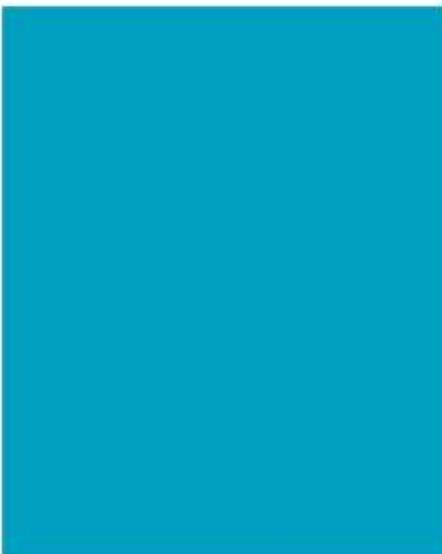


IDCR Toolkit:  
Commercial and  
Procurement  
Guidance in  
relation to the  
Integrated Digital  
Care Fund 2014



**NHS England INFORMATION READER BOX****Directorate**

Medical	Operations	<b>Patients and Information</b>
Nursing	Policy	Commissioning Development
Finance	Human Resources	

**Publications Gateway Reference:****1616**

<b>Document Purpose</b>	Guidance
<b>Document Name</b>	Commercial and Procurement Guidance
<b>Author</b>	NHS England/P&I/SST
<b>Publication Date</b>	09 May 2014
<b>Target Audience</b>	Foundation Trust CEs , NHS Trust CEs
<b>Additional Circulation List</b>	
<b>Description</b>	This document is being made available in support of the Integrated Digital Care Fund. It will therefore be accessible to NHS organisations applying to the Trusts by way of guidance in relation to the commercial/procurement aspects of their bid to the Fund
<b>Cross Reference</b>	Integrated Digital Care Fund Prospectus
<b>Superseded Docs (if applicable)</b>	N/a
<b>Action Required</b>	n/a
<b>Timing / Deadlines (if applicable)</b>	
<b>Contact Details for further information</b>	Rachel Flower P&I/SST/Delivery Partner team Quarry House, 7th floor  07918 368427

**Document Status**

This is a controlled document. Whilst this document may be printed, the electronic version posted on the intranet is the controlled copy. Any printed copies of this document are not controlled. As a controlled document, this document should not be saved onto local or network drives but should always be accessed from the intranet

# **IDCR Toolkit**

## *Commercial and Procurement Guidance in relation to the Integrated Digital Care Fund 2014*

First published: May 2014

Updated: n/a

**Prepared by NHS England**

## Executive summary

NHS England is developing an “IDCR Commercial Toolkit” to support organisations which are applying to the Integrated Digital Care Fund. The ambition of this work is to improve quality and consistency through supporting the effective delivery of projects funded by the Integrated Digital Care Fund. The IDCR Commercial Toolkit is being developed on a phased basis, to directly support the application and assessment process. NHS England will continue adding guidance and documentation based upon the specific needs and requests of those organisations which apply to the Fund.

In the longer term it is intended that the IDCR Commercial Toolkit will:

- collate existing best practice commercial and procurement guidance and reference material, ensuring it is up to date and fit for purpose;
- make useful information and documentation accessible and easy to use;
- through “peer assist” tools and networks improve cross-working and information sharing;
- identify gaps where new guidance is required, by consulting with Applicants to the Integrated Digital Care Fund to create the necessary commercial resources required

This document “Commercial and Procurement Guidance” forms part of the IDCR Commercial Toolkit and is a brief guidance document intended to assist NHS organisations in considering and responding appropriately to the commercial and procurement questions set out within the Integrated Digital Care Fund application process.

If you have any questions or feedback about this document (or the IDCR Commercial Toolkit generally) please email: [england.nhstechfund@nhs.net](mailto:england.nhstechfund@nhs.net)

## COMMERCIAL AND PROCUREMENT GUIDANCE

### Applying to the Integrated Digital Care Fund 2014

The application process for the Integrated Digital Care Fund requires the Applicant to answer a number of questions around its proposed project. In the table below you will find some additional guidance specific to the commercial and procurement questions raised within that Application form. You will not be able to include all the information within the Application Form response, but the issues will be explored in more detail if your project successfully proceeds to Interview stage.

<b>What key products or services will you need to procure for the project?</b>	<p>In relation to your IDCF project, you are likely to need to procure certain key products or services. It is important that you understand the scope of what you need to procure and that you have explored the options available, both in terms of functionality and availability.</p> <p>It will usually be helpful to explore what decisions other NHS organisations have made when procuring similar products or services, but be careful not to assume that a similar procurement approach would automatically suit the needs of your particular project.</p> <p>Understanding and having a clear set of requirements will be essential, being sure to take into account the clinical, technical, functional, and user requirements and then overlaying the financial implications and an analysis of benefits.</p>
<b>Detail your proposed procurement approach, and outline how you will select suppliers and ensure that successful delivery and VfM is achieved.</b>	<p>We are looking to understand and have confidence in the proposed procurement approach and commercial basis for the project.</p> <p>We will be looking for evidence that most or all of the following activities have taken place (or will take place and are therefore embedded within the project plan):</p> <ul style="list-style-type: none"><li>• the business and technical requirements are well-scoped, realistic and proportionate to the project's delivery aims;</li><li>• the scope of the project and the requirements have been tested with an appropriate sector of the supply market using effective and timely pre-market engagement;</li><li>• appropriate procurement options have been considered by the project team, including consideration of existing procurement routes and understanding the pros and cons of different procurement options before making the final procurement decision;</li></ul>

- consideration of whole/total life cycle costs and the implications of any revenue commitments which exceed the funding eg. Maintenance or lease payments;
- a robust procurement strategy will exist to support the selection of supply chain partners, ensuring that a variety of different suppliers will be considered with competition used effectively and as appropriate;
- the project demonstrates value for money with appropriate evaluation methodology and award criteria.

As regards your proposed procurement route, please indicate what this will be, e.g.:

- Does the current contract make provision for an extension in terms or variance to scope and/or value?)
- Use of an existing supplier (and confirm how you propose to contract).
- Use of an existing catalogue purchasing route (confirm the process and timelines). Have you ensured that this Framework is eligible for use and provides the services or goods you require?
- Use of an existing Framework Agreement or other available route (and indicate the appropriate expected timelines).
- Run a competition (outline the expected approach and timelines). Does this competition mirror internal procurement procedures and checked that the financial threshold does not exceed the EU Procurement threshold?
- A combination of the above if there are multiple requirements (and if so, confirm how the procurement strategy will manage this).

Other questions to consider:

- Has the procurement approach under consideration been used in your organisation previously?
- Has supplier engagement been carried out? Has the procurement been structured in a way to drive SME engagement, ensure VFM and deliver the project requirements?
- Has appropriate consideration been given to risk allocation, mitigation and management?
- Has market analysis been conducted that supports the supply chain's ability to make any required changes and deliver the expected outcomes and benefits?
- Has supplier engagement been carried out? Has the procurement been structured in a way to drive SME engagement, ensure VFM and deliver the project requirements?

	<ul style="list-style-type: none"> <li>• Do the commercial and contractual arrangements (existing or proposed) promote the required behaviours and level of innovation?</li> <li>• Is there a possibility for a shared provision with other Trusts or NHS organisations? If so, what are the legal implications and have you considered contractual and legislative issues (e.g. Data Protection).</li> </ul> <p>A <b><u>Procurement Strategy Template</u></b> is included in the IDCR Toolkit to assist in this area.</p>
<p><b>If you have already identified potential suppliers (or signed contracts) please provide details of the supplier(s) and confirm the contracting model and the commercial leverage you have in place to ensure successful delivery.</b></p>	<p>If a supplier has already been selected for your project, we would like to understand whether this is an existing supplier or a new supplier.</p> <p>If an existing supplier, we will want to explore how well that relationship is working and the level of reliance already in place on that supplier.</p> <p>For example:</p> <ul style="list-style-type: none"> <li>• What contracts are in place with this supplier and some examples of successful delivery and VfM analysis?</li> <li>• Would an additional contract with this supplier be appropriate at this point in time: can the supplier resource to meet your requirements and deliver this additional project successfully in parallel with other commitments?</li> <li>• What process will you follow to ensure that the existing supplier is not being treated more favourably than another and how will transparency be built into the process?</li> <li>• Does this supplier have a track record with other organisations in this area of delivery and if so does it have other delivery requirements which may either complement or challenge the successful delivery of your project?</li> </ul> <p>If a new supplier, we will want to discuss with you how that supplier was selected and how you will integrate the supplier into your current commercial management processes.</p> <p>You should also be able to show that:</p> <ul style="list-style-type: none"> <li>• the contractual model with proposed supplier has an appropriate balance of risk and reward, and the supplier will be incentivised to work collaboratively and agilely with you in delivery of the solution;</li> <li>• where there are multiple suppliers the issue of collaboration and/or interoperability has been addressed</li> </ul>

	<p>and appropriate contractual levers put in place to govern the relationship between suppliers;</p> <ul style="list-style-type: none"> <li>• you have a robust internal process in place to manage the relationship with the supplier, including appropriate use of service agreement and service levels, performance monitoring and payments linked to delivery or implementation milestones.</li> </ul> <p>We are keen to encourage use of SMEs and innovative solutions within the scope of all projects, however we encourage you to carry out the appropriate due diligence and ensure that any risks are appropriately understood and mitigated.</p>
<p><b>A note about supplier system demonstrations:</b></p>	<p>As part of the tendering process you may wish to ask suppliers to demonstrate their systems. This is a great way of engaging clinicians in the process of selecting a system. It also helps to understand the way in which a system works. As with the identification of requirements think carefully about what you want to see and how. Whilst hands on demonstrations are a great way to see if clinicians can use a system they do require lots of set up. Equally a complex patient scenario can take a long time for a system supplier to put together.</p> <p>There are a number of things to consider before asking for a system demonstration:</p> <ul style="list-style-type: none"> <li>• Be clear and realistic about what you want to see</li> <li>• Ensure that you set realistic timescales – setting up a demonstration can be a lot of work particularly if you want to see a lot of functionality.</li> <li>• Give plenty of notice and be flexible on timescales; ideally check with suppliers before you finalise dates as there is a lot of activity at present.</li> <li>• If possible collaborate with other Trusts to set up demonstrations</li> <li>• Be aware that systems will approach workflow and particular challenges you give them in different ways; be open to understanding how this may work locally. Remember that this is a project that should be supporting changes in practice driving quality and efficiency improvements. Translating current practices and processes as is will not necessarily bring about benefits. Use supplier’s experience to understand the changes that may be required.</li> <li>• Ensure that your project team considers any specific issues around integration, compatibility, data migration issues and implementation.</li> </ul> <p>It is also important that a request for a demonstration be built</p>

	<p>into your overall evaluation methodology and criteria, which should include the supplier being able to meet minimum specification criteria. All suppliers within the tender process should be treated equally in this regard.</p>
--	--