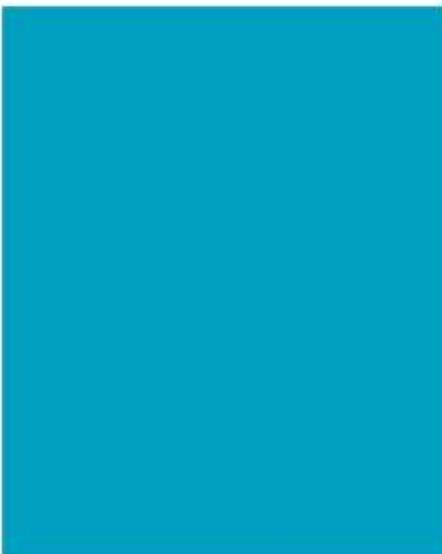


IDRC Toolkit:
Procurement
Strategy
(Template and
Guidance)



NHS England INFORMATION READER BOX**Directorate**

Medical	Operations	Patients and Information
Nursing	Policy	Commissioning Development
Finance	Human Resources	

Publications Gateway Reference:**1617**

Document Purpose	Guidance
Document Name	Procurement Strategy template
Author	NHS England/P&I/SST
Publication Date	09 May 2014
Target Audience	Foundation Trust CEs , NHS Trust CEs

Additional Circulation List

Description 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

Cross Reference

Integrated Digital Care Fund Prospectus

Superseded Docs
(if applicable)

N/a

Action Required

n/a

Timing / Deadlines
(if applicable)

Contact Details for further information 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

NHS England IDCR Toolkit

Procurement Strategy (Template and Guidance)

First published: May 2014

Updated: (only if this is applicable)

Prepared by NHS England

Contents

Contents.....	4
Executive Summary	5
1. Background	6
2. High level description of services/goods.....	6
3. Scope of the requirement	6
4. Estimate of cost	7
5. Preliminary planning/organisation.....	7
6. Proposed procurement strategy	7
7. Proposed timetable for procurement activity.....	8
8. Application of policy	9
9. Contract management arrangements	9
10. Risk quantification & management	9
11. Vfm measurement savings & benefits	9
12. Procurement roles and resources	9
13. Key contract clauses	10
14. Service levels	10
15. Evaluation.....	10
16. Summary.....	11

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 “Procurement Strategy Template” forms part of the IDCR Commercial Toolkit and is a template document intended to assist NHS organisations in considering the appropriate Procurement Strategy for delivery of projects in relation to the Integrated Digital Care Fund.

Note to User: A Procurement Strategy is intended to complement the Business Case – it often forms a section of the Business Case or is appended to it.

This template document is intended to be used as a guideline to help you consider a variety of issues which may be relevant to the procurement activity required for successful delivery of your IDCR project. It is not intended to be an exhaustive list of issues, nor will all the areas be directly relevant to your project. Please ensure that you add, amend or delete the template as appropriate to your project.

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

1. Background

In this section:

- Outline the background to the business need or project detailing any existing arrangements and the circumstances that necessitated the requirement. Detail any other procurement (or projects or programmes) on which this procurement may depend.
- Key outcomes of procurement activity
- Outline any proposed market engagement activity setting out how the procurement design and scope will ensure value of money.

2. High level description of services/goods

In this section:

- Provide a high level description of what will be procured (setting out the purpose and alignment with the application to the Integrated Digital Care Fund.)
- Explain how the project fits with your overarching technology and clinical strategy, in pursuit of the digital agenda.
- Indicate whether this is similar project to something you have delivered previously or whether it is innovative and different for your organisation.

3. Scope of the requirement

In this section:

- Provide a clear overview of the specification and scope for your project, and the requirement options which have been identified and appraised by your team;
- Ensure you define the full scope of the recommended requirement by giving a brief but full description of the type of goods, services, and or works to be purchased under the remit of the project;
- Provide confirmation that the scope of the requirements has been approved as fit for purpose by your team (and in line with appropriate governance structure);
- Set out any limits/interfaces of the procurement, for example what is included in the scope and what is excluded? What are interfaces with third parties? Will suppliers be required to inter-operate with one another and if so how will this be managed (further detail can be provided in section 9 below)? Will a new supplier be required to integrate with an existing supplier (and if so have the risks been considered and appropriate mitigation measures built in)? How will these relationships be managed and monitored as part of the project delivery?
- Outline any critical success factors and the key benefits expected (with reference to your Benefits Realisation Plan – see section 4 below - or associated documents as relevant);
- Confirm any interdependencies with other requirements or contracts including stakeholder support;

- Detail any existing supplies or services which the procurement activity may renew or replace, and if there are any overlaps with current projects show the touchpoints and how these will be managed;
- Confirm the proposed term of the contract(s) and how it will be successfully implemented.

4. Estimate of cost

In this section:

- Set out a summary of the total life cycle value of the proposed contract, clearly indicating how this was calculated and identifying VAT, where applicable;
- This should be taken from and directly linked to the VfM Analysis documentation (and your overarching Business Case);
- Confirm the source of your match funding and that all financial and any other necessary approvals have been obtained and the necessary funding is available;
- Where relevant, cross-reference to section 11 below in relation to benefits realisation and savings to be made.

5. Preliminary planning/organisation

In this section:

- With reference to your “Governance Chart”, confirm the project governance arrangements in place to manage the procurement process (include names, roles and responsibilities of the staff involved);
- Detail any other key organisational roles, including stakeholders;
- Details of any preliminary enquiries made with potential suppliers, or if an existing supplier is to be used detail what arrangements are already in place and how this will be tailored for delivery of this;
- Briefly explain proposed audit and reporting processes;
- Explain any contingency plans which you have in place for successful project delivery.

6. Proposed procurement strategy

In this section:

- Set out the procurement options which you have considered and which approach you are now recommending (and why).
- Confirm whether there will be use of existing frameworks or use of any existing supply arrangements.
- If the procurement option is to run a competition and you will be putting in place new contracts, you should set out the process and timeline for this and explain how you will engage with the appropriate market place for all necessary elements of your procurement activity.

- Set out how the proposed contract value (s) will influence the procurement route chosen, evidencing where applicable that you have followed EU Procurement process and/or are compliant with internal procurement procedures.
- If the project requires a number of different procurement activities to be run concurrently, ensure that you demonstrate how these will be managed and how suppliers will be brought together appropriately for delivery of the project overall. Evidence that you have considered and are not breaching disaggregation rules
- Give an overview of the nature of the contract/terms and conditions which you propose to use. The contracting model should be fit for purpose and consideration should have been given to the commercial leverage required for successful delivery of the project;
- Outline the relevant timelines and any constraints or risks around the timeline (with detail to follow in section 7 below).

In terms of proposed supplier selection:

- Detail the market engagement you will carry out pre-procurement and how this will contribute to the business and technical requirements.
- If available, give details of the proposed tender list and sourcing strategy e.g. market engagement to date and the interest from the marketplace.
- Clearly set out how the selection process will be managed, particularly in terms of ensuring VfM is obtained in the procurement decisions.
- Provide an overview of how the supplier offering will be evaluated and if this is a competed process, the evaluation and award criteria which will be used to differentiate offerings between multiple suppliers.
- Set out how you will ensure compliance with procurement legislation, applying the EU Treaty Principles of openness, transparency, non-discrimination, mutual recognition and proportionality.

If there will be multiple suppliers involved in delivery of your project, it is suggested that the following areas be considered:

- How will the relationships be managed?
- Is collaboration required between the suppliers and if so, how will the contractual arrangements deal with this?
- Will there be interoperability or integration issues to address? (if so you should consider how this will be dealt with both contractually and through the technical requirements).

7. Proposed timetable for procurement activity

In this section:

- include all the major stages/activities in the proposed procurement process;
- a visual representation is usually helpful to ensure you highlight key dates and deliverables, plus any dependencies on other projects or constraints from your own resource perspective.

8. Application of policy

Are there any policy considerations which will or may affect the procurement? For example, you may need to consider environmental policies, discrimination policies or some of your organisational purchasing policies to do with standards.

9. Contract management arrangements

In this section:

- Outline how you will manage the contract, giving high level detail of proposed resources and roles.
- Detail how the supplier(s) will be managed and include detail around service and performance management as applicable.

10. Risk quantification & management

In this section:

- Give brief details of the major risks associated with the success of the procurement, how they are going to be managed, and where appropriate, attach a copy of the Risk Register.

11. Vfm measurement savings & benefits

In this section:

- Making reference to your Benefits Realisation Plan, set out how the procurement activity will contribute to the VfM factor as set out in the Value for Money (vfm) Analysis.
- Demonstrate how any gains or benefits will be measured and how savings will be recorded by your organisation.
- Indicate how progress will be enabled with regard to your organisation's digital agenda and overarching technology and clinical strategy. It may be useful for you to highlight status of other projects running in parallel with this project, or projects which are proposed to be delivered as follow-on projects.

12. Procurement roles and resources

In this section:

- Show the allocation of responsibilities in the procurement team of your organisation, and how much resource is needed for successful delivery of the procurement activity required for this project.

- If procurement resource is required to be recruited for this project or obtained via a specialist external route, detail this dependency and the requirement.

13. Key contract clauses

In this section:

- Set out any areas of the proposed contracting model which will require specific focus or negotiation. For example:
 - IPR: if your project has specific outputs which have a real value (or the outputs may be confidential) then this needs addressing. Suppliers are often keen to own their own IPR to be able to commercially exploit it in the future, however the NHS needs to ensure that in paying for delivery it has the ability to share the outputs with other parts of the NHS (or wider public sector) to deliver best vfm. If your project has an Open Source agenda then the IPR elements on the contracting model will need to be managed in accordance with that strategy.
 - Liability and the apportionment of risk: depending on the criticality of your project or the implementation risks, you may need to carefully consider who owns the risk in delivery terms and this should be reflected appropriately in the contract.
 - Service levels and performance monitoring: it is important to be able to measure the performance of your supplier and to have triggers in place to manage in adequate performance or be able to intervene if the delivery of the project is not proceeding to time or budget.
 - Payment milestones: it may be prudent to link payments to tangible deliverables or implementation stages. This will allow you to monitor progress closely and should incentivise the supplier to work with you and focus on priority activities.

14. Service levels

In this section:

- If relevant to your project, detail the Service Levels under consideration for successful delivery. It is important to consider service levels early on in the procurement activity because it can affect both the success of delivery and the charging regime. Implementation of different service levels may also derive different benefits from the project.
- You may also want to consider service levels to apply between suppliers (if there are multiple suppliers involved in deliver of your project) or putting in place some simple (non-contractual) service levels internally if different parts of your team have dependencies on one another.

15. Evaluation

In this section:

- Include the process for selection of supplier(s). This information could include:

- How will the supplier offerings be evaluated and compared?
- What evaluation methodology will be used? What are the award and sub award criteria?
- Will there be weightings across evaluation criteria and what type of scoring mechanism will be used.
- An overview of the key principles or major factors influencing the evaluation and upon which supplier selection will be based.
- How the evaluation team/panel will be selected and briefed, and how feedback will be provided to unsuccessful suppliers.
- If the procurement activity is to be a competitive (advertised) process then it is important to set out how the appropriate OJEU rules will be complied with, for all of the stages of the procurement including the publication of the OJEU notice and the mandatory standstill period. It will be necessary to set out the mandatory timelines and evidence compliance with procurement legislation and best practice. You will need provide evidence of the assurance measures you will put in place to manage the process in line with your legal obligations. If you will be using external legal or procurement expertise this can be detailed here and any related issues highlighted. You will need to set out how these advisors have been procured and what advice they will be providing.

Note: You can access other information to help you in this area within the IDCR Toolkit, for example a template “Evaluation Methodology” and a template “Evaluation Report”.

16. Summary

In this section:

- Summarise the procurement options recommended for delivery of the project.
- Outline any key risks or dependencies and how these will be managed.
- Confirm how the successful delivery of the project in accordance with your Procurement Strategy will be monitored in accordance with your governance arrangements.
- Summarise the key milestones and indicative timeline for the procurement to ensure successful delivery of the project.