

NHS Procurement: What you need to know

Preparing your business for the Future Operating Model (FOM)

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SEMINAR ARTICLE:

DH procurement drive shunned by leading firms

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- » **NHS Shared Business Services and HealthTrust Europe believed not to be bidding for new procurement 'category towers'**
- » **Deadline closed for first six of ten towers last month**
- » **Combined value of towers contracts estimated at around £150m**



Department of Health

centrepiece of the Department of Health's new Future Operating Model for procurement.

Neither NHS Shared Business Services nor HealthTrust Europe have submitted bids to run 'category towers' – which are being tendered by DH.

The 11 towers - divided into categories for non-medical, medical, and capital goods – form part of the DH's drive to make sure that NHS procurement delivers better value for money for the service.

The SBS provides procurement services for 57 NHS clients, while HTE has 14 NHS members. SBS also run employment and finance services.

However sources have told HSJ that neither are bidding to run any of the towers. Neither organisation would comment, but senior sources in procurement told HSJ the towers concept has not been popular with the existing players in the NHS procurement landscape.

Two of the largest procurement organisations serving the NHS are not bidding for contracts to run the 'category towers' which are the

Last week HSJ revealed that HTE chief executive Jonathan Wedgbury has left the organisation.

The towers will include teams of specialist buyers who will work with front-line clinicians to rate catalogue items and thus help the NHS get best value for money from suppliers.

The Oxford Academy Health Science Network has submitted a bid, and other potential bidders include regional procurement hubs, of which many NHS trusts are members, and private companies.

Organisations can bid for more than one tower, but will only be allowed to run a maximum of three.

One tower (office supplies) has already been awarded to the Crown Commercial Service, an executive agency of the Cabinet Office. This tower, which accounts for the smallest spend within the 11 categories, is scheduled to go live in September.

Bidders had until May 15 to tender for six towers of medical goods, while the deadline for bids for the remaining four non-medical towers is on June 19.





Those ten towers have a combined value of £150m. The most valuable tower, 'Large diagnostic capital devices', is worth an estimated £30m.

The Department of Health plan to award contracts for the medical towers in September, with full implementation in February 2018.

The second set of tower contracts will be awarded in December, with full implementation planned by June 2018.

Currently around £5.7bn is spent on goods by the NHS every year, but only 40% of this is channelled through national provider NHS Supply Chain.

The DH hopes that its Future Operating Model, which replaces the Supply Chain, will be the vehicle for 80% of NHS procurement – ending some of the unwarranted variations highlighted in the 2016 Carter Review.

As part of the Future Operating Model three other Supply Chain services will also be tendered this year.

They are:

- Supporting technologies;
- Transactional services; and
- Logistics

The three services are expected to go live in October 2018 – marking the expiration of NHS Supply Chain.

The Department of Health said it could not confirm any bidders at this time.

Source: HSJ

NHS Procurement: What you need to know

This event takes place on **7 November 2018** in Birmingham and **3 April 2019** in London.

These seminars are ideal for NHS suppliers new to the NHS or in need of a refresher. Attendees will learn about the Future Operating Model (FOM), procurement towers and what this all means for organisations doing business with the NHS.

You will hear from expert speakers from Wilmington Healthcare and HSJ as well as national and local NHS leaders responsible for procurement.

Book your place via our website today:

www.wilmingtonhealthcare.com/events/seminars/nhs-procurement/