

ABM University Health Board	
Date of Meeting: 23rd January 2018 Name of Meeting: Audit Committee Agenda item:3c	
Subject	NWSSP Procurement – Single Tender Actions and Quotations July to December 2017
Prepared by	Andrew Biston, Head of Accounting
Approved by	Lynne Hamilton, Director of Finance
Presented by	Lynne Hamilton, Director of Finance

1. Situation

- 1.1. This report provides the Audit Committee with details of the Single Tender Actions (STA) and Single Quotation Actions (SQA) approved by the Health Board for the period July to December 2017. The report also provides trend information on the number and value of STA's and SQA's details of regular STA's and SQA's and examples of STA's and SQA's deferred and the reasons for the deferrals.

2. STA and SQA Analysis

- 2.1. The details of the STA's and SQA's approved are attached as **Appendix A** to this report. Document. The table below identifies the number of STA's and SQA's received for the financial year to date, which shows a reduction in the numbers when compared to the 2016/17 financial year.

Source	2016/17 Number	2017/18 to Dec Number	2016/17 Value (£)	2017/18 to Dec (£)
STA	33	12	£2,441,543	£1,100,892
SQA	100	43	£1,170,614	£448,975

3. Regular STA and SQA Requests

- 3.1. There are a small number of SQA and STA requests received on an annual or bi-annual basis which is linked to the fact that there may only be a single supplier who can provide the equipment or service. These are regularly reviewed and as identified in the table below where possible SLA's have been put in place to remove the STA/SQA requirement.

Examples of Annual/Bi Annual STA/SQA requests:

Supplier	Requirement
HQIP	National Joint Registry charges
SVB Engineering	Endoscopy Validation Services
Agfa Healthcare	Fuji PACS – Data Migration Services
Wolters Kluwer	“UptoDate” Library Resource Tool for Clinicians
Clinisys	Path System Support
JAC	Maintenance of Pharmacy System
Qube Global Software	Planet FM – Estates System – Extended for a three year period, obtained preferential terms
Allocate	E-rostering – SLA now in place
WEQAS	Accreditation for Clinical POCT – Queried by Procurement – no longer subject to STA – NHS Establishment
Sungard Services	DR Solution - Masterlab

4. STA/SQA’S deferred or added value

- 4.1. As part of the STA/SQA review process, the Procurement Department will seek where required to defer SQA’s/STA’s if they are not deemed appropriate or to secure added value. The following paragraphs give examples of where this has occurred.

STA received for Personal Child Health Record Books, Procurement investigated further and discovered a formal contractual arrangement, STA cancelled.

Purchase of Case Note Folders with Icom Ltd, Procurement renegotiated the price to below the £5K threshold – SQA cancelled.

Infant view Laryngo device – SQA cancelled, other suppliers identified in the market. Quotation Exercise to be undertaken.

STA-36299-004-LE – Medtronic

Purchase of Intrathecal Drug Delivery Pumps from Medtronic – initially challenged and returned as there was competition in the market, albeit limited. However, after further investigation, the only alternative pump had been withdrawn from sale and the BSi CE Safety Mark has been rescinded, due to a near death incident in Ireland. Preferential terms negotiated for a call-off

arrangement. As a consequence, a 2.5% discount was negotiated resulting in savings of £3,295.00 exc. VAT.

STA-36578-006-JI – WEQAS

Enrolment of POCT Sites in the Welsh External Quality Assurance Scheme (WEQAS) for 2017/18 – enquired with WEQAS as to whether preferential terms were available for a longer term commitment. However, given that this accreditation needs to be undertaken on an annual basis, an annual renewal process needed to be followed accordingly, therefore, there was no scope for a longer term commitment.

STA-36743-008 – BOC

Upgrade of Medical Gas Systems at POWH – Value of works circa: £145K + VAT. As the value exceeded the EU threshold, a Voluntary Transparency (VEAT) Notice was published in the European Journal to support the justification for Single Tender Action. No challenges were received from the market which confirmed that only BOC could undertake the work required.

Estates – Replacement of Fire and Repeater Panes at Cefn Coed Hospital. The request advised that only supplier, Morris Churchfield, could undertake the work as the system was a closed protocol. Following investigation, it was established that this was not a closed protocol therefore a quotation exercise was requested.

Pathology – LIMS Label Requirements. The SQA form had insufficient information to demonstrate the reasons were robust and could be justified therefore the form was returned and more information has been requested.

Richard Wolfe – Replacement Scopes. The SQA form was returned, as there was insufficient information to demonstrate the reasons provided were robust and could be justified. In addition, there were other known suppliers of scopes therefore a quotation exercise is being undertaken.

Requests for annual subscriptions, licences or registrations are reconsidered where it may be more cost effective to extend the contract terms for longer periods, thus reducing the frequency of requests, year on year. Examples are as follows:

ABM-SQA-36792-29-AT - Integra

HB's Equipment Management Database E-Quip. The SQA request was for a one year software licence at a cost of £5450. Agreed with the requisitioner and the provider that a 3 year licence would be purchased at a cost of £16,350.00 resulting in a cost avoidance saving of £329.18

ABM-STA-36868-BM – Zetasafe

Asset management licence used for statutory compliance with water management legislation. The SQA request was for one year licence at a cost of £15,166. Agreed with the requisitioner and the provider that a 3 year licence would be purchased at a cost of £45,498.00, resulting in a cost avoidance saving of £612.71

Alpha Laboratories

Fixed Control Cells need for internal quality control of immunophenotyping by flow cytometry, £6,726.16. Authorised SQA form advises that there are two suppliers able to provide this product, therefore, the form was returned and the requisitioner advised that a quotation exercise needed to be undertaken with the two known and any other suitable suppliers.

5 Recommendations

- 5.1 The Audit Committee is asked to note the SQA's and STA's approved in the period July to December 2017, the comparison analysis for 2016/17 and 2017/18 to date, the regular STA and SQA requests and the SAT's and SQA's deferred.

Item 3C Attachment 12 Appendix A

Single Tender Actions and Quotations for Purchase Orders Completed for July, August, September, October, November and December 2017

Single Tender Actions in accordance with Standing Financial Instructions, Schedule 1, 4.2

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
1	ABM-STA-36743-008-JI	31 st July 2017	Capital Planning	Alexandra Howells	BOC Healthcare	Request received from Hardy Rodde, Technical Manager, Capital Planning to place an order for the upgrade of medical gas systems at POW. This includes a new HTM compliant medical air system, medical vacuum system and replacement provision of a separate second resilient vessel for the site. The project is one of the currently ABMU Environmental Infrastructure Schemes funded by Welsh Government.	£145,000 Plus VAT	Pricing is in line with industry standard. VEAT Notice issued in European Journal	BOC Healthcare owns and maintains all the oxygen vessels and associated infrastructure on sit and is the All Wales contractor for the supply of bulk oxygen via dedicated tankers, therefore competitive bids cannot be obtained on this occasion. Given the value of the works, Procurement Services also published a VEAT Notice in the European Journal advising the market of our intention to proceed to award to BOC , as outlined. Following the stand-still period, no objections or challenges have been raised.
2	ABM-STA-36868-009-BM	11 th August 2017	Estates, Morriston	Alexandra Howells	Zeta Compliance Services LTD	Request received from Liza Powell, Estates Manager, Morriston Hospital to raise an order to cover the renewal of the Zeta Safe	£45,498 Exc. VAT	Closed Protocol Scenario. Software licence arrangement renewed annually. Sought terms for	The licences enable the Health Board to record all statutory water readings. The Estates Department download all the data from a hand held device onto a

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
						Licences for a 3 year period from 9 th August 2017 to 8 th August 2020 for Singleton, Morriston and Princess of Wales. This is a negotiated price for a 3 year fixed price commitment resulting in a cost avoidance saving of £612.71.		a three year renewal term and negotiated fixed pricing, resulting in a cost avoidance saving of £612.71	hosted website which acts as the depository for all recorded data. This ensure the Health Board meets statutory requirements. The software package is bespoke to Zeta and no other supplier is able to provide the necessary support, therefore, competitive tenders cannot be sought on this occasion.
3	ABM-STA - 37933-015-JI	18 th December 2017	Estates, POW	Alexandra Howells	Babcock Wanson UK	Request received from David Swetman, Estates Manager to raise an offer for the purchase of a replacement coil for a Steam Generator on the POW site.	£34,782 Exc. VAT	The cost includes transportation of the coil and the heavy lifting equipment to site, Estates colleagues have confirmed that the cost is in line with industry standards.	Babcock Wanson UK manufactured, installed and currently maintain the steam generators on the POW site. As such, they are the only company with the specialist tools and heavy lifting equipment to undertake

Single Quotations in accordance with Standing Financial Instructions Schedule 5, 3.2

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
1.	SQA-ABM-37160-038-KS	27 th November 2017	Cochlear Implants, POW	Alexandra Howells	Advanced Bionics UK and Ireland	Request from Lucy Phillips, Cochlear Implant Coordinator, to	£28,800 Inc. VAT	Closed Protocol scenario - upgrade to	Funding has been secured from the Welsh Government (WHSSC) to upgrade existing

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
						raise an order for Cochlear Speech Processor Upgrades at a cost of £6,000 exc. VAT each for up to 4 patients.		existing aids, pricing is line with the current Audiology market pricing structure.	patients Cochlear Harmony Processors which have now become obsolete. The company's products are not interchangeable with other manufacturers and, as the patients existing systems where originally supplied by Advanced Bionics, competitive quotes cannot be sought on this occasion. The cost of this upgrade is in line with the current Audiology market pricing structure.
2	ABM-SQA-37236-039-NB	14 th November 2017	Neath Port Talbot Delivery Unit	Lynne Hamilton	Ehealth Digital Media Ltd	Request received from Lesley Jenkins, Unit Nurse Director, NPT to raise an order to create a prevention of Pressure Ulcers Information Film.	£7,500 Plus. VAT	Figures have shown that patients who view the diabetes films in particular, have improved clinical markers for blood glucose control. Pricing is in line with industry standard.	EHealth Digital Media Ltd is a specialist communications company specialising in the production of films and a series of health information films in relation to diabetes and pressure ulcers, with the aim to help patients and Health Care Professionals (HCP). The films are distributed via a private platform and not available in the public domain. Links to films are 'prescribed' to patients via the HCP. The DU are looking to create a new film related to prevention of pressure ulcers, that will sit alongside the original film and

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
									will complement the first film. As this is an 'add on' to the original , competitive quotations cannot be sought on this occasion.
3	ABM –SQA – 28806-045-SP	24 th October 2017	Quality Manager, HSDU	Rory Farrelly	SGS United Kingdom Ltd	Request received from Julie Preedy, Quality Manager, HSDU Services on three sits based upon a three year certification cycle of up to £25,000 dependent upon the length of surveillance visit/non-conformities.	£25,000 Inc. VAT	Closed Protocol Scenario. ISO Audits undertaken by approved notified body. Prices are in line with industry standard	SGS are the notified body who are required to audit HSDU services as a manufacture of medical devices, on behalf of the competent authority – the MHRA. SGS have been the notified body responsible for undertaking independent audits of each site to ensure compliance. These audits have ben undertaken by SGS for the last 10 years. They are approved notified body for the majority of units in Wales and it is on this basis that single quotation action is requested.
4	ABM-SQA- 28804-046-SP	1 st November 2017	Head of Pathology, Informatics	Rory Farrelly	Ideagen Gael	Request received from Ed Davies, Head of Pathology Informatics to raise an orfer for the purchase of additional licences for the QPulse Document Management System used in Pathology	£7,750 Plus. VAT	Closed Protocol Scenario. Additional Software licences required, Pathology have confirmed that the pricing is in line with industry	The Pathology Departments across the Health Board sites uses the QPulse Document Management System for the management of all its documenting. During a recent Audit it was identified that the current number of licenses is insufficient to support the

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
								standard.	activities of the Department and a further 9 licences are required. QPulse are the only supplier that provide the software, therefore, competitive bids cannot be sought on this occasion.
5	ABM-SQA-28804-048-SP	27 th November 2017	Informatics Business Manager	Alexandra Howells	QAS Experian LTD	Request received from Gareth Westlake, Informatics Business Manager to raise an order for the renewal of the annual licence fee for the QuickAddress Pro Web software.	£11,600 Plus. VAT	Annual licence for postcode software negotiated additional users discount from £40 each to £25 each	This software is essential for the accurate registrations and maintenance of the ABMU Clinical Portal Index, which is used across the organisation. This software verifies addresses and postcodes ensuring that the information on patient appointment letters is complete and up-to-date. Due to the number of users now utilising the system the Health Board has been able to negotiate a reduction in price of 37.5% from £40 to £25 per user which is the highest discount available. QAS Experian are the only supplier that provide the software which is compatible with the ABMU Clinical Portal Interface, therefore competitive bids cannot be sought on this occasion.

	Procurement Ref	Date	Site/ Department	Approving Executive	Company	Details	Amount	VFM	Reason for STA
6	ABM- SQA- 28804-049-SP	27 th November 2017	Trauma and Orthopaedics, NPT	Alexandra Howells	Sovereign Medical Ltd	Request received from Andy Bebbington, Trauma and Orthopaedics Consultant to raise an order for the purchase of a patient specific implant for revision surgery.	£7,495 Exc. VAT	Revision of Knee, custom made head being designed, manufacturer of original, no scope for negotiation	The requirement is for a replacement prosthetic spherical head and stem implants necessary for the revision procedure. As the requirement is patient specific we are unable to benchmark, however the costs are in line with the current Orthopaedic Prosthesis market. No standard implant options are available to match the complexity of the case, therefore competitive bids cannot be sought on this occasion.