

# Procurement Strategy 2024-27

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# Procurement Strategy

## Contents

1. Context.....	2
2. Introduction .....	3
3. Strategy Aim, Procurement Objectives and Measures of Success .....	4
4. Requirements and Principles .....	5
5. The Procurement and Contract Management Process .....	7
6. Supplier Sourcing.....	8
7. Procurement Considerations.....	9
8. Sustainable Procurement.....	10
9. Our work and the immediate future .....	10
Annex A – Procurement Thresholds .....	12
Annex B – High-Level Implementation Plan .....	13

## 1. Context

- 1.1 South East Coast Ambulance Service NHS Foundation Trust (SECAMB or Trust) is currently finalising its strategy for 2024-29 with an overall vision of saving lives and serving our communities. This Procurement Strategy aims to assist with enabling the three key elements of the organisation's strategy, i.e. to deliver outstanding patient care, enhance the experience of our people and to build a more sustainable organisation. The organisation has seven strategic objectives - the one directly applicable to the Procurement Team, and which this Strategy is particularly focused on contributing to becoming a sustainable and efficient organisation.
- 1.2 The Procurement Team will seek to be a pragmatic enabler and forthright driver for cost effectiveness and the achievement of best value for money (VFM) in a compliant way. SECAMB must maximise its resources and make cash releasing efficiency savings while delivering against its strategic, organisational and operational plans. The Procurement Team will help directorates achieve this using best practice and compliant procurement processes. The Procurement Team currently comprises six staff: Associate Director of Procurement, a Procurement Manager, two Procurement Contract Managers and two Buyers. The team structure includes other funded posts which are vacant, and the newly appointed Associate Director will undertake a review of the roles and responsibilities of team members and assess the upcoming Procurement Pipeline to determine the optimal team structure to deliver against this Strategy.
- 1.3 The Team will ensure that our procurement procedures and processes adhere to the Public Contract Regulations 2015 and are therefore legally compliant as well as being compliant with our organisation's Standing Financial Instructions (SFI) and Scheme of Delegation. The Team will prepare themselves and the organisation for the implementation of the Procurement Act 2023 through the new Public Contract Regulations 2024 which will be effective from 24<sup>th</sup> February 2025.
- 1.4 The Team has developed a Procurement Pipeline of anticipated work including open and competitive full tenders, further competitions (against public sector buying organisations (PSBO's) frameworks<sup>1</sup>) and, in exceptional cases, direct awards against frameworks and SFI waivers. This Pipeline details the requirements and timescales for all procurements that the Team expect will need to be undertaken. This Pipeline will be achieved through exploiting frameworks and collaboration with other NHS bodies. The Pipeline will document the following key information:
- What the requirement is
  - The Directorate which has ownership of the requirement
  - Whether the requirement is a one-off (such as a building project) or a recurring need
  - If the requirement is for the Trust overall or specific to one of the Trust's locations
  - Timelines for scoping the work, when the procurement activity needs to be completed and when the resulting contract needs to start
  - Anticipated costs for the initial contract term
  - What procurement strategy will be adopted, such as formal open competitive tender, further competition against a framework, extension or variation of an existing contract
  - Key stakeholders:
    - from within the Directorate which owns the requirement/budget
    - to be involved in the tender preparation, i.e. scope and timetable
    - who will form the evaluation panel

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<sup>1</sup> PSBO Frameworks such as NHS Supply Chain, NHS Commercial Alliance, Crown Commercial Services, SBS etc

- The name of the procurement lead
- Commentary, including timeframe for stakeholder involvement

1.5 The Team will strive to contract for goods and services to meet organisational needs across the whole organisation as well as specific procurements such as one-off capital projects.

1.6 This strategy is authored and owned by the Associate Director of Procurement. The strategy will be reviewed every three years.

1.7 A Procurement Policy will be developed by 2025 and this is expected to outline the following:

- How the Team will ensure compliance with PCR
- Code of conduct
- How we will protect intellectual property, commercial information and personal data
- How we will undertake supplier sourcing, contracting and achieving VFM
- How we will ensure we maintain an accurate and up-to-date contract register
- How we will support the organisation manage contracts effectively
- How we will deliver and/or contribute to responsible procurement, for instance, in relation to:
  - compliance with the modern slavery act
  - sustainability
  - decarbonisation
  - waste management
  - minimum wage legislation
  - diversity, equality & inclusion
  - social value
  - supply chain due diligence and robustness
  - AI use in Procurement
- How we will inform, upskill, provide guidance and training internally to the Team and to the wider organisation
- Details of our procurement thresholds and the process for considering waivers
- How the Team will be performance managed.

## 2. Introduction

2.1 Meeting our objectives depends on how well the Team can obtain the goods and services the organisation needs. The Team anticipates needing to do this against challenging timescales and budgets. The Team strives to achieve best value for money (VFM), by buying a product or service that is fit for purpose, considering its whole life cost, which looks at all life-cycle costs (including disposal costs), minimising these where possible. VFM is not always the lowest initial price option, as we should take account of any ongoing revenue/resource costs as well as the initial capital investment.

2.2 Procurement is the process of acquiring goods and services, usually covering acquisition from third party suppliers. The process spans the whole cycle from identifying need, through to the end of a service contract or the end of the useful life of an asset. It involves looking at different options and deciding whether to buy a good or service, or whether it could be provided in-house or via a Service Level Agreement.

- 2.3 Getting best VFM will govern all of our procurement activities. As a spender of public funds, the Trust must spend its financial resources wisely while getting the most out of them. There is considerable scrutiny on the goods and services we spend our resources on.
- 2.4 VFM is not just about acquiring goods and services at the lowest price. We consider quality, timeliness and total cost of ownership. For instance, if we procured information technology equipment, we would need to consider issues such as:
- warranty protection
  - ongoing maintenance
  - potential for upgrading
  - compatibility with existing systems
  - environmental issues
  - scalability
  - the need for the equipment to be future proofed to account for advancing and upcoming technologies
  - team skill set to manage and support the equipment.
- 2.5 This strategy shows the overarching aims and principles the Team apply when purchasing goods and services to fulfil our objectives.
- 2.6 The Team, with stakeholder input, will formulate and develop a Preferred Supplier List, and this will detail all approved third-party suppliers for the Trust. Approved in the sense that they have been endorsed by the Procurement Team after having been:
- procured via a compliant route, e.g. open competitive tender or via a PSBO framework
  - benchmarked for VFM.
- 2.7 All procurement procedures will be detailed in a revamped Standing Operational Procedures or a Procurement Manual which is expected to be developed by the end of 2025.
- 2.8 The Team will develop intranet pages on the Zone to contain the following:
- an outline of our current procedures
  - forms and templates
  - this Strategy document
  - the Procurement Pipeline
  - oversight of the Procurement Act 2023

During 2025 the Team would expect to expand our intranet pages to include the following:

- Procurement Policy
- Preferred Supplier List
- Standing Operating Procedures and/or Procurement Manual

### 3. Strategy Aim, Procurement Objectives and Measures of Success

- 3.1 **This strategy's aim or goal:** To procure goods and services in a cost effective and legally compliant way to meet SECAMB's strategic, organisation and operational aims and objectives whilst exploiting opportunities to leverage spend and secure savings.

3.2 **The Procurement Team's objective is:** To procure goods and services through a fair non-discriminatory and transparent process, while conforming with, and observing, statutory and regulatory requirements, as well as considering all aspects of responsible procurement. The Team will ensure best value by getting the balance right between considering whole life cost, quality, expertise, responsibility, and timeliness.

3.3 The Procurement Team will achieve this by:

- working proactively and in a helpful manner with our internal customers to meet their business expectations and needs
- adopting best practice procedures and processes
- using appropriate terms and conditions effectively so that data protection and intellectual property rights are properly managed and to eliminate the risk of contracting on unfavourable supplier terms
- working proactively and collaboratively with other NHS bodies, particularly other ambulance trusts and PSBOs to share best practice, experience, knowledge and leverage spend
- taking account of NHS guidance
- using the Contracts Finder and Find A Tender websites (via SECamb's eProcurement platform) to advertise our requirements thus encouraging SME participation
- making sure everything the Team does follows sustainability guidance in the Government's Buying Standards
- providing proactive contract management advice and support
- helping our colleagues to get the most out of procurement by sharing information and best practice with them; this can be via the intranet or delivering in-house training courses or awareness briefings, such as an 'Introduction to Procurement'
- facilitating access to appropriate contract management training to upskill end users who have been assigned contracts to directly manage
- exploiting frameworks wherever possible to leverage spend, maximise cost efficiency and deliver goods and services promptly with the added comfort of contracting on robust terms and conditions and achieving compliance with PCR
- working closely with Directorates and the Finance team when compiling and reviewing the procurement pipeline
- ensuring the Team have appropriate frameworks, call-off agreements or retainer arrangements in place to meet our current and future needs effectively and efficiently
- achieving cash releasing savings as a result of the Team's intervention, which should far exceed the team's running costs so adding real and tangible value to the organisation; the Procurement Team's savings target covering the financial year 2024-25 will be £720K.

3.4 The measures of success through implementation of this strategy will include:

- no challenges for breach of public procurement regulations
- a procurement service which meets internal stakeholder expectations (as measured by periodic satisfaction surveys)
- participation in collaboration opportunities and the achievement of value for money
- achievement of cashable savings and meeting the cost improvement target.

## 4. Requirements and Principles

4.1 To achieve this overall strategy the Procurement Team must have:

INTERNAL

- informative guidance, clear procedures and model documentation to direct us through the procurement processes and ensure consistency of approach
- access to NHS standard commercial contract terms and conditions to support formal contracts for the supply of goods and services
- sufficiently experienced staff who are deemed competent and 'expert' in public procurement and category management, for instance, staff with qualifications/membership of the Chartered Institute of Procurement & Supply (CIPS) and/or a breadth of experience and practical knowledge
- a way to update the team in procurement best practice and changes in regulations and legislation – the Procurement Team should achieve this through regular team meetings and a review of procurement policy notes which are issued by Cabinet Office
- a way to provide other staff involved in individual procurements with guidance sufficient for their needs – e.g. presentations at Senior Management Group meetings, coaching, workshops or formal training
- appropriate Trust spend/procurement thresholds to encourage competition and ultimately get best value for money. Threshold values (see Annex A) are stipulated in the SECAMB's SFIs (and will also be stated in the Procurement Policy). The organisation should be reminded of these on a quarterly basis to help embed and enforce them thus minimising the need for SFI threshold waivers. These thresholds will dictate the procurement framework for SECAMB, for instance, by detailing the circumstances when it will be right and proper to undertake spot ordering, the seeking of quotations, undertaking a formal competitive tender process or justifying a waiver
- appropriate financial delegations, from SECAMB's Scheme of Delegation, to allow staff to manage the budget approval process, which will give the Team authority to procure or order
- appropriate procurement delegations to empower the Associate Director of Procurement to formalise, enter into and execute contracts on behalf of SECAMB
- an understanding and awareness of risk, i.e. how to identify it, manage it and escalate it where appropriate
- an awareness of risk in the supply chain particularly around resilience and business continuity arrangements.

#### 4.2 Procurement will be successful if the following general principles are followed:

- be clear on the scope of work from the outset and communicate this to potential suppliers at an early stage, to gauge the market's ability to deliver and explore possible solutions
- be aware of external factors that will impact on the procurement need, such as any policy framework or directive
- consider using an output or outcome-based specification, to give suppliers more scope to provide innovative solutions
- consult with stakeholders what Key Performance Indicators and/or Service Level Agreement should be in place to measure supplier performance against
- follow a competitive, efficient, fair, transparent and open procurement process, ensuring potential suppliers know what the process will be and how their bids will be evaluated
- be clear about affordability considering whole-life costs, and
- encourage the establishment of good contract management processes and resources to drive excellent supplier performance throughout the contract term and hopefully derive added value too.

## 5. The Procurement and Contract Management Process

- 5.1 The SFIs require the Procurement Team to be consulted on all needs where a procurement threshold requirement cannot be met, i.e. when an SFI threshold waiver is being sought, and certainly where the total order/contract value exceeds £116.4K (excl VAT). The Procurement Team must be consulted prior to the requisition stage so that it can influence the procurement strategy and offer advice on the most effective route to market and VFM.
- 5.2 The Team has a mandate to put in place frameworks and call-off arrangements that the Trust can access, which either provide standardised goods or services, where there is commonality, or where bespoke needs are apparent that the agreements are flexible to meet the customers' needs.
- 5.3 The Team is available to the organisation to meet all guidance and advice requests as well as orchestrate any formal tendering process, unless it has been agreed that this will be outsourced for a specific project (for instance, to a public sector buying organisation or consortium or procurement consultants).
- 5.4 Low value spot ordering can continue to be undertaken through existing processes. The Team will gain an insight into the spend areas to determine if requirements and needs can be aggregated so that the Team can exploit our Trust status to leverage spend. The Team's Buyers have the responsibility to convert requisitions to purchase orders using NHS SBS.
- 5.5 The procurement manual and/or Standing Operating Procedure (when developed) will provide detailed guidance for the Procurement Team (and others if desired) and the material on our intranet page will have information suitable to inform our internal customers.
- 5.6 The responsibility for managing contracts should rest with the immediate customer, i.e. the contract owner, as that individual is directly receiving and/or influencing the contracted service and are therefore best placed to manage the contractual relationship. High value, high risk and/or Trust-wide contracts are expected to have Procurement Team oversight whereby a Procurement (Contract) Manager will be expected to attend regular performance review meetings.
- 5.7 The proposed contract management approach for newly awarded contracts is for the Procurement Team Member, who has managed the tender/award process, to provide the customer/contract owner with a structure to manage the supplier relationship. This will include the following:
  - an electronic copy of the full contract
  - a contract summary sheet which identifies key facts about the contract (such as value, start and end dates, options to vary/extend, special terms, supplier contact details, etc)
  - a proposal about how the contract should be managed, citing any contractual service level standards and/or KPIs if relevant, frequency of review meetings, anticipated management information
  - the Team's participation and attendance in contract review meetings for the high value, high risk or Trust-wide contracts.
- 5.8 For medium to long-term contracts, the customer and supplier should agree the following at the start of the contractual relationship:

- the baseline position, i.e. where are you starting from
- the service/outputs to be delivered
- a set of performance standards to measure performance
- how, when and by whom performance will be monitored and reported
- processes to resolve any performance issues
- escalation routes.

5.9 Once the contract has mobilised then regular reviews should be undertaken by the contract owner which will look at:

- progress against the plan, performance to date
- current issues and risks
- costs and budget and explanation for any variances
- knowledge transfer
- 'smart' actions from any of the above and these to be assigned owners.

5.10 The contract owner should ensure that a summary note of the review meeting has been completed and shared and verified with the supplier as an accurate written record of the review.

## 6. Supplier Sourcing

6.1 Getting best VFM is at the forefront of our procurement strategy, so it is imperative that the Team can demonstrate this. The best way to do this is through competition and thus testing the marketplace.

6.2 The procurement thresholds will dictate what level of competition is required relative to the anticipated net value of expenditure for the procurement activity. For instance, if the total anticipated value was in excess of the tender threshold, then we should aim to get at least three formal tender submissions using a sealed bid process via our eProcurement platform.

6.3 The Procurement Team can access a multitude of PSBO frameworks to meet the majority of our requirements, particularly around common goods and services such as IT hardware & software, stationery, medicines, medical equipment, etc. This is an efficient way to purchase, as providers on the frameworks have already been through a competitive and robust due diligence process to agree terms and rate cards. VFM is demonstrated by running a further competition with all capable providers within a chosen Lot on a framework. Where a requirement falls outside the scope of these frameworks the Procurement Team will go direct to the market to source the requirement and may even make the decision to tender for the creation of our own framework.

6.4 If the total value of the contract is likely to be above £116.4K (excl VAT), the Procurement Team will find suppliers in the marketplace by placing an advert for a contract opportunity via our eProcurement platform.

6.5 SECAmb, as a publicly funded organisation, can 'call-off' goods and services from PSBO frameworks as well as any framework SECAmb has put in place for itself as and when required. The Procurement Team is well versed in these frameworks and how to exploit the business benefits they can deliver.

- 6.6 The Procurement Policy will outline the exceptional circumstances when a 'single source', i.e. an approach to, or bid from, just one supplier, may be justified and appropriate, and, in turn, the waiver process.
- 6.7 The Team will review supplier spend and aim to put in place and maintain SECAMB's preferred supplier list covering a multitude of commonly bought goods and services and maintain this list on the Procurement pages of the intranet. Preferred supplier status being achieved either through competitive tendering, assignment on an approved framework or benchmarking for VFM.
- 6.8 The Team's Buyers are involved in the process for creating new suppliers and will exercise control and restraint where appropriate and where a suitable preferred supplier already exists. The Team will need to review what due diligence is undertaken to create new suppliers such as basic credit checks and companies house checks.

## 7. Procurement Considerations

- 7.1 In addition to the need to demonstrate VFM, it is important to recognise that as a public contracting authority, SECAMB, must adhere to the Public Contract Regulations for contracted goods and services. These regulations are very explicit and are centred on the requirements of transparency, equality, fairness and integrity. The procurement manual (when developed) will contain more guidance on these regulations.
- 7.2 Other procurement considerations:
- the need for a good business or improvement case (depending upon the value of the requirement). This should review what options are available and the estimated cost of the preferred option to provide a budget for the procurement action
  - the environmental impact of what SECAMB procures should be determined in the scoping and tendering process
  - SECAMB should, wherever possible, select products which minimise polluting discharges and emissions, exercise a preference for supplies which are from recycled or renewable sources, and take account of the process of disposal at the end of a product's life (more important for electrical equipment or those items that contain hazardous components) – see section on sustainable procurement
  - encourage and help customers to properly plan for procurement activity, allowing enough time for each process, so that rash and potentially uneconomic decisions are not made in haste. SECAMB recognises that some actions are outside of our control, for instance, a business continuity emergency. In these instances, the Procurement Team should consider having relevant frameworks or call-off agreements in place to deal with any potential procurement need
  - be mindful of supplier resources when tendering for our contracts by only short-listing those that can demonstrate experience and expertise in the relevant field and have the capacity to fulfil our requirements; for instance, if a manufacturer of a particular piece of IT hardware has just five resellers, then only approach those five otherwise there is a risk of buying 'grey' unregulated and unwarranted stock
  - consider suppliers' commitment to being responsible and ethical employers (such as being compliant with anti-slavery) and producers, for instance, observing equality standards – this can be incorporated in the approving a new supplier process
  - ensure compatibility with existing systems and infrastructure, for instance, in the case of IT equipment or furniture

- claim rebates and discounts if applicable, where and when due
- observe payment arrangements, especially if these could result in early payment discounts
- encourage small and medium-sized enterprises and local suppliers to supply us
- consider the total life cycle costs for the goods or services.

## 8. Sustainable Procurement

- 8.1 Sustainable procurement is that which avoids depletion of natural resources. The Procurement Team and stakeholders should consider environmental, social and economic factors in purchasing decisions. It is about looking at what products are made of, where they have come from, and who has made them. It is even about looking at whether the purchase needs to be made at all.
- 8.2 Those raising purchase orders for goods should routinely encourage suppliers to remove packaging at the point and time of delivery thus eliminating waste and allowing the supplier to re-use the packaging; this is particularly relevant for the supply of IT equipment and office furniture.
- 8.3 Sustainable procurement promotes procurement best practice by using the principle of whole life costing where all life-cycle costs of a product or service are assessed and minimise (including disposal costs). Another key facet of sustainable procurement is challenging the repeat purchase and examining the business process to be sure that a justified business need exists.
- 8.4 This sustainable element of the procurement strategy will need to sit alongside and complement sustainability targets in other areas of the organisation's functions such as Estates & FM, IT, fleet and energy management etc., if there is any likelihood of becoming carbon neutral.

## 9. Our work and the immediate future

- 9.1 For us to be an effective procurer of goods and services and achieve best VFM, the Procurement Team will embrace initiatives and ideas that are new to us, as well as build upon proven and trusted methods of supply. The Team will encourage customers to plan better, to inform the procurement pipeline and to provide stakeholders with up-to-date and accurate guidance and advice and proactive practical procurement, especially for the timely and effective delivery of the procurement pipeline. There are four main themes to take forward.
- 9.2 **Theme 1 – Procurement pipeline and meeting customer needs.** Working through the pipeline ensuring there is flexibility to add projects and reprioritise existing.
- 9.3 **Theme 2 - Business engagement & communication.** The Team will continue to actively engage with our customer base to populate the procurement pipeline and deliver against it. We will support directorate contract managers to effectively manage and realise the value of their contracts. We will also continue to foster good working relationships with our colleagues in all directorates given their insight, work, linkages and outreach within the organisation.
- 9.4 **Theme 3 – Collaboration.** The Procurement Team will continue to actively explore the opportunities and potential for collaborative working and aggregation with other ambulance trusts and notably the Southern Ambulance Services Collaboration, NHS Shared Business

Services, East of England Collaboration Procurement Hub and PSBOs, to share best practice and experiences and achieve better VFM through buyer leverage.

- 9.5 **Theme 4 – eProcurement.** eProcurement is the collective term for technologies that can be used to automate, by computer workflow, the processes associated with sourcing and purchasing. The Team will manage the transition from Bravo to Atamis with a view to exploit the business benefits of having most, if not all, of our procurement and contract management activities contained within one system. We would hope that Atamis will help us manage our Procurement Pipeline and provide insight on supplier spend which we should verify with Finance and stakeholders.
- 9.6 The Procurement Team publish contract notices that comply with PCR for advertising tendering opportunities via the Bravo Portal – this has interoperability with ‘Contracts Finder’ and ‘Find A Tender’ to advertise all contract opportunities to the open market and encourage SMEs to bid.
- 9.7 Our current eTendering system provides a full service offering which automates processes such as:
- advertising a contract opportunity
  - receiving expressions of interest
  - managing questions and clarifications from suppliers
  - providing a secure ePortal for the receipt of bids and then a repository of these bids for future reference
  - maintaining a supply base.
- 9.8 The Procurement Team will aim to encourage use of e-Catalogues, e-Purchasing, e-Marketplace; and promote the use of e-Catalogues for on-line ordering of common goods and services, and ePurchasing for specific purchases.
- 9.9 The Procurement Team will continue to actively engage with Finance and/or NHS SBS colleagues with a view to rationalise our supply base and reduce the number of suppliers we have.
- 9.10 A high-level implementation plan for this strategy can be found at Annex B.

## Annex A – Procurement Thresholds

**Procurement thresholds** (ex VAT) as detailed in Standing Financial Instructions:

Quotation Thresholds:

Up to £10K – 1 quote

£10K to £50K – 2 quotes

£50K to £116.4K – 3 quotes

Tender Threshold:

£116.4K – formal tender or further competition (or exceptionally, direct award) from a PSBO framework

[NB the Supply & Services Contract PCR tender threshold is currently £139,688 incl VAT]

## Annex B – High-Level Implementation Plan

<b>Action</b>	<b>By Whom</b>	<b>By When</b>
Deliver the Procurement Pipeline	Procurement Team	Ongoing
Engage in collaborative procurement activities within NHS	Associate Director of Procurement and Procurement Contract Managers	Ongoing
Enhance the procurement pages on the intranet	Procurement Manager	01/01/25
Develop a Procurement Policy	Associate Director of Procurement	01/01/25
Implement new public procurement regulations	Associate Director of Procurement	24/02/25
Achieve CIP target of £720K	Associate Director of Procurement	31/03/25
Set up official Preferred Supplier List covering key categories of third party spend	Procurement Contract Managers and overseen by the Associate Director of Procurement	01/10/25
Develop a Procurement Manual	Procurement Team collectively with one of the Procurement Contract Managers leading	01/12/25