

PROCUREMENT PROCEDURES MANUAL PM01

This Guide is intended to inform our customers of the procedures that South of England Procurement Services (SoEPS) uses in the procurement of all your goods and services and to inform all employees who have a responsibility for purchasing goods or services on behalf of their organisation (either as the requisitioner or budget holder).

ISSUE LOG

Issue	Description Of Change	Name of Modifier	Date Modified
Version 1	Draft of New Manual	NRA	October2013
Version 2	Update to contents	HAB	January 2014
Version 2b	Correction to OJEU Diagram	TC	January 2014

Definitions:

- 1.1 **SoEPS** - South of England Procurement Services
- 1.2 **OJEU** - Official Journal of the European Union, this refers to those tender processes that needs to be advertised on the Journal and that are subject to strict procurement rules.
- 1.3 **SFI** - Standing Financial Instructions, mandatory policy document in accordance with the Financial Directions issued by the Secretary of State for Health, which details the financial responsibilities, policies and procedures adopted by the Authority. They are designed to ensure that the Authority's financial transactions are carried out in accordance with the law. In some occasions financial orders and scheme of delegation are incorporated to this, or are drafted separately depending on the Instructions.
- 1.3 **SO** - Standing Orders, policy derivate from SFIs that regulates the client proceedings and business.
- 1.4 **Scheme of Delegation** - Policy that sets out the powers reserved to the Trust Board or delegated to a Committee authorised by the Board, however does not obviate responsibility for reporting decisions which may be contentious or have a wider impact
- 1.5 **CPA** - Catalogue Pricing Agreement.
- 1.6 **STW** - Single Tender Waiver, document that needs to be completed in order to award a contract without opening competition for specific reasons.
- 1.7 **MEAT** - Most Economically Advantageous Tender, most convenient offer in terms of quality, performance, whole life cost, and other criteria linked to the subject matter of the contract.
- 1.8 **GPS** - Government Procurement Services
- 1.9 **NHS SC** - NHS Supply Chain
- 1.10 **Best Value for Money** - A utility derived from every purchase or every sum of money spent. Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.
- 1.11 **Cash releasing savings** - The result in the cost of the service provided being reduced
- 1.12 **Cost avoidance Service** - The reduction of future costs, where the life cost of the product or service is lower.
- 1.13 **General Specification** - A description of the goods or services to be acquired in general lines, specifying basic characteristics and outcomes required. Normally used for competitive quotation exercise when the suppliers/providers offer selected need to be probed as showing best value for money.
- 1.14 **Detailed Specification** - An extensive description of the goods or services linked to the evaluation criteria that describe in great level of detail the main characteristics or outcomes required from the object of the purchase.
- 1.15 **Procurement Advisor** - Any member of SoEPS that leads the tender process
- 1.16 **Client Lead** - This refers to the officer nominated by the client to lead the procurement in name of the client, and that possesses the skills to determine the specification and evaluate the tenders, assisted by the procurement advisor and/or other stakeholders.

As the SoEPS uses technical abbreviations and terminology specific to our service, our web site homepage has a useful [Glossary of Terms and Abbreviations](#) most frequently used.

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Find below a reference of the Diagrams contained in this document, for specific information you can control + click on the part of the diagrams you require further information on.

1. Overview

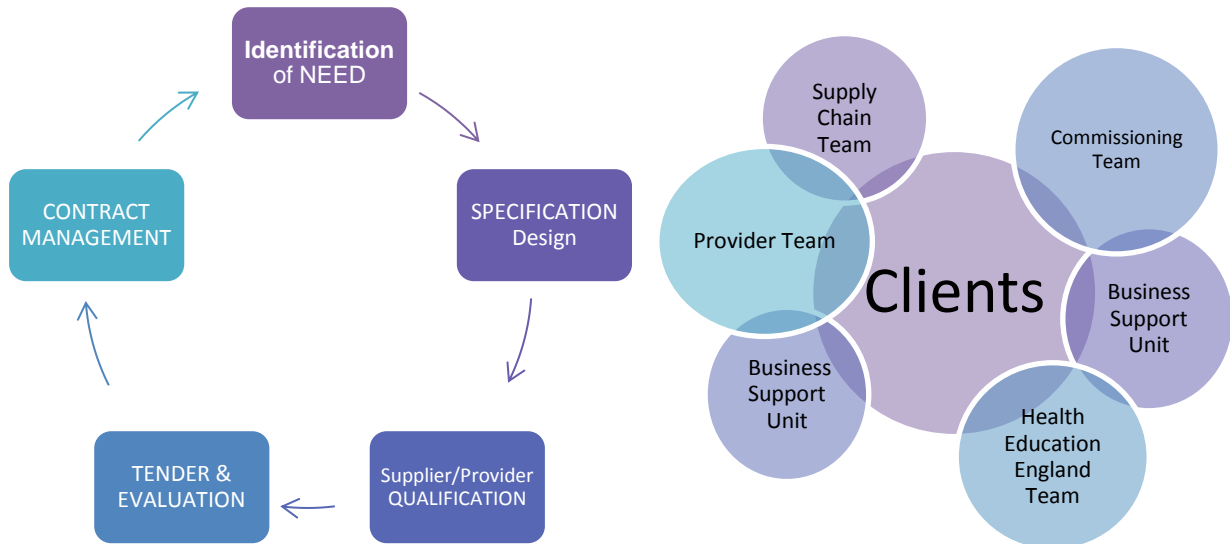


Fig 1. SoEPS Services for Procurement and legal Compliance

Fig 4. SoEPS Teams

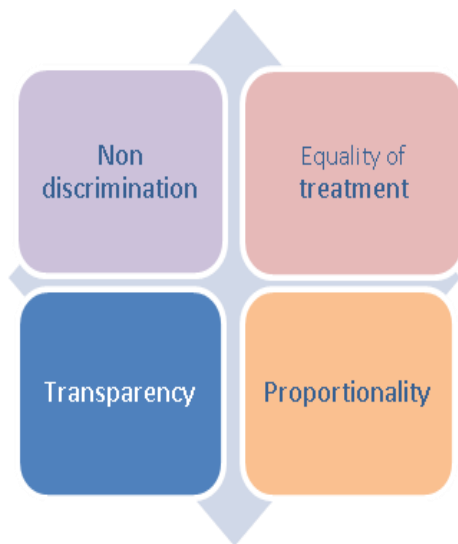


Fig 2. EU Procurement Principles



Fig 3. SoEPS Procurement principles

2. Procurement Planning

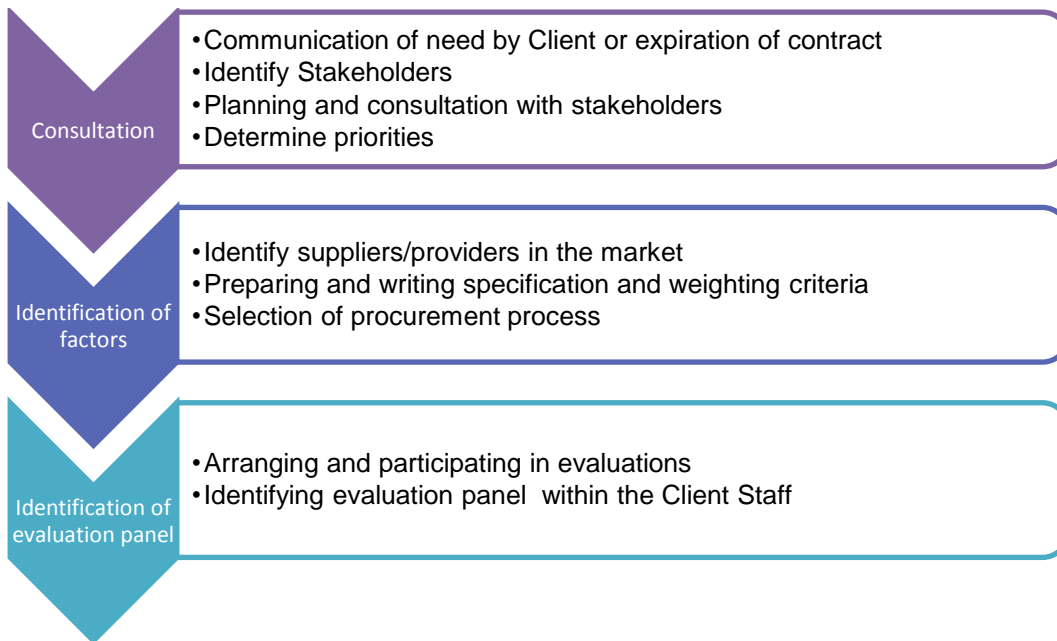


Fig 5. Planning Stages

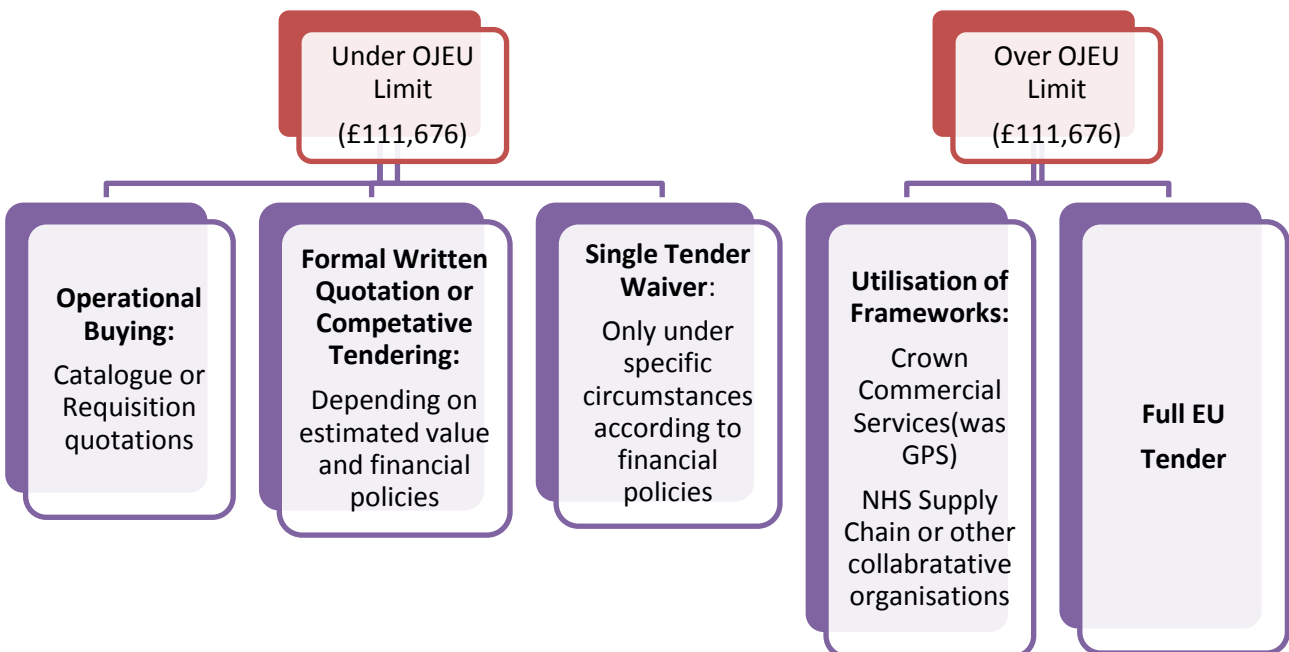


Fig 6. Procurement Routes

3. Ordering Process

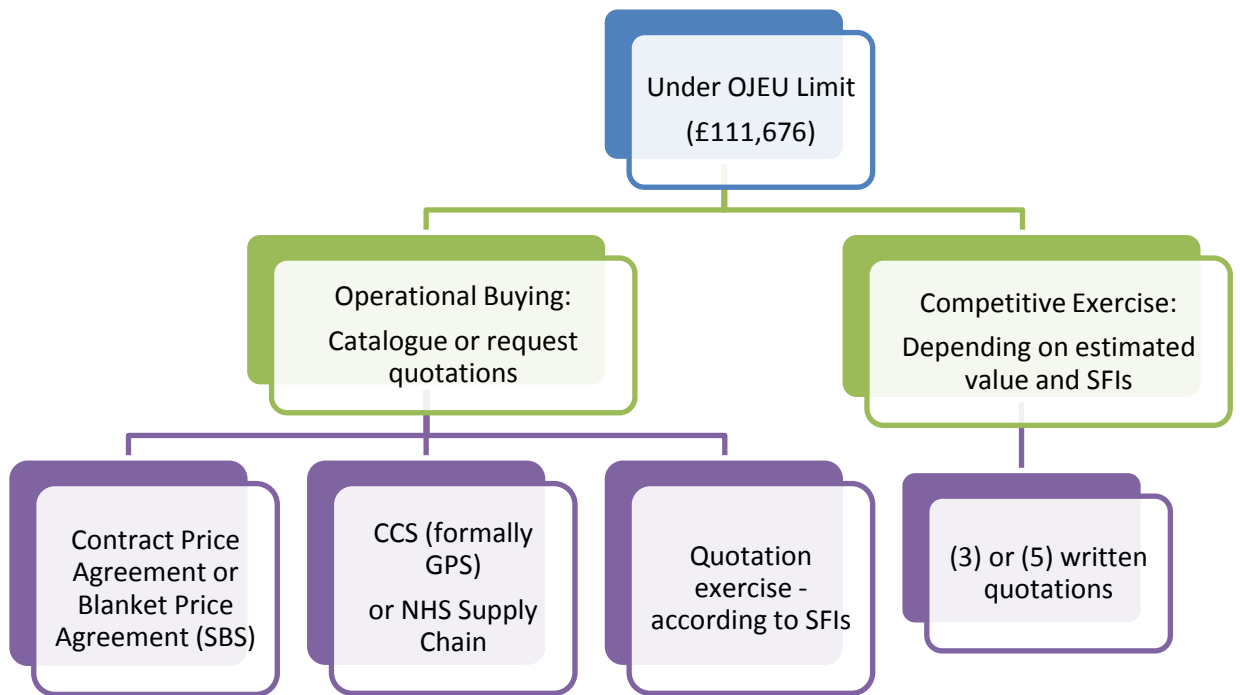


Fig 7. Procurement Routes Used by Operational Team

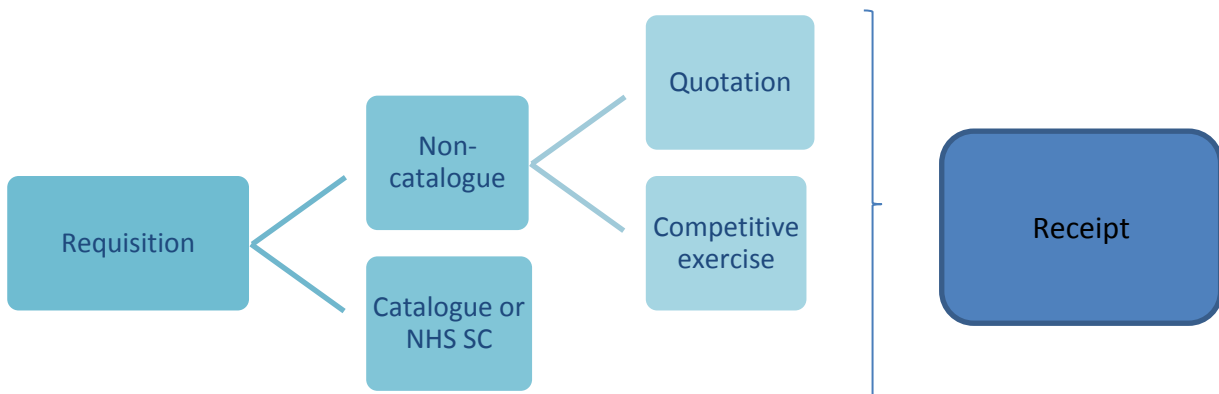


Fig 8. Order Process

4. Tendering Process

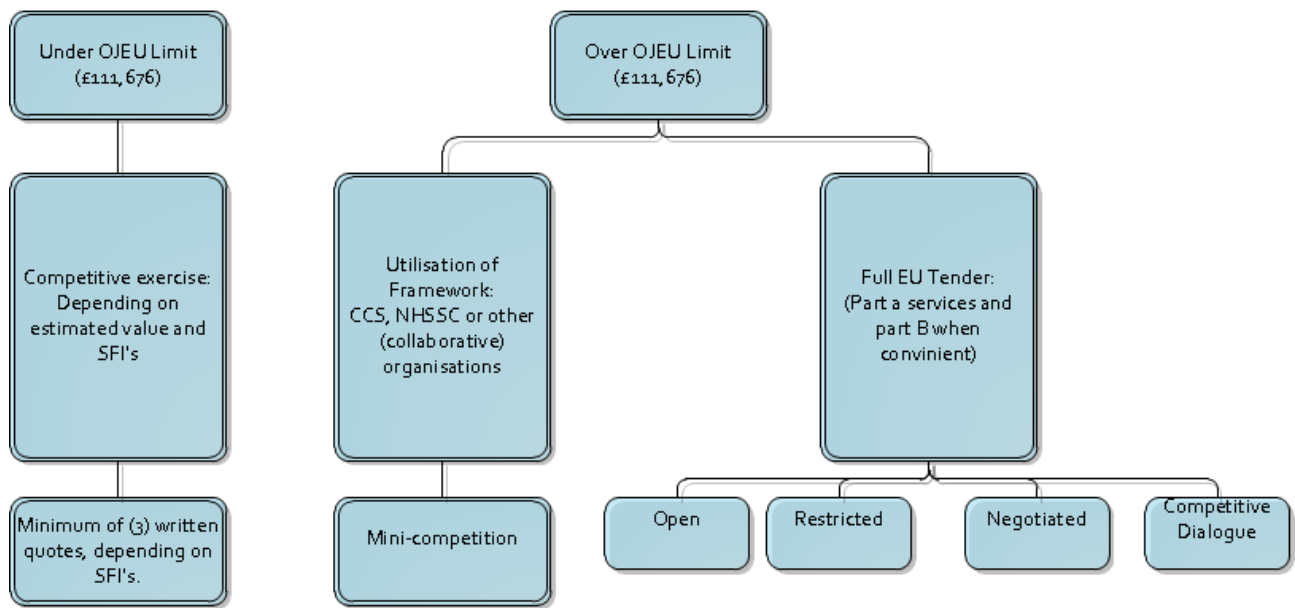


Fig 9. Procurement routes used by Provider/Commissioning/HEE Teams

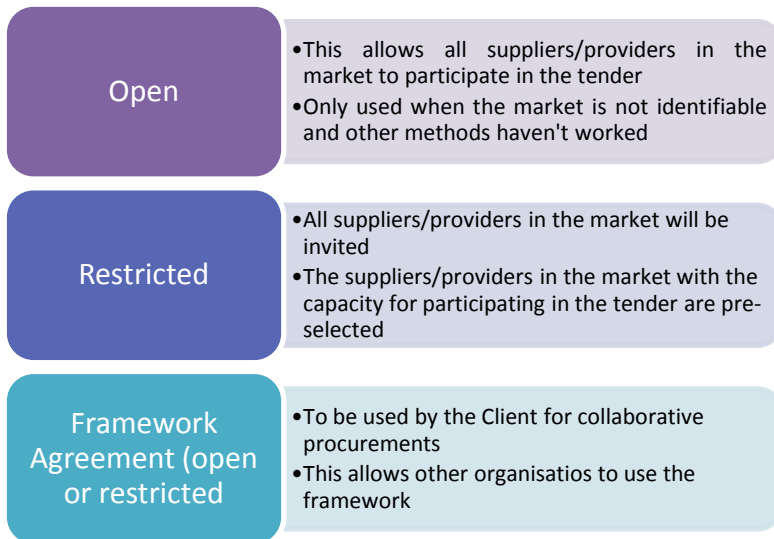
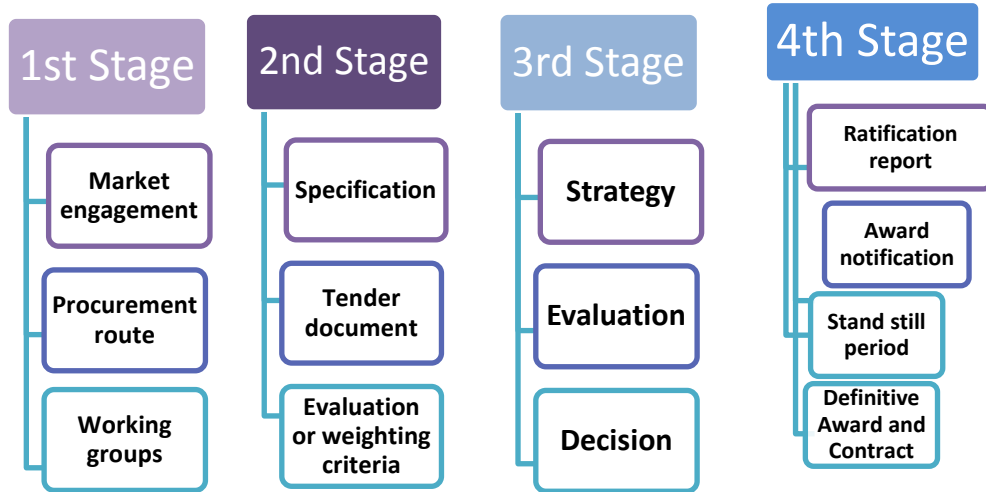
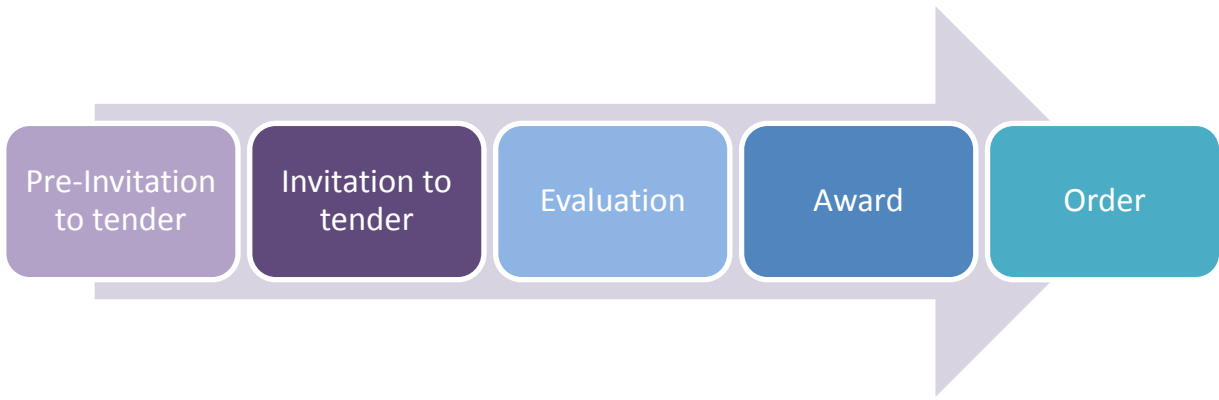


Fig 10. Typology of most used OJEU tenders



[Fig 11 to 15. Procurement process stages](#)

1. OVERVIEW

This Guide is intended to inform our customers of the procedures that South of England Procurement Services (SoEPS); formerly know as Solent Supplies Team; uses in the procurement of all your goods and services, and to inform all client and SoEPS employees who have a responsibility for purchasing goods or services on behalf of their organisation (either as the requisitioned, budget holder or Procurement Advisor).



For further information not contained within this guide, please refer to the SoEPS website <http://soeprourement.nhs.uk>

1.1 Our Role

South of England Procurement Services (SoEPS) aims to deliver best value procurement in support of innovative, high quality services, and to be a centre of excellence for all purchasing, through the professional skills and competencies of the staff involved. SoEPS will provide and promote a proactive procurement service in line with the procurement strategy to all the organisations we serve today and in the future.

Procurement is defined as the acquisition of goods, services or works from an external source through adequate process in order to obtain the goods, services or works that are the most appropriate, and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality, quantity, time, location and pricing

SoEPS agrees the procurement strategy in consultation with Stakeholders who monitor the service and performance through regular reviews and key performance indicators which are circulated quarterly to the Authorised Officers.

SoEPS will work actively with the Stakeholders Executives to ensure that SoEPS delivers a procurement strategy that meets the strategic aims of the individual organisations and works closely with the main users of the products/services to select the best value for money and clinically / technically acceptable goods and services, complying with European and National Procurement rules. The savings made by lowering the costs of goods and services through informed procurement directly affects and benefits patient care.

SoEPS will monitor expenditure to ensure the SFI's and SO's of the client are adhered to and will report any non-compliance to the Authorised Officer.

SoEPS will at all times follow the mandatory legislation. The European Union (EU) Procurement Directives and the Public Contracts Regulations that implement them in the UK set out the law and mandatory rules on public procurement. Their purpose is to open up the public procurement market and to ensure the free movement of goods and services within the EU. The rules apply to purchases by public bodies and certain utilities which are above set monetary thresholds. Where the Regulations apply, contracts must be advertised in the Official Journal of the EU (OJEU) and there are other detailed rules that must be followed.

By following guidelines, staff will be able to demonstrate that their organisation is adhering to good practice, obtaining value for money, maintaining robust governance, relevant audit trails and purchasing in the most cost effective and efficient manner.

All procurement requirements must pass through the Procurement Department unless otherwise stated in this manual - no commitment to purchase, either by the signing of any contract and/or supplier documents or verbal order, should be undertaken by any member of Staff, whether a cost is implied or whether the cost of the agreement is apparently £0.

1.2 Our Services

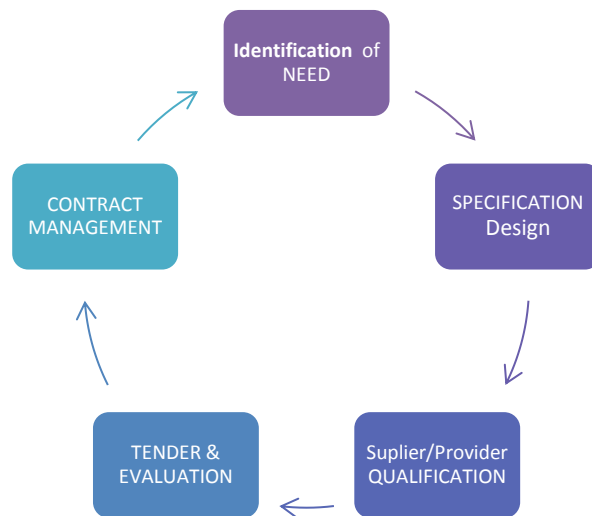


Fig 1. SoEPS Services for Procurement and Legal Compliance

SoEPS will deliver services that facilitate:

1.2.1 Compliance:

- a) With the clients Standing Financial Instructions (SFIs), UK Procurement legislation and EU Public Procurement legislation.
- b) Assist clients with the drafting of legally compliant policies
- c) Develop client's corporate values and business objectives associated with the planning and delivery of health and well-being services and link procurement strategies to achieve these objectives.

1.2.2 Market Intelligence and benchmarking

- a) Contact other NHS clients and external Agencies or organisations that use comparable products/services to ensure that the offer suggested by the potential supplier represents good value for money, and whether there are any other issues we need to take in to account before awarding an agreement.
- b) Engage with key stakeholders to ensure the information supporting the delivery of the operational & strategic procurement work plans are credible, complies with local and national standards, guidelines and legislation.
- c) Engage the market though Prior Information Notices and/or market warming events to identify the best companies in the industry and to decide the most adequate procurement route as per procurement legislation.

1.2.3 Purchasing and Procurement Process

a) Work closely with user departments to assist the client to use complete, accurate and relevant specifications. Ensuring best quality, fit for purpose goods and services are purchased and that those offer best value for money.

b) Adhere to Procurement rules by choosing the most adequate procurement route.

c) Adherence to national and local terms and conditions which are more favourable to the client, rather than supplier's terms and conditions.

d) Provide a skilled negotiation service to minimise expenditure but maximise other possible non-financial advantages including areas of cost avoidance and cash releasing savings in order to provide financial advantages.

1.2.4 Procurement results

a) Obtain Best value for money, taking into account the lifetime costs associated with the purchase of goods and services.

b) Ensure the products or services purchased are the most adequate for the needs of our clients in terms of quality, efficiency and best value for money.

c) Monitoring the delivery of procurement work plans, on time and on budget, highlighting areas of risk and making recommendations to mitigate those risks.

d) Contractual compliance and contract management by providing reassurance and contract monitoring, analysis and management of data to ensure predicted benefits are realised and additional or under achievement recorded.

1.2.5 Legal Advice

a) Ensure all goods and services are purchased or disposed of to meet all legal requirements and to the benefit of the client. Ensure all staff and patients are duly protected at law and ensure probity in all actions taken.

b) Assist clients with legal queries related to procurement, commercial and contractual matters, normally associated with tendering processes and Terms and Conditions of Contracts.

1.3 Procurement Principles

The European Directive 2004/18/EC on Public Contracts and the UK Public Contracts Regulation 2006 are the mandatory rules all Public Authorities have to comply with when purchasing goods and services.

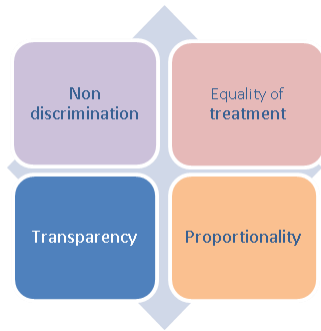


Fig 2. EU Procurement Principles

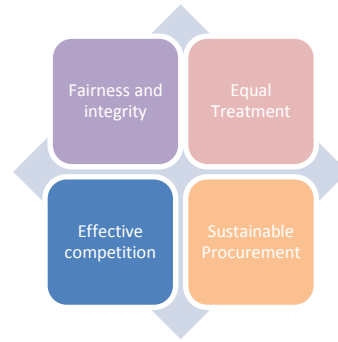


Fig 3. SoEPS Procurement principles

SoEPS abides by the Directive principles and other principles of procurement to collaborate with our clients and protect their interests.

1.3.1 Best Value for Money

All procurement decisions require a comparative analysis of relevant costs and benefits of each proposal throughout the whole procurement cycle (whole-of-life costing). Value for money is enhanced by: encouraging competition, by ensuring non-discrimination in procurement and using competitive procurement processes; promoting the use of resources in an efficient, effective and ethical manner; making decisions in an accountable and transparent manner.

When conducting a procurement process, every requested document needs to specify logical, clearly articulated, comprehensive and relevant conditions for participation and evaluation criteria which will enable the proper identification, assessment and comparison of the costs and benefits of all submissions on a fair and common basis over the whole procurement cycle.

1.3.2 Transparency

Use of sufficient and appropriate advertising of tenders, transparency in making decisions not to tender and recording declaration of interest and other risks highlighted during the procurement process.

1.3.3 Fairness and Integrity

Ensuring that financial and due diligence checks are applied equally, in a proportional manner, and that pricing and payment regimes are transparent and fair

Ensuring consistency of procurement rules, transparency on timescale and on criteria for shortlist and award.

1.3.4 Effective competition

Ensure the right procurement procedure is selected, by considering all suppliers/service providers in the market and by allowing them to be able to enter into the contract. Ensure all decisions are taken promoting competition and participation in tenders.

Contracts shall be awarded on the basis of objective criteria and needs to be as clear as possible. Need to disclose all relevant criteria in the tender documentation. All tenderers need to be reasonably informed of the criteria and arrangements which will be applied to identify the Most Economically Advantageous Tender (MEAT).

1.3.5 Equal treatment and no discrimination

Ensure similar opportunities are given to all Suppliers/Providers in the market by making public the criteria for the award of the contract which should enable tenders to be compared and assessed objectively.

Ensure during the procurement process and negotiations, the contracting authorities are providing information in a non discriminatory manner which may give some tenderers an advantage over others. Also by directing the tender specification to certain supplier we will infringe this and the other principles.

All communications with suppliers/ providers during the procurement exercise shall be made through the procurement department.

1.3.6 Proportionality

The requirements to suppliers/providers and the procurement process need to be proportional to the outcome required, the benefits for patients and the clinical and operation objectives of the client to make the procurement processes proportionate to the value, complexity and risk of goods and services contracted and how critical the service is for the client, not excluding potential providers through overly bureaucratic or burdensome procedures.

1.3.7 Sustainable Procurement

Sustainable procurement addresses social, economic and environmental issues, the importance and relative priority of different issues varies between different categories of spend and client's business priorities. SoEPS not only focus on the products and services being procured but also on sustainability of the wider supply chain.

1.4 Procurement Teams

For more information please check out our website profile where you can find Contact names and numbers.

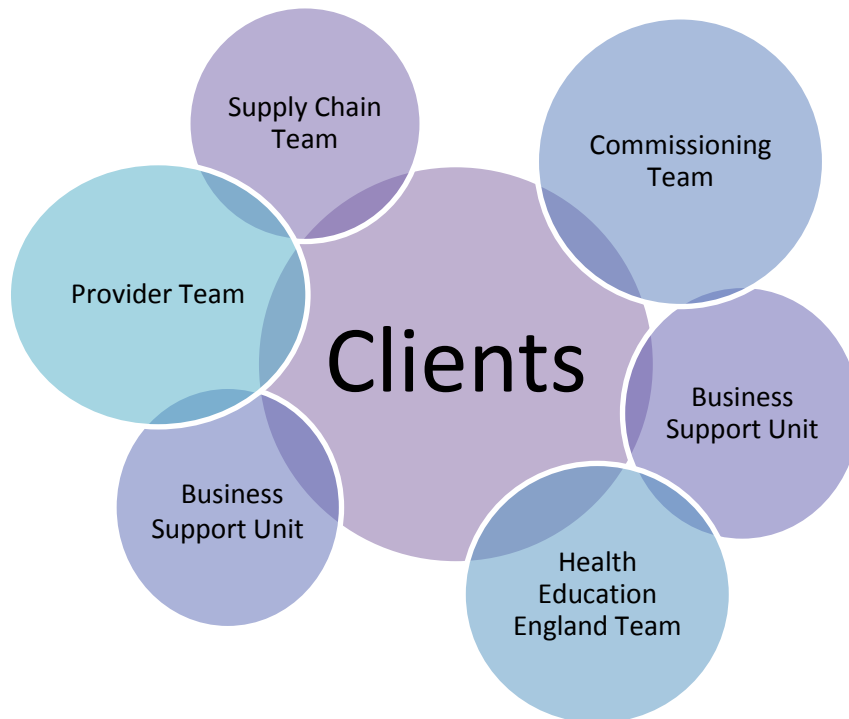


Fig 4 SoEPS Teams

1.4.1 Business Support Unit

Our Operational Business Unit is formed of the following sub-teams:

a) Data Team which will analyse client spend and manage the systems utilised by SoEPS; such as Contracts database, Eproc, and SBS, providing the usage and product information required.

b) Our Buying Team will source potential products, suppliers/providers and prices for items to assist the requisitioner in completing their requisition, and will obtain formal quotations for expenditure not already covered by Catalogue Pricing Agreements (CPAs)

Buyers will process your orders as per requisition. If the values of these purchases exceed the thresholds defined in the client's SFIs, this shall be subject to Competitive Tendering and the query will be directed to the provider and/or the Commissioning teams. The process to raise requisitions and process orders will be specified in the SBS Manuals.

c) The Legal Manager will assist the client with contractual and commercial issues and will provide advice, support, and education to staff on legal procurement matters. When required will act as an intermediary between the client and external legal firms in relation to contentious matters.

** For more information please contact John Heenan on 01489 779611*

1.4.2 Provider Team

The team will assist our NHS Trusts clients providing the resources necessary to conduct a compliant tender process for the provision of good and services. The Provider Team takes a collaborative and category management approach and will assist the client in choosing the most adequate Procurement process.

The Provider Team will also negotiate Catalogue Pricing Agreements in order to obtain best value for money and make the product available for the client

The team is formed of Procurement Managers, Senior Procurement Specialists, Procurement Specialist, Assistant Procurement Specialist and Project Assistants.

**For more information please contact Neil Routledge on 01489 779613*

1.4.3 Commissioning Team

The team will assist our Clinical Commissioning groups (CCGs) clients and NHS England London on the necessary requirement to conduct a compliant tender for the provision of Healthcare and Social Services by undertaking due diligence on contracts, assets and liabilities and by managing contracts on their behalf.

The Team will assist you to differentiate the requirement for the provision of services under Part A or Part B services, which requirements are slightly different but still need to comply with the procurement principles mentioned above.

More information will be provided throughout this document.

The Team provides a full procurement service and advice for the following procurement streams:

- Commissioning Health Service
- Traditional Products and Services
- Continuing Health Care

** For more information please contact Keith Myhill on 01489779739*

1.4.4 Health Education England Team

The Team will assist in the procurement for Health Education England (HEE) which supports healthcare providers and clinicians to take greater responsibility for the planning and commissioning of education and training through the development of Local Education and Training Board's called LETB's, which are statutory committees of HEE.

HEE has their own Procurement Manual which is available on request.

** For more information please contact Jocelyn Bale on 014897 79164*

1.4.5 Supply Chain Team

The Team will work with the client's staff to standardise stock location and storage layouts within and between departments to reduce risk and facilitate common storage practices within the client's sites. Inventory Management expertise and LEAN principles are offered.

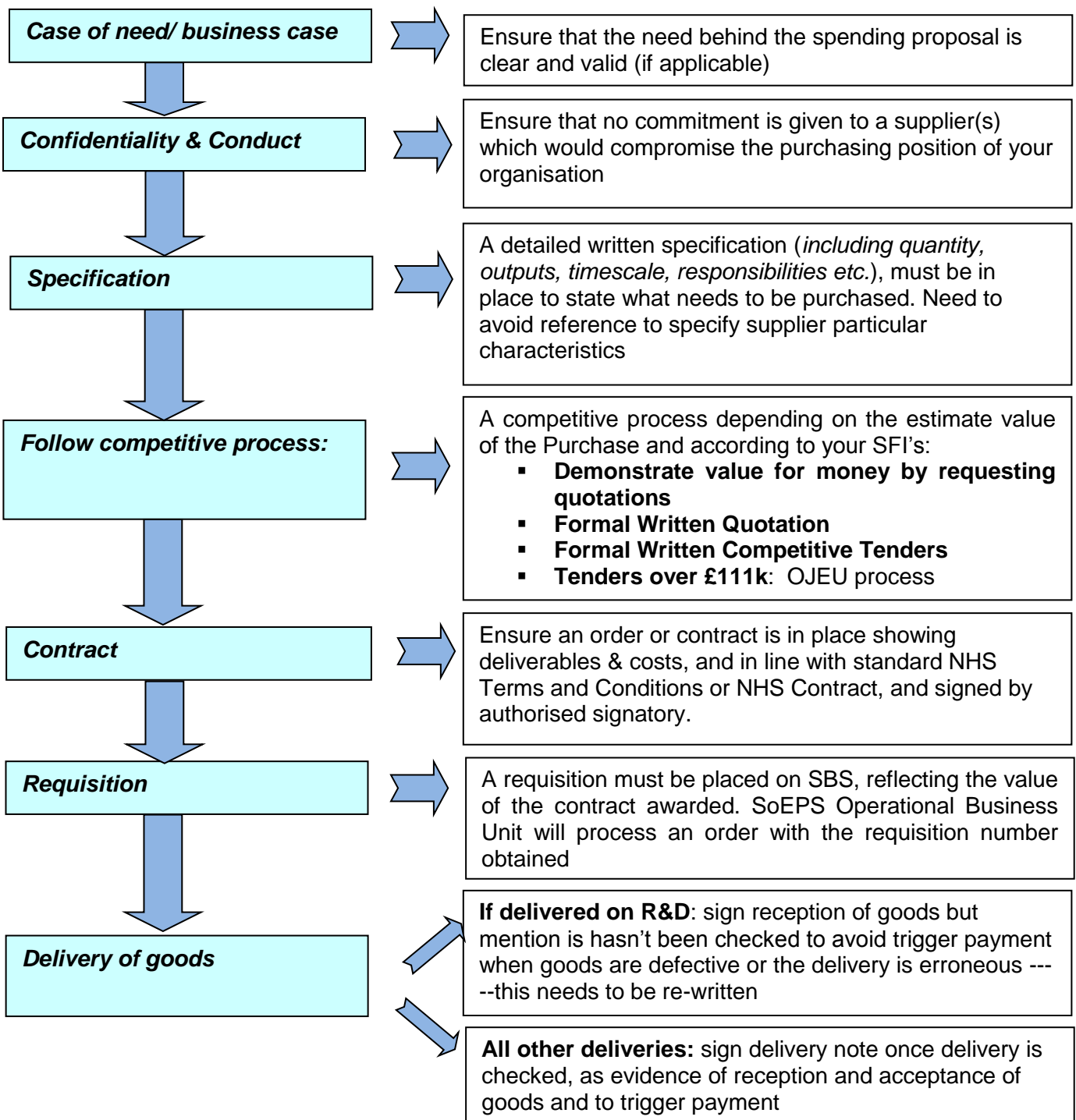
A front line approach is used rather than utilising precious clinical time for stock management. The team uses automatic data capture and barcoding technology, ensuring that:

- Stocks are regularly replenished to agreed stock levels;
- Deliveries are unpacked, checked and put away.
- Stock is also rotated in appropriate locations in ward/dept. areas.
- Stock is managed more effectively ensuring stock levels are maintained and available for patient care.
- Stock ranges and stock levels are reviewed six monthly and signed off by the Heads of Nursing.
- Regular reviews to continually improve overall performance by reducing the amount of handling and the amount of stockholding required on site.

This service traditionally only related to NHS Supply Chain products but this service has developed and expanded to all products that are contracted and catalogued.

** For more information please contact Jackie Pomroy on 02392 283369*

1.5 General Procurement Process Summary



2. Procurement Planning

2.1 Planning

The process for tenders can be time consuming and SoEPS staff should minimise the risk and shall get the support of the client in order to obtain a complete specification that defines the need of the client's Department.

The process can take between 2 to 8 weeks for local tendering and up to 6 months for EU tendering depending on the nature of the procurement. This does not include supplier lead times which will need to be considered

All quotation and tendering is carried out using the NHS Terms and Conditions for Supply of goods and services or the NHS Contract for provision of healthcare (for commissioning of Healthcare and Social Services)

The following is a typical pre-tender exercise undertaken:

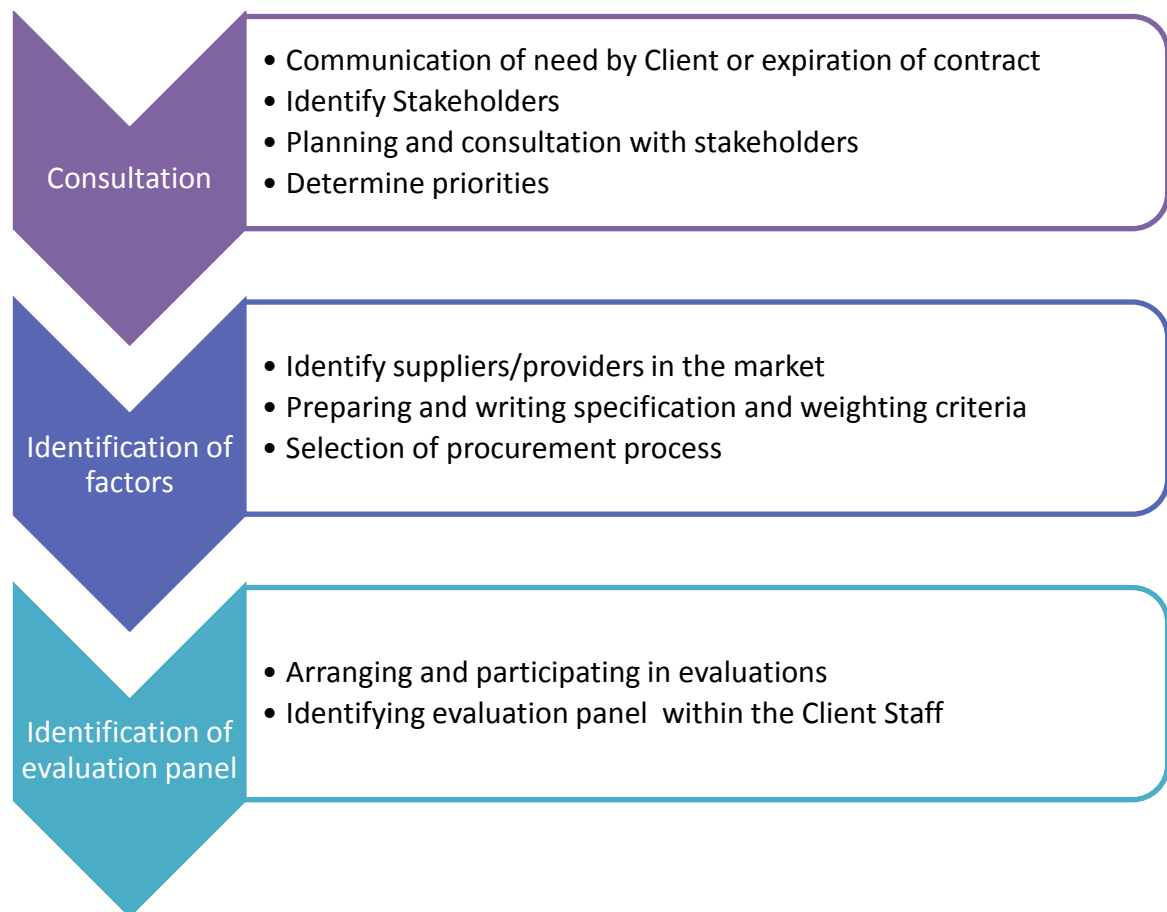


Fig 5 Planning stages

2.2 Selection of procurement routes

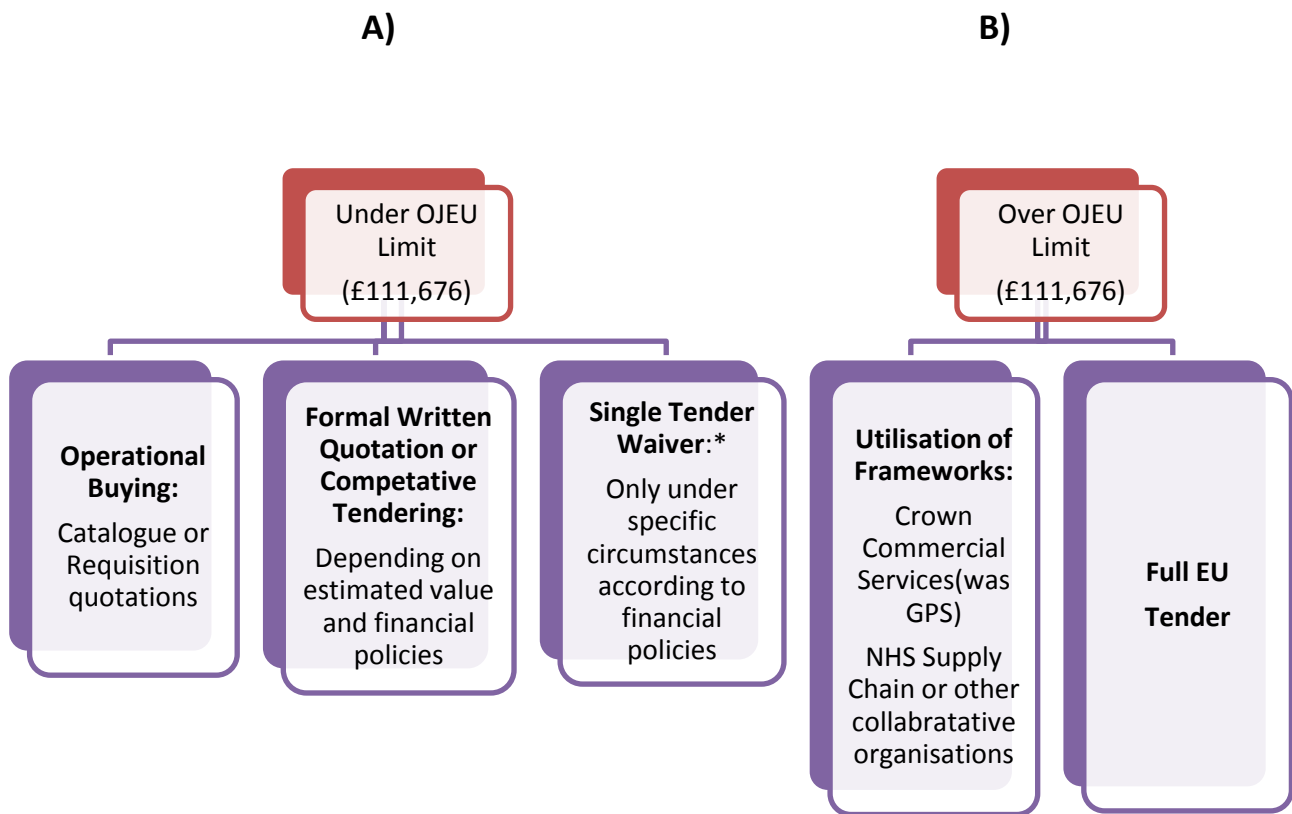


Fig 6 Procurement routes

**Exceptional circumstances*

The Public Contract Regulations 2006 currently divides the provision of services in commissioning into:

- a) So called "Part A" (or "priority") services in which the procurement of goods or services is subject to, and
- b) "Part B" (or "residual") services, are those that are considered would largely be of interest only to bidders located in the Member State, this are general SOME of the services commissioned or the provision of healthcare, this services are caught by a lesser regime, with only a few of the detailed rules of the Regulations applying

For more information in relation to Part A and part B services, and the available procurement routes, please contact your Commissioning Procurement Team

A) Under OJEU Threshold

2.2.1 Operational Buying

WHAT IS ORACLE AND ePROC

Oracle is a Finance and Procurement system which links the order detail to the booking in/receipts facility and the payment details will match the order details. The use of account codes and cost centers ensures that items are purchased using the correct budget codes

eProc is the on line procurement catalogue which links the request to the relevant budget code through the use of Oracle.

On the SBS Website there are detailed step-by-step instructions on:

- How to complete a Catalogue Purchase Order
- How to complete a Non Catalogue Purchase Order
- Purchase Order Receipting
- Approving Requisitions
- Non PO Invoice Approval

To find these training instructions just log onto the SBS Website:

<http://nww.sharedbusinessservices.nhs.uk>

For all purchases, the Operational team will be able to process your requisition after verification and validation. The team will advise the client, when necessary, on the use of the systems and the best procurement routes for low value purchases

a) Purchases of products on catalogue: the eProc system used by the team allows all orders to be placed via the Internet on any computer within the client sites. The Operational Team will manage the products available on the on-line catalogues and these will show up to date. Details of all Contracts and Pricing Agreements negotiated across the client by the South of England Procurement Services will be available if requested.

b) For all non catalogue requests: the Operational team will consult with the client and will check whether the product is suitable for the purposes intended by requesting quotations to the suppliers

More information will be provided within the Procurement process detail section of this manual.

2.2.2 Quotation exercise

Orders may be placed and expenditure incurred within budgetary provision and within delegated limits of the authorised member of staff (as set out in the Scheme of Delegation), if only one quotation is obtained, value for money must be shown. Quotations would normally be requested by the buying team.

2.2.3 Formal Written Quotation

Competitive quotations are required for expenditure within the range specified in the client SFIs and where formal tendering procedures don't need to be carried out.

Quotations should be obtained in writing from at least three Suppliers/Providers based on specifications or terms of reference.

Quotations should be evaluated by the client lead or nominated officer, who should select the quote that gives the best value for money. If this is not the lowest quotation then this needs to be authorised by the budget holder's Director and such authorisation forwarded to the SoEPS. The choice made and the reasons why should be recorded in a permanent record. The supplier that provided best value for money will be selected as far as its offer is compliant with the needs specified by the client.

2.2.4 Formal Written Competitive Tenders

Formal tendering procedures are required for expenditure within the range specified in the client SFIs and where OJEU Threshold is not reached. This will normally be requested to the Provider or Commissioning Teams

Competitive tender will require a complete specification and weighting criteria in order to evaluate goods or services provided in terms of the Most Economically Advantageous Tender (MEAT) by evaluating quality, service and whole life cost.

2.2.5 Single Tender Waiver

To be used only in very exceptional circumstances when there is only one supplier in the market that can provide the services or goods required, where the timescale genuinely precludes competitive tendering and it is not imputable to the client or the SPEC, and other exceptional reasons. For more information please consult the client SFIs.

B) Over OJEU Threshold

2.2.6 Framework Agreement

Framework Agreements are competitive tenders that have gone through full OJEU Process. The client can do their own framework or utilise an existing framework, when there is another Organisation that has already gone through OJEU process. SoEPS will analyse for the client the terms and conditions of the framework and its characteristics and inform the customer if this is the adequate procurement route.

A framework Agreement may be utilised via call off, if the terms of the framework allow it and the requirements of the client are the same as those reflected in the framework, without the need to be evaluated by the client again.

It can also be utilised via Mini Competition. It is recommended to follow a Mini competition that constitute in itself a Formal Written Competitive Tender and therefore it requires a specification and weighting criteria in line with the framework, in order to choose the MEAT. However the timeframe for this exercise is shorter than for full OJEU tender.

2.2.7 OJEU Tender

These tenders are subject to certain criteria, for all those contracts from the public sector which are valued above the threshold (£111,676 as at January 2014) must be published in accordance with EU legislation to allow for competition, and in line with the EU Directive principles mentioned above.

3. Ordering Process

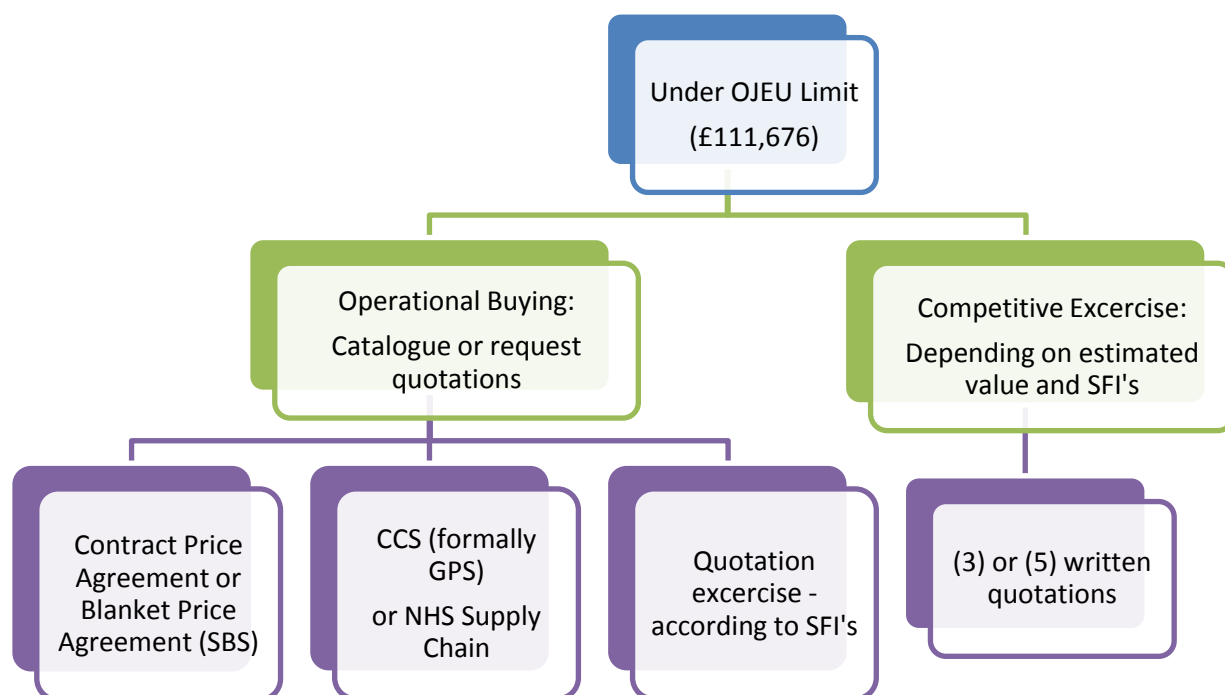


Fig. 7 Procurement routes used by Operational Team

3.1 Operational Buying

3.1.1 Catalogues for Contracted products:

Will be loaded on the clients purchase order systems, to facilitate direct ordering by user departments. 100% of orders placed by this route will be automatically sent to the supplier within two hours of approval on the system by the budget holder (Monday to Friday 08:00 – 17:00) or in line with your pre agreed automated order sending protocol.

3.1.2 All eProc free text non-catalogue requests

Need to be accurately processed by SoEPS by their 'Need by Date'. The exception to this would be requests requiring quotations, tenders and anything beyond the control of SoEPS (This would include insufficient information on the request, non-compliance with clients SFI's and SO's). A different process will be undertaken depending on the value of the purchase.

3.1.3 The NHS Supply Chain catalogue will be made available;

Offering a full range of the most frequently used consumable requirements for any client. The service provided by NHS Supply Chain will be in line with their nationally agreed service levels which can be found on their website. SoEPS facilitates product standardisation initiatives for each client and SoEPS can mask alternatives available from NHS Supply Chain if the client has agreed to standardise on a specific range of products.

3.1.4 Quotation exercise

Only one quote is required when clients SFIs and SOs allow it. A request for quotation will be submitted by the Operational Team.

3.2 Competitive quotation exercise

In line with the clients SFIs and SFOs competitive quotes will be issued and received back utilising SoEPS E-Tendering solution, within a maximum time of three weeks.

Complex projects will be delivered within a timeframe agreed with the clients project sponsor. 3 quotes will need to be obtained in order to assess best value for money has been achieved.

The buying Team will request the client to provide a description and outcomes required for their specific need in order to obtain a general specification.

Once the Quotation documents have been prepared by the team, with the client assistance and approval, the documents will be published on the Procurement E-tendering portal in order to obtain written formal quotations.

The quotations obtained within the deadline provided by the team will be analysed by the client and the quotation that provides best value for money will be chosen, the order will then be processed as per specified process herein.

3.3 Category and Budget Codes

To see if a product is on the catalogue, the clients needs to go on to eProc System and using the search engine, either type in the product name, product code or supplier name. If the item required is not on the catalogue, the user instructions will explain the process of raising a "Free Text" (non catalogue) request: "Non Catalogue Purchase Order" instructions. It must be remembered that the product code is that which the supplier gives to the product, whereas the Category Code is the three-letter code which is given to track the type of product being ordered on the eProc system. Requisitions could be rejected if the wrong category code has been selected.

The requisitioner uses the correct Category and Budget codes for the item, to ensure that the monitoring of the usage of products is possible and that the money is deducted from the correct budgets – it is the responsibility of the requisitioner to ensure that these details are correct but they must also be double checked by the Budget Holder when approving the requisition. The non Catalogue Purchase Order instructions provide details of how to look up and check these codes. If an alternative to the catalogued product is required, please contact the Operational Team to discuss the reasons and they will talk you through the next stages. All requisitioner's are automatically linked on the eProc system to a Budget Holder so they will also need to approve both, the catalogued and Free Text requisition, before it is sent any further.

3.4 Supply Chain (Materials Management)

Using automatic data capture and bar coding technology, the Supply Chain Team based on the hospital sites will ensure that stocks are regularly replenished to agreed optimum stock levels and 2/3 days later unpacked, checked, put away and stock-rotated in appropriate locations in ward / department areas. SoEPS will ensure that stocks are managed effectively resulting in less money being tied up in unwanted inventory whilst ensuring stock levels are maintained for items that are regularly used.

SoEPS will work with the client's staff to standardise stock location layouts within and between departments to reduce risk and facilitate common storage practices within the client's sites, Stock & Inventory Management Solutions and LEAN principles are adopted.

3.5 Receipt and Distribution (where applicable)

All goods received through the hospital goods entrance will be checked against delivery note and order details, and, excepting any query, delivered onward to the appropriate requisition point either the same or next working day after receipt in stores (NHS Supply Chain stock items being delivered on a pre-determined day as agreed).

All goods delivered from the hospital's goods entrance internally will be signed for by the receiving area to provide a full audit trail for the movement of goods.

SoEPS manages the Receipt & Distribution Service at the Isle of Wight, but do not manage on behalf of any other clients, at the moment. Note that NHS Supply Chain stock items, Stationery and Printed matter are forwarded to wards/departments without full checking of contents. Also, appropriate electrical/technical equipment is taken to the relevant department for calibration and testing prior to its delivery to the end user and is the client's responsibility to book in any items not receipted on the eProc system by the Receipt & Distribution Teams to avoid any queries.

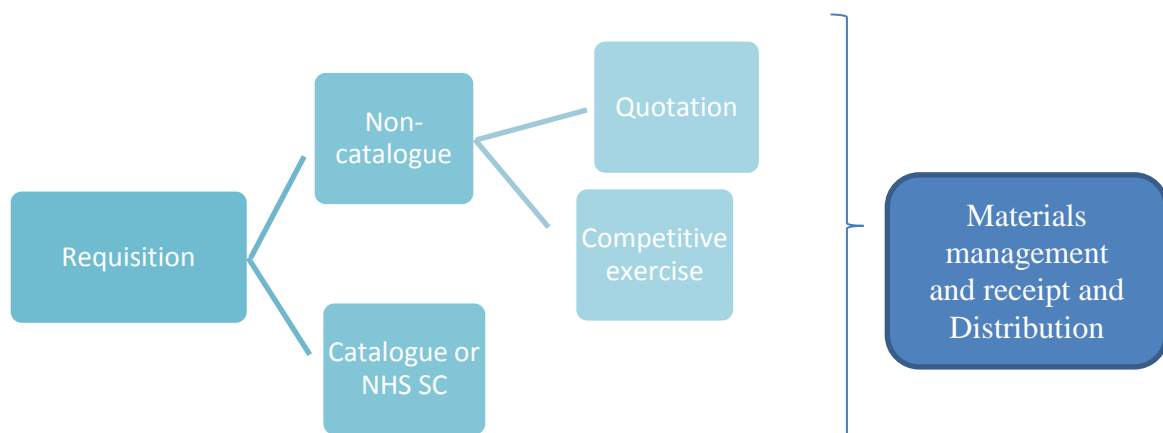


Fig 8. Order Process

REQUISITION ORDER PROCESS SUMMARY

Step 1	Determine the expected value of the goods and services to determine whether quotes or a tender need to be utilised for purchasing.
Step 2	If quotes or a tender is required, contact the Procurement team to inform them of the specifications of the goods or services. If not – skip to step 4. Send procurement any preferential suppliers/providers to be included (if necessary).
Step 3	Procurement teams will work with the client to evaluate the suppliers/providers and to select a preferred supplier, by drafting a specification and weighting criteria
Step 4	Complete the detail on the iProc system Include Cost Codes for which budget it is to come from.
Step 5	The Operational Team will raise the purchase order on the Oracle system [AND send the PO number to the requester as acknowledgement]
Step 6	<p>Goods or services received</p> <p>a) The supplier must include the purchase order number on any invoice sent. Ensure suppliers/providers are aware of the requirement to include PO numbers, otherwise payment may be delayed.</p> <p>Invoices cannot be paid until goods have been receipted therefore prompt receipting is important</p> <p>b) Invoices cannot be paid until acceptance criteria and delivery of services have taken place</p> <p><i>* Please consult your own Scheme of delegation for approval limits</i></p>
Step 7	If a supplier is querying payment of an invoice please direct their query to SBS Payables who can be contacted on 03031231177

3.6 How To Return Goods To The Supplier

Please contact the Buyer who placed the order as there may be a number of reasons why the product may need to be returned:

1. If the product requested on the requisition is that which has been ordered but the product is incorrect for the intended use, the Buyer will be able to advise whether another Team in the Trust may wish to purchase the item instead.
2. If the product requested on the requisition is different to that which was ordered, the Buyer will need to confirm why the product on the requisition was not ordered – this is usually because the supplier had advised that the product was out of stock and therefore this was the nearest equivalent. If the Buyer on receipt of the requisition subsequently found that this was a product which we have a contract with an alternative provider, or we have looked competitively at this market and found a better value alternative, the requisitioner will be consulted before an order is placed.
3. If the product sent from the supplier is not what was on the purchase order, the Buyer will confirm why the alternative was sent – the Trust will not be obliged to pay any additional costs for the alternative.
4. If too many of a product has arrived and this is due to the supplier receiving duplicate orders, please liaise with the Buyer but where possible we will try to keep the products rather than return them, as this can cause a lot of administration for the Trust.

4. TENDERING PROCESS

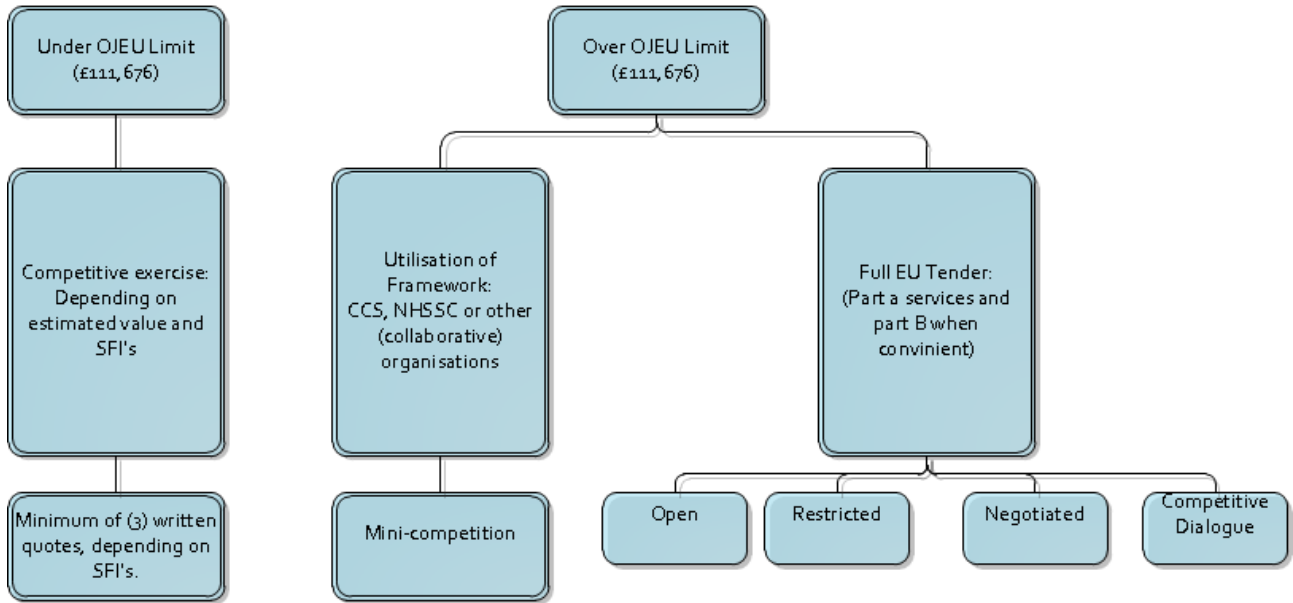


Fig 9. Procurement Routes used by Provider/Commissioning/HEE Teams

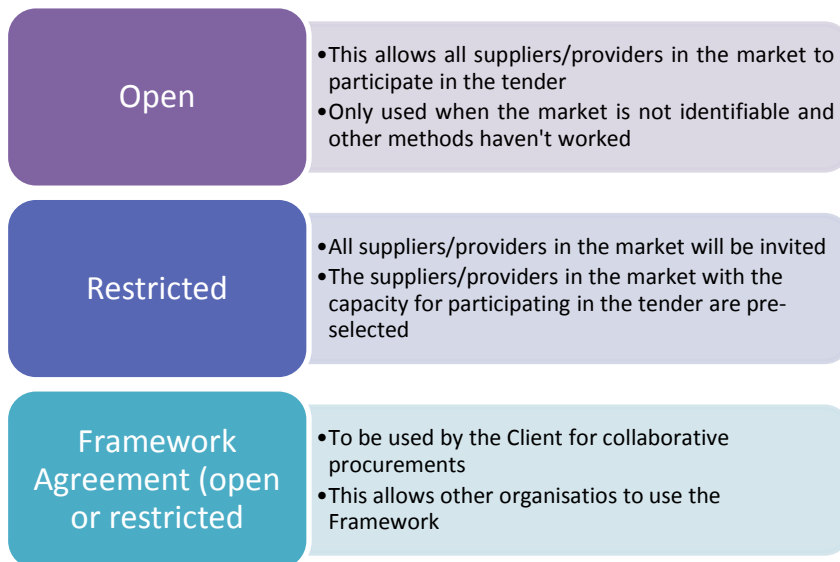


Fig. 10 Typology of most used OJEU tenders

4.1 Management of the Procurement Exercise

At the start of the procurement exercise a SoEPS lead will be identified and agree terms of reference/proposal with the client that clearly sets out:

- The roles and responsibilities of the respective parties, including the SoEPS lead, the SoEPS Sponsor, the client Finance Manager, the Business manager, the Clinical Director, the client Lead and other persons directly involved on the procurement in question.
- Definition of Key deliverables; who will produce them and who has authority to sign off the documents prior to issue.
- Identification and agreed timetable for delivering the procurement process with reference to the legal timescales required. To be developed with support and advice from the Procurement Advisor. The timetable should allow sufficient time for review, consultation and sign off.
- Clear Identification of the decision making points in the process and who has authority to make the decision, by reference in particular to the Board's Scheme of Delegation, Authorised Signatory List and Budget Manual.
- Conversion of the timescales, deliverables and decision making points into a plan to facilitate close monitoring of progress and to identify the key decision making and sign off points in the process.

4.2 Check List: Key Stages of the Procurement Process

For all tenders:

a) Establish what approvals/authorisations are required at the various stages of the tender process and ensure that these are obtained.

b) Identify whether any specialist advice might be required e.g. legal, and factor this into the process.

c) Identify a timetable for the whole tender process, ensuring sufficient time for each stage including seeking approvals, advertising, checking documentation and evaluation.

d) Monitor progress against the timetable and respond accordingly.

e) Issue advertisement in appropriate media including EU arrangements where necessary. This will be done by the Procurement Advisor.

f) Develop a detailed service specification for the service or goods required (the client lead has responsibility for this), which should contain sufficient information to enable potential Suppliers/Providers to formulate their tenders and also ensure the client receives the appropriate service.

g) Prior to the issue of tender documentation, develop an Evaluation Strategy including the scoring, selection and awarding criteria (for which the client Lead has responsibility). An evaluation plan should clearly set out how the criteria will be used to identify the key deliverables expected as part of the procurement process and enable the award of the contract. The criteria should be constructed in the tender documentation to demonstrate skills and experience of the bidder and how this would be applied to the service. Suppliers/Providers should be clear about how bids will be assessed. The strategy should ensure that:

- All information needed for evaluation is requested from suppliers.
- All requirements and information requests in the service specification are covered by the evaluation.
- Supplier responses are provided in an appropriate form to facilitate evaluation.

h) Maintain a check list of documentation sent to potential Suppliers/Providers to ensure that all relevant documentation has been issued in accord with the regulations.

For OJEU Tenders

a) Work with the procurement adviser to develop a Pre-Qualification Questionnaire (PQQ), which should include the detailed service specification issued to all potential Suppliers/Providers and designed to shortlist them, so that only those with appropriate skills, capabilities and financial status progress to the tender evaluation stage.

b) Evaluate the PQQs submitted by potential suppliers/providers and agree the removal of any suppliers/providers (i.e. shortlisting).

c) Identify what documentation (information pack) needs to be made available to shortlisted suppliers/providers and ensure that all documentation is issued by the client.

For all tenders

a) Carry out the tender evaluation process based on documentation received from suppliers/providers and using the scoring criteria. Members of the Evaluation Panel are encouraged to carry out their independent scoring prior to the formal evaluation day.

b) Carry out the formal evaluation of tenders with regard to the scoring methodology. The Procurement Advisor should not play a role in the evaluation process other than to offer guidance and advice.

c) A record should be maintained of the scores attributed for each of the criteria for each bidder and the final scores calculated for each bidder should be recorded, agreed and signed by the Panel. It may be appropriate for the Procurement Advisor to carry out this task on behalf of the Panel. The SoEPS should retain a signed copy of the final scores.

d) Agree a recommendation to be made and seek appropriate client approval.

e) Notify both successful and unsuccessful Suppliers/Providers of outcome.

4.3 Working groups

4.3.1 Project Team

If a substantial procurement is planned and if felt to be appropriate, a project team needs to be formed to manage the procurement exercise. This should be led by:

- The client Department Lead (lead commissioner, Clinical lead, Financial lead, IT lead)
- The client Manager and/or clinical director (Chief of Service, General Manager, Business manager, Finance Manager, HR manager...)
- The Procurement Advisor (Manager, Procurement Specialist and/or Assistant)
- And should include representation from the client and other stakeholders and technical support, e.g. Finance, IT, HR.

The project team should have responsibility for producing the key deliverables and ensuring they are available within the required timescales for sign off by the agreed officers. Project team meetings should be planned to coincide with the key stages of the project as identified in the plan described above.

If a formal project team is felt not to be required, you will still need to ensure that the key individuals have set time aside at the required times and key points described to ensure effective and coordinated review and sign off

4.3.2 Evaluation Panel

An Evaluation Panel is required for the consideration and awarding of all tenders and should be identified at the commencement of the exercise, as they will need to be involved in the agreement of key documents e.g. Evaluation Strategy, specification and weighting criteria. The Panel should consist of the client Lead, other appropriate client staff with responsibility in the service being procured and other members of the Project team if necessary. The Evaluation Panel should be chaired by the client Lead or other nominated chair and should be formed, when possible, by the same components of the project team.

The formal evaluation of tenders against the scoring criteria is the responsibility of the client, with the assistance of the lead Procurement Advisor. The client Lead has responsibility for ensuring that all key documentation is approved by the Evaluation Panel and signed off by the authorised people.

The purpose of the Panel is to be involved in and monitor all stages of the tender process, ensuring that the client's best interests are maintained throughout the process and that all relevant governance and legal requirements are complied with.

In particular the Panel will be involved in:

Developing the service specification:

- Developing the Evaluation Strategy including the scoring, selection and awarding
- Criteria
- Developing the Pre Qualification Questionnaire and evaluating the responses.
- Agreeing the removal of any potential Suppliers/Providers from the process

- Carrying out the evaluation of tenders
- Agreeing a recommendation for approval by the client

Any conflicts of Interest need to be taken into consideration when establishing the project team, evaluation team and identifying the lead client and Director of Finance. All potential conflicts of interest should be declared so that alternative arrangements can be made:

4.4 Procurement process stages

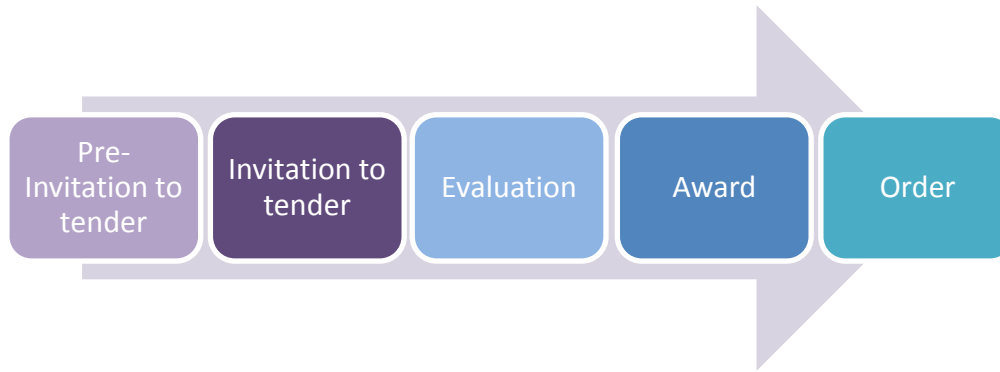


Figure 11 Procurement stages

4.4.1 Pre Invitation to Tender Stage/ PQQ Stage

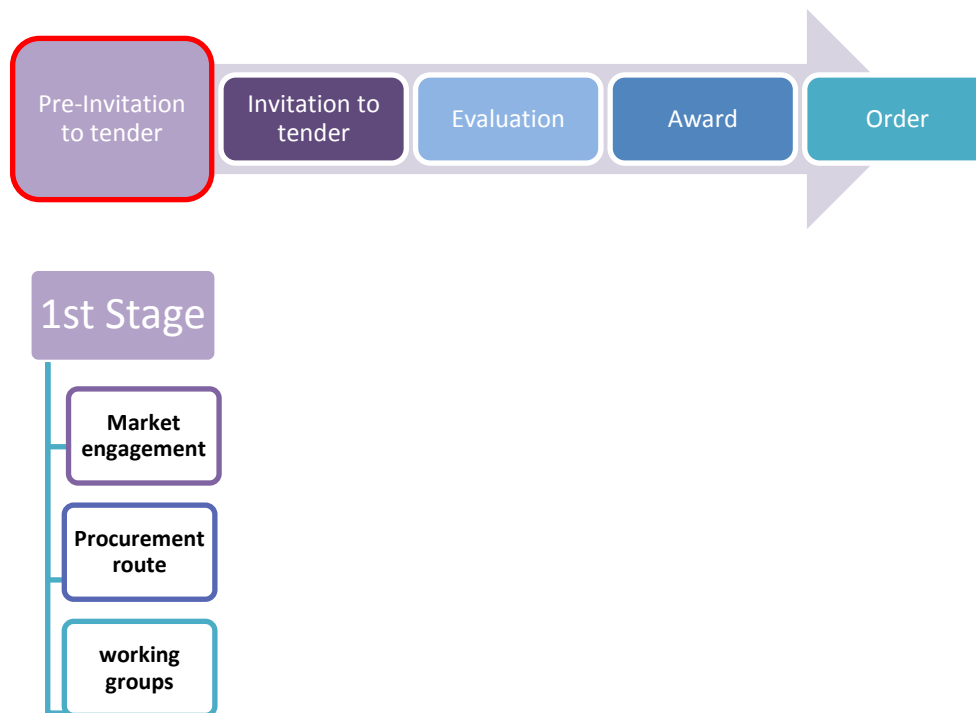


Figure 12. Pre-Invitation to tender

Identify Procurement Route and the Relevant Regulations as early as possible, in consultation with the Procurement Advisor, and whether European procurement rules will apply. The route taken

will ultimately impact on the timetable as certain requirements and timescales are governed by the regulations.

At this stage working groups mentioned on point 4.3 of this manual shall be formed.

To ensure the process is understood seek guidance from the Procurement Advisor on the key requirements of the relevant regulations to be applied. The Procurement Advisor will provide advice and support to ensure these are complied with.

If the procurement process is to be completed under European regulations an advert will need to be placed in OJEU. This task will be completed by the Procurement Advisor.

For some OJEU process, a Pre-Qualification Questionnaire needs to be completed by the Procurement Advisor with the assistance of the client Lead or relevant stakeholder. A standard format is often used for key aspects of the Pre Qualification Questionnaire (PQQ), as certain requirements are standard to all tenders:

- Financial Standing
- Technical Capacity & Ability
- Other aspects relevant to the project to pre-qualify suppliers/providers (Quality Assurance and Complaints, Health and Safety, Membership of Trade or Professional body...)

The Evaluation Panel is to be involved in the evaluation of PQQs and to sign off the decisions made.

4.4.2 Invitation to Tender Stage - Production of Tender Documentation

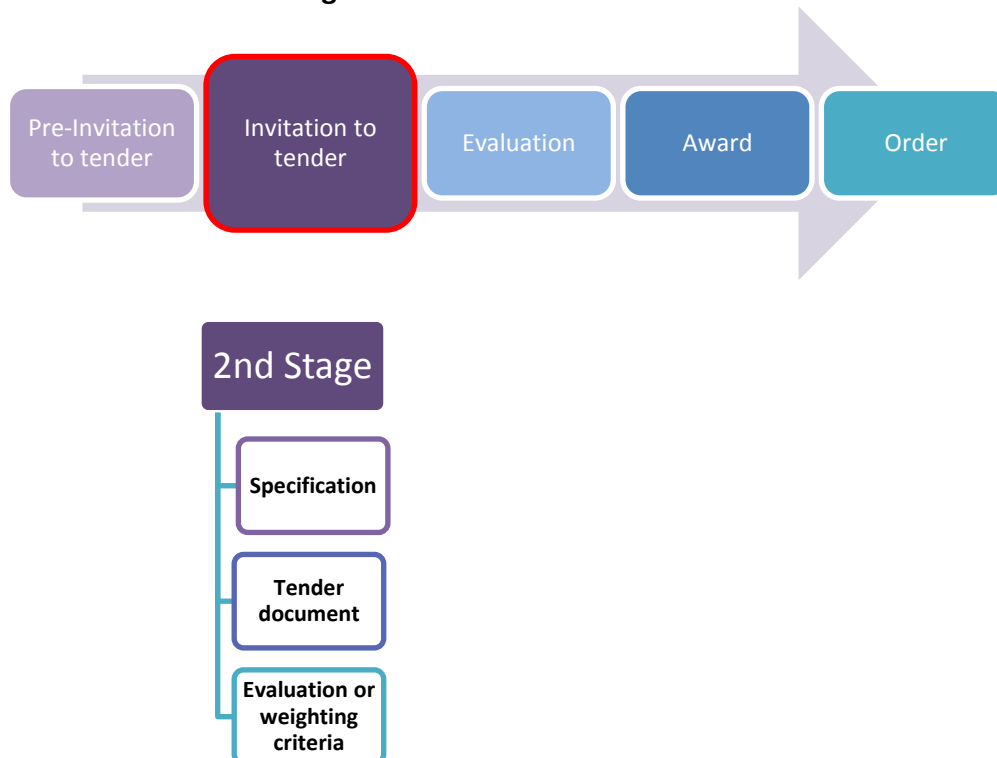


Figure 13 Invitation to tender

As with the PQQ certain tender documents are standard and could be requested to the Procurement Advisor. The project team or lead officer however has a key role in the production of certain key documents:

a) Specification:

As the purchaser, the client shall be the lead in developing the service specification. This will be by the project team or the lead officer and in consultation with relevant stakeholders. The specification shall contain all those elements that will influence the execution of the contract, as after the tender documents have been submitted no changes can be introduced in the contract. Such elements can be descriptions of the object required, roles and responsibilities, IT systems and software required, interface required, compatibility with systems, Project Initiation plans, performance measurement mechanisms...

If the trial of goods or supplier/provider site visits is part of the client requirements this shall be specified in the specification.

Advice from the Procurement Advisor should be obtained to ensure the specification contains sufficient information to allow the bidder to respond, and the requirements are not anti-competitive or discriminatory.

b) Tender documents:

This is the document that bidders will use to submit their answers to the specification. It is convenient, when possible, that the specification is presented in the form of questions as stated below

The tender document presents a series of questions designed to demonstrate how a bidder can meet the requirements set out in the specification. The questions should be about how the bidder will deliver the requested service or goods. Tender documents will also include the contract sample that will constitute the client's contract with the preferred supplier once the tender has been awarded.

The information provided within the tender documentation needs to ensure that all the information required for the evaluation is requested, and that the structure matches the specification and the evaluation model.

It should be noted that if questions are not asked at this stage, the bidder cannot be challenged on it at a later date. In addition, all bidders need to have the same opportunity to demonstrate their ability to deliver the service. Reliance should not be placed on the presentation session part of the process to expand on questions if all bidders have not had the same opportunity to do so.

The Procurement Advisor will provide advice and support on this task

c) Evaluation Strategy and Model or weighting criteria:

These should be produced at the same time as the specification and bidders response, and both shall be aligned. The Procurement Advisor will offer support in the development of these but the client needs to ensure they take the lead in developing the evaluation criteria.

If trials or site visits are part of the client requirements the weighting criteria needs to be specified.

The documentation will be issued by the Procurement Advisor. All documentation needs to be sent out as part of the Invitation to Tender pack.

4.4.3 Evaluation

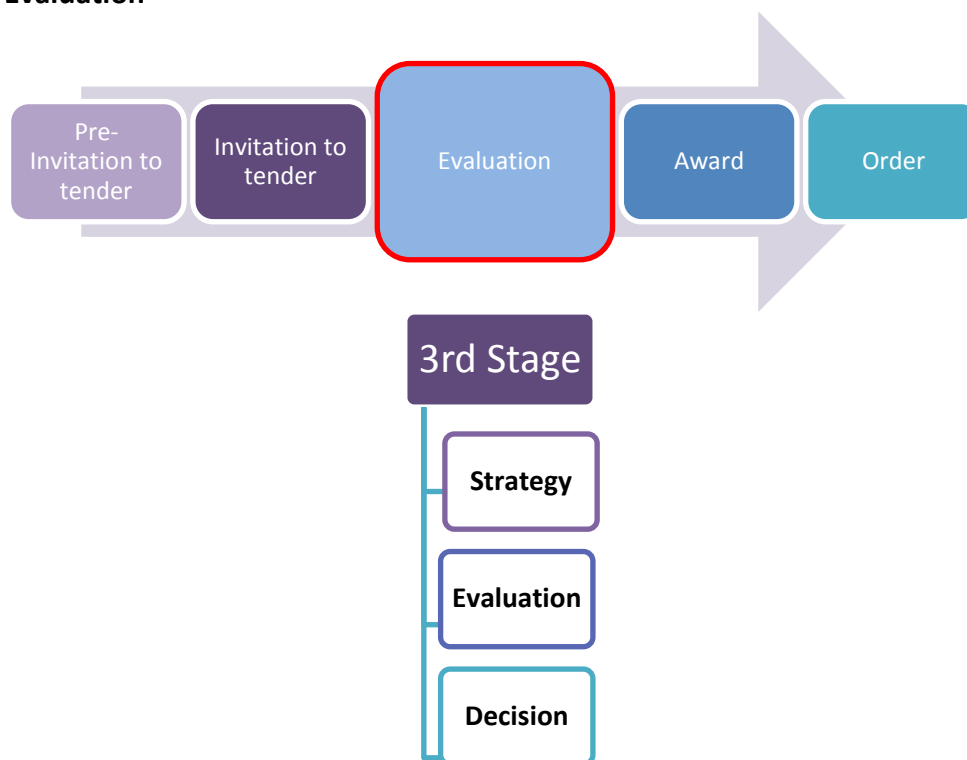


Fig 14 Evaluation Stage

a) Evaluation Strategy

As described above this is to be produced at the same time as the specification and:

- Will be produced in consultation with the Procurement Advisor. They will have a model strategy to be utilised but it needs to be ensured the strategy meets the needs of the client e.g. if a panel approach is to be used to evaluate the tenders this should be built into the strategy.
- Should set out clearly the methodology to be used to evaluate the tenders and the criteria to be achieved in order to be able to award the contract.

- Should identify the criteria and scoring methodology to be used. This is for the tender documents and also if a presentation session is to be held. This should accurately reflect the weighting the client wants to give to each requirement, as far as it is proportional.
- Should set out the approach to removing bidders from the process and the criteria for doing so. Any removal of bidders from the process should be approved by the Evaluation Panel and cannot contravene the procurement rules.

Where possible a session will be arranged or a briefing will be provided prior to the Evaluation Panel, with support from the Procurement Advisor, to ensure all members understand their roles and the scoring model to be used, and that the criteria complies with the EU Principles.

b) Evaluation of Bids

If an evaluation day is to be held, all members of the Evaluation Team should independently complete their scoring prior to that day. The Procurement Advisor can offer support to this process but are not involved in the evaluation itself. The Procurement Advisor will collect the final scores.

At the end of the evaluation process, the final scores shall reflect the decision of the team/panel and a copy of the final scores needs to be collected for procurement records.

At the conclusion of the evaluation, a report shall be produced setting out the outcome and evaluation results. This shall be produced by the Procurement Advisor, The Evaluation Panel are to review and sign off the tender report before it is passed to the Board/authorised Director.

In the ratification report a clear recommendation to the Authorised signees shall be provided; as per client Scheme of Delegation; on the preferred supplier following the conclusion of the evaluation. The preferred supplier should be the supplier who has achieved the highest weighting score.

Suppliers/providers are not to be advised of the outcome of the exercise until the Board/authorised Director has approved the recommendation.

4.4.4 Award Stage

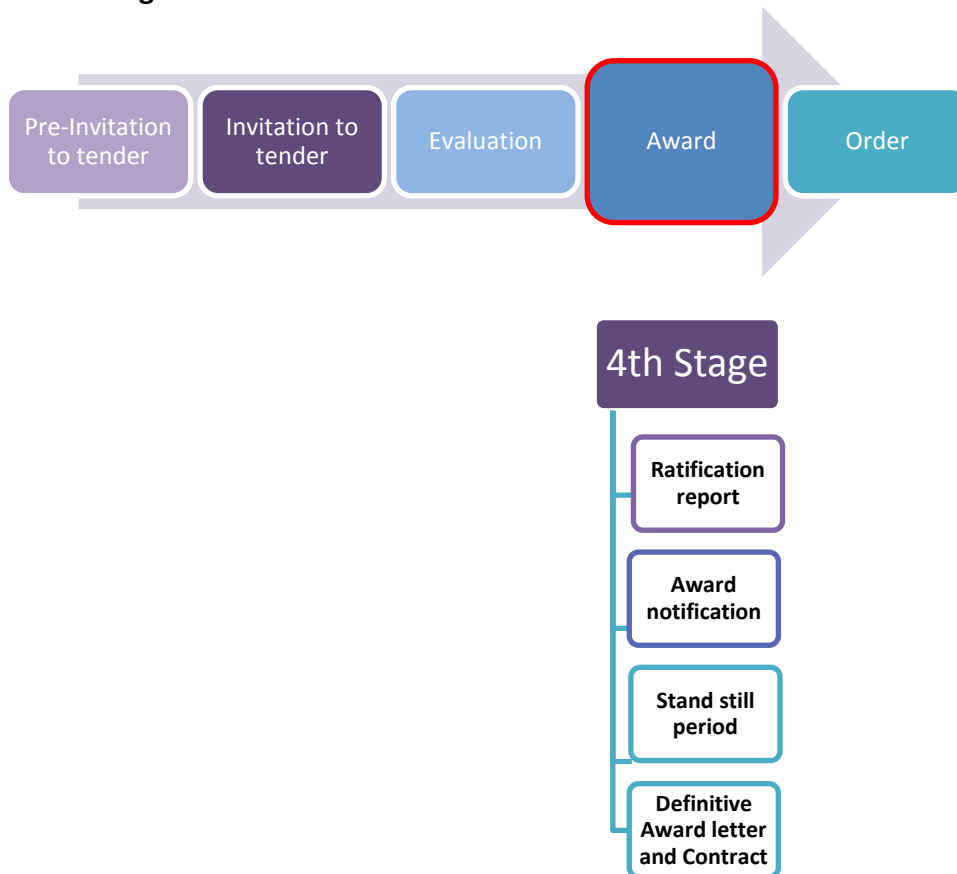


Fig 15. Award Stage

Once Ratification report has been signed by the authorised officers, suppliers/providers will be communicated of the evaluation results and the intention to award the contract to the successful bidder. For those OJEU Tenders, 10 days will have to elapse between communication of result and final award of the contract.

Once award process has taken place, the Procurement Advisor will provide a copy of the sample contract completed with the assistance of the client Lead and/or other relevant stakeholders and will provide a copy to be signed by Authorised client Lead. Acute clients will need to nominate a contracts manager for the life of the Contract.

For those Commissioning clients the Contract will be prepared and managed by their own Contract Management Team.

Contract management can be requested to SoEPS and will be discussed with the client case per case.

4.4.5 Order process



Fig 16. Order

A requisition shall be placed once the ratification report has been signed and it shall reflect the price provided by the selected bidder, by stating the contract number, normally FXXX If it is a competitive process (If it is catalogue or quotation the contract number would be QXXXX)For order process please [refer to order process summary](#).

5. EXEMPTIONS, WAIVERS & PARTICULAR CASES

5.1 Single tender waiver/actions

In accordance with each client SFIs, non-competitive quotations in writing and waiving of formal tenders may be acted on in the following circumstances:

- In very exceptional circumstances where the Chief Executive or Director of Finance decides that normal competitive procedures would not be practicable, or the estimated expenditure or income would not warrant formal tendering/quotations procedures or the services to be rendered are of a special character, then the circumstances should be detailed in an appropriate Authority record;
- Where the timescale genuinely precludes competitive tendering/quotations. However, failure to plan the work properly would not be regarded as a justification for a single tender/quote;
- Where specialist expertise is required and is available from only one source;
- When the task is essential to complete a different project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- Please note this list is not exhaustive and you will have to refer to your own SFI's.

No quotation/tender shall be accepted which will commit expenditure in excess of budget available, and which is not in accordance with Standing Financial Instructions.

The waiving of competitive tendering/quotation procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Staff should be aware that the single source route will require senior management sign off and approval of the Director of Finance. The process of obtaining a quotation or tender still needs to be undertaken and the timescales may be similar to normal competitive exercises. (Where the Director of Finance has an interest in the waiver, approval of the Chief Executive must be sought).

Where it is decided that competitive tendering/quotation is not applicable and should be waived, the STW document and the reasons should be documented and recorded in an appropriate Procurement record.

5.2 Contracts value £0 or free of charge

Special attention need to be paid to those contracts which seem to be at no cost to the organisation. No associated cost is initially determined so contracts are not mandatory subject to the procurement rules, and may prejudice the client in case of supplier's claims.

These contracts will affect any critical service for the client when, there are more than 2 suppliers in the market, or may have major impact on the client liabilities, a competitive exercise would need to be considered.

When contracts don't specify any cost, warranties, liabilities, responsibilities and/or any other relevant factors for those goods or services offered, the contract shall not be signed by any client officer unless previously reviewed by the Legal Procurement Manager.

In terms of authorisation to sign, only the authorised officer shall sign the contract (normally operational manager or equivalent). In the case authorisation has been delegated it would need to be documented in writing.

5.3 Part B Services

Applicable to Commission of Services)

Part B services such as Health and social services, some transport services, personnel placement and supply services, education services ...

This type of services are caught by the Regulations 2006 only partially, however it shall demonstrate still, that the process has been fair and transparent in its procurement arrangements, which means if the client is intending to spend more than the OJEU Threshold (at present £111,676) in a single purchase, then the Commissioner has to decide if any potential supplier within the EU Member States might reasonably be interested in tendering, if the response is positive, formal tendering arrangements need to be followed in accordance with EU tendering procedures (The Commissioning Procurement Team will advise the best route).

The following obligations are applicable to Part B services

A technical specifications in required on the contract documents

- Contract notices shall be made public
- Contract award notice shall be made public

Additional rules apply to part B services known as, NHS (Procurement, Patient Choice and Competition) Regulations 2013

** For more information please contact your Procurement Commissioning Team*

5.4 Any Qualified Supplier

The object of this process is to obtaining a pool of qualified suppliers in order to provide patient choice when selecting healthcare provider

The assessment of qualification questionnaires falls broadly into three parts

Compliance checking: Compliance checking is undertaken by the Department of Health. The team will check the provider's corporate details, regulatory status, and IM&T details, as well as making sure the form has been completed fully.

- Assessment of service delivery
- Local qualification by commissioners

Once the Department of Health is satisfied the provider meets the core compliance requirements, the form is passed to a Qualification Centre of Excellence (QCE) or local commissioner to assess the provider's ability to deliver the service.

You can find more information on:

<https://www.supply2health.nhs.uk/AQPResourceCentre/AQPServices/Qualification/Pages/Home.aspx>

5.5 Purchase of capital equipment

This service is available to more efficiently deal with the purchasing requirements for equipment. The Provider Team will assist the Budget Holders to complete a Business Case for Capital Funds, if required.

A representative of the SoEPS will also sit on each Trust Capital Planning Group (or equivalent group) meeting, so is able to support the requesting Team's bid for capital monies when their bid is discussed and will confirm if the indicative costs appear to reasonably reflect the Full Life Costs of the equipment.

Once the business case has been approved, the Team will follow a tender exercise depending on the estimate value of the equipment to be purchased, as per client SFI's, and as per the processes detailed in this document.

5.6 Others

5.6.1 Agency spend

All requirements for Agency Staff/temporary Staff can be sourced via CCS framework Agreement, and depending on the client's SFIs, can be requested without the need for further quotation or competitive tendering.

For nursing Staff however it would be done via Non-PO until advised otherwise by the client.

5.6.2 Estates

Procurement for Estates will either be conducted by the Landlord (Propco) or the in-house estates departments.

Estates in most cases will conduct their own competitive exercise. SoEPS however will assist when requested by the client.

5.6.3 Stationery

Stationery is either sourced through a CCS framework Agreement or the current Managed Service Contract.

All stationery to be purchased through the Managed Service Contract is sourced online directly with the supplier. Items not included on the Contract will need to be raised as a normal non-catalogue request (see Section 3 of this document).

5.6.4 Travel and accommodation

The route for travel and Accommodation is client specific.

SoEPS utilises a CCS Framework Agreement to place client requests. SoEPS also hold client credit cards to pay those travel and accommodation request outside the CCS Framework

For specific information regarding your policies please contact your respective teams.

Please note that failure to comply with SFI's and Procurement Directives can be regarded as a disciplinary matter that could result in dismissal. It may also lead to a procurement exercise having to be re-tendered. It is a corporate offence under the Bribery Act 2010 for an organisation to fail to prevent bribery.

Disclaimer: This manual is intended to provide guidance and processes to assist SoEPS client organisations, obtain the best value for money spent, and to provide a general description of procurement. All reasonable measures have been taken to ensure the quality and accuracy of that information. However, SoEPS may change, delete, add to or otherwise amend information contained in this manual.

While the SoEPS has taken care to provide accurate information, this manual is a general guide and is not a substitute for legal advice applicable to specific situations.

This manual has been prepared carefully and in good faith, but SoEPS is not liable for any errors, costs or losses arising from use of this manual or the information contained herein.