contracts**

* Specification.
* Minutes of any user group meetings.
* Strategy document (route 2).
* Tender Documents (ITT, questionnaires, terms and conditions).
* Tender responses.
* Evaluation records and scoring.
* Award & Standstill Letters.
* Pricing schedule and/or catalogue.
* Any bulletins issued.

## 3.17 Monitoring of Payments against Contract.

It is the responsibility of the procurement officer placing the order to ensure that the correct pricing is used.

The primary means of monitoring pricing will be via the Accounts Payable function who will highlight invoice mismatches (i.e. where the price on the invoice does not match the price on the order or where additional charges appear on the invoice which are not listed on the order).

Mismatches should not be highlighted where cost of correcting them would be greater than accepting the mis-match.

Accounts Payable will report the mismatch to the procurement officer responsible for the order and it will be the responsibility of the procurement officer to investigate the price discrepancies, additional charges etc and to take any action needed to correct the Purchase Order.

If the invoice is found to be in error rather than the Purchase Order it will ultimately be the responsibility of the Accounts Payable function to ensure an amended invoice or credit note is obtained.

## 3.18 Separation of Duties.

For reasons of transparency and to eliminate opportunities for fraudulent activity it is important that a clear separation of duties is maintained. This is particularly important between:

* Developing a Specification & Pre-tender consultation with suppliers.
* Creation & authorisation of Purchase Orders & Requisitions.
* Payments and Purchasing

For this reason none of the above activities should be performed by the same person and exclusivity of writable access should be maintained between purchasing systems and payment systems.

## 3.19 Declaration of Interest

Any member of staff involved in purchasing from or contracting with a supplier in which they have a vested interest *or may be perceived to have* an interest must declare it at the earliest opportunity.

This should be recorded on the organisations Declaration of Interests Register for Board Members. All other staff should advise their senior line manager who will keep a record within the department.

Further information on declaration of interests can be found in the Code of Corporate Governance.

<http://www.wihb.scot.nhs.uk/publications/code-of-corporate-governance>

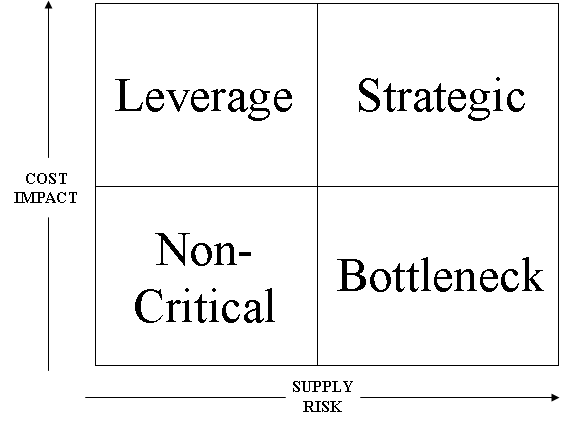
4. Supplier Management Strategy

NHS organisations have a responsibility to manage their supplier base and are committed to ensuring that all contracts continue to deliver best value throughout the contracted period. This will be achieved through regular review and establishment of strong effective relationships with suppliers that are focused on achieving continuous improvement for all parties concerned. This will be done in collaboration with suppliers and key stakeholders across the Health Board.

## 4.1 Supplier Classification

Core Suppliers\* will be positioned into 4 categories each with different levels of management. All classifications will be reassessed annually as part of the previous year’s procurement spending review.

The following matrix will be used to identify the classifications:



**Strategic:**

**Category A** - Suppliers who have a High Supply risk and a high Cost Impact will be given an A classification.

**Bottleneck:**

**Category B** - Suppliers who have a low cost impact and a high supply risk will be given an A classification.

**Leverage:**

**Category C** - Suppliers who have a High Cost Impact and low Supplier Risk will be given a B classification.

**Non-Critical:**

**Category D** - Suppliers who have a low cost impact and a low supply risk will be given a C classification where it is deemed necessary to have enhanced supplier management at the discretion of the contract owner.

\* *Core Suppliers are suppliers who are used regularly or are significant*

## 4.2 Supplier Reviews.

Following the ABC analysis a programme of supplier review meetings will be agreed for the next 12 month Period.

NHSWI recognises the following schedule as best practice:

**Category A Quarterly**

**Category B Every 6 months**

**Category C Annually**

However, due to the geographical position of the Board area there are consequent logistical difficulties involved with arranging face to face meetings. The cost is similarly increased for suppliers visiting the Hospitals.

For this reason, NHSWI will be forced to select a small number of key suppliers with which to hold formal review meetings. Additionally NHSWI will explore the options for remote meetings via WebEx and video/teleconference, MS Teams etc.

Suppliers will be selected for review based on:

* + Levels of spend and volume of purchases.
  + The criticality of the products.
  + Opportunities for development.
  + Levels of satisfaction with quality & Service.
  + The number of internal customers on whom the supplier has impact.

Where suppliers are not available for a review meeting, an independent review will be carried out and shared with the supplier for comment.

### 4.2.1 Review Methodology.

The review will constitute an open agenda format and a performance review using a scorecard based approach. Standing agenda items for the reviews will be:

### 4.2.2 Complaints

Any complaints against the supplier should be discussed going into the detail of root causes, actions taken and any trends which have been identified.

### 4.2.3 Key Performance Indicators

KPI’s should be discussed and set against the relevant elements on the performance scorecard. Any failures to meet KPI targets should be investigated and proposals agreed for improvement.

### 4.2.4 Accounts Payable Issues

Accounts payable issues will be discussed at high level. Individual invoice queries will not be discussed at the meetings except to illustrate an issue. It is also important to discuss NHSWI’s payment performance as a customer.

### 4.2.5Development Areas

Discuss any development areas in which the supplier and the health board are working together to develop new products or practices. E.g. Surgeon involvement with the development of new products, business development, contract compliance.

## 4.3 The scorecard.

A new scorecard will be completed at each meeting. Previous cards will be kept on file. A scorecard template and notes on completing it can be found in Appendices 3 & 4.

Summary reports will be produced to CMT and the Head of Finance & Procurement when requested.

Appendix 1. Purchasing Threshold Guidance

Appendix 2.- Contract Implementation Checklist

|  |  |
| --- | --- |
| **NHSWI Procurement**  Contract Implementation Checklist | WI_blue2tone |

**Contract Code.**

|  |
| --- |
|  |

**Commodity Description.**

|  |
| --- |
|  |

**Suppliers.**

|  |
| --- |
|  |

**Supply Chain.**

|  |
| --- |
|  |

**Carriage Terms.**

|  |
| --- |
|  |

**Local Infrastructure.**

|  |
| --- |
|  |

**Product Trials.**

|  |
| --- |
|  |

**NHS Western Isles Lead Stakeholder/s.**

|  |
| --- |
|  |

**Agreed Actions (from implementation meeting)**

|  |
| --- |
|  |
|  |

**Checklist.**

* Savings Validation Complete.
* Implementation approved by HoP.
* Supply chain in place.
* Local Infrastructure in place.
* End users consulted and issues addressed with stakeholders.
* Infection Control consulted as part of product evaluation.
* Ward Product list updated.
* Stores Catalogue updated.
* Prices updated on system.
* Bulletin to be approved by HoP and uploaded to Intranet.

**Approved by Procurement Manger or Head of Procurement.**

**Signed**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ **Date**\_\_\_\_\_\_\_\_\_\_\_\_

Appendix 3. - Supplier Performance Monitoring Scorecard (Template)

*Displayed on following page:*

|  |  |
| --- | --- |
| **NHSWI Procurement**  **Supplier/Contract Performance Monitoring Scorecard** | WI_blue2tone |

|  |  |
| --- | --- |
| **Supplier Name:** |  |

|  |  |
| --- | --- |
| **Supplier Code:** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Completed By:** |  | **Date:** |  |

|  |  |
| --- | --- |
| **Product/Service**  **Description:** |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Contracts** |  | **Spend p/a** |  |

Rate the supplier 1-5 for each of the following criteria (1 = Poor, 2 = Mediocre, 3 = Adequate, 4 = Good, 5 = Excellent)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service Element** | **1** | **2** | **3** | **4** | **5** |
| **Product Quality** |  |  |  |  |  |
| **Order fulfilment** |  |  |  |  |  |
| **Back-order fulfilment** |  |  |  |  |  |
| **Delivery Speed** |  |  |  |  |  |
| **Returns Process** |  |  |  |  |  |
| **Packaging** |  |  |  |  |  |
| **Shelf Life** |  |  |  |  |  |
| **Carriage terms** |  |  |  |  |  |
| **Documentation** |  |  |  |  |  |
| **Customer Services - Availability** |  |  |  |  |  |
| **Customer Services – Speed of issue resolution** |  |  |  |  |  |
| **Pricing** |  |  |  |  |  |
| **Catalogue** |  |  |  |  |  |
| **Technology** |  |  |  |  |  |
| **Installation and Servicing** |  |  |  |  |  |
| **Skills, competence and training** |  |  |  |  |  |
| **Sub-contractor management** |  |  |  |  |  |
| **Service Delivery Planning & Implementation** |  |  |  |  |  |
| **Environment** |  |  |  |  |  |
| **Equality & Diversity** |  |  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Score:** |  | **Date of Next Review**: |  |

|  |  |
| --- | --- |
| **Reviewer Signature:** |  |

Appendix 4. - Guidance notes for completing the scorecard

**1) Product Quality** – How fit for purpose is the product? Consider such things as effectiveness, materials, ease of use and durability. For service suppliers consider speed and quality of service.

Does the supplier hold any ISO quality assurance standards?

**2) Order Fulfilment** – What percentage of goods ordered are delivered first time? A score of 5 should not be awarded to suppliers unless this is 96% or above over the review period.

**3) Back-Order Fulfilment** – If the supplier operates a back order system for goods which are out of stock, how effective is it? Does the supplier provide a timescale for delivery or an explanation as to why goods are out of stock? Do they update you if this changes?

**4) Delivery Speed** – What is the lead time between order and delivery? Within 3 working days merits a score of 5. How consistent are the delivery lead times? Does the supplier regard the Board’s location as an obstacle to effective service?

**5) Returns Process** – What is the process for returning faulty or wrongly delivered goods? Does the supplier arrange for this or the customer? How quickly are credits or replacements provided?

**6) Packaging** – How well packed for transit/storage is the product? Do products often arrive damaged? Is this the fault of the carrier or inadequate packaging? Does the packaging adversely affect storage arrangements?

**7) Shelf Life** – Obviously this is more critical for items with a short shelf life but all items should be checked to ensure they are supplied with an adequate lead time before expiry.

**8) Carriage Terms** – Is the carriage free? Can you specify which carrier you would like used? Does the supplier impose minimum order charges? Is there an off-shore islands charge? Is the rate at which carriage is charged reasonable and proportionate to the goods ordered?

**9) Documentation** – Are delivery notes and invoices well presented and displaying all necessary information to allow processing? Do they display the relevant order number? Do they display our account number? Do they include contact details to be used should there be a query regarding the delivery?

**10) Customer Services (Availability)** – How easy to contact is the supplier? Do they have a dedicated customer service dept? Is the phone often engaged or unanswered? Are emails or letters replied to promptly?

**11) Customer Services (Speed of issue resolution)** – What is the lead time between issues being registered and solutions being implemented? Does the customer service operative provide you with a reference number when you call to register a complaint etc?

**12) Pricing** – How competitive is the supplier’s pricing? Do you feel they offer value for money? How consistent are the prices?

**13) Catalogue** – How good is the supplier’s catalogue? In what forms is it available? Is it easy to use? Are updates provided regularly? Is there a system for checking if items are in stock? Does the supplier provide regular up to date price lists?

**14) Technology** – What is the supplier’s PECOS catalogue status? Can they provide electronic invoices? Can you place electronic orders? Does the supplier have an online reporting tool or system for customers to review their accounts?

**15) Installation and Servicing** – If the contract with the supplier involves the installation of equipment and/or fittings, how efficiently was this carried out? What was the quality of the work? Did it cause any disruption in the relevant areas that could have been avoided? Are the service elements of the agreement carried out to the agreed frequency and to an acceptable standard? How quickly are emergency servicing requests resolved?

Other aspects of after sales service can be scored under this element.

**16) Skills, Competence and Training** – What is the experience of the supplier in providing a similar service to comparable organisations? Do they supply to other Health Boards/local authorities? What professional qualifications are held by the account managers or their representatives? Do they have any applicable ISO quality assurance standards? Does the company offer training to the customer in the use of the products, systems or equipment being supplied?

**17) Sub-Contractor Management** – If the supplier uses sub contractors for (e.g.) delivery, installation, servicing etc, how well are they managed? Do they have a formal contract in place which relates specifically to the account? Do they monitor the performance of sub-contractors and resolve issues on behalf of the customer? Are sub-contractors paid on time and held to the same standards as the company’s own employees?

**18) Service Delivery, Planning & Implementation** – Does the supplier provide an account manager responsible for the account? What level of engagement takes place? Are requirements discussed and reviewed regularly? Are customer satisfaction levels assessed and addressed?

**19) Environment** – If the supplier has a record of good practice or initiative to support environmental welfare (such as possession of ISO 1400) then score 4 or 5, if you are aware of any detrimental environmental factors score 1 or 2. Otherwise Score 3.

**20) Equality/Diversity/Corporate Responsibility** – Is the supplier a supported business? Do they have any initiatives or policies to support inclusion or have a record of supporting other agencies in promoting these objectives? How are the workers treated where the company sources its materials/manufacturing etc?

If an element does not apply to a particular supplier, leave the score blank and reduce the total achievable by 5 when calculating the final score.

Appendix 5. – Purchase to Payment Process

A screenshot of a phone

Description automatically generated

**Purchase to Payment Roles and Responsibilities.**

As a public sector organisation, we **ALL** have a responsibility to ensure public money is spent efficiently with due attention to obtaining the best quality possible for the least amount of expenditure. Day to Day responsibility for this lies with budget holders. The salary you receive as an NHS budget holder is partly due to the importance of this financial responsibility.

A screenshot of a computer screen

Description automatically generated

Appendix 6 – Other Sources of Information

The Procurement Department has a dedicated page on the NHS Western Isles Intranet:

<http://wihbweb.wi.scot.nhs.uk/index.php/wi-intranet/adminmenu/procurement>

The page contains useful information for buyers and managers including bulletins, example documents, catalogues, How to Guides and links to systems and web sources.

It also contains buyers guides and copies of current policy.

Of particular note are:

**Agency Buyers Guide** – Taking you step by step through how to buy in temporary staff through agencies. Because of the high costs involved in procuring agency staff it is imperative that best practice is followed in all the associated administration and financial governance.

**Purchasing and supply Policy** – This policy covers all buying activity in NHS Western Isles and is essential knowledge for all procurement officers and budget holders.

**Stock Management and Control Policy** – This policy covers central stores as well as remote stores in departments and wards. Significant value is held in some department stores and there are financial and clinical efficiencies to be gained from applying correct management practices and controls.