

Tower Hamlets CLINICAL COMMISSIONING GROUP

**CLINICAL PROCUREMENT CORPORATE
GOVERNANCE AND STRATEGIC FRAMEWORK
2015-16**

1. INTRODUCTION

1.1. Tower Hamlets CCG is committed to providing high quality clinical services that meet the needs of local communities as set out in its Operating Plan agreed by the Governing Body; within the framework of national procurement regulations it will look at all appropriate options to secure the best services for the local population.

1.2. The national policy context is new and developing and there will be further regulatory changes over the next year to eighteen months, this framework is therefore interim and will be revisited as case law emerges and to reflect changes to the policy context. This document sets out the technical advice and expertise available Tower Hamlets CCG from the CSU to support the procurement of clinical services, as well as the respective responsibilities of the CCG and CSU in the process.

1.3. This strategic framework set out the policy context that Tower Hamlets CCG will follow when procuring clinical services. Where Tower Hamlets Clinical Commissioning Group proposes to award public contracts, the CCG will ensure that the procurement is conducted in accordance with the EU Procurement Directives as implemented into UK law by the Public Contracts Regulations 2015 (SI/2015/102).

1.4. In addition, any clinical procurement process undertaken by Tower Hamlets CCG, as supported by the NELCSU Procurement Team, will also comply with relevant national and regional guidelines and systems management tools issued by the Department of Health (DH), Monitor and NHS England. These include:

- Procurement Guide for commissioners of NHS-funded services (DH, 30 July 2010)
- The Principles and Rules for Cooperation and Competition (PRCC, July 2010)
- Framework for Managing Choice, Co-Operation and Competition (May 2008)
- The Equality Act 2010 (section 149)
- The Public Services (Social Value) Act 2012
- Procurement of healthcare (clinical) services, briefings 1-4 (NHS Commissioning Board, September 2012).
- The NHS (Procurement, Patient Choice and Competition) Regulations 2013 which support interpretation of section 75 of the Health and Social Care Act 2012 (11.03.13)
- Managing conflicts of interests: Guidance for clinical commissioning groups (NHS England, March 2013)
- A fair playing field for the benefit of NHS patients: Monitor's independent review for the Secretary of State for Health (March 2013)

1.5. Under EU Procurement rules, goods and services with the exception of Social and Other Specific Services above certain financial threshold are subject to the full OJEU procurement regime including advertisement across Europe. Social and Other Specific Services with a financial threshold of £172,514 (current EU threshold) are subject only to compliance with the general principles of equal treatment, transparency, objectivity and non-discrimination and a publication of a Contract Award Notification in OJEU when procurement process is complete. It is NHS policy that, where a new or expiring healthcare service contract is to be tendered by commissioners, such opportunities must be advertised on the Contract Finder

website in order to meet transparency obligations around adequate advertisement. However, it should be noted that the financial threshold for Social and Other Specific Services will be increased to £625,050 from April 2016 onwards and a new Light Touch Regime will apply for Social and Other Specific Services procurements with a value of =>£625,050. A contract notice and contract award notice in the Official Journal of the European Union (OJEU) must be published for Social and Other Specific Services procurements with a value =>£625,050. This Governance framework will therefore require revision after the details of the new Light Touch Regime are known. A list of Social and Other Specific Services are included as Appendix D.

1.6. Financial Controls:

Tower Hamlets CCG's Prime Financial Policies set out the following financial limits that will dictate the procurement requirements for any Social and Other Specific service tender:

Up to £4,999	Two verbal quotations
£5000 and £19,999	Two written quotations
£20,000 - £100,000	Three Written quotations
£100,000 - OJEU Threshold*	Three Competitive Tenders (sealed)
Over the OJEU Threshold	Full procurement process needs to be undertaken

* OJEU Threshold at 1.1.14: £172,514 (€200,000). The threshold for Social and Other Specific Services will be increased to £625,050 from April 2016 onwards.

1.7. Where it is agreed that a competitive tender should be undertaken, it is imperative that the process followed is subject to appropriate governance procedures. This is to ensure that due process is carried out from the perspective of Tower Hamlets CCG, in order to minimise the risk of legal challenge to the process by unsuccessful bidders, and associated costs and service mobilisation delays. This document therefore sets out the responsibilities of Tower Hamlets CCG (and also NELCSU in terms of the support it provides to the CCG) in undertaking clinical procurements. Where Tower Hamlets CCG decides to procure a clinical service collaboratively with another CCG or CCGs, a lead CCG will need to be identified under whose governance arrangements the process will be managed.

2. CLINICAL PROCUREMENT POLICY

2.1. CORE CLINICAL PROCUREMENT PRINCIPLES

Tower Hamlets CCG will conduct all clinical procurements in accordance with the following principles:

2.1.1. Fairness & Transparency: Tower Hamlets CCG will be clear and transparent in all communications with providers about the CCG's commissioning intentions, decisions (or not) to tender, advertising of opportunities, procurement evaluation criteria, publication of decisions and mechanisms for feedback.

- 2.1.2. Efficiency:** Tower Hamlets CCG will ensure that the procurement process is as efficient and time effective as possible for both commissioners and providers; as an outcome, all procurements will aim to improve productivity, efficiency and effectiveness of services whilst maintaining and seeking to improve clinical quality.
- 2.1.3. Quality:** Tower Hamlets CCG commissioners will procure services to meet patient needs which are of the highest possible quality standard, and use appropriate measurable performance indicators to monitor provider performance. Tower Hamlets CCG will ensure that the contract awarded as the result of a procurement process, as well as the procurement process itself, encourages all providers to deliver continual improvement in the quality of services that they are commissioned to provide.
- 2.1.4. Continuity:** Tower Hamlets CCG commissioners will continue to work in partnership with key providers of NHS services but will be supported by the NELCSU Procurement Team where required to continually test these services to ensure that the current providers deliver best value for money.
- 2.1.5. Equality of treatment and non-discrimination:** Tower Hamlets CCG will be supported by the NELCSU Procurement Team to clearly identify those services which will be put out to competitive tender, and to ensure that all sectors and providers (NHS and non NHS) will be treated equitably in terms procurement rules, access to information, timescales, financial and quality assurance checks, and pricing and payment regimes.
- 2.1.6. Proportionality:** by means of advice, guidance and support obtained, Tower Hamlets CCG commissioners will use procurement processes that are proportionate to the value, complexity and risk/benefit to patients of services procured; different procurement routes for different types of services will enable this. Potential costs to bidders will also be considered when assessing which procurement routes to follow.
- 2.1.7. Consistency:** Tower Hamlets CCG commissioners will apply national and local principles and rules consistently to all clinical procurements that they undertake.
- 2.1.8. Professional Conduct:** Tower Hamlets CCG will ensure that all procurement personnel who support them to undertake procurements will be subject to the Professional Code of Conduct as published by the Chartered Institute of Purchasing and Supply (CIPS).

2.2. PROVIDER ENGAGEMENT/MARKET MANAGEMENT

- 2.2.1.** On-going provider engagement is part of the Commissioning Cycle. Particular engagement activities (such as Information Events) will be undertaken that relate to individual procurement exercises. However, Tower Hamlets CCG is committed to maintaining an on-going dialogue with providers in order to involve them in shaping the CCG's commissioning intentions, and for providers to be clear about the shape and quality of service provision those commissioning intentions require.

- 2.2.2.** In addition to on-going engagement with providers, Tower Hamlets CCG commissioners will engage with providers in terms of financial, estates and workforce implications of potential procurements.

2.3. EQUALITY & NON-DISCRIMINATION

- 2.3.1.** Tower Hamlets CCG has a responsibility not to discriminate, promote equality of opportunity and pay particular attention to those groups or sections of society with poorer health and life expectancy. The CCG is therefore committed to undertaking Equality Impact Assessments for any proposed tender in order to ensure that no groups are adversely affected by the process or potential result. This information will be made readily available.

2.4. PUBLIC & PATIENT ENGAGEMENT

- 2.4.1.** Tower Hamlets CCG has a duty, and is committed to active and effective engagement with local patients and populations to assist in identifying areas where health needs are not being adequately met, and where there is scope for improvement of services. This will include commissioners undertaking public and patient consultations before a procurement process begins, and engaging patient and public representatives where possible in procurement evaluation panels. Service users should also inform the shape of planned changes to provision. Engagement will therefore be on-going through established CCG mechanisms and dedicated stakeholder events.

2.5. SERVICE SPECIFICATIONS

- 2.5.1.** Tower Hamlets CCG commissioners are committed to developing clear, outcome-focussed service specifications in partnership with clinicians for use in tender exercises in order to provide bidders with sufficient information to understand what commissioners want to buy while allowing for innovation where this is required.
- 2.5.2.** The degree to which the service specification has or can be developed will also inform the procurement model followed, for example, for AQP procurements, the service specification and funding model must be fully developed prior to procurement.
- 2.5.3. Governance:** service specifications will, as a matter of course, address the governance arrangements required of any service being procured in order to assure Tower Hamlets CCG commissioners that a clear and robust governance structure is in place both across the service specified and within the organisation or organisations which wins/win the tender.
- 2.5.4. Clinical engagement:** Tower Hamlets CCG commissioners will engage with a range of clinicians both within their CCG and externally to develop service specifications that are driven by clinical quality and have been agreed by relevant clinicians.

2.6. SUSTAINABLE PROCUREMENT

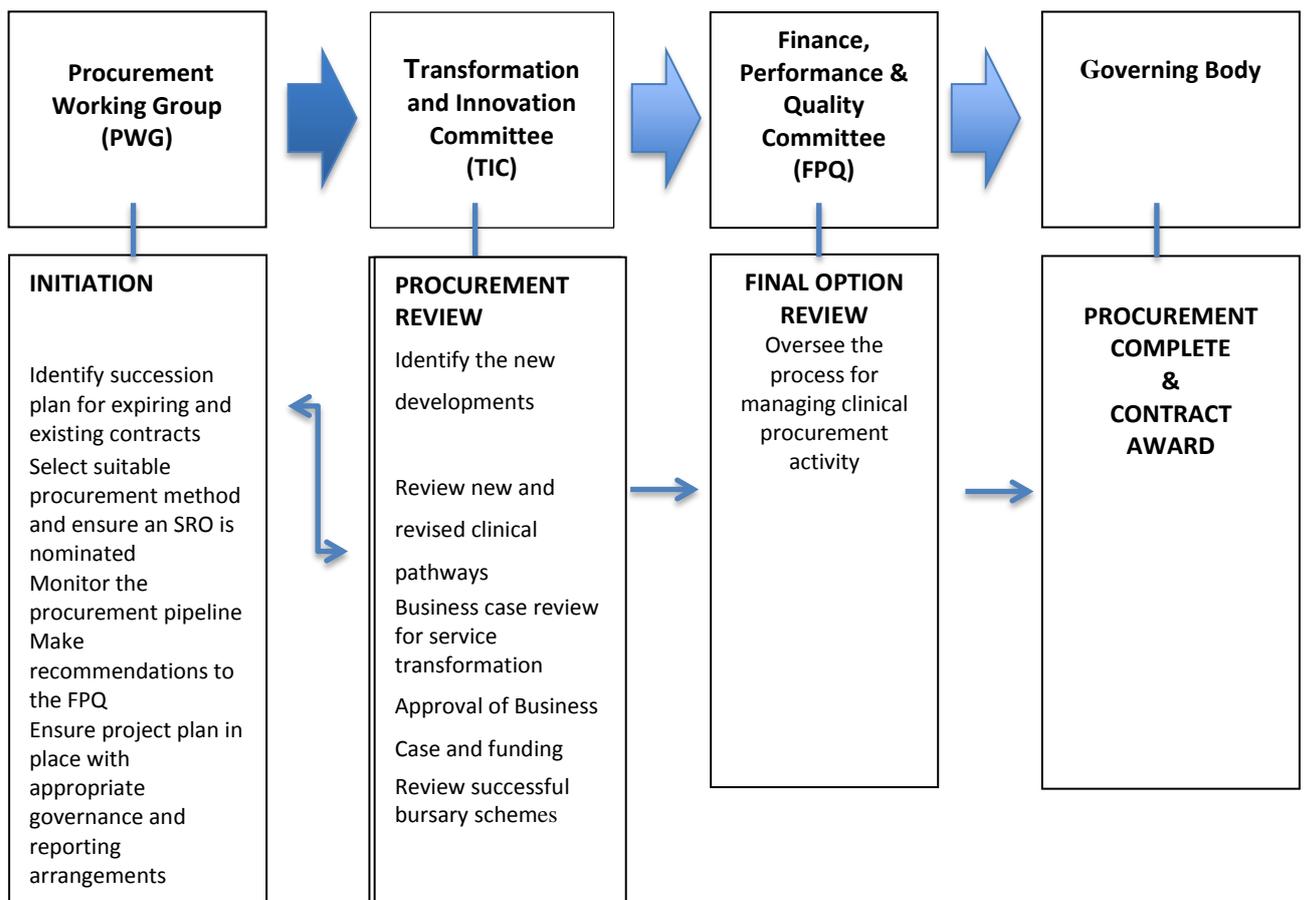
2.6.1. Tower Hamlets CCG recognises the responsibility and role it plays in reducing the impact it has as an organisation on the environment, and wishes to encourage health providers to do the same through reducing use of natural resources and in particular carbon emissions. Noting the context of the Public Services (Social Value) Act 2012.

2.6.2. The CCG intends to utilise e-procurement methods as far as possible, and include tender questions and performance measures relating to environmental considerations in the contracts tendered. The CCG will encourage providers (and potential providers) to be innovative in reducing their environmental impact whilst maintaining excellent clinical quality standards and improved outcomes.

3. CLINICAL PROCUREMENT GOVERNANCE

3.1. The diagram below sets out the Tower Hamlets CCG’s procurement governance structure:

Lead by the Tower Hamlets CCG Governing Body, to ensure procurement decisions are made with due regard to the Procurement, Patient Choice and Competition Regulations (2013) published by the Department of Health, the CCG follow a robust process to procure and review clinical and professional services commissioned.



3.2 Conflicts of Interest:

- 3.5.1.** Tower Hamlets CCG recognises that conflicts of interest may arise in relation to clinical procurement. Where a proposed competitive tender is likely to attract bids from organisations in which a member of a decision-making body – such as the Procurement Working Group or Finance and Activity Committee – has a financial or material interest, this interest must be declared, and the group member will be excluded from relevant parts of these meetings.
- 3.5.2.** To ensure active management of this issue, Tower Hamlets CCG will maintain registers of interest, require all procurement assessment panel members to sign a Declarations of Interest form, and keep records as to how Conflicts of Interest have been managed.

3.6. Pre-Clinical Procurement Initiation:

- 3.6.1.** When considering whether or not a service should be competitively tendered, Tower Hamlets CCG will ensure that any decision taken complies with the Regulations and Guidance set out in 1.2 above, the financial control limits (see 1.4 above) as well as other Standing Financial Instructions adopted and agreed by the relevant CCG(s), taking into account the scale of the procurement, the degree to which the service specification and funding model have been developed, and the number of potential providers for the service.
- 3.6.2.** In particular the NHS (Procurement, Patient Choice & Competition) Regulations 2013 place a specific duty on Tower Hamlets CCG to procure services from providers:
- Most capable of securing the needs of patients, improving the quality and efficiency of services
 - Provide best value for money

However, these Regulations also make clear that:

- Where it can be robustly demonstrated that only one provider is capable of providing a particular service, there is no requirement to put a contract out to competitive tender.
- Monitor has no power to force the competitive tendering of services. Decisions about how and when to introduce competition to improve services are solely up to doctors and nurses in CCGs. However, a court continues to retain the power to force a competitive tendering process to be undertaken by issuing an injunction if it determines that a CCG has acted unlawfully.
- Competition should not trump integration: commissioners are free to use integration where it is in the interests of patients. However, competition and integration should be seen as complementary rather than mutually exclusive. A well-designed competitive process can be used to achieve integration.
- The over-arching legally binding objectives of procurement are to secure the needs of patients and improve quality and efficiency.

These regulations are new and thus untested. Legal advice on the interpretation of these regulations recognises this and therefore each situation is unique and

requires due and careful consideration of all the circumstances. It is recommended that:

- It can be inferred from the 2013 Regulations that there is an obligation to advertise (or competitively tender) where the services to which the contract relates are not capable of being provided by only one provider (Regulation 5).
- The “single provider” test is a hard evidential burden to satisfy. The circumstances under which the test may be met include for example: i) that the provider is the only provider with the skills or capability to deliver the services ii) that provider is for reasons of patient safety, the only provider capable of delivering that service or iii) following a reconfiguration services are required to be provided in a certain location by a particular provider. Where Commissioners wish to test whether there is only a single provider able to deliver a particular clinical service, they should seek further advice and support from the CSU Procurement Team, as each case will need to be looked at individually. Undertaking a market test to identify the potential level of interest in a proposed tender by placing an advert on the Contract Finder (on Official Journal of the European Union from April 2016 onwards) website to gauge market interest is straightforward and can be published at any time. A full options appraisal would be needed to support the use of the single provider test.
- The Procurement Team will also help commissioners to design a competitive procurement process including appropriate award criteria that meets the requirements of the Regulations and wider legal requirements and recommendations (e.g. Monitor’s “Fair Playing Field” report).
- Commissioners should also routinely assess the potential impact of the outcome of a tender process on the integration of service delivery for affected patients prior to initiating procurement. This may include an obligation to consult where a significant change of service is proposed.
- There needs to be adherence to procurement law and agreed CCG financial limits.

3.7. Pre-advertisement: As the Contracting Authority and Budget Holder, and where it intends to undertake a clinical procurement, Tower Hamlets CCG will ensure that the correct procedures have been undertaken in accordance with the adopted Prime Financial Policies/Standing Financial Instructions – taking into account expected contract value for the life of the contract - in order to authorise the proposed tender to proceed to advert. This could include:

- Development of the Business Case
- Consideration and agreement of the Business Case, which should include the proposed procurement route (see Appendix A)
- Consideration and agreement of any waiver requirements: this could include, for example, circumstances where an existing contract may need to be extended to accommodate a tender timetable

3.8. During the Tender process, Tower Hamlets CCG will:

- Have tender opening procedures in place for manual return of ITT submissions or alternatively – where an e-procurement process is used - accept the Due North/Pro-Contracts electronic audit trail for the opening of tender submissions via this portal
- Provide leadership for the tender process and for the decisions made, and to identify the members of the evaluation panel
- With NELCSU support, be responsible for developing and giving final approval for the service-specific documentation, in particular the service specification and the questions to be asked of bidders that relate to the specification
- Provide a Lead to work with NELCSU Finance to develop the financial template, and to consider and assess the financial submissions received as part of a bid
- (Where a manual tender process is undertaken) To identify a receiving address for the return of all completed tenders (usually the CCG AO), and to have appropriate procedures in place for the care of unopened tenders, and for the opening of them by independent, nominated officers in line with the CCG's Prime Financial Policies/Standing Financial Instructions.

3.9. Completion of the tender process:

- With NELCSU support, to develop and finalise the Contract Award report
- For the Contract Award report to be considered and agreed by the CCG Board as required under the SFI's, and with appropriate consideration given to potential conflicts of interest in the Board membership
- With NELCSU support, to lead service mobilisation planning and implementation with the successful bidder(s)
- To raise a Requisition/Purchase Order for the contract for the successful bidder

3.9.2. Exceptionality Waiver Process:

- As the Contracting Authority and Budget Holder, Tower Hamlets CCG has in place a waiver process to ensure an appropriate audit trail for decisions around contract extensions/variations, or where a single action tender has been awarded.

3.10. North East London Commissioning Support Unit: will work pro-actively with CCGs/commissioners to ensure all procurement processes run smoothly and to the agreed timetable. This will include regular meetings, support and the prompt provision advice as required in order to assure CCGs that due process is followed, and that issues and potential risks are articulated, discussed and clear decisions made.

3.10.1. Pre-advertisement: NELCSU's Procurement Team will:

- Provide advice and guidance to Tower Hamlets CCG commissioners where required when developing business cases, particularly where a procurement route needs to be recommended.
- Require confirmation that the relevant Tower Hamlets CCG Committee has approved the Business Case and the procurement route before the advert can go live

3.10.2. During the Tender process:

- Provide Tower Hamlets CCG Lead Commissioners and panel members with advice, support and guidance through all stages of the procurement process
- Provide Tower Hamlets CCG lead commissioners with documentation templates, including Pre-Qualification Questionnaires (PQQs) and Invitation To Tender (ITT) documents (Procurement Team), and the Financial Model Template that reflects the required billing format and cost code (NELCSU Finance Team)
- Co-ordination of the tender process as a whole
- All liaison with Contract Finder and OJEU including the uploading of adverts (following approval by Communications)
- All liaison with bidders during the tender process
- Responsibility for uploading all finalised tender documents to the Due North e-Procurement system where an e-procurement process is undertaken
- To be present at the formal opening of received tenders and responsibility for distribution of the completed tender documents received to panel members, where a manual tender process is undertaken.

3.10.3. Completion of the tender process:

- To contribute to the content of the Contract Award report as required
- To follow the Contract Award report with the issue of standstill/alcatel period letters for the required 10-day period, and for this period to expire before the successful bidder is made known in the public domain.
- To develop, populate and issue the NHS Standard e-contract based on the specification, agreed KPIs, and the successful bidder(s)' tender documentation, and ensure contract is signed (NELCSU Contracts Team)
- To support the lead Commissioner with mobilisation planning and implementation (NELCSU Contracts Team)
- To raise a Requisition/Purchase Order for the contract for the successful bidder

3.10.4. Waiver Process:

- Where requested, to provide advice and guidance on waiver procedures and to add comments to waiver requests (where required.)

4. POTENTIAL PROCUREMENT ROUTES:

4.1 As part of the procurement process, all potential procurement routes should be considered to ensure that the route chosen is the most appropriate for the scale of the service being procured and the outcomes the procurement is intending to deliver. Appendix A sets out the routes that can be considered.

4.2 A standard procurement process will be followed in all cases. The procurement process to be followed, which sets out the responsibilities of commissioners and the procurement team, is set out in appendix B.

4.3 It should be noted that the procurement of contracts funded jointly between a CCG and a Local Authority across the sector for health and social care services will be subject to

locally agreed procedures and the Standing Financial Instructions of the organisation leading the tender.

APPENDIX A: PROCUREMENT ROUTES:

There are a number of procurement options available to Tower Hamlets CCG commissioners. The NELCSU Procurement Team will provide technical advice on the most appropriate choice; this will depend on a number of factors, including contract value, the status of the provider market, geography, the needs of patients and patient choice. The following describes the procurement routes that could be used, with some of the advantages and disadvantages of each.

Please note that the table below sets out the maximum timescales that should be allowed for large scale clinical procurements. For small value contracts these timescales can, in consultation with the CCG commissioning lead, be considerably contracted to be proportionate with the value of the contract to be awarded. Expectations about timescales will need to be discussed on a case-by-case basis and agreed up-front at the start of the process.

Procurement Routes

Potential Procurement Route	When it may be considered	Advantages	Disadvantages	Estimated Maximum Timescale (can be flexed down for smaller procurements)
Open tender (Combined Response Document)	<ul style="list-style-type: none"> Limited competition anticipated (i.e. few suppliers in the market) Niche requirement Patient/population need identified Specification, outcomes and KPI's determined pre-procurement 	<ul style="list-style-type: none"> Open to all suppliers Doesn't restrict small / medium enterprises Contract currency determined pre-procurement 	<ul style="list-style-type: none"> Volume of responses may be high and all will require evaluation 	<ul style="list-style-type: none"> 6 months maximum (does not require PQQ stage; may require TUPE period before contract start)
Restricted tender	<ul style="list-style-type: none"> Large market available for competition Patient/population need identified Specification, outcomes and KPI's generally determined pre-procurement but can be refined during preliminary stages 	<ul style="list-style-type: none"> Two-stage process that can minimise impact of resources by restricting the number competitors Contract currency determined pre-procurement 	<ul style="list-style-type: none"> Could limit the number of suitable bidders 	<ul style="list-style-type: none"> 6-9 months maximum (may require TUPE consultation period before contract start)

Potential Procurement Route	When it may be considered	Advantages	Disadvantages	Estimated Maximum Timescale (can be flexed down for smaller procurements)
Competitive Dialogue	<ul style="list-style-type: none"> • When the CCG's requirements cannot be met without adaption of readily available solutions • Where there is a need for design or innovation • Where negotiation is necessary because of its complexity, legal or financial make-up or risks of the project • Where the specification cannot be established with sufficient precision • Insufficient suitable suppliers available • Requires market development 	<ul style="list-style-type: none"> • Flexible approach to complicated procurements • Increases competition and encourages innovation • Specification and funding model are only developed during the process 	<ul style="list-style-type: none"> • Resource intensive to carry out dialogue phase • Innovative approaches may vary making it difficult to evaluate bids on a like for like basis 	<ul style="list-style-type: none"> • 12 months

Potential Procurement Route	When it may be considered	Advantages	Disadvantages	Estimated Maximum Timescale (can be flexed down for smaller procurements)
Competitive Procedure with Negotiation	<ul style="list-style-type: none"> No valid or suitable response received under Open or Restricted procedures When only one supplier may provide the service for technical, artistic or intellectual property right reasons Requirement is for research, experiment, study or development Where the specification cannot be established with sufficient precision Where negotiation is necessary because of its complexity, legal or financial make-up or risks of the project 	<ul style="list-style-type: none"> Contract terms are negotiated upfront from a selection of potential suppliers Assists in clearly defining the requirement and a selected number of bidders 	<ul style="list-style-type: none"> Resources intensive to carry out negotiations 	<ul style="list-style-type: none"> 9-12 months for a new process 6 months when follows an Open or Restricted process which has not identified a suitable provider
Innovation Partnership	<ul style="list-style-type: none"> Need for works, supplies or services not currently available on the market 	<ul style="list-style-type: none"> encourage suppliers to develop works, supplies or services not currently available on the market, through long term partnerships 	<ul style="list-style-type: none"> Resource intensive to carry out process Innovative approaches may vary making it difficult to evaluate bids on a like for like basis 	<ul style="list-style-type: none"> 9-12 months
Framework Agreement Call-off	<ul style="list-style-type: none"> Where an existing framework has been implemented, that satisfies all service requirements 	<ul style="list-style-type: none"> Reduces timescales – key terms have been agreed with suppliers appointed under the framework 	<ul style="list-style-type: none"> Specification is fixed and cannot be varied once framework is implemented 	<ul style="list-style-type: none"> 9-12 months maximum to establish the framework, but once implemented, call-offs can take 1-3 months
AQP (Any Qualified Provider)	<ul style="list-style-type: none"> Community based activities where local tariff has been agreed 	<ul style="list-style-type: none"> Designed to be a quicker process Pre-qualifies potential 	<ul style="list-style-type: none"> Initial accreditation may involve processing a large volume of 	<ul style="list-style-type: none"> 6-9 months maximum

Potential Procurement Route	When it may be considered	Advantages	Disadvantages	Estimated Maximum Timescale (can be flexed down for smaller procurements)
	<ul style="list-style-type: none"> • Where facilitating patient choice is a key local priority • Where payment for actual activity is preferred over block arrangements 	<p>providers, providing a 'pool' of potential supply</p> <ul style="list-style-type: none"> • Supports Patient Choice as patients decide which qualified provider to use 	<p>applications</p> <ul style="list-style-type: none"> • Stage 1 accredited providers may never qualify to supply • May not generate large/sufficient interest, as no volume guarantees are given • Does not encourage new providers as there is no guarantee of return on investment 	

ALTERNATIVES TO PROCUREMENT:

Contract Variation	<ul style="list-style-type: none"> When the value of a service development, re-design or expansion is within 10% of the existing contract value (or service line/s in an acute contract) 	<ul style="list-style-type: none"> A relatively quick process where continuity is beneficial when a service or pathway would benefit from being delivered in a different way 	<ul style="list-style-type: none"> Does not test the market for innovation or cost 	<ul style="list-style-type: none"> Needs to be negotiated with the current provider to ensure it is acceptable to them
Contract Management	<ul style="list-style-type: none"> As set out in the DH "Procurement guide for Commissioners of NHS-funded services" (July 2010, clause 2.3), contract management can be used where an existing contract is in place in order to secure incremental improvements/changes to existing services, or to address under-performance, as an alternative to procurement 	<ul style="list-style-type: none"> As above 	<ul style="list-style-type: none"> As above 	<ul style="list-style-type: none"> As above
Waivers	<ul style="list-style-type: none"> When contract end dates need to be harmonised prior to a tender involving several services When a service or contract would benefit from extension and the circumstances set out in the SFI's are met 	<ul style="list-style-type: none"> Enables developing or remodelled services further time to become established Continuity of service provider 	<ul style="list-style-type: none"> Where a market is developing or developed, may be regarded by potential providers as anti-competitive Does not test the market or demonstrate that VFM is being achieved 	<ul style="list-style-type: none"> Waiver process needs to be followed, with senior management authorisation obtained. Timescale depends on robustness of supporting evidence.
Single Tender Action (NHS Procurement, Patient Choice & Competition) Regulations 2013)	<ul style="list-style-type: none"> Where it can be robustly demonstrated that only one provider is capable of providing a particular service, there is no requirement to put a contract out for competitive tender Consideration of impact of procurement on pathway integration 	<ul style="list-style-type: none"> A quick process that saves resources and time involved in running a tender 	<ul style="list-style-type: none"> Does not test the market for innovation or cost 	<ul style="list-style-type: none"> Contract will need to be negotiated with identified single provider

APPENDIX B

NORTH & EAST LONDON CCGs/CSU INDICATIVE CLINICAL PROCUREMENT PROCESS

The following table sets out the sequential stages in a clinical procurement process using a “restricted” (i.e. 2-stage) procurement route, establishing what needs to be done, in what order and by whom. The “restricted” route has historically been the route selected most commonly by commissioners as it allows the number of bidders put through to the ITT stage to be reduced on the basis of the quality of their PQQ submissions. This example should be taken as a template which can be applied to the circumstances of each particular tender, where a “restricted” route is chosen. The CSU Procurement Team will work with commissioners to develop an agreed timeline for each project. The timeline set out here is discretionary but reflects cumulative experience of running tenders that have achieved the best outcomes with the minimum of delays and challenges, and that takes into account competing time demands on both bidders and commissioners/evaluation panel members. Whilst this timeline can be reduced, there are associated risks which the CSU Procurement Team will set out and discuss with commissioners where a shorter timeframe is preferred.

<u>Steps in Clinical Procurement process</u>	<u>Timeline (working days and as a minimum – actual timeline would need to factor in panel commitments/annual leave/unavoidable delays and unforeseen events etc.)</u>	<u>Responsibilities of Lead Commissioner/CCG representatives</u>	<u>Responsibilities of CSU Clinical Procurement</u>	<u>Responsibilities of the CSU Contracts & Finance Teams</u>
1. Stage 1: Planning/pre-Advertisement				
Business Case approved by Clinical Commissioning Group/authorisation to proceed to advert given in accordance with SFIs	CCG Governing Body/Board process & decision	Lead Commissioner/CCG to gain approval/authorisation ensuring those making decisions have no conflicts of interest		
Development of tender-specific documentation:	<ul style="list-style-type: none"> Specification (inc. KPIs): finalised by time of ITT 	<ul style="list-style-type: none"> Lead 	<ul style="list-style-type: none"> Procurement Team will provide 	<ul style="list-style-type: none"> CSU Contracts Team will provide

<ul style="list-style-type: none"> • Specification (inc. KPIs) • Advert text • MOI (Memorandum of Information) • PQQ (Pre-Qualification Questionnaire) • ITT (Invitation To Tender) • Equalities Impact Assessment (EqIA) • Financial Model Template 	<p>issue</p> <ul style="list-style-type: none"> • Advert text: for upload to Supply2Health • MOI (Memorandum of Information): to provide bidders at EOI stage with general information about the service/CCG area • PQQ: for PQQ issue • ITT: for ITT issue • Equalities Impact Assessment: as part of Business Case • Financial Model Template: finalised by time of ITT issue 	<p>Commissioner/CCG for Specification, MOI, EqIA and questions for the PQQ and ITT</p> <ul style="list-style-type: none"> • Finance lead for the confirmation of the Financial Model Template 	<p>templates for procurement documents and previous examples of documents used; will be responsible for uploading documents to e-Procurement system and/or issuing all documents to bidders</p>	<p>support to lead CCG commissioners with development of the Specification (inc. KPIs), the questions to be asked of bidders and any other documents as required</p> <ul style="list-style-type: none"> • Finance lead to develop the Financial Model Template
<p>Establish Evaluation Panel/Project Group: identify people willing to take part, including commissioners, clinicians, GPs, independent and national representation, user/patient representation, local Finance lead, HR/IT & Quality Assurance reps etc.</p>	<p>Needs to be finalised by deadline for PQQ submissions</p>	<p>Lead Commissioner/CCG to establish</p>	<p>Clinical Procurement will require all assessment panel members to sign Declaration of Interest form before taking part in any assessment process. The team will also provide assessment panel members with training on procurement and use of any e-Procurement systems</p>	
<p>Notice given to current provider(s) if required</p>	<p>6 months minimum required</p>	<p>Lead CCG Commissioner to authorise issue of notice letter(s)</p>		<p>CSU Contracts Team to issue notice letter(s) in the name of the relevant CCG(s)</p>
<p>2. Stage 2: Pre-Qualification (PQQ)/Invitation to Tender (ITT)</p>				

Finalise Advert text		Lead Commissioner	Clinical Procurement provides template and coordination support	
Advert sent to Communications (for clearance)	Day 1		Clinical Procurement	
Advert Placed on Supply2Health website & Pro-Contracts e-Procurement system	Day 2		Clinical Procurement	
Finalise EOI form and MOI	By Day 2	Lead Commissioner	Clinical Procurement provides templates and coordination support	
Period for receipt of Expressions of Interest (EOI)	Day 3-17 (minimum 15 working days to ensure seen by widest audience and taking potential bidder leave into account)		Clinical Procurement issues and logs EOI requests	
Finalise PQQ	By Day 18	Lead Commissioner	Clinical Procurement provides template and coordination support	
PQQ issued to organisations submitting EOI's	Day 18		Clinical Procurement issues PQQs	
PQQ Bidders Day – clarify PQQ questions	Day 19-23 (to be agreed if required; best practice within first week of receiving PQQ)	Lead Commissioner to present service specific information	Clinical Procurement provides event coordination support	
Deadline for receipt for PQQ submissions	Day 37 (4 weeks as best practice)		Clinical Procurement oversees submissions by deadline and issues them to assessment panel/releases access to on-line submissions to Evaluation Panel	
Completion of evaluation for PQQ's	Day 46 (10 working days for Panel to assess and score; Panel must commit to	Evaluation Panel & Local Finance lead complete by deadline		CSU Finance Team to support CCG Finance lead with evaluation of

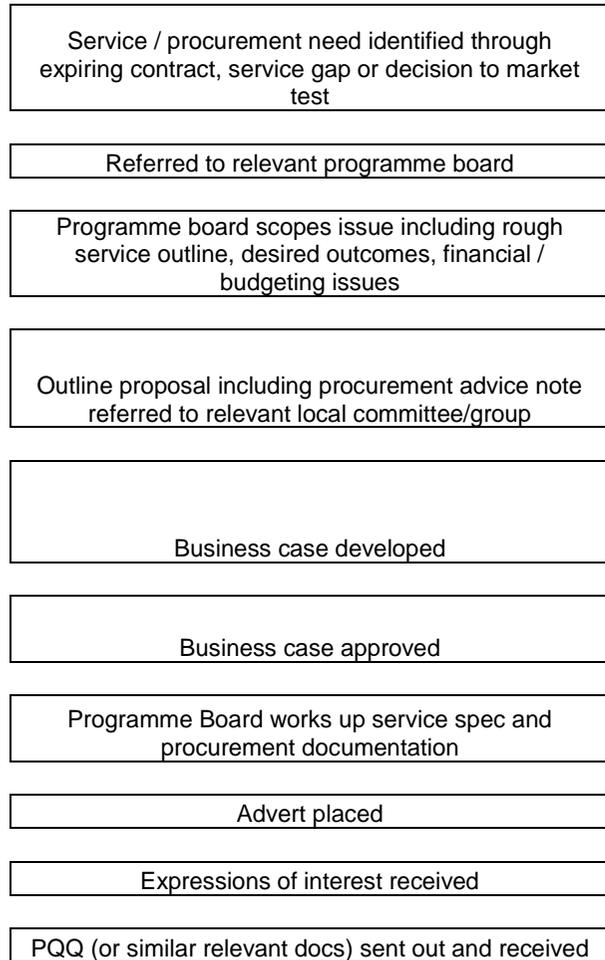
	completing task by deadline)			Financial element of submission
Collation of PQQ scores and preparation for moderation session	Day 47		Clinical Procurement collate scores and prepare materials for moderation session	
PQQ Moderation Meeting	Day 48	Evaluation Panel & Local Finance must be present to discuss scores	Clinical Procurement leads moderation session	
Finalise ITT and Financial Model Template	By Day 49	Lead Commissioner & local Finance Lead	Clinical Procurement provides templates and coordination support	
Invitation to Tender issued to successful bidders	Day 49		Clinical Procurement issues ITT	
ITT Bidders day – clarify ITT questions	Day 50-54 (to be agreed if required; best practice within first week of receiving ITT)	Lead Commissioner/lead clinicians to present service specific information	Clinical Procurement provides event coordination support	
Deadline for receipt of ITT bids (4 weeks)	Day 68		Clinical Procurement oversees submissions by deadline and issues them to assessment panel/releases access to on-line submissions to Evaluation Panel	
Evaluation of ITT's completed by	Day 77 (10 working days for Panel to assess and score; Panel must commit to completing task by deadline)	Evaluation Panel & Local Finance complete by deadline		CSU Finance Team to support CCG Finance lead with evaluation of Financial element of submission
Collation of ITT scores and preparation for moderation session	Day 78		Clinical Procurement collate scores and prepare materials for	

			moderation session	
Moderation Meeting for ITT's and preparation for interviews	Day 79	Evaluation Panel & Local Finance must be present to discuss scores and agree presentation topic and clarification questions to be asked	Clinical Procurement leads moderation session	
Presentation/interview day for bidders, with final evaluation by Panel	Day 84 (to allow bidders a week from moderation meeting to prepare)	Project Team, with Local Finance representative if necessary	Clinical procurement present to ensure due process undertaken	
3. Stage 3: Approval/Contract Award				
Contract award route: dependent on CCG SFIs, but needs sign-off by CCG Governing Body (and take into account need to ensure no Conflicts of Interest in the membership of the Governing Body making that decision.)	Day 85-94 (estimate: all within 10 working days) CCG Governing Body/Board process: Contract award paper to be prepared, presented and agreed	Lead Commissioner finalises Contract Award report and arranges for its consideration by CCG Governing Body with support and input from Clinical Procurement	Clinical Procurement provide procurement process detail input to Contract Award report	CSU Contracts Team will populate the NHS Standard e-contract based on the specification, agreed KPIs and the successful bidder(s)' tender documentation
Contract award date and letters sent to successful/unsuccessful bidders	Day 95		Clinical Procurement coordinates issue of letters	
10 day Alcatel/standstill period expires	Day 96-105 (10 calendar days but not ending on a weekend day)		Clinical Procurement oversees this and any extensions to the standstill period	
Feedback provided to successful/unsuccessful bidders	Day 96-105 (best practice to provide feedback within the standstill period, both written	Lead Commissioner and other Evaluation Panel reps to provide feedback	Clinical Procurement coordinates written feedback and any face-to-	

	and face-to-face)	comments and be present at any feedback meetings	face meetings	
Contract signing/mobilisation	Day 106 onwards (assuming no use of Judicial Review or Remedies Directive by unsuccessful bidders)	Lead Commissioner to discuss (NOT negotiate) with successful bidder		CSU Contracts Team can issue contract to successful bidder(s) for discussion & signing, and support lead Commissioner with mobilisation planning and implementation
Possible TUPE process	Day 106-126 (1 month assumed: depends on size of staff group affected: 3 months if over 100 people)	Successful Bidder		
Service Commencement Date	Day 127	Successful Bidder		
New Contract end date logged on Clinical Procurement Forward Plan for re-tender	Day 128	Lead Commissioner to confirm service/contract start date	Clinical Procurement to log re-procurement date on Clinical Procurement Forward Plan	CSU Contracts Team update own records for future contracting round information

APPENDIX C

Procurement Process Flow Chart



Panel evaluation

Moderation review

ITT sent out and received (if appropriate to bid type)

Evaluation + Moderation

Evaluation panel drafts shortlist / preferred / reserve bidder recommendations to go to relevant local committee/group and then Governing Body (Part II) formally for approval

bidders notified

ALCATEL 10 day
If no challenge proceed to contract close, signature

Service mobilisation

Appendix D

LIST OF SOCIAL AND OTHER SPECIFIC SERVICES

CPV Code	Description	CPV Code	Description
75200000-8	Provision of services to the community.	75231200-6	Services related to the detention or rehabilitation of criminals
75231240-8	Probation services.	79611000-0	Job search services.
79622000-0	Supply services of domestic help personnel.	79624000-4	Supply services of nursing personnel
79625000-1	Supply services of medical personnel	85000000-9	Health and social work services
85100000-0	Health services.	85110000-3	Hospital and related services.
85111000-0	Hospital services.	85111100-1	Surgical hospital services.
85111200-2	Medical hospital services.	85111300-3	Gynaecological hospital services.
85111310-6	In-vitro fertilisation services.	85111320-9	Obstetrical hospital services.
85111400-4	Rehabilitation hospital services.	85111500-5	Psychiatric hospital services.
85111600-6	Orthotic services.	85111700-7	Oxygen-therapy services.
85111800-8	Pathology services.	85111810-1	Blood analysis services.
85111820-4	Bacteriological analysis services.	85111900-9	Hospital dialysis services.
85112000-7	Hospital support services.	85112100-8	Hospital-bedding services.
85112200-9	Outpatient care services.	85120000-6	Medical practice and related services
85121000-3	Medical practice services.	85121100-4	General-practitioner services.
85121200-5	Medical specialist services.	85121210-8	Gynaecologic or obstetric services.
85121220-1	Nephrology or nervous system specialist services.	85121230-4	Cardiology services or pulmonary specialists services.
85121231-1	Cardiology services.	85121232-8	Pulmonary specialists services.
85121240-7	ENT or audiologist services.	85121250-0	Gastroenterologist and geriatric services.
85121251-7	Gastroenterologist services.	85121252-4	Geriatric services.
85121270-6	Psychiatrist or psychologist services.	85121271-3	Home for the psychologically disturbed services.
85121280-9	Ophthalmologist, dermatology or orthopaedics services.	85121281-6	Ophthalmologist services.
85121282-3	Dermatology services.	85121283-0	Orthopaedic services.
85121290-2	Paediatric or urologist services.	85121291-9	Paediatric services.
85121292-6	Urologist services.	85121300-6	Surgical specialist services.
85130000-9	Dental practice and related services.	85131000-6	Dental-practice services.
85131100-7	Orthodontic services.	85131110-0	Orthodontic-surgery services.
85140000-2	Miscellaneous health services.	85141000-9	Services provided by medical personnel.
85141100-0	Services provided by midwives.	85141200-1	Services provided by nurses.
85141210-4	Home medical treatment services.	85141211-1	Dialysis home medical treatment services.

CPV Code	Description	CPV Code	Description
85141220-7	Advisory services provided by nurses.	85142000-6	Paramedical services.
85142100-7	Physiotherapy services.	85142200-8	Homeopathic services.
85142300-9	Hygiene services.	85142400-0	Home delivery of incontinence products.
85143000-3	Ambulance services.	85144000-0	Residential health facilities services.
85144100-1	Residential nursing care services.	85145000-7	Services provided by medical laboratories.
85146000-4	Services provided by blood banks.	85146100-5	Services provided by sperm banks.
85146200-6	Services provided by transplant organ banks.	85147000-1	Company health services.
85148000-8	Medical analysis services.	85149000-5	Pharmacy services.
85150000-5	Medical imaging services.	85160000-8	Optician services.
85170000-1	Acupuncture and chiropractor services	85171000-8	Acupuncture services
85172000-5	Chiropractor services	85200000-1	Veterinary services
85210000-3	Domestic animal nurseries	85300000-2	Social work and related services
85310000-5	Social work services	85311000-2	Social work services with accommodation
85311100-3	Welfare services for the elderly	85311200-4	Welfare services for the handicapped
85311300-5	Welfare services for children and young people.	85312000-9	Social work services without accommodation
85312100-0	Day care services.	85312110-3	Child day care services
85312120-6	Day care services for handicapped children and young people	85312200-1	Home delivery of provisions
85312300-2	Guidance and counselling services	85312310-5	Guidance services.
85312320-8	Counselling services.	85312330-1	Family-planning services
85312400-3	Welfare services not delivered through residential institutions	85312500-4	Rehabilitation services.
85312510-7	Vocational rehabilitation services.	85320000-8	Social services.
85321000-5	Administrative social services.	85322000-2	Community action programme
85323000-9	Community health services.	98133100-5	Civic betterment and community facility support services.
98133000-4	Services furnished by social membership organisations.	98200000-5	Equal opportunities consultancy services
98500000-8	Private households with employed persons	98513000-2	Manpower services for households.
98513100-3	Agency staff services for households.	98513200-4	Clerical staff services for households
98513300-5	Temporary staff for households	98513310-8	Home-help services.
98514000-9	Domestic services	98000000-3	Other community, social and personal services.
98120000-0	Services furnished by trade unions	98132000-7	Services furnished by political organisations.

CPV Code	Description	CPV Code	Description
98133110-8	Services provided by youth associations	98130000-3	Miscellaneous membership organisations services