

# SELLING TO THE NHS: A GUIDE FOR SUPPLIERS



**This guidance is aimed at helping existing and potential NHS suppliers gain a better understanding of how purchasing and supply works in the NHS.**

Visit the NHS Purchasing and Supply Agency (NHS PASA)'s procurement website – [www.pasa.nhs.uk](http://www.pasa.nhs.uk) – for the latest information, guidance and contact details from the Agency.

Suppliers will find information on everything from risk management and the environment to corporate publications and up-to-date contact details for buying teams. In addition, the content of this guidance is constantly updated.

## PURCHASING AND SUPPLY – HOW IT WORKS IN THE NHS

The NHS needs an enormous range of goods and services to enable it to provide effective health care to patients. Imagine the vast array of items that are needed to operate a hospital – from food to highly complex magnetic resonance imagers, from needles and syringes to electricity and fuel, and from mattresses to vehicles. And imagine how much the NHS spends on these items.

Last year, the NHS spent £22 billion on purchasing the goods and services it needed.

So how does the NHS obtain these goods and services? The NHS is made up of 485 trusts (predominantly acute, mental health, foundation, primary care and ambulance trusts), each with its own budget to spend.

*Most commonly, trusts purchase through:*

- national framework contracts negotiated by NHS PASA
- national framework agreements managed and negotiated by NHS Supply Chain
- individual trusts' local contracts
- consortium contracts, where a group of trusts work together to negotiate contracts – this has been developed into the establishment of collaborative procurement organisations
- pan-government contracts

## WHAT NHS PASA DOES

NHS PASA is an executive agency of the Department of Health. It works to ensure that the NHS in England makes the most effective use of its resources by getting the best possible value for money when purchasing goods and services.

Being an integral part of the Department of Health, NHS PASA is in a key position to advise ministers and Government on policy and the strategic direction of procurement across the NHS.

With ministerial support, NHS PASA is leading the ongoing modernisation of purchasing and supply – ensuring that purchasing and supply strategies reflect and contribute towards the achievement of the Government's policies, strategies and priorities.

*NHS PASA's key tasks are:*

- supporting the national priorities of the NHS
- providing strategic guidance on procurement to the NHS where procurement is taking place at a regional or local level
- providing practical guidance, education and training to those involved in procurement throughout the NHS
- promoting creativity from suppliers and encouraging small and medium-sized enterprises (SMEs) to do business with the NHS
- promoting sustainable development within the NHS and its supply chain to reduce the negative environmental and social impacts of procurement decisions and increase the positive ones
- encouraging the introduction of beneficial, innovative products and technologies into the NHS
- procuring on behalf of the NHS in England

The areas of supply chain service previously controlled by NHS Logistics, plus associated contracting services previously the responsibility of NHS PASA, are now managed by NHS Supply Chain. These are, in the main, consumable items used in health care.

Further details can be found at: [www.supplychain.nhs.uk](http://www.supplychain.nhs.uk)

## NHS-sid

NHS-sid is the sole official NHS supplier information database. The service is free of charge to all suppliers and NHS users.

NHS-sid is a secure online database that holds suppliers' details and other pre-qualification information. All NHS organisations have access to NHS-sid and can use the database to source suppliers. The database is easy for suppliers to use and update. As many NHS organisations – including NHS PASA – use this system for the submission of tender pre-qualification information, registering with NHS-sid can save suppliers valuable time and resources when tendering for NHS business. Information is supplied once only electronically instead of by paper copies.

Already on NHS-sid? Remember to logon and keep information up to date.

The registration and publication of a company profile on NHS-sid does not mean or imply that the supplier has in any way been vetted or approved by NHS PASA. Supplier information displayed in NHS-sid is provided and maintained by suppliers.

NHS PASA does not endorse any other free or commercially operated database or register of supplier information.

For more information visit the website at: [www.pasa.nhs.uk/sid](http://www.pasa.nhs.uk/sid)

## SUSTAINABLE DEVELOPMENT

In 2005 the UK Government published its strategy for sustainable development which identified the importance of procurement, and in particular public sector procurement, as a driver for improved sustainability performance. This concept is further expanded in the Sustainable Procurement Task Force report issued in 2006 and the UK Government Sustainable Procurement Action Plan issued in March 2007.

All goods, services, works and utilities procured have associated impacts on society and the environment, some of these impacts being negative and some positive.

NHS PASA's sustainable procurement policy defines sustainable procurement as: *"The process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole-life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment."*

A sustainable approach will identify the most significant sustainability aspects related to the products, services, works or utilities that are being procured and, as such, offers submitted should seek to demonstrate how they address these aspects effectively and innovatively.

Examples of aspects that are likely to be considered include:

- prevention of pollution
- promotion of resource efficiency and use of renewable resources
- application of the waste hierarchy principles (reduce, reuse, recycle, recover)
- addressing climate change
- protection of ecosystems, habitat enhancement and encouragement of biodiversity
- promotion of minimum labour standards and worker rights in line with principles set out in the International Labour Organisation (ILO) conventions on human and employee rights in relation to its direct activities, policy and guidance, and throughout procurement decision making processes

With regard to the health and social care sector, NHS PASA has published *Sustainable Procurement Policy, Strategy and Action Plan* and, in conjunction with the Department of Health, has issued *Procuring for sustainability 2012* (November 2007).

For further information see the sustainable development pages at: [www.pasa.nhs.uk/PASAWeb/NHSprocurement/Sustainabledevelopment](http://www.pasa.nhs.uk/PASAWeb/NHSprocurement/Sustainabledevelopment)

## USE OF eENABLEMENT TECHNOLOGIES FOR PROCUREMENT IN THE NHS

eEnablement is the general term used to cover a wide assortment of techniques that use electronic communication technologies for processes associated with the acquisition of goods and services.

The NHS, along with many other industries, has recognised that there are significant benefits available, for both buyers and sellers, from the use



of these technologies and was an early adopter of eEnablement technologies in procurement, particularly in the area of pharmacy.

Currently the NHS uses eEnablement technologies across a range of processes including inventory management, eCatalogues, exchanges for the processing of orders and invoices, eTendering and electronic reverse auctions.

Suppliers may be asked by NHS organisations to adopt the use of eEnablement technologies to participate in tender opportunities and trading relationships. For example, NHS PASA uses an eTendering system for all its tendering opportunities.

## THE NHS PROCUREMENT eENABLEMENT PROGRAMME

The NHS procurement community has recognised that for the NHS and its suppliers to obtain the significant benefits that are available from the adoption of eEnablement technologies a common approach is required across the NHS.

The NHS Procurement eEnablement Delivery Group (NPEDG) was established in conjunction with representatives from the NHS, eEnablement technology providers and suppliers to the NHS and their Trade Associations. NPEDG developed and published the *NHS Procurement eEnablement Strategy* in June 2007.

This programme consists of five work streams to deliver pragmatic steps, using the current business and technology environments, to put into place the essential enablers for the effective adoption of eEnablement technologies in NHS procurement.

The key objectives of the programme are:

- the implementation of common data and business message standards
- the adoption of eEnablement technologies and interoperability between processes
- the inclusion of the eEnablement of procurement and commercial processes in the business objectives of NHS organisations

Please go to the following website to see more about the strategy and the programme: [www.pasa.nhs.uk/PASAWeb/NHSprocurement/](http://www.pasa.nhs.uk/PASAWeb/NHSprocurement/)

## NATIONAL FRAMEWORK AGREEMENTS

The NHS, in common with other public sector organisations and government departments, must meet the requirements of EU public procurement directives which ensure open and fair competition.

Under these directives, the NHS must advertise all contracts with a total value\* of over £93,738 (for supplies and services) or £3,611,319 (for works) in the Supplement to the Official Journal of the European Union (OJEU). These adverts enable suppliers to express an interest in the majority of the NHS's national contracts.

\* These thresholds were accurate as of January 2006. They are subject to change by the EU and should be checked at the time of use. The figures are revised every two years. The next change will be on 1 January 2008.

## CURRENT OPPORTUNITIES

View NHS PASA current contract opportunities at: <https://pasa.bravosolution.com>

NHS Supply Chain now procures a wide range of goods for the NHS. For more information about the organisation's contract opportunities and how it operates, visit the website at: [www.supplychain.nhs.uk](http://www.supplychain.nhs.uk)

The OJEU is issued daily. To subscribe, contact The Stationery Office on **0870 600 5522** or visit the online version at: <http://ted.europa.eu>

For further information and up-to-date EU threshold levels, please refer to: [www.pasa.nhs.uk/PASAWeb/NHSprocurement/Nationalprocurement](http://www.pasa.nhs.uk/PASAWeb/NHSprocurement/Nationalprocurement)

## LOCAL PROCUREMENT

Each trust will have in place a number of local contracts managed by the trust's supplies department.

A full list of NHS trust supplies department contacts is available at: [www.pasa.nhs.uk/PASAWeb/NHSprocurement/](http://www.pasa.nhs.uk/PASAWeb/NHSprocurement/)

NB: Under the Data Protection Act, NHS PASA cannot provide names of individual supplies contacts.

## HELPDESK

For general queries, contact the helpdesk on **0118 980 8841**

## INNOVATION

NHS PASA has a broad role in supporting this increasingly important cross-government policy area, encompassing:

- innovation in procurement in the NHS – developing best practice processes and practical tools supporting wider government initiatives
- input to policy and strategy development
- innovation research and networks
- specific projects such as forward commitment, health care acquired infection, sustainable procurement, purchasing for safety, telecare, clinical care pathways, understanding value
- innovations in technology, signposting and advice to innovators
- joint working with academic institutions, agencies and specialists
- innovation networks eg disruptive innovation, 6 Countries programme
- HITF (Health care Industries Task Force), a joint partnership with the health care industry and the Department of Health
- building and sharing knowledge

For more information see: [www.pasa.nhs.uk/PASAWeb/Supplierzone/SellingtotheNHS/HITFaccessinnovation.hm](http://www.pasa.nhs.uk/PASAWeb/Supplierzone/SellingtotheNHS/HITFaccessinnovation.hm)

## SMALL BUSINESSES

Small and medium-sized enterprises (SMEs) make a significant contribution to the UK economy and it has been recognised that the public sector should be able to access the solutions they can provide to help achieve innovation and value for money in the delivery of public services. The Government's aim has been to level the playing field for SMEs seeking to bid for public contracts, thereby encouraging competition and diversity in the supplier base.

NHS PASA has long been committed to this principle and ensures that SMEs have equal opportunity to compete for the contracts it negotiates on behalf of the NHS. The Agency encourages suppliers to bid for any advertised opportunities where they believe they can add value, does not discriminate against any supplier because of its size and awards contracts on the basis of achieving best value for the NHS. A significant proportion of NHS business is conducted with SMEs.

The Agency has collaborated over recent years with the Enterprise Directorate (formerly the Small Business Service) and the Office of Government Commerce (OGC) in their work across government and the public sector to address the issues confronted by smaller suppliers. It has also participated in the NHS Mosaic Project to engage with SMEs, voluntary sector businesses and black and other minority enterprises (BMEs) – which includes disabled-owned businesses, women-only businesses and social enterprises.

The Agency's activities around SMEs are consistent with the public sector procurement regulations and its own sustainable development and overarching procurement policies.

The following initiatives are relevant to all suppliers but will be of particular interest to small businesses:

## FREE INFORMATION AND ADVICE

NHS PASA provides a helpdesk to answer general enquiries – contact **0118 980 8841** or email [pasa@pasa.nhs.uk](mailto:pasa@pasa.nhs.uk)

Specialist staff will be happy to discuss any aspect of selling to the NHS, including relevant quality standards, information on public sector procurement regulations, market structure and customer requirements. Contact the helpdesk to be directed to the relevant member of staff.

## SEMINARS AND EVENTS

NHS PASA staff attend seminars and events held by trade associations, chambers of commerce and other groups to speak to potential suppliers on a collective basis. These 'meet the buyer' events can help suppliers gain valuable NHS market information face to face.

## PRODUCT TRIALS

Where appropriate, the Agency can help to arrange product trials and report the feedback of NHS users to suppliers.

## CONTRACT DEBRIEFING

If a supplier has tendered for one of the Agency's contracts and been unsuccessful, the Agency will offer constructive feedback on the reasons for the lack of success. This will help suppliers to monitor their performance within the market place, helping them to become more competitive in the future.

## THE NHS MOSAIC PROJECT

Owners of black and minority ethnic enterprises may be interested in the NHS Mosaic Project's website. Go to: [www.mosaic.nhs.uk/aboutus](http://www.mosaic.nhs.uk/aboutus) and navigate to the supplier section.

## SUPPLY2.GOV.UK

The Supply2.gov.uk opportunities portal was launched in 2006 and provides small businesses and other organisations with access to information on central and local government procurement contracts (typically under £100,000).

Further details can be found on the Supply2.gov.uk website at: [www.supply2.gov.uk](http://www.supply2.gov.uk)

Details in this guidance apply to organisations in England, but contact details for other areas are listed below:

### Scottish Health Care Supplies

Tel: **0131 275 6000**

Web: [www.show.scot.nhs.uk/shs](http://www.show.scot.nhs.uk/shs)

### Welsh Health Supplies

Tel: **029 2031 5500**

Web: [www.whs.wales.nhs.uk](http://www.whs.wales.nhs.uk)

### Central Services Agency – Regional Supplies Service (Northern Ireland)

Tel: **028 9066 7799**

Web: [csa.unite.net](http://csa.unite.net) (or [www.centralservicesagency.com](http://www.centralservicesagency.com))

## DISCLAIMER

This guidance has been developed by the Department of Health's Mosaic project. The contents of this guidance are intended to be informative and provide support. Nothing in this guide implies or expresses a warranty of any kind. Users are advised to seek independent advice on any problem they may have as the Department of Health's Mosaic project cannot accept responsibility for any loss arising from reliance on anything set out in this guide, even errors or omissions. The Department of Health's Mosaic project cannot accept responsibility for information contained on linked sites and for any reliance that may be placed upon their contents.



# Expert public procurement consultancy for Buyers and Suppliers at your service



## PASS – HELPING YOU MEET KEY OBJECTIVES

The key objective of public procurement professionals is to ensure that the most suitable supplier is selected to provide goods and services on terms which are likely to offer the best value for money. The PASS service helps you meet this requirement and deliver contracts that offer best value-for-money terms with suppliers who will execute them efficiently.

## PASS CONSULTANCY

BIP's *Procurement Advice and Support Service (PASS)* provides organisations with access to experts in public procurement practices and procedures, thus helping you develop and deliver effective and efficient procurement. Our team offers a range of services to meet your specific needs. Whichever area you wish evaluated and improved, we have the experts to help.

*The PASS consultancy's mission is to help you deliver the best in government procurement through:*

- Practical solutions to improve procurement performance
- Innovative approaches to knowledge transfer within government
- Joined-up government
- Improved performance indicators
- Strategic direction and performance
- Opportunities offered by e-government
- Capacity to deliver change to meet identified needs
- Continuous improvement of services and challenging poor performance
- Sustainable development within decision-making processes and delivery of services
- EU-compliant processes
- Best practice procurement training

## PASS TRAINING

Our consultants can provide you with bespoke training packages to suit your needs. Consultancy and training is available for the following: environmental purchasing, partnering, evaluation, e-government, supplier debriefing, UK legal processes and precedents, contract management, EU-compliant tendering and much more.

## PASS ONLINE GUIDANCE

The PASS service provides online guidances on all aspects of the public procurement process and legal requirements: [www.bipsolutions.com/html/briefing.php](http://www.bipsolutions.com/html/briefing.php)

## PASS – EFFECTIVE DISPUTE MANAGEMENT

Contractual and procurement-related disputes are time-consuming, expensive and unpleasant. They can destroy client/contractor relationships, can add substantially to the cost of the contract, and can nullify some or all of its benefits or advantages. They can also have an impact on value for money. It is therefore in everyone's interest to work at avoiding disputes in the first place. Inevitably, however, disputes do occur and when they do the importance of a fast, efficient and cost-effective Alternative Dispute Resolution (ADR) procedure cannot be overstated. If a dispute arises, it is important to manage it actively and positively and at the right level in order to encourage early and effective settlement. Unnecessary delays and inefficiency can lead to rapid deterioration in relations and entrenchment of opinions. ADR through PADRE mediation involves the use of a trusted expert third party and is an effective alternative to litigation. PADRE mediation is provided by experts in contracting and public procurement. If you would like more details on how PADRE can help your organisation and become your mediation service of choice, telephone the PASS team on **0845 270 7055** or email [pass@bipsolutions.com](mailto:pass@bipsolutions.com).

## PASS HEALTH CHECK

The PASS service can help your organisation examine its current procurement organisational structures, strategies, processes, practices and related strengths and weaknesses. It delivers a detailed *PASS Mark Health Check Outcome Highlight Report (OHR)* that outlines areas of strength as well as those requiring further attention, and provides an outline *Project Initiation Document (PID)* designed to deliver a more effective and efficient tendering process that will help you achieve optimum performance and better value-for-money procurement.

## PASS IN-HOUSE PRESENTATIONS

PASS consultancy can provide you with in-house presentations directed to buyer or supplier. Each presentation will be bespoke to your requirements, whether they be with regards to improving your tendering practices or your procurement strategy or processes. Contact: [pass@bipsolutions.com](mailto:pass@bipsolutions.com)



The *PASS Mark Health Check* is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the **PASS** service, contact our **PASS Team** on **0845 270 7055**, email [pass@bipsolutions.com](mailto:pass@bipsolutions.com) or visit [www.bipsolutions.com/pass/](http://www.bipsolutions.com/pass/)