

The Procurement Guide

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Preface

Partners Procurement Service (“PPS”) is the NHS shared service that provides procurement support to four provider trusts in North London.

Whether you buy a lot of goods and services, or very infrequently, this guide aims to help you understand the policies and procedures surrounding this area.

More than that, it seeks to explain why things are done the way they are and what is important.

We want to help you get the best value for your respective trusts, to support delivery of excellent patient care and to make the procurement process as easy to understand and use as possible.

We are spending public money and so it is important that we ensure we are getting and can demonstrate value for money, and that we have been fair, non-discriminatory, and transparent in our choice of suppliers.

There are quite complex pieces of legislation relating to procurement in the public sector and the NHS, but this guide aims to keep you on the right side of the law and your local Trust policies and make procurement process as easy as possible.

PPS has a procurement helpdesk and whenever you require assistance then please do contact us:

Helpdesk: Log your enquiry online at: www.nhspps.uk

Tel: 020 3322 1935

We also have a team of Business Partners, and for more complex or escalated issues then they are also there to help:

Moorfields – Tom Plater
Royal Free – Sandy Mehta,
Whittington Health – Phill Montgomery,

tplater4@nhs.net
sandy.mehta@nhs.net
pmontgomery@nhs.net

I hope you find this guide useful.

A quick flow chart to procurement routes is given in the very first Annex, Annex A.

Mick Corti

Director of Partners Procurement Service

Email: mickcorti@nhs.net

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1. Introduction

There are things we must all do when we buy goods or services for our Trusts, as part of the NHS

- Seek to secure the best 'value for money'
- Ensure we comply with the rules and regulations
- Be professional, fair, and accountable in our business relationships

This guide is to help you understand the requirements and offer advice and guidance to support you in meeting these.

The guidance contained within these procedures has been formulated based on the Trusts normal business audit requirements, local Standing Financial Instructions and UK law as it applies to procurement in the NHS. It would be wise to assume therefore that if any of the guidelines are breached, then it is likely that applicable audit regulations, local instructions or even the law are also being breached with the resulting risk to both the individual breaching them and to the Trust. Because of the implications of this, it is important that this document is circulated as widely as possible amongst those involved in procurement across each Trust that PPS supports.

This good practice guidance applies to all staff and covers all areas of expenditure. They should only be varied with specific written authority from your Chief Finance Officer.

It is mandatory for all employees to comply with local SFIs, this guide, the Procurement Regulations, and the government fairness and transparency principles. Adherence to these is both an individual and a corporate responsibility. Wilful breach of this policy, or unauthorised departure from the procedures derived from the Trust's SFIs or this guide, may result in either an internal investigation or an investigation by the Local Counter Fraud Specialist (LCFS), which constitute either disciplinary action or a criminal offence.

2. Basic Principles of Procurement

All medical and non-medical products and services – including items bought with donated money – must be bought using the official and legal procurement processes.

The procedures for procurement apply to all departments and to all staff including those with authority to order goods and services.

All goods and services must be ordered via an appropriate contract.

PPS will guide departments to ensure that we get the goods and services we need, when and where we need them making sure that:

- We comply with National regulations
- We comply with the Trust's Standing Financial Instructions ("SFIs")
- We secure the best value for money

- The spend is covered by an approved budget
- Appropriate terms and conditions are applied to all contracts

There is a more comprehensive list of the UK public procurement principles in **Annex B**.

3 Procurement Regulations

Several different regulations apply to public procurement. The main ones that we will encounter while procuring at an NHS Trust are:

Public Contract Regulations (2015)

The Public Contract Regulations (2015), often referred to as the PCR or PCR2015, are the legacy procurement regulations that existed until mid-February 2025; Contracts (including framework) procured under this regime will continue to be regulated under it, however all procurements that do not specifically fall under it, will likely be covered under the others from this time.

The Health Care Services (Provider Selection Regime) Regulations 2023

Provider Selection Regime (often referred to as the PSR or PSR2023), is the procurement legislation that governs contracts for healthcare services. Where healthcare services (such as insourcing or outsourcing) are being procured, this is the legislation that will need to be followed.

The PSR was introduced to streamline and enhance the procurement process within the NHS, establish a more flexible and efficient framework for selecting healthcare providers. These regulations replace the previous competitive tendering processes with a more tailored approach, allowing commissioners to directly award contracts in situations where it is deemed most beneficial for patients and service delivery. Key features of the PSR include an emphasis on collaboration, transparency, and the ability to make swift decisions to meet local health needs effectively. By prioritizing quality, innovation, and value for money, the PSR aims to ensure that healthcare services are provided by the most appropriate providers, ultimately improving patient outcomes and system sustainability.

Procurement Act (2023)

Procurements for Goods, Works, or Services not explicitly covered under the above regulations, (including but not limited to professional services, technology, estates and facilities, works, and concessions contracts), are regulated under the Procurement Act 2023 (often referred to as the PA or PA23).

Throughout this document, it will refer to procurement regulations, The specific regulation to apply will depend on the nature and circumstances of the procurement exercise and PPS will be able to advise on an individual basis

The above regulations are written into UK law and as such, represent a legal obligation on Trusts, and have legal consequences for failing to follow them. As a reminder, ignorance of a law is not an excuse for failing to follow it. Again, PPS can advise on the regulations and guide you through them.

GDPR, DSPT, DTAC and Cyberessentials Certification- what do you need to know and what do you need to do

Introduction:

There is increasing importance that NHS organisations ensure that products and services that we purchase do not compromise patient or corporate data and that cyber-risk and clinical safety risk of products is carefully managed. Some of those responsibilities are supported by law (*GDPR* and *Health & Social Care Act* for example) and some are best practice guidance only but are formally required for NHS organisations. Additionally, we as NHS organisations must ensure that the products/equipment we purchase have been checked for their suitability especially if they are *networked* i.e., they are digitally connected to the NHS digital infrastructure. There are several considerations we need to make which are outlined below before buying a product or service. They are all simple to execute and help/resources are available to walk you through the gateways prior to buying a product or service.

Data Protection and the DPIA: When you first identify a Procurement requirement it is important to ask two questions.

- A: *Does this proposal involve the processing of personally identifiable or corporate data?*
- B: *Are you acquiring (through expenditure or without cost) services or products?*

If the answer to both is 'Yes' then it is necessary to ensure that you (the person proposing the Procurement) establish whether a DPIA is required. Procurement can enable this by facilitating the communication with the Information Governance Team. The process is laid out below

- When a Division or Service seeking a product or service is commencing a Procurement exercise and they know that product or service will require processing of personal or corporate data [Note. 'Data is considered 'corporate data' co if the supplier will host, manage, analyse, or transmit data that belongs to the Trust or its partners] then the Procurement team will open a ticket on their procurement system 'PAM' which describes simply the service and the data in question and asks the Information Governance team to review the procurement initiative and agree what steps if any need to be taken to enable the procurement initiative to proceed in a compliant fashion.
- The Information Governance team will contact the Division/Service on receipt of the ticket and the brief and will agree with them the next steps which will either be the need to jointly draft a Data Processing Impact Assessment (DPIA) or decide that a DPIA is not required.

- Once the Information Governance team is assured on how the IG risk (if one or more are identified) will be managed, they will approve the procurement project in PAM to end the process.

Link to explain Data Protection and the DPIA: [Data Protection Impact Assessments \(DPIAs\) | ICO](#) and GDPR [UK GDPR guidance and resources | ICO](#)

Cyberessentials: It is imperative that all current suppliers (and any that you may choose to work with following a Procurement Exercise) have an up-to-date *Cyberessentials* certificate. You can find out more about the certificate and how to check if organisations are registered and currently have a valid cyberessentials certificate via the NCSC website. It should be noted that *Cyberessentials Plus* is a preferred standard as it requires independent audit rather than self-certification and particularly for more the procurement of complex, high risk products may be considered the required standard.

Link with detailed information on the Cyberessentials certificate: [Cyber Essentials - NCSC.GOV.UK](#)

Digital Technology Assessment Criteria (DTAC) Certain types of medical equipment fall into a category which is subject to two standards under the Health and Care Act. The purpose of the legislation is to ensure that certain digital products have been assessed for their clinical safety (note. This is not a consideration about data risk). Any service wishing to procure a product that falls into this category must ensure that the product(s) in question have been assessed against both standards

Stage 1- The supplier of the product(s) in question must provide a copy of the **DB0129** form to evidence that the product has been assessed against the standard. The supplier must evidence the specific clinical safety case and the product hazard log for each product.

Stage 2- Your organisation must complete a reciprocal form **DCB0160** for the product in question. The Trust **Clinical Safety Officer** will advise on the process

The scheme below helps you work out if the equipment you intend to purchase is in scope for DTAC or not.

Subject to DTAC

1. Mobile Health Apps
 - a. Patient-facing apps for health tracking, diagnosis, or management.

- b. Clinician-facing apps for care planning or communication.
2. Clinical Decision Support Tools
 - a. Software providing AI or algorithmic support for clinical decisions.
3. Remote Monitoring Devices (with a software component)
 - a. Devices that collect patient data (e.g., blood pressure monitors, glucose monitors) and transmit it digitally.
4. Wearable Devices (with digital services)
 - a. Smartwatches, fitness trackers, or medical-grade wearables that record health metrics.
5. Digital Therapeutics
 - a. Software-driven interventions for treatment (e.g., Cognitive Behavioural Therapy [CBT] apps for mental health).
6. Telehealth Platforms
 - a. Systems enabling video consultations, messaging, or remote patient interaction.
7. EHR/EMR Systems (Electronic Health Records)
 - a. Software for recording, storing, and sharing patient records.
8. ePrescribing Systems
 - a. Digital systems that support prescribing and medication management.
9. Patient Portals
 - a. Apps or web interfaces giving patients access to their records or communication tools.
10. Artificial Intelligence (AI) / Machine Learning (ML) Powered Health Tools
 - a. Any AI software processing health data or providing outputs used in care.
11. Digital Booking & Referral Systems
 - a. Software handling appointments, triage, or referrals within NHS systems.
12. Digital Pathology & Imaging Software
 - a. Systems interpreting or managing medical imaging (if used for diagnostic purposes).

Typically, Not Subject to DTAC (unless integrated with digital health functions)

1. Non-digital medical equipment
 - a. Syringes, wheelchairs, stethoscopes etc.
2. Purely mechanical devices
 - a. Scales, thermometers etc. (non-connected).
3. Hospital infrastructure equipment
 - a. HVAC systems, beds, lighting etc.
4. Consumer wearables (used personally, not in clinical pathways)

- a. Unless data is used by NHS clinicians or feeds into care decisions.

You can find out more information about DTAC here [Digital Technology Assessment Criteria \(DTAC\) - Key tools and information - NHS Transformation Directorate](#) and there is further helpful guidance here DTAC: [Quick guide to DCB 0129 and DCB 0160 - Safehand](#) .

DSPT (Data Security and Protection Toolkit) and networked devices: This is an online self-assessment tool that allows organisations to measure their performance against the National Data Guardian's 10 data security standards.

It is also an annual assessment. As data security standards evolve, the requirements of the DSPT are reviewed and updated to ensure they are aligned with current best practice. Organisations with access to NHS patient data must therefore review and submit their annual assessment each year before the deadline.

The DSPT also provides organisations with a means of reporting security incidents and data breaches.

When intending to procure a product or service where an organisation may have access to NHS networked infrastructure or patient data it is imperative that you check that the organisation has an up-to-date DSPT. You can check this within the DSPT website here [Organisation Search](#)

Specialist technology/Artificial Intelligence (AI) and NHSE guidance: As new technology (particularly within AI) becomes available to the NHS it is important to check whether NHSE have published guidance on the technology usage or deployment. NHSE are increasingly publishing guidance and checklists which should be used within the procurement process and product evaluation.

An example of such guidance relates to Ambient Voice technology [NHS England » Guidance on the use of AI-enabled ambient scribing products in health and care settings](#) .

Trusts should ensure that the use of Artificial Intelligence tools in Procurement exercises complies with the organisational guidelines- these are described in Annex J

4. Value for Money & the Role of Competition

Trusts need to comply with and demonstrate the legal requirement showing the effective competition of their spend with suppliers thereby demonstrating VFM has been established. The level and scale of competition shall be proportionate to the level of spend, complexity and risk associated with the procurement activity.

Each trust has a set of Standing Financial Instructions which set the levels at which formal action is required. The process becomes more rigorous the more money you want to spend.

The thresholds for procurement activity (as of March 2025) are:

Existing Partner Trust Thresholds				
		WHT	MEH	RFH
Supplies & Services	1 Quote	Up to £10,000	Less than £5,000	up to £5,000
	3 Quotes	from £10,001 to £50,000	From £5,000 to £49,999	from £5,001 to £10,000
	4 Quotes		From £50,000 to UK limit	From £10,001 to £30,000
	Tender Process	From £50,001		From £30,001
Works	1 Quote	Up to £10,000	Less than £10,000	up to £5,000
	3 Quotes	From £10,001 to £50,000	From £10,000 to £299,999	from £5,001 to £10,000
	4 Quotes		From £300,000 to £499,999	From £10,001 to £30,000
	Tender Process	From £50,001	From £500,000	From £30,001

Table 1 – procurement thresholds.

The splitting of purchases for the purposes of circumnavigating these financial thresholds is strictly forbidden.

Each Trust has clear rules on who has authority to agree to a financial commitment with a third-party supplier.

Financial commitments may only be made in accordance with the limits of delegation included with the Trusts Standing Financial Instructions.

If you are a budget holder, then it is incumbent on you to be familiar with the Standing Financial Instructions of your Trust.

All trusts must follow the guidance of the NHS Counter Fraud Authority. Their guidance is quite lengthy – but if you undertake a lot of procurement activity then it is highly recommended you read this.

https://cfa.nhs.uk/resources/downloads/guidance/NHSCFA_Pre-contract_procurement_fraud_guidance-v1.0_July_2018.pdf

The key elements of this guidance are in turn reflected in this document.

Procurement activity undertaken shall ensure the separation of duties to increase the protection from fraud¹ and errors. This is achieved through dividing a process between two or more people so that no one person is responsible for the entire purchasing process.

Within procurement, the areas of authority are;

- Budget holder authority (which is value dependent),
- Authority to seek quotations / tenders, negotiate and commit;
- Authority to award contracts; and
- Authority to accept and pay.

4.1 Cabinet Office Spend

The Cabinet Office Commercial Spend Controls apply to all NHS Trusts. These controls were rolled out to Trusts in a phased approach by the NHS England Spend Controls team between October 2022 and February 2025.

In addition to Trusts, the Spend Controls are applicable to wholly owned subsidiaries, partially owned subsidiaries (where the majority shareholder is an NHS Trust) shared procurement services and framework providers hosted by a Trust. When we use the term 'Trust', we are also referring to these organisations.

Further information on the controls process is available on the [gov.uk website](https://www.gov.uk).

Cabinet Office have launched 2 changes to the process on 1 April 2025:

1. Full Business Case (FBC) self-certification process
2. Update to the Cabinet Office six 'tests' assurance methodology

Please see more information below:

1. Full Business Case (FBC) self-certification process

All pipelines that have received Control status by Cabinet Office require an Outline Business Case (OBC) and Full Business Case (FBC) to be submitted to Cabinet Office at two stages – pre-procurement and post procurement (see table below). The control is a **commercial** control and Cabinet Office mainly require business case

¹ Procurement fraud can be defined as dishonestly obtaining an advantage, avoiding an obligation or causing a loss to public property or various means during procurement process by public servants, contractors or any other person involved in the procurement.

submissions to address the commercial case that relates to the procurement, with the Cabinet Office six commercial 'tests' clearly addressed.

	OBC	FBC
When to submit	Pre procurement •i.e. before market engagement and launch of a procurement •You can issue a PIN if you are trying to inform your strategy prior to controls (if not too prescriptive and still allows subsequent options analysis)	Post procurement At the point of identifying the preferred bidder or completed commercial discussions in the case of extensions and CV's (before standstill)

The new (FBC) self-certification process introduces a new process where Trusts will be able to self-certify at FBC with the following exceptions:

- Cases classified as Novel, Contentious and Repercussive (NCR);
- Cases where relevant OBC approvals were not obtained or OBC conditions are unmet;
- Cases where the procurement has encountered significant issues (as per the criteria listed in the attached FBC Self-Certification form)

This means Trusts will no longer need to submit an FBC for assurance but instead will complete and submit the FBC self-certification form. The accountability for this sits with Trusts, with Cabinet Office controls only carrying out spot checks of the FBC Self Certification process compliance. The Trusts Chief Commercial Officer (or equivalent e.g. CFO) at the Trust is required to sign the self-cert form.

For the initial period of up to 3 months from 1 April 2025, Cabinet Office will operate a 7-day rapid review of the FBC Self Certification checklist to support departments in implementing this initiative, and to support a common understanding of the requirements. This will be reviewed during the initial 3 months with the intent of removing this at the earliest opportunity.

A. FBC Self-Certification form with guidance

B. FBC Self-Certification form – additional guidance (Q&A)

The live version of these forms can be found on GCF KnowledgeHub [here](#). Trusts should always refer to the GCF KnowledgeHub page to ensure they are working with the most up to date versions.

The Cabinet Office Controls page on [gov.uk](https://www.gov.uk) will be updated with the new public facing [guidance](#). The NHS England Spend Controls team will also be updating our pages on the Future NHS Collaboration Platform - [Cabinet Office Spend Controls - Central Commercial Function \(CCF\) Best Practice Hub - FutureNHS Collaboration Platform](#)

2. Update to the Cabinet Office six 'tests' assurance methodology

Cabinet Office have updated their commercial controls six 'tests' checklist to replace their existing checklists.

The Cabinet Office is working to update their Outline Business Case (OBC) template to incorporate the new Cabinet Office checklist and will share this before the end of April 2025. This will result in a new OBC template that incorporates one single up to date checklist from Cabinet Office that is no longer duplicative and will be simpler for Trusts to complete.

C. New commercial six 'tests' checklist

The live version of this checklist can be found on GCF KnowledgeHub [here](#).

5. Contracts and Purchase Orders

Most people think of a Purchase Order ("PO") when thinking about procurement and how suppliers are instructed.

However, a Purchase Order on its own may not always suffice in terms of the formal documentation that lays out the relationship between the Trust and the supplier.

Although a Purchase Order by its very nature is a contract, i.e. a binding commitment between buyer and supplier, for the purposes of a Trust's SFIs and this document, a contract and a Purchase Order are treated as different things.

In procurement terms, a contract is an agreement between two sides where one side provides goods or services, and the other side pays for these. In the NHS, a contract should always be a written document and **never** a verbal agreement.

A contract generally comprises the specification or scope of services, any associated service levels and/or performance indicators, the pricing schedule or pricing mechanism that determines what the trust will pay, and a set of legal terms and conditions that covers things like data protection, indemnities, termination rights, and change control mechanisms. Generally, we use the standard terms and conditions drafted and maintained by the Department of Health.

For ongoing (typically more than a year), higher value and more complex purchases then a specific contract is likely to be the appropriate way of engaging the supplier. Otherwise, it is possible that a single Purchase Order might be appropriate.

A Purchase Order is primarily a financial control mechanism. It is an instruction to a supplier to provide something in return for a specific payment. POs are generated

electronically with a specific order number and will only be generated when the right level of financial approval has been given.

A Purchase Order usually is an offer to buy something, which becomes legally binding (i.e. turns into a contract) only when it is accepted by the supplier. As always there are exceptions, as a PO may sometimes be generated under the terms of a contract which is already in place – for example a ‘call off order’ which is used to schedule deliveries but that is subject to the terms of the over-riding contract or framework agreement. The ordering of products from the national supply chain solution would be a good example of this. See section 9 for detail on frameworks.

A Purchase Order will have standard NHS terms and conditions associated with it, but these are not as comprehensive as the long form terms and conditions used in Contract.

In a legal setting, the terms (costs, products / services delivered, timescales, etc) of a contract are set out in a written contract as described above. If a written contract is not in existence, then the terms by which the organisations are bound are set out by ‘the last form’.

As suggested above, the PO is an offer to buy goods and/or services and will have terms associated with it. When the supplier receives the PO they will often send back a confirmation of its receipt. When they do this, there will invariably be words similar to ‘acceptance of the order is subject to our terms and conditions of sale’. If there is a dispute, the ‘last form’ is the order acceptance, and the Trust will be subject to whatever the conditions of sale are. These are very rarely in a Trust’s favour.

Apart for everything else a written contract will achieve, e.g.

setting out what the supplier will do

when they will do it

how they will do it

how much it will cost

limiting cost increases

termination options in the event of poor service

to name a few, having a written contract will also agree terms of contract that are not detrimental to the Trust.

Any service that includes staff transfer, any products or equipment that require acceptance testing or commissioning, any areas where there are complexities or risk around personal data (the supplier is handling patient or employee data); intellectual property (something clever or unique is being developed in the provision of the service or delivery of the product, i.e. ownership rights that the trust may wish to secure); termination provisions (i.e. under what circumstances exactly the trust can walk away from a contract); will all probably require a Contract rather than just a PO. **Healthcare services will always require a contract.**

But if you’re not certain, ask PPS and we will advise.

What you should never do without proper consideration and consultation with PPS, is accept the terms and conditions of purchase from a supplier. NHS terms and conditions are drafted by the Department of Health and are designed to be fair. But they are also there to protect trusts. Supplier terms and conditions may also be fair, but there is no guarantee of this. Many supplier drafted terms create obligations on the buying trust that they would never knowingly accept.

Whether a specific Contract or a simple PO, then the contract is very important as this lays out what the trust is buying, from who and for how much. You should always ask yourself if it is clear. If it is not, then the trust is not ready to enter the arrangement. See also the later section on specifying requirements for further advice.

Many Trusts operate a “No P.O. No Pay” policy which means that invoices will not be paid without a P.O. Refer to the Trusts local SFIs for further information on these requirements.

6.0 How Do I make a purchase?

PPS has introduced a common on-line purchase order processing system (PeCOS), and all requests to purchase goods or services must be processed via this system. The PeCOS system has built in financial authorisation limits and ensures we have appropriate governance over the Trusts expenditure.

It is very important that an official Purchase Order is always raised in advance of receiving goods, services and works.

Many thousands of items that the Trust requires are held inside catalogues within the PeCOS system. These are pre-selected and pricing established. The catalogue is searchable, and these items may be ordered without intervention from PPS. All that is required is the appropriate budget holder approval which is automatically sought by an email generated when a requisition is raised.

PECOS TRAINING AND GUIDANCE MATERIALS

Quick user guides to PeCOS are available in **Annex C** and also on the PPS Website: www.nhspps.uk.

If you are ordering an item or product for the first time that you know may need to be ordered again, then you should be considering if this is better added to the trust catalogue.

There is a separate process for adding items to the trust catalogue and a New Product Request form is available from the PPS helpdesk (www.nhspps.uk).

NOTE: that clinical products will need to be approved by the clinical consumables committee whether they are a one-off purchase, and you will need to allow time for this or secure a chair's approval in lieu of the committee sitting.

There is also a separate process for Medical Equipment where purchases of these items will need to follow the Medical Devices Policy, and again you must factor in time for this process. All Medical Equipment purchases need to be approved by the appropriate Medical Devices Management Group. **If you are buying Medical Equipment, you should contact PPS at the earliest point.**

Loan equipment (i.e. equipment provided to the trust with no charge) also has a specific process. This is very important as we must follow this process to ensure the equipment is adequately insured when in use.

The same process must be followed in respect of consumables supplied free of charge. The process ensures that loan and / or free of charge arrangements have adequate legal and financial protection for trusts.

More details are provided in **Annex D**.

New suppliers will need to be added to the supplier database. Every PPS member trust uses a slightly different finance system, so the new supplier request forms differ slightly. You can again request one from the PPS helpdesk.

Staff completing a new supplier request form must declare any actual or potential conflict of interest.

Ordering goods/services other than through the official channels is contrary to the Trust's Standing Financial Instructions.

If you do breach policy then you may find yourself in front of the Trust Audit Committee, or worse. If you are unsure about Procurement, then contact the PPS helpdesk.

There are certain categories of 3rd party expenditure for which a Purchase Order is not required (e.g. HMRC payments) and a list of the common ones are shown in **Annex E**. If you are ordering anything else, you should assume you will need a Purchase Order generated within the PeCOS eProcurement system and should check with PPS if you believe that not to be the case.

7.0 Competition: "Going Out to Market"

All goods and services should be purchased by competition, unless they are of low value (typically less than £5,000), or there are convincing reasons for the contrary. Competition avoids any suggestion of favouritism, discourages monopolies, and demonstrates that value for money has been sought.

Competition can help promote economy, efficiency, and effectiveness in public expenditure. Under the public procurement rules, competition can be a legal requirement. Even outside of this legal requirement the trusts own Standing Financial Instructions generally require competition.

Typically, a competition is carried out through seeking tenders from several suppliers, by inviting them to make an offer to supply specified goods and services at a stated cost or rate. The prerequisites are below.

PPS can help you to assemble a timetable and programme of events and will also agree with you on the level of assistance that they can give to help you achieve a successful outcome. Decisions will need to be taken on:

- Whether to use an existing contract/agreement (as arranged elsewhere in the Trust or by another NHS/government department),
- Whether Public Contract Regulations apply,
- The type and form of contract,
- Sourcing potential suppliers,
- Duration of contract; and opportunity to review/extend,
- Payment schedules,
- How to minimise any risks with the chosen strategy, including supplier appraisal, and evaluation / clarification of suppliers' bids.

If the Public Contract Regulations do apply (as of January 2024 this will be the case for any contract with a value of more than £139k including VAT) then you absolutely need to contact PPS at the earliest opportunity.

Reminder:

A flowchart is given in Annex A that shows the different routes to market.

7.1 Single Tender Actions - can approaching just one supplier be justified?

Usually not - because it is contrary to achieving value for money through open and fair competition. The table showing thresholds for different procurement activities details out the number of bidders required, and only exceptionally low value purchases can be based on a single tender action.

Therefore, single tender actions should normally be avoided. However, exceptionally single tendering might be justified where:

- a. The work concerns a new contract that is directly related to a recently completed contract, and the added value gained from the additional work being given to the same contractor outweighs any potential reduction in price that may be derived through competitive tendering.
- b. The expertise required is only available from one source. This may be due to ownership of exclusive design rights or patents but, nonetheless, the

specification should be reviewed to ensure that no other product / service would meet user requirements.

All requests to waive the tendering/quotation process must be made on the relevant waiver form (see links below).

Single tender action will not be used to avoid or circumvent the appropriate procurement process. Any instances where there is reasonable suspicion this may have occurred because of fraud and bribery, must be reported to the Trusts LCFS for further investigation.

All single tender waivers are presented to the local Audit Committee for oversight, scrutiny, and challenge. This will take place no less than bi-annually (twice per annum).

Please note that no-one can waive the requirements of the Public Contract Regulations.

IMPORTANT ADVICE

Waiver requests need to be approved before attempting to put the contract in place or raise a Purchase Order. Attempts to do either without the pre-requisite approval will result in delays.

When completing a waiver, the waiver reasons must state why it is not possible to go out to competition and why the product or service can only be provided by the company in question.

Request for a waiver will need to be approved at a senior level with your trust and may be subject to scrutiny by the relevant finance or audit committee.

Royal Free London

Internet link - Waiver (RFL)

Intranet page - <http://freenet/freenetcms/Default.aspx?&s=55&p=1680&m=2329>

Moorfields

Internet link - Waiver (MEH)

Intranet page - <http://mehhome/about/departments-a-to-z/department/supplies-and-procurement/>

Whittington Healthcare

Internet link - [Waiver \(WHH\)](#)

Intranet page - <http://whittnet.whittington.nhs.uk/default.asp?c=28056>

North Middlesex University Hospital

Internet link - [Waiver \(NMUH\)](#)

If you do not secure a waiver approval prior to instructing the work and an invoice is received without a Purchase Order reference, then you may technically be in breach of your trust Standing Financial Instructions.

Users may have to submit a breach notification form in the event of such a situation.

7.2 Can I extend a contract?

It is a common misconception that any contract can be extended to finish a job that has overrun or has been deflected by external or unforeseen circumstances or indeed that is approaching its expiry date with no service or other issues.

However, a contract can only be extended if there is a provision to do so (for advice on what constitutes the provision; you should contact PPS). Otherwise, a new contract will have to be drawn up, in which case it will most likely be necessary to go out to tender.

8.0 Quotes

Written quotes should be sought for lower value work. See table 1 repeated below.

Existing Partner Trust Thresholds				
		WHT	MEH	RFH
Supplies & Services	1 Quote	Up to £10,000	Less than £5,000	up to £5,000
	3 Quotes	from £10,001 to £50,000	From £5,000 to £49,999	from £5,001 to £10,000
	4 Quotes		From £50,000 to UK limit	From £10,001 to £30,000
	Tender Process	From £50,001		From £30,001
Works	1 Quote	Up to £10,000	Less than £10,000	up to £5,000
	3 Quotes	From £10,001 to £50,000	From £10,000 to £299,999	from £5,001 to £10,000
	4 Quotes		From £300,000 to £499,999	From £10,001 to £30,000
	Tender Process	From £50,001	From £500,000	From £30,001

Table 1 – procurement thresholds.

For small purchases you should always check the catalogue to see if an equivalent already exists. Otherwise, where the amount is below the minimum threshold you can seek a single quote, although if time allows then you should try and seek more quotes.

We can request quotations via an electronic system called MultiQuote. This is generally to be preferred rather than seeking quotes via email or other means as a full audit trail is created. If you therefore create a lot of RFQ (Request for Quotes) you should speak to PPS about access to MultiQuote and some training or guidance.

When asking for a supplier to make a quote, it is important to ensure that all aspects of the quotation are covered, e.g. consumables are included or associated equipment necessary is included in the request so that the overall costs are identified.

If a quotation is below the relevant threshold; has been sought competitively and is the lowest price – then the purchase can go ahead with a requisition submitted in the eProcurement system for financial approval.

The winning quotation and the unsuccessful quotes will need to be included with the requisition.

If the preferred option is not the cheapest quote received, then a recommendation report will need to be created which demonstrates why the selected option offers best value for money. Care needs to be taken to ensure fair and transparent treatment of all bidders.

The quotation process is shown in full in **Annex F** or the team in PPS can run a RFQ (“request for quotation”) exercise on your behalf. Do not forget if you regularly run RFQ exercises then you can be given access to and training on MultiQuote and you should request this via the PPS helpdesk.

IMPORTANT QUOTATION ADVICE #1

Quotes on their own may not be sufficient supporting documentation when purchasing clinical products or equipment. In these instances, then further approval will be required. The trust local clinical consumables or clinical reference group will need to approve new consumable or medical devices. The trusts Medical Physics or EBME (“electrical and biomedical engineering”) will need to approve Pre-Acquisition Questionnaire (“PAQ”) for new medical equipment.

Note also that if you are managing a Request for Quotation exercise then you will need to be able to justify the selection of suppliers that you have issued the requests to. If you continually send RFQs to the same few suppliers, then you could be open to accusations of bias or favouritism.

If you are regularly issuing RFQs for the same types of product or service, then in this situation it may be appropriate to consider the use of an appropriate existing framework (see section on Frameworks); or explore whether it might be advantageous to develop a local framework or ensure that you have the basic controls in place to manage an approved list of suppliers.

IMPORTANT QUOTATION ADVICE #2

If any trust is placing multiple orders for similar goods or services with the same supplier over a period of time – then in the eyes of the law these individual purchases will be added together (up to a maximum period of 48 months) to determine the overall contract value. If this value exceeds the thresholds for tendering, then the trust will be expected to tender. Purchases must not be split simply to avoid the application of a more stringent procurement process.

More complex and higher value purchases require a tender. Tenders are evaluated against a range of pre-agreed and published evaluation criteria that are wider than price alone.

9.0 Tenders

9.1 Tender Readiness

PPS can assist you with all key stages through any tender activity.

Where a tender must be through a public procurement route, the timescales can be lengthy. This guide does not provide detailed information on public procurement routes, and you should discuss any public procurement requirements with PPS as soon as possible.

Before commencing any tendering activity then the following questions will need to be understood:

- i. Is there an agreed and signed-off budget in place, usually through the formal approval of a Business Case?
- ii. In the case of existing goods/services, is the existing budget adequate for the renewal?
- iii. What is the proposed contract term?
- iv. What is the estimated total expenditure?
- v. Is this a capital purchase? If so, has the Capital Steering Group approved the activity? Do you otherwise have clear authority to make a capital purchase?
- vi. Are there any IT implications? Specific consideration must be given as to whether a purchased solution will be networked to the customer IT infrastructure in any way. This creates a cyber risk and is subject to specific controls.
- vii. Are there any works/estates implications?
- viii. Will the supplier be handling "Personal Data" (either patient or staff)? Any solution requiring handling Personal Data may require a Data Protection Impact Assessment. PPS can advise on this.
- ix. Is TUPE likely to apply? (it is if you are transferring a service either from trust to supplier or from supplier to supplier where you can identify resources that are responsible for the delivery of a specific service at your trust.)
- x. What are the current costs and projected usage?
- xi. Is there a current agreement in place?
- xii. Do we have a robust specification
- xiii. Is there a national or regional agreement we can use?

- xiv. Who is the lead stakeholder for communication purposes?
- xv. And a primary question will be “Can we collaborate with any other trust?”
Either other members of PPS, others within the ICS/ICB, or another network we may be part of.

From this information, PPS will discuss the best way forward. For most initiatives, we will ask for a new Project Form to be completed.

A copy of the new project form is located at **Annex G**.

PPS is a shared service, and we must manage the complexity of workload across 3 trusts.

We cannot simply accept all work that comes our way regardless of size, complexity, timing, and source. The New Project Form allows us to work with the executive sponsors of PPS in each of our members trusts to flex and manage our resources in a pragmatic and appropriate fashion given the demands placed on us.

9.2 Key events in a Tender Process

Whatever causes a purchase to be initiated, the process to be followed will typically involve the following stages:

- Identifying the need and developing an outline specification for inclusion in the business case;
- Obtaining financial approval/authority to proceed;
- Identifying prospective suppliers/contractors/consultants;
- Finalising the specification and preparing the rest of the invitation to tender (ITT) documents;
- Issuing ITTs and handling enquiries;
- Evaluating tenders; and,
- Awarding and managing the contract.
- Raising the purchase order
- Add the contract to the central PPS contract register

PPS has templates for all of ITT documentation (and guidance on much of it) and you should contact us for access to this.

This includes things such as the covering letter, standard instructions, statutory declarations, and certification, and so on. A user department should not attempt to draw together a set of tender documentation without some support from PPS.

9.3 Specifying the requirement

The Scope of Work (or Specification) should be clear and concise, with enough information to enable tenderers to decide what goods and services to offer, and at

what cost. Also, the Scope of Work should be unbiased (so that all tenderers have an equal opportunity to offer the goods/services they regard as capable of meeting it), yet flexible enough to allow innovative solutions.

The Scope of Work needs to be drafted by the end users/customers, for they will be the ultimate beneficiaries of the tender exercise. You are, however, welcome to discuss what to include in it with PPS, who can also help you to establish if the final product is unambiguous and credible. Remember that there may be several items to redraft or add so, if you would like assistance; it is best to send the document for comments as soon as possible.

A brief guide and template for specification writing is available at **Annex H**.

Can I use a supplier who may tender for the requirement to assist me in writing the specification?

The Trust needs to comply with the principle of “equal treatment” of all potential bidders:

- In view of the complexity of most of the projects - some of which may require solutions never attempted before - a technical dialogue before the calls for tender between the awarding authority and private parties involved may be necessary.
- We must refrain from using information supplied that will fundamentally restrict competition.

What we should do is:

- Certainly not to give any supplier any promise of success in the ensuing selection process;
- Not to use information gained from any supplier in framing the contracting authority's requirements (e.g. its technical specifications) to favour that supplier.
- Not to give any supplier information about the authority before that information is made available to all bidders where this could give that supplier an unfair advantage over other bidders in preparing their bid; or, failing that, to give other suppliers sufficient time to consider any document that has had to be revealed to the suppliers who have taken part in the appraisal exercise so as to level off the playing field; and
- Publish the results of the appraisal exercises to all bidders.

Please discuss the use of suppliers assisting with specification with PPS prior to engaging a supplier to undertake the work.

9.4 Net Zero Commitment

A full "Carbon Reduction Plan" is required for procurements of high value (£5m per annum exc. VAT and above) and new frameworks operated by in-scope organisations, irrespective of the value of the contract, where relevant and proportionate to the framework.

a Net Zero Commitment, as defined in the section "Net Zero Commitment – Requirements", is required for procurements of lower value (below £5m per annum exc. VAT and above £10k exc. VAT).

<https://www.england.nhs.uk/long-read/carbon-reduction-plan-requirements-for-the-procurement-of-nhs-goods-services-and-works/>

9.5 Evaluation Criteria

This is another complex area, and advice should generally be sought from PPS or even from external legal counsel where the contract value or risk dictates. Tenders are evaluated against pre-determined and published criteria, and the process must be documented.

A tender evaluation shall consist of a commercial (price) and technical (quality) assessment.

The commercial assessment is carried out by PPS, supported by the trust finance team, using an arithmetical calculation.

The technical (quality) evaluation is carried out by a tender evaluation panel who shall score the tenderers responses to a set of questions based on a pre-determined scoring mechanism. It is one of the most important stages of the procurement process. This stage of the process ensures that:

The contract award decision is objective

The decision-making process is fair, transparent and auditable

The trust can demonstrate best value in the tender process

An evaluation panel of at least three people should be established and consist of individuals with the technical knowledge of the procurement to evaluate tenders. The evaluation panel membership should be consistent throughout the entire evaluation process. The evaluation panel should be able to withstand any scrutiny and not be associated in any way with any of the tendering suppliers. Prior to the commencement of the evaluation, each panel member should complete a Conflict-of-Interest Declaration, and this will be provided by PPS where we are supporting a Tender process. Completed forms will be stored on the Tender portal.

The evaluation criteria will be different for each contract and should reflect the requirements needed. PPS can work with you to help ensure that the evaluation criteria used are fair to all potential bidders and are relevant to the requirements of the contract.

PPS staff involved in the running or administration of tenders or other purchasing processes will be required to make an annual declaration of interests to be maintained by our host organisation.

Tenders will be scored against the criteria identified as part of the process and must be fully documented. Procurement has developed evaluation templates; to help assist and these can be tailored to each contract requirement.

9.6 Is a briefing meeting necessary?

Briefing meetings advise prospective bidders about the work required, so it is usually advisable to schedule them early, or preferably before the tender period. It is helpful to announce the date/time and venue in the covering letter of the ITT. Such briefings avoid having to respond repeatedly to individual enquiries or visits from tenderers, which could be laborious, especially as any responses to individual queries need to be copied to all tenderers to ensure a "level playing field".

The sponsoring or lead Department normally arranges and chairs the briefing meeting, but PPS can assist if necessary and, if requested, will also chair the meeting. The sponsoring department should take notes of all questions and answers, which should be copied to all tenderers, including any slides used at the briefing meeting, whether they attended the meeting or not. The decision not to attend a briefing meeting should never be held against prospective bidders.

9.7 Site Visits to the Department's & Tenderer's Premises

If the contract is to be operated on the Department's premises (e.g., cleaning, security, etc.), it may be necessary for the tenderers to be shown round the relevant sites prior to bidding for the work. Care should be taken not to allow commercially confidential information concerning the operating procedures of any current contractors, to be divulged during such visits.

Similarly, as an aid to final evaluation before the tender award, it may be necessary to visit the premises of some of the tenderers, especially if the contract is complex or high risk, and if the tenderers' premises play an important part in its operation. The visits should be undertaken by at least two members of the Team, using an agreed checklist of areas to view and report on.

9.8 Issuing Tenders

All tenders should be issued using the PPS electronic tendering portal (currently "MultiQuote Evolve"). This provides a full audit trail including timings of submissions and control over tender opening and so forth. It also provides a record of all documentation issued and received. Any plan to issue tenders outside of the portal should be agreed with PPS beforehand.

Suppliers may have several questions regarding the specification or tender process. If suppliers ask any questions regarding the tender, the specification, the contract, or

the process etc, except for rare circumstances, the answer(s) must go out to all potential bidders irrespective of who asked the question. So, if you are approached directly, please advise that any clarification questions must be directed through the tendering portal and managed by PPS. This is to ensure that all suppliers receive the same information where appropriate to comply with the principles of the Public Contract Regulations. (E.g. transparency, equal treatment etc.)

9.9 Tender Evaluation

The sponsoring Department is expected to take the lead on selecting the membership of the evaluation team. PPS may provide support, depending on need and availability. Evaluation teams should comprise at least three people for a lower value project, but generally no more than six. When choosing team members, consideration should be given to any specialist expertise held, such as may be useful for IT / design proposals or for the analysis of complex data and pricing information. The team members must be prepared to set-aside sufficient time to evaluate the written bids and to attend any presentation and wash-up meetings. Please note that, if any team members have a connection with any of the tendering organisations, advice should be sought from PPS on whether they should be excluded from the team, for the sake of propriety. All evaluators should complete a declaration of interest form.

Having agreed the methodology, the evaluations should be undertaken independently by each panel member. To avoid one bid becoming the standard, it is recommended that evaluators are each asked to commence their assessment with a different bid. The evaluators should record their evaluations on the Tender Evaluation sheets. When doing so, they should make comments to support their scoring, and they should also note if any bid is non-compliant with the ITT and the reasons for non-compliance.

Once the independent assessments have been completed, the evaluation team should hold a 'moderation' meeting, in order to reconcile any wide variations in scoring and to determine the preferred supplier(s). They may either take forward all tenderers achieving a pre-determined score, or perhaps just the most highly ranked 3 or 4. Only affordable suppliers with a realistic chance of being awarded the contract should be invited for an interview.

During the Evaluation Process

Do's and Don'ts of Tender Evaluation

Do	Do not
Make note of areas that are unclear for clarification with the bidder	'Read between the lines' or make assumptions Do not compare bidders. Evaluate against the criteria.

Do	Do not
Read the submission at face value and score based on the information provided	Collude with other panel members to agree scoring collectively
Score tenders independently and discuss any irregularities at a Tender Evaluation Meeting	Make changes to the evaluation criteria during the process - the criteria MUST be the same as that published in the ITT
Ensure full justification for scoring is provided for each question to assist with debriefing	

A justification should be provided against each scored question that provides evidence the Bidder has met the key points within the Guidance Section.

Examples of Satisfactory and Unsatisfactory justifications

Satisfactory	Unsatisfactory
The bidder has exceeded the minimum standards of services and/or quality of goods by(Give examples on the specifics of the bid that is over and above the minimum requirements of the specification)	Excellent Response
The bidder has demonstrated good understanding of the services/goods/works by providing information including.....(Give specific examples of why you thought it was a good answer)	Good Response
The bidder met the criteria of the specification, the bid was a basic response due to the lack of information on.....(Give examples of what was missing from the bid, what could they have done better)	Ok
The answer provided did not demonstrate an understanding of the services/goods/works required, (Give	Not enough information/Never answered the question.

Satisfactory	Unsatisfactory
examples of why you feel the answer did not meet the criteria, what was missing, what could they have done better)	

Once they have completed their evaluation, PPS can help review the scores and assess whether a consensus or moderation meeting is required to complete the evaluation. If a meeting is required, the panel of evaluators will meet to agree the final scores. This process to agree the final scores must be fully transparent and documented.

9.9 How many suppliers should be invited to present their proposal?

If a presentation is required, usually no more than three tenderers should be seen, unless the difference in score between the third and fourth placed tenders is so small as to be negligible. We need to specify at the beginning of the tender how many bidders will be invited to present. E.g. top 3 or all.

Furthermore, a significant difference in marks awarded to second and third placed tenderers might justify meeting only the top two rated tenderers. It should be borne in mind that tendering has a cost, both to the trust and the suppliers, and it is, therefore, unreasonable to put tenderers to the expense of attending an interview when they have little prospect of getting the work. The selected presenters should be invited by letter or email. PPS can support with templates for scoring and for managing the presentation process. We usually do not score presentations as they are there to clarify written proposals and not introduce new material. If you feel you want to score presentations, then this needs to be identified at the beginning of the process and must be conducted in an objective and pre-determined manner;

9.10 Managing the presentations

Usually, presentations are attended by a sub-set of the tender evaluation team, with perhaps an added specialist, such as an IT or financial expert (if there are particular perceived weaknesses in the bids, or technical clarification is needed). Presentations should generally not be scored in their own right.

Presentations are an opportunity for suppliers to present and clarify their bids.

Typically, agendas for presentations will comprise the following and should be shared with the bidders:

- 5-minute introduction by the company,
- 15–20-minute explanation of the bid (ideally addressing any areas of perceived weakness and specifying the level of support to be given to the contract by the company); and,

- About 15-20 minutes of question/answer time.

Presentation panels need to test bidders' familiarity with their bid and the ITT.

If because of the clarification process, this leads to a revision of the original score. Then this is acceptable and should be noted as a bid clarification.

Presentations often enable the subjective elements of proposals to be addressed. For example, personal chemistry and communication skills are likely to make an important contribution to the outcome of consultancy projects.

The assessment process should now be finalised, so that a Recommendation Report can be finalised, and a preferred supplier can be nominated for award.

9.11 The Recommendation Report

Once the preferred supplier has been decided, the procurement lead should compile the Recommendation Report, which will include details of the tender & evaluation process, as well as the final recommendation. A PPS template should be used for this report, and copies are available from the helpdesk.

Issues of non-compliance or qualifications to the tender, as far as they affect the recommended supplier, should also be commented upon. Any information that is relevant to the decision-making process, but is not obvious from the evaluation records, should also be included.

The report will form the basis of the recommendation to the trust board, or the appropriate management forum necessary for the contract to be awarded.

This varies based on trust and value. If you are not aware of which forum or level a contract award will need to be approved, then you can ask PPS or consult your Standing Financial Instructions.

The Recommendation Report forms the formal approval to move to award of contract and acts as the legal audit trail in the process. Without the relevant approval, PPS are unable to proceed to contract award.

9.12 Awarding the contract

Following approval to proceed, the contract can now be formally recognised by issuing The Agreement/Contract or in many instances a letter confirming the 'Intention to award' a contract.

At the same time, unsuccessful bidders are also advised that the contract award will go to another bidder. In the case of tenders that are above the public procurement

tendering thresholds, the unsuccessful bidders must be sent the following information as a minimum: -

Their score against the evaluation criteria for each question

The full reasons for their scores against each question

The winning bidder's score for each question

The winning bidder's full reasons for each question

The information given to unsuccessful bidders is prescribed, and a high degree of caution needs to be exercised in delivering this. This is the point where most legal issues related to a procurement process occur – to the point of advising unsuccessful bidders.

If we have followed the guidance to this point, the risks of challenge from an unsuccessful bidder should be minimised. This is an important point in the process as if there is a challenge by law, law; the trust cannot award the contract or allow the work/goods to be conducted, and the resolution of any conflict can take considerable time and expense to resolve.

The actual Agreement should be issued in duplicate and signed by both parties, with each party retaining an original copy. Any subsequent contract variations should be attached to the retained purchasing copy, as and when issued.

Roles and Responsibilities for Technical Security Controls in Procurement Activities and Contracts

1. Documentation of Roles and Responsibilities

To ensure accountability and compliance with organisational security standards, roles and responsibilities for implementing, managing, and maintaining technical security controls must be clearly defined and documented. These responsibilities will:

- Be established during the procurement planning phase and captured where appropriate into the Specification of Requirements
- Be reviewed and agreed upon by all relevant stakeholders, including technical teams, procurement leads, and end-users.
- Be included in procurement documentation, such as tender specifications and evaluation criteria, to ensure alignment with the organization's security requirements.

2. Integration into Supplier Contracts

To uphold the integrity of technical security controls, contracts with suppliers will explicitly define the roles and responsibilities related to these controls. This will include, but is not limited to:

- Supplier obligations to implement and maintain security measures in compliance with applicable regulations and standards, e.g., GDPR, DSPT, relevant ISOs.
- Responsibilities for incident reporting and response in the event of a security breach.
- Provisions for regular security audits, including access to technical documentation and systems, where appropriate.
- Clarity on ownership and management of security configurations and data protection measures.

The inclusion of these responsibilities in supplier contracts ensures alignment with the organisation's security policies and establishes a clear framework for accountability throughout the contract lifecycle.

3. Ongoing Review and Compliance

Trust leads, in collaboration with IT and security departments, will regularly review supplier compliance with the agreed technical security roles and responsibilities as part of performance monitoring and will ensure that the contract is amended as required.

IMPORTANT NOTE

It is essential that all supplier contracts are logged on the contract registry. Contracts that are executed outside of PPS should still be entered into the register.

Suppliers who handle personal data need to be clearly identified during the procurement process as specific terms will apply to them.

PPS will check that Contracts are signed by both parties before loading the Contract into the register.

The segregation of duties is a key internal control designed to reduce the risk of fraud or bribery by dividing critical responsibilities among multiple individuals. PPS are not authorised to sign Contracts on behalf of any member organisation except for non-commitment Frameworks only, where each individual call off order must be executed by an authorised representative.

The contract register is an online register and details are available from the PPS helpdesk.

9.13 The Community of Practice for Contract and Supplier Management: *What resources are available to support Trust staff whose role will include supplier/contract management or oversight of existing or new suppliers?*

The advent of the Procurement Act has centralised the importance of careful supplier and contract management. The Trust relies on its external supplier base for certain goods and services, so it is essential that relationships are maintained carefully and attentively. In practice this means the Trust must:

- i) Regularly meet with a supplier on a formal basis to review supplier performance reporting (KPIs), ensure the quality standards defined in the contract are being met, contractual and performance risks are understood and monitored, and commercial and transformation opportunities are discussed and explored. This is formally understood as the cycle of Contract Review meetings and the expected frequency and attendance is normally defined on the contract.
- ii) Ensure contracts are being managed in compliance with the PSR, the Public Contract Regulations 2015 or the Procurement Act 2023 (depending upon when the contract was struck and which legislation it is bound by). In practice

this means ensuring that during the lifecycle of the contract if it is changed (and that change requires a legal contract modification) that this complies with all the legal requirements including transparency notices and according to the prescribed thresholds. Additionally, there are further contractual considerations regarding periodic publishing of KPIs, contract performance notices and payment compliance notices. Further practical support regarding what to do and when and how is available through PPS.

- iii) It is essential that the Trust maintains good contract/supplier record keeping. All supplier performance reports and meeting records, formal contractual documentation such as Contract variations or performance notices should be stored in a digital location that is accessible and well known. Certain documentation may need to be stored centrally in the main contracts register within PPS and they can provide guidance on this. Each Trust has responsibilities to their auditors and under their Standing Financial Instructions and to ensure that satisfactory levels of record keeping are maintained which reflect the Trust oversight of their suppliers and contracts.
- iv) Training on the Procurement Act and its implications for public sector organisations is available through two current channels:
 - a) [The Official Transforming Public Procurement Knowledge Drops - GOV.UK](#) [this is a lighter version of two available training options]
 - b) [The Official Procurement Act 2023 learning modules - GOV.UK](#) [this is more detailed training and is primarily aimed at procurement practitioners, however specific modules will be relevant to certain individuals outside of procurement (e.g. who perform post contract activities)]

The Community of Practice for Contract Management across the PPS member trusts was established with three primary aims:

- 1) Promote and support best practice in Contract/Supplier Management amongst Trust stakeholders whose role and responsibilities includes the direct management of external suppliers.
- 2) Ensure the member trusts of PPS are adequately prepared for the requirements of the Procurement Act 2023 and that all internal stakeholders have an accurate understanding of their responsibilities under the Act and can access advice, guidance and resources to help them navigate the responsibilities.
- 3) Share best practice within the membership of the community of practice- Trust stakeholders with Contract/Supplier management responsibilities should be able to benefit from and contribute to their community of peers by sharing

case studies, initiatives and transformation exercises that have driven quality improvements or achieved unplanned savings.

For further information about the Community of Practice please contact Robert Franck r.franck@nhs.net

9.14 The Procurement Act 2023: *What you need to know about the Trust's responsibilities after the contract has been agreed and signed.*

The Procurement Act of 2023 added new responsibilities to the public Procurement process that were intended to increase transparency and accountability. These responsibilities are a step-change and it is important that you familiarise yourself with what they are so that the Trust remains compliant with the legal requirements of the Procurement Act.

Most of the key responsibilities under the Act are linked to the Total Contract Value (TCV). Where the TCV exceeds £5m over the lifetime of the contract including all possible extensions then the Trust must ensure it complies with the following:

- i) The Trust must publish agreed performance scores against the contract Key Performance Indicators (KPIs) on a publicly available register. This means if you manage a supplier your responsibility is to collect the KPI scores from the supplier, validate the score and then supply them to the Procurement team (PPS) to publish on the Central Digital Platform (CDP).
- ii) The Trust must ensure that where it seeks to modify an agreed contract (e.g. if you wanted to incorporate some new responsibilities into a supplier's contract and pay them an agreed sum to do so) then that modification would have to meet certain criteria (dependent upon TCV before and after the planned modification) and it may be necessary to publish a Transparency Notice on the CDP.

As a rule of thumb, if your contract value exceeds the TCV thresholds before or after your planned contract modification then you will need to seek advice and support from the PPS team before you proceed and agree the contract modification.

[Guidance: Contract Modifications \(HTML\) - GOV.UK](#)

- iii) Transparency Notices will need to be published on the CDP for contracts in the following areas:
 - a. Contract Payment Notices and Contract Payment Notices. The Trust is obliged to periodically publish its compliance to payment terms for ALL legitimate supplier invoices. In practice this means it is important to ensure that supplier invoices are approved in a timely fashion and that budget holders have active oversight of the process to issue Purchase Orders to suppliers to expedite prompt invoice settlement. PPS/Finance will be responsible for publishing the contract payment compliance reports. In addition to publishing Payment 'compliance' (which will be a measure of whether the Trust settles

invoices within 30 days) the Trust will also be responsible for publishing all contractual payments over £30,000. It is therefore important to ensure that payments to the supplier do not exceed the agreed Total Contract Value.

- b. **Contract Performance Notice** Under the Procurement Act the Trust must publish a number of documents and notices on the CDP where a Contract Performance Notice (a formal and typically punitive mechanism in the contract designed to manage performance) has been issued by the Trust to a supplier where the contract exceeds £5m. Further support will be required from the PPS team with the publishing of Notices and guidance is available here [Guidance: Contract Performance Notices \(HTML\) - GOV.UK](#)
- c. **Contract Change Notices** Also known as Contract modifications or 'contract variations' there are a range of considerations that the Trust will need to make before modifying a contract to ensure legal compliance. Some contract modifications will require the publishing of Notices. Further support will be required from the PPS team with the publishing of Notices and guidance is available here [Guidance: Contract Modifications \(HTML\) - GOV.UK](#)
- d. **Contract Termination Notices** The key feature of the legislation relevant to you if you have responsibility for a supplier and or a contract is that the Trust must publish a Contract Termination Notice in all circumstances (whether a contract ends naturally or is terminated earlier than planned). Further support will be required from the PPS team with the publishing of Notices and guidance is available here [Guidance: Contract Termination \(HTML\) - GOV.UK](#)

9.15 Contract Management responsibilities for contracts

In any instances where a Trust award a contract under the Procurement Act 2023 with a total contract value over £5m it will be necessary to agree which Division the responsibility for managing the contract will sit and to nominate a role/person to be responsible for the contract management of that contract.

The appointed contract manager will be responsible for ensuring that all notices required under the Act (see section III.a-d above) are identified in a timely fashion and are then published. The publishing of notices will be completed in conjunction with the Procurement team through the Atamis system. If in doubt please contact any of the PPS Procurement team for further assistance.

Any contracts which exceed £20m which are subject to Cabinet Office Approval (See section 4.1) may well be expected to include either a part or full time Trust Contract Manager who will be responsible for contractual oversight of the contract in question

10. Frameworks

10.1 What is a Framework Agreement

A framework agreement is a general phrase for agreements with suppliers that set out terms and conditions under which agreements for specific purchases (known as call-

off contracts) can be made throughout the term of the framework agreement. In most cases a framework agreement will not itself commit either party to purchase or supply, but the procurement to establish a framework agreement is subject to the public procurement rules.

Most often a framework is not built by an organisation who wishes to use the framework itself, but by collaborative organisations such as Crown Commercial Service (for the wider public sector) or organisations such as the London Procurement Partnership and NHS Shared Business Services (for the NHS).

Not all frameworks are open to all bodies and at the time of building the framework, the framework owner will have specified potential users. **Frameworks exist that cover many areas of potential expenditure. If you are looking for a specific framework, then please contact PPS.**

Frameworks can be useful as they usually include a template specification that may help local thinking around the service required. They also provide a route to market without the need for a public tender process (even where the value is above threshold).

However, frameworks do have limitations. The most obvious of which is the framework may be serving to limit the market options available to a trust. The best supplier may be one that is not on the framework.

10.2. How do Frameworks “Work”?

Broadly speaking frameworks are either ‘direct award’ or ‘further competition’ (sometimes also called ‘mini competition’).

Direct Award -

If the framework agreement sets out all the terms governing the provision of the works, services and/or products concerned and all the objective conditions that are required to make a decision for award of the specific contract, then awarding the contract without re-opening competition amongst the parties to the framework agreement is possible. Most importantly with a direct award under a framework, there must be a clear and prescriptive pricing mechanism so that any authority using the framework can establish the price for their contract from the framework itself and without the need for any commercial dialogue or negotiation with the supplier. A framework that purports to be direct award without a prescriptive and transparent pricing mechanism is probably non-compliant.

Because frameworks themselves do not usually create a commitment to buy, then care needs to be taken to consider how appropriate pricing within a direct award framework is for your organisation.

Further Competition –

When the framework agreement does not include all the terms governing the provision of the works, services and supplies concerned, the contracting authority must organise a ‘mini-competition’ between the providers which are party to the framework agreement.

The most obvious purpose of the competition is of course to establish the price. Frameworks have templates and supporting guidance for running a competition.

Always refer to the “User Guide” of the applicable framework to determine what is allowed under that specific framework. The details of the applicable category manager is also normally be included under the guide.

10.3 Framework Accreditation

Where NHS buyers intend to purchase from a framework, they are expected to use an accredited framework, as and when each framework category is accredited and published on the NHS England website.

If no accredited framework is available and suitable to use, but an accredited framework host has an otherwise suitable framework, then the NHS buyers will be expected to use a framework hosted by an accredited framework host.

Where NHS buyers use a framework that has not yet been accredited, they are expected to follow the exception process.

<https://www.england.nhs.uk/long-read/system-guidance-for-the-implementation-of-framework-host-management/>

10.4 Dynamic Purchasing System (DPS)

A Dynamic Purchasing System (DPS) is unlike a traditional framework for the supply of goods, works or services. It is an electronic system which suppliers can join at any time. An 'open market' solution, a DPS is designed to give buyers access to a pool of pre-qualified suppliers.

As suppliers can join a DPS at any time, it is important to request the latest supplier list from the category manager on the day a tender is launched to ensure that all capable and relevant suppliers have been invited.

DPS' do not feature under the Procurement Act 23 and so will disappear over time.

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11. Total Life Costs

NHS purchases are not solely judged on obtaining goods or services for the lowest possible price but, also, on the total cost of using the goods or taking the service.

Total costs are the cost of a product or service, spread over its whole lifetime, and the product's ability to meet, but not necessarily exceed, the Trusts requirements. Total costs are usually considered as part of the comparison of suppliers' prepared bids, and by generally 'testing the market'.

You should consider any costs you may incur during the period of the agreement and not just the purchase price.

This should include but not be limited to:

- The cost of the item,
- Delivery, installation (including possible refurbishment of rooms), commissioning costs,
- Running costs
 - Any maintenance/service costs,
 - Cost of any consumables,
 - Training cost,
 - Project management costs,
 - Disposal costs
 - Exit costs

It may be necessary for some of these to be considered specifically when going out to market, and PPS can advise how best to do this.

It is really important to note that when comparing suppliers, via quotes or tenders, that a like for like comparison is achieved in terms of costs. Generally, this means a template pricing or commercial schedule is used which 'forces' suppliers to provide their pricing and/or costs in a consistent format. Without this, then it will most likely create significant issues when making choices over which supplier to select.

11.1 Savings Methodology

The methodology sets out how to record and report on procurement value and savings.

<https://www.england.nhs.uk/nhs-commercial/central-commercial-function-ccf/value-and-savings-methodology/>

12. Legal aspects of contracting

This can be a complicated area, mostly because it is all too easy to unintentionally create a legally binding contract by word, action or in writing (even if the document does not refer to itself as a contract), which could commit the trust to unfavorable terms & conditions or worse still a course of action which it does not want to take.

Many suppliers will attempt to use their own terms & conditions, perhaps on the reverse side of all correspondence and invoices, so unless the Trust's standard terms are already in place, the contractor terms will apply by default.

Many suppliers will push the trust to 'confirm the order' or 'commit to the contract' in order not to delay the delivery of the goods or services.

Agreeing to such requests without being sure of potential consequences may expose the individual and the trust to unacceptable risk.

If you are unsure about the contractual impact of any correspondence received, please contact PPS for advice **before** communicating with the proposed supplier. Do not sign anything without taking the relevant advice.

Generally, we use the terms and conditions written for the entire NHS which are available from PPS. Note: where a trust is procuring health care services (perhaps on a sub-contract basis) then these standard terms will not be appropriate, and advice should be sought from PPS at an early stage. NHS England has developed a set of terms for provider trusts to use when sub-contracting health services or parts of a health service, and these may be more appropriate.

IMPORTANT NOTE

NHS standard terms of purchase and guides are available from <https://www.gov.uk/government/publications/nhs-standard-terms-and-conditions-of-contract-for-the-purchase-of-goods-and-supply-of-services>

Generally, for anything that has been tendered, then there will need to be a Recommendation of Award which will need to be signed off by someone with the relevant authority to commit the necessary amount of money to the contract.

12.1 Freedom of Information (PPS policy)

This document provides a process guide for handling Freedom of Information (FOI) requests that relate to Procurement. The process ensures that requests are efficiently triaged, managed, and responded to within statutory deadlines.

Process Steps:

1. Receipt of Request

The Trust FOI Team receives an FOI request. If the request relates to Procurement or information specifically held by Procurement, the FOI Team forwards it (or the relevant questions/sections) to the Procurement Helpdesk. This can either be by email (helpdesk@nhspps.uk) or by directly adding an enquiry to the system (<http://nhspps.uk>).

Where an FOI request is received by a member of the Procurement team to their individual email, they must forward it to the Procurement Help Desk by email. Within their email, they must state whether they are able to answer the request or not.

2. Triage by Procurement Help Desk

The Procurement Help Desk reviews the request, logs it on the FOI Register, and determines which Procurement Business Partner (PBP) should handle it based on the Trust it originated from. The request is then assigned to that PBP:

Royal Free Sandy Mehta
Gary Wingrave

Whittington Phill Montgomery

The PBP is accountable for ensuring the request is returned on time.

3. Review by Procurement Business Partner

The PBP reviews the request. The first check is with other PBPs to see whether the same or similar request has been received from another Trust. This will be at the regular Business Partner meeting but may be by other means where there is a more pressing timeline. Where the request has been received by more than one Trust, a combined response will be worked on.

If the information is easily accessible by the PBP, they will draft the response. If additional information is required, the PBP sends the request to the relevant source (e.g., Category Manager, Business Analyst, etc.) and assigns the enquiry to them.

4. Gathering Information

Where the information is provided by another team member, or that individual completes the FOI request template, it is inserted/attached to the Helpdesk Enquiry and reassigned to the PBP. The PBP consolidates and reviews the information to ensure it fully addresses the request and edits or requests further information as necessary (this may mean re-assigning the enquiry again).

5. Return of Information

The PBP finalises the completed response within the Helpdesk Enquiry and issues it back to the Trust FOI Team, closing the enquiry and updating the FOI Register.

6. FOI Response

The FOI Team issues a formal response to the requester, ensuring compliance with the statutory FOI deadline (normally 20 working days).

Important Points to Consider

1. Personal Data:

- a. Any information that could identify individuals (e.g., names, contact details, NHS numbers) unless consent has been given, or it is already publicly available should not be provided. No patient data should be*

provided. (See section 40 of the Freedom of Information Code of Practice for guidance on personal data)

2. Commercially Sensitive Information:

- a. Pricing, supplier details, or contract terms that could harm the commercial interests of the Trust, or third parties should not be provided. See section 43 of the Freedom of Information Code of Practice for guidance on commercial interests)*

3. Security or Safety Information:

- a. Details that could compromise the safety or security of staff, patients, or premises should not be provided*

4. Information Not Held:

- a. If PPS does not hold the information, state this clearly. Do not just leave it blank.*

5. Exempt Information:

- a. If you believe information may fall under an FOIA exemption, flag this clearly to the Trust FOI Team with your rationale. Do not apply exemptions unilaterally. Each individual Trust FOI Team must decide whether exemptions apply. (See section 40 for personal data, Section 43 for commercial interests)*

6. Time:

- Where a request genuinely will take too much time/resource to complete, it can be rejected. Seek guidance where necessary though. You cannot just say "I haven't got time". The current limit set by the Freedom of Information Regulations 2004 for NHS Trusts is 18 hours of staff time at £25 per hour (£450). This includes time locating, retrieving, and extracting the information.*

Useful Resource:

[Freedom of information guidance and resources | ICO](#)

13. Materials Management

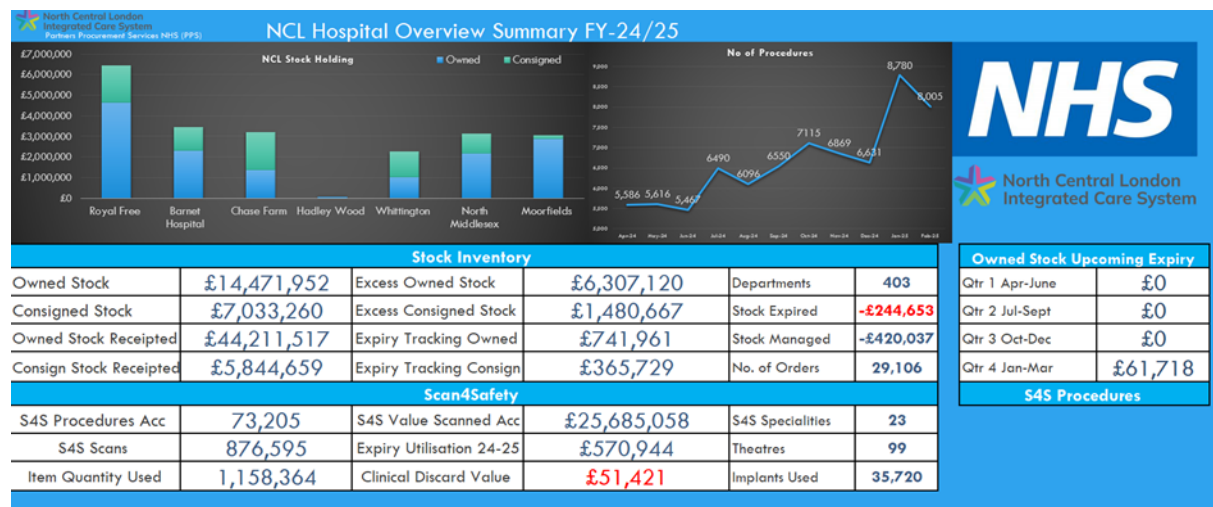
The definition of Materials Management is the management of consumables which have a minimum and maximum level of stock holding set up (PAR Level). The PAR levels are set twice a year and signed off at budget holder level as all material management purchase requests are self-approved and released out to suppliers. Areas selected for Materials Management should meet the following criteria.

1. Treats patients
2. Have adequate storage facilities / space.

- Low individual cost but high volume typically above approx. £1k per week in a ward of theatre environment.

This is managed by using a single Inventory management system known as Genesis. As of 2023, Genesis is used across all PPS sites these include Royal Free London sites: Pond Street, Barnet and Chase Farm, Edgeware Hospital, and Hadley Wood hospital, and North Middlesex
Other sites include, Whittington Hospital, and Moorfields Eye hospital.

The overall stock visibility excluding Moorfields is from our IMS at 23/24 years end.



The management of regularly ordered consumables high and low value excluding drugs at ward level. PPS covers 90% of all wards and specialised departments such as Operating theatres and Cardiology labs spend. This combined is approx. £38m per annum and covers all six PPS sites. This excludes Consignment stock which sites at 5.5M across the PPS footprint.

During the Mat Man round or “Top Up”, a WIC (Ward inventory Clerk) scans the consumable or bar code and inputs what is on the shelf or available to hand. Both systems then generate a requisition up to the max level set. If there are 5 on the shelf and the maximum is 12, then a requisition is generated for 7.

The WIC (Ward Inventory Clerk) scans all consumables on the list, authorises and then releases the order.

Once the order is placed it is then in most cases delivered within 48hours. Once the goods arrive then these are checked in by the WICs delivered and placed in the appropriate location or storage areas.

Any discrepancies through this process then reported and managed by the WICs to resolution and budget holder informed.

The other IMS process involves clinical staff selecting the procedures and consultant, as well as capturing all consumables used. The same scanning PDA are utilised to scan the used items during or post procedure depending on the nature of the procedure.

This adds in an extra health and safety benefit as we can now pinpoint what was used in any procedure and where it was used, and who the items were used on. This provides traceability and is known as “PLC” or (patient level costing) this is particularly prominent where implantable items are used should there be any future issue concerning the product in the future.

PPS have also agreed and implemented an inventory policy please see link to Document below.

Receipting and Distribution teams are located on all six PPS sites and are responsible for receipting and for onward delivery of consumables and/or goods which do not fall under Materials Management control.

All goods in at all sites have a standard set of KPIs see example below for 23/24. This provides sites with an understanding of the volume of goods through the door.

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All PPS Sites KPI data YTD 2023/23

	Barnet	Chase farm	Moorfield	North Middx	Royal Free	Whittington	Totals All sites
ORDERS RECEIPTED	11688	4827	10698	16094	27609	10568	81484
NUMBER OF BOXES LEFT OVER FROM YESTERDAY	176	0	0	0	0	274	450
INTERNAL STORES BULK PICKED AND SENT	2244	3679	0	301	35981	2692	44897
STATIONARY LINES PICKED AND SENT	0	0	0	20	0	0	20
R&D AREA CONDITION - RED= BAD / GREEN=GOOD							
Number of COURIERS VISITED TRUST (Last 24 hours)	2761	1783	2804	3027	4906	2491	17772
Number of refused deliveries	0	0	0	0	0	0	0
PALLETS RECEIVED BY COURIERS AND NHSSC	2545	710	1379	4095	6693	2702	18124
CAGES RECEIVED BY SUPPLIERS AND NHSSC	30	3	49	10	0	59	151
SINGLE BOXES DELIVERED BY COURIERS	21393	9386	13141	21419	60294	37767	163400
TOTAL BOXES DELIVERED	100597	35571	55450	143494	295798	122356	753266
WORKFLOW PERCENTAGE	99.85%	100.00%	100.00%	100.00%	100.00%	99.81%	99.94%
Placed orders on Mat Man PLANNED	2573	1518	833	4898	2905	1707	14434
Placed orders on Mat Man ACTUAL	7482	2248	831	11125	4185	3006	28877

All PPS Sites KPI Data YTD 2024/25							
	Barnet	Chase farm	Moorfield's	North Middx	Royal Free	Whittington	Totals YTD all sites
ORDERS RECEIPTED	12141	6648	16405	17367	22836	11640	87037
NUMBER OF BOXES LEFT OVER FROM YESTERDAY	3	10	14	0	0	125	152
INTERNAL STORES BULK PICKED AND SENT	0	0	0	100	32513	5123	37736
STATIONARY LINES PICKED AND SENT	0	0	0	380	0	0	380
R&D AREA CONDITION - RED= BAD / GREEN=GOOD							
Number of COURIERS VISITED TRUST (Last 24 hours)	2578	1943	3597	3228	4927	2548	18821
Number of refused deliveries	10	0	0	0	0	0	10
PALLETS RECEIVED BY COURIERS AND NHSSC	2633	784	1324	4425	7429	2807	19402
CAGES RECEIVED BY SUPPLIERS AND NHSSC	25	13	17	57	0	65	177
SINGLE BOXES DELIVERED BY COURIERS	20199	7498	15313	30562	35976	24072	133620
TOTAL BOXES DELIVERED	99564	26440	55392	164647	291359	114260	751662
WORKFLOW PERCENTAGE	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Placed orders on Mat Man PLANNED	2639	1798	948	5452	3059	2009	15905
Placed orders on Mat Man ACTUAL	6741	2603	552	10892	6098	3712	30598

Since the COVID 19 Pandemic the PPS logistics and supply chain services have expanded to work much closer to the NCL group within the ICS. The members trusts are listed below.

- [Barnet, Enfield and Haringey Mental Health NHS Trust](#)
- [Camden and Islington NHS Foundation Trust](#)
- [Central and North West London NHS Foundation Trust](#)

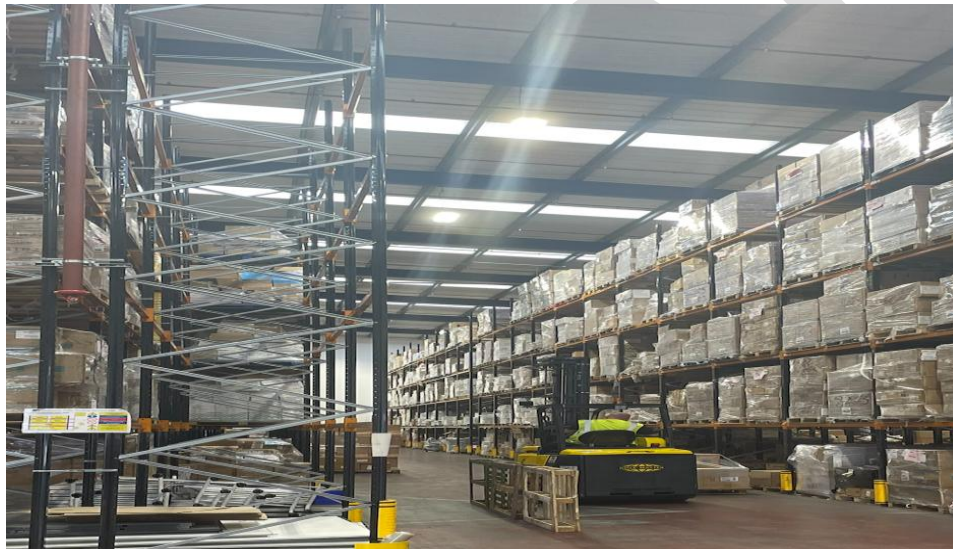
- [Central London Community Healthcare NHS Trust](#)
- [Great Ormond Street Hospital for Children NHS Foundation Trust](#)
- [Moorfields Eye Hospital NHS Foundation Trust](#)
- [Royal Free London NHS Foundation Trust](#)
- [Royal National Orthopaedic Hospital NHS Trust](#)
- [The Tavistock and Portman NHS Foundation Trust](#)
- [University College London Hospitals NHS Foundation Trust](#)
- [Whittington Health NHS Trust](#)

There are regular Supply chain meetings every qtr. This has enabled the members of the ICS to look at all our functions and start to plan workstreams. This will create a benchmark for the ICS either through collaborative procurement, or standardising products where possible as well as providing Mutual aid between sites. There is also a group call at 10.30 everyday Mon-Friday to facilitate these requests should they arise.

We have also Consolidated all our NHS supply chain deliveries through the central distribution Hub at Chalk mill drive. This is a warehouse space for 4000 pallets. Instead of NHS supply chain delivering to all NCL partner locations all is now shipped from the Supply chain warehouse at Enfield and then sent on to sites utilising the existing fleets that make the same Journey. This was achieved by mapping out and streamlining the service see below.

This exercise has not only reduced the Carbon footprint by 510 tonnes CO₂e approx. per Annum it will also provide the NCL group to look at consolidating other products that may suit this kind of space going forwards.

Chalk Mill Drive Warehouse Pic



14 Emergency Orders

Emergency orders are those orders, which, due to a pressing operational need, must be placed with the supplier with the utmost speed. There are two types of emergency order:

- Orders needing to be raised out of normal office hours (i.e. when there is no representative from PPS available on site or via the helpdesk.
- Orders urgently required during office hours

14.1 Emergency Orders for goods or services required out of normal office hours.

If goods or services, of an operational nature, are required which cannot be 'borrowed' from another area of the hospital then an emergency order may be raised by the requisitioning department. The following process must be used:

Authority for procurement of the goods must be given by an authorised signatory for the requisitioning budget. If no-one is present with this authority, then approval must be obtained by **one** of the following:

For goods or services less than £5k - A budget holder

For goods or services more than £5k but less than £20k - On-call Director

The authority must be given in an emailed confirmation. The email must state the items and the value being authorised.

Under no circumstances may an emergency order more than £20k be placed without the approval of an Executive Director of the Trust.

Place the order with the supplier quoting the order number "EPO [today's date dd/mm]" E.g. an order placed on the 27 April would have order number EPO2704. Supplier's phone numbers can be found using the Search function in PeCOS or by the usual means (Google, directory enquiries etc.)

For goods: when placing the order ensure that the supplier is aware that goods are to be delivered directly to the Department since the hospital loading bay may be locked out of hours.

On the next working day contact PPS with a copy of the approval email and any delivery notes. PPS will then help ensure the right entries are made on the PeCOS system.

14.2 Orders urgently required during office hours.

These orders are placed in the same way as non-urgent orders.

Contact the PPS helpdesk by telephone or your Business Partner stating that you have an urgent requirement.

A requisition must be input on PeCOS and authorised in the usual way.

If a supplier is new to the Trust, and therefore not registered on the Trusts finance systems, then it may be necessary for the supplier details to be added.

Adding of a new supplier can take some time, so in this case an urgent order to a new supplier may need to be handled as if it were 'out of hours'.

14.3 Urgent Orders from NHSSC ('category towers')

NHSSC are responsible for delivery of the vast majority of consumable items used with the Trust.

There are specific urgent ordering procedures for NHSSC, and these can be found here:

<https://www.supplychain.nhs.uk/customer-service/ordering/>

15. Frequently asked questions

15.1. Are purchasing and requisitioning the same thing?

No, they are not. Purchasing implies a formal order issued on the Trust's behalf committing to a legally binding contract with a supplier or contractor initiating a supply of goods or services.

A requisition is an internal request for goods or services to be delivered against an existing contract, or for a contract to be initiated. A requisition should never be sent outside the Trust, and a requisition should never be used as a purchase order.

15.2. Why can't we order goods without completing a requisition?

A requisition is a commitment from you to Procurement to spend your department's budget. The authorisation to spend this money needs to be approved through an approval hierarchy. This gives managers visibility of the monies spent and the control of their budgets. This is a statutory requirement.

15.3. What do I do if I need something that I have not bought before?

Check if the Item is on the PeCOS Catalogue. If not, you can raise a non-catalogue request. If you require any help or quotes to meet the SFIs contact the Operational Buyers via the PPS Helpdesk.

15.4. Why can't I receive stock directly to my department?

Deliveries usually come to a central point for security (we do not want drivers walking around the hospitals) and to make sure that there is a separation of duties. Goods should be checked in by someone other than the person who ordered them. This is good practice and is a requirement of audit and counter fraud. If you need delivery to come direct to you then you should speak PPS to ensure this is set up correctly in the ordering systems.

15.5. Why do I have to use a specific supplier if I can get something cheaper elsewhere?

The Trust uses a single supplier for most products to achieve savings on both the goods and the cost of process. Buying outside of the contract or purchase order can

add significant process costs. In addition, we cannot be sure that the quality and terms and conditions of the Trust will be met.

If you identify what looks like a significant saving opportunity, then of course you should contact PPS via the helpdesk giving more details.

15.6. How do I avoid getting quotes or going out to tender?

You cannot. We are all bound by the SFIs, but the PPS team can help you speed up the process and advise you how to proceed.

15.7. Why do we have all these rules?

All NHS money must be accounted for and be seen to be wisely spent. The rules protect the Trust and staff from fraud and reputational damage. We must comply with UK law as reflected in our SFIs.

15.8. How can I find out more about procurement?

PPS can arrange training and information sessions on request.

Enquiries via: [Partners Procurement Service
http://www.nhspps.uk/](http://www.nhspps.uk/)

Annex A – Procurement Routes

Whittington

[WH PPS procurement route flowchart](#)

Royal Free

[RFL PPS procurement route flowchart](#)

Moorfields

[MEH PPS procurement route flowchart](#)

Determine which procurement procedures are available to you based on whether the contract value is below or above the Threshold for Other Public Sector Contracting Authorities:

Thresholds as of 1st January 2026

Goods & Services	£135,018 (incl VAT)	Works	£5,193,000 (incl VAT)
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Annex B - Procurement Principles

Procurement is governed by a set of UK principles (originally set by the EU when UK was still a member but now captured in UK law) that set out to ensure a 'level playing field' for buyers and suppliers in which to conduct business. These principles legally apply to procurement activity above the Public Procurement Thresholds. However, Trusts will endeavour to apply the principles proportionately to all procurement activity regardless of spend. These principles are outlined in Tables 1.0 and 1.1 below:

EU Derived Principles

Transparency	Procurement activity shall be advertised appropriately to ensure market visibility and provide clear information with regards to the process, contractual requirements, performance, and the method/s of evaluation being used in the determination of a successful bid.
Proportionality	The approach taken in any given procurement activity will be proportionate to the level of complexity, impact, risk, and value of the activity as to not prevent or discourage bidders.
Equality	Ensuring that all providers and sectors have equal opportunity to compete where appropriate, that financial and due diligence checks apply equally and are proportionate, and that pricing and payment regimes are transparent and fair.
Non-Discriminatory	The consistent application of the Regulations and Trust rules to all procurement activity to ensure that no member state supplier is prevented from participating in an EU Tender on the grounds of nationality, or subject matter of the contract.
Mutual Recognition	Member states will recognise equivalent measures of qualifications, standards etc.

Table 1.0 – EU Principles of Procurement

UK Principles

Favour Competition	Procurement activity should be undertaken in a competitive environment to aid in demonstrating the UK principles as well as VFM.
Robust	Procurement activity should be legally robust to ensure compliance and account of decisions made and/or actions taken. The specification of the services and the terms and conditions shall ensure the Trust and its patients are safeguarded appropriately.
Accountability	All procurement activity will have an accountable officer of the Trust to sign off on the compliance of the procurement process/es used.
Value for Money	All procurement activity will seek and demonstrate the balance between quality and cost reflecting in a VFM decision.
Quality	Procurement activity will set out the minimum quality of goods, works or services / outcomes to be achieved by though the specification of the contract.
PPN02/23 Modern Slavery	Identify and manage modern slavery risks in both existing contracts and new procurement activity using a risk-based approach to identifying and managing these risks. Please click on the link for more guidance:

[https://assets.publishing.service.gov.uk/media/65fac64eaa9b76001dfbdb93/PPN_0223 -
_Tackling Modern Slavery in Government Supply Chains - Guidance.pdf](https://assets.publishing.service.gov.uk/media/65fac64eaa9b76001dfbdb93/PPN_0223_-_Tackling_Modern_Slavery_in_Government_Supply_Chains_-_Guidance.pdf)

PPN06/20 Minimum 10% weighting for SV to take account of the additional social benefits that can
Social Value be achieved in the delivery of any contract.

Please click on the link for more guidance:

[https://www.england.nhs.uk/greenernhs/wp-content/uploads/sites/51/2022/03/B1030-
applying-net-zero-and-social-value-nhs-goods-and-services.pdf](https://www.england.nhs.uk/greenernhs/wp-content/uploads/sites/51/2022/03/B1030-applying-net-zero-and-social-value-nhs-goods-and-services.pdf)

Table 1.1 – UK Principles of Procurement

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Annex C – PeCOS QUICK GUIDES

[PECOS quick reference guide](#)

[Raising a requisition](#)

[Ordering from a template](#)

[Receipting](#)

[Returning an item](#)

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Annex D – Loan Equipment Guidance

[MIA guidance document 2018 update](#)

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Annex E – Categories of Expenditure not Requiring a Purchase Order

Agency and Bank Staff - These will be booked via a separate system, and you should contact your staff bank or temporary staffing office.
Pharmaceuticals - Medicines are ordered via a purchasing system specifically owned and managed by the Pharmacy team.
HMRC payments
Council taxes, rent and rates
Legal settlements
Season Tickets

For anything else please do not assume a Purchase Order is not required. Please check with PPS.

Annex F – Quotation Process

This process is for use with purchases falling below the tender threshold and where the goods or service are simple to specify and delivery would normally conclude the contract.

Existing Partner Trust Thresholds				
		WHT	MEH	RFH
Supplies & Services	1 Quote	Up to £10,000	Less than £5,000	up to £5,000
	3 Quotes	from £10,001 to £50,000	From £5,000 to £49,999	from £5,001 to £10,000
	4 Quotes		From £50,000 to UK limit	From £10,001 to £30,000
	Tender Process	From £50,001		From £30,001
Works	1 Quote	Up to £10,000	Less than £10,000	up to £5,000
	3 Quotes	From £10,001 to £50,000	From £10,000 to £299,999	from £5,001 to £10,000
	4 Quotes		From £300,000 to £499,999	From £10,001 to £30,000
	Tender Process	From £50,001	From £500,000	From £30,001

n.b: values correct as at Mar 2025

Where on-going elements of the requirement (e.g. maintenance or guarantees) are needed they should be simple to monitor / measure – if more complex arrangements are required e.g. formal Service Levels, change control procedures etc., then contract terms would have to be changed taking the procurement beyond a 'simple' quote and a tender process should be considered.

Quotation Steps

- 1 Ensure that you have at least the required number of suppliers (see table above) selected from whom to invite quotes. You must be able to justify why you have chosen the bidders that you have. If you are repeatedly requesting quotations for similar goods or services then you should take advice from PPS as it may be more appropriate to establish an ongoing contract that you can make use of, or for you to be using the MultiQuote platform which allows for a more open and transparent advertising of your requirements.

- 2 If you only have fewer bidders that you wish to send the request to, then you will need to submit a waiver as this is technically a breach of the Trust standing financial instructions. Refer to Section 6.1 of the Procurement Guide.
- 3 Draw up a timetable including RFQ issue date, closing date, and award date (see point 6 below for return dates).
- 4 You can request quotes by email, and templated text is given at the bottom. Some text is highlighted in yellow where you will need to make a choice (also in the square brackets). Guidance notes are provided in the text boxes.
- 5 Ensure that you include:
 - your name and telephone number
 - any useful background information and a general description of your requirement
 - the date for quotation return.

Consider where to use optional material in square brackets. *Make sure that the request makes sense for your purchase.* Take advice from PPS on changing it.
- 6 You will then need to complete the documentation to be attached to the RFQ:
 - a) The Specification – include a description of what it is you want done or supplied. This is a key document, and it should be clear about what you want and expect from the winning supplier through the life of the contract.
 - b) The Contract Terms. The NHS Standard Terms & Conditions are provided as a link and **should not** be changed without appropriate advice. If you require more detailed conditions, or specialised contract terms (*such as any of the NEC building contracts*) you may attach additional pages of special conditions, which are not covered by these Terms and Contract Schedule, or refer to the specific contract that you intend to use. However, you should take advice from PPS or your legal team when doing this.
 - c) Unless the requirement is very simple with a single 'ticket' price, pricing schedules should be attached in the form of a matrix. These should link to your specification, and a breakdown is essential to allow an effective comparison. An example is given in the template.
- 7 Issue the RFQ via email, *allowing at least two weeks* for return of quotes.
- 8 If you issue a lot of RFQs then please consider making use of MultiQuote the portal that can be made available to you by PPS.
- 9 Ensure that all quotes received are recorded.
- 10 Quotes need to be considered and evaluated by at least two individuals.
- 11 Complete rejection emails. Again, example wording is provided below.
- 12 Raise requisition on PeCOS for the winning bidder. The requisition should clearly reference the Request for Quotation and the winning quote. All quotes (including unsuccessful ones) will need to be included with the requisition.
- 13 The requisition will now be routed for financial approval before a Purchase Order is issued.

- 14 If the supplier is a new supplier to the Trust, then they will need to be added to the procurement and finance systems and the forms for this are available from PPS help desk.

Template Wording for email Request for Quotation (outside of MultiQuote portal):

Dear **name or company name**

Title - Request for Quotation (RFQ)

Trust Name is letting a **contract for**

Include here any useful background information; specific instructions not otherwise covered in the specification or the following points; reference to any drawings; any annexes with statistical information on past and current performance to help the supplier price. etc.

[Description of the type of goods or service. This may include:

- Brief background information
- Planned start date
- Likely duration of contract
- Maintenance or other ongoing nature of the contract

You are invited to quote. *The specification is attached but before submitting any information, please ensure you have read the attached instructions carefully.*

[Any quote that is accepted will be awarded to the lowest quote only.]

[Any quote that is accepted will be awarded to the most economically advantageous quote in accordance with the following award criteria in descending order of importance:]

[Insert sub-criteria]

Examples:

- Compliance with the specification
- Cost
- Time of delivery
- Relevant experience / track record
- Any other relevant matter]

If the contract is to be awarded on basis of LOWEST PRICE ONLY, delete square brackets and the **next** paragraph.

If, despite the advertisement of the Most Economically Advantageous (MEA) criteria, award is always made to the lowest price, then the criterion ought to be stated to be the lowest price. If you choose to use the MEA criteria, the sub-criteria must be ranked and the evaluation methodology should be determined in advance. The award criteria must then be applied to all offers.
If the award is made to the lowest price, it may be appropriate to evaluate only the lowest priced supplier initially. If that supplier meets the specification requirements in full, then the award should be made. By contrast, if the MEA criterion is used, then all quotes must be evaluated, not just the lowest priced quote. If criteria other than lowest price only (e.g. previous experience, quality, ability to meet specification requirements, etc.), delete square brackets and the preceding paragraph. The award criteria **MUST** be specified.

All quotes should be returned by email to **email address**

And shall arrive by **[12:00 (noon)]** on **[INSERT DATE]**.

Suppliers shall ensure that their quotation arrives on time. Your quotation may not be accepted if it is received after the due time.

The Trust expects to decide award of contract **within [14]** days of the closing date for submission of quotes for submission of quotes.

You may require some time to evaluate the returned quotations. The number of days may vary and will depend on what resources are available to evaluate the quotation

The NHS Standards Terms and Conditions of Purchase are available via the link below.
This is the Trusts contractual base for any supply as a result of this request for quotation. Any queries about any terms should be raised prior to quotation submission.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/681015/NHS_TERMS_AND_CONDITIONS_FOR_THE_SUPPLY_OF_GOODS_PO_VERSION.docx

These are the standard terms for supply of goods or products. Delete others that don't

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/681016/NHS_TERMS_AND_CONDITIONS_FOR_THE_PROVISION_OF_SERVICES_PO_VERSION.docx

These are the standard terms for supply of services. Delete others that don't apply.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/681017/NHS_TERMS_AND_CONDITIONS_FOR_THE_SUPPLY_OF_GOODS_AND_THE_PROVISION_OF_SERVICES_PO_VERSION.docx

These are the standard terms for supply of both goods and services, Delete others that don't apply.

Bidders shall be notified of the outcome. Acceptance of the quotation by the Trust shall be in writing, via a formal Purchase Order. Suppliers must not undertake work until they have received written notification that they have been awarded the contract and are required to start work.

Yours sincerely

[Name]

[Job Title and Department]

Attachments:
Specification
Price Schedule

Specification /Method Statement

Include your service or supply requirements here. You may wish to consider other things like service/supply standards, reporting arrangements, management information requirements, project management, etc.

Pricing Schedule

Strongly recommend using a price matrix:

Encourages suppliers to breakdown prices and discourages 'bundling', which improves transparency and aid comparison..

Costs	
Cost for XXXXXXXX	£
Cost for XXXXXXXX	£
Cost for XXXXXXXX	£

Expand as required	£
Total Cost	£

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Template Wording for email rejection notice in response to Request for Quotation (outside of MultiQuote portal):

Dear **name or company name**

Title - Request for Quotation (RFQ)

Thank you for your recently completed quotation. Following detailed consideration we have tell you that you have not been successful in this instance.

This decision was based on **[the Trust receiving an acceptable lower priced offer from another bidder] / [the award criteria as set out in the original Request for Quotation where another bidder was deemed to provide a more advantageous offer to the Trust. The characteristics and relative advantages of the successful bidder were. . you need to include the characteristics and relative advantages of successful bidder].**

Depending on whether the RFQ was based on price alone, then you need to select the appropriate sentence.

You must replace the words in italics with the relevant detail from the quotation evaluation.

YOU SHOULD NEVER DIVULGE EXACT PRICING FROM ONE BIDDER TO ANOTHER.

We appreciate the hard work in preparing a quotation and thank you for your interest and participation in the competition.

Yours sincerely

[Name]

[Job Title and Department]

Annex G – New Procurement Project Form

[New procurement form](#)

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Annex H – Specification Template and Guidance

[Specification Template and Guidance](#)

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Annex I – PSR (Provider Selection Regime) Toolkit

PSR Toolkit <insert link to toolkit via Noesis Cloud>

Annex J Guidelines for the use of Artificial Intelligence in Procurement .

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