

Trust Board Briefing Paper

Date of Meeting: 27th August 2015

Subject: Update on Procurement Matters

Presented by: Marjorie Crilly, Assistant Director of Finance

Purpose: To provide an update to Trust Board on procurement matters.

Conclusion/ Action Required: for noting

Update to Trust Board on Procurement Matters

To provide an update to Trust Board on procurement matters.

General Procurement:

As previously reported the process by which Direct Award Contracts (DAC) are approved was strengthened in 2014/15. Ongoing work is summarised below:

- The Trust continues to submit a monthly return to the Procurement and Logistics Service and the Directorate of Finance and Personnel on all Direct Award Contracts (previously known as Single Tender Actions) over £30,000.
- For those areas that are not considered by the Procurement and Logistics Compliance Unit, that is, Estates and Pharmacy, a monthly reminder is issued to the Head of the Service requesting details of all DAC's over £30,000 to be submitted to the Compliance Unit to ensure they have a complete record. The Heads of Service are also reminded of the need to submit details of any DAC's to the Director of Finance's office.
- All approved DAC's are copied to the relevant director to remind them that they are accountable for ensuring that the advice provided is actioned.
- DAC's are discussed on a quarterly basis at Directorate Accountability Meetings and are reported on to Audit Committee.
- A departmental return on all DAC's was completed on a biannual basis, in October 2014 and April 2015.
- During the first quarter of 2015/16, the Trust approved the use of a DAC on 44 occasions. This was an increase of 15 from the same period in 2014/15. Of the 44 DAC's, 2 of these were referred onto the Departmental Accounting Officer for approval due to the aggregate spend being greater than the EU threshold.

Estate Services

The Trust, due to delays in finalising the business case for Measured Day Term Contracting, has extended DAC's for this area until March 2016 to allow for the completion of the business case and subsequent procurement by the Central Procurement Directorate/Health Estates on behalf of the Trust.

Assurance

In June 2015 the Trust received the following assurance from the Business Services Organisation on procurement:

- “5.2 The Centre of Procurement and Expertise (COPE) Annual Internal Audit Opinion for the 2014/15 financial year is satisfactory.
- 5.3 The Procurement and Logistics Service (PaLS) is a recognised COPE established under the Northern Ireland Public Procurement Policy as approved by the Northern Ireland Assembly. This was corroborated in October 2013 when BSO PaLS passed the accreditation process with no areas requiring urgent attention being identified. This re-accreditation covers a three year period.

An Assurance Report has been developed and presented to BSO’s Board covering key aspects of PaLS performance including implementation of guidance notes, on-time renewal of contracts, performance against targets on inclusion of social clauses and completion of recommendations of the DHSSPS review of Procurement. During the year BSO PaLS maintained its ISO 9000 accreditation along with its Food Safety Audit accreditation and continued to meet performance targets contained within customer Service Level Agreements.”ⁱ

Departmental Guidance

The Trust receives regular guidance on procurement from DHSSPS in the form of Procurement Guidance Notes (PGN’s) issued as Finance circulars. In the final quarter of 2014/15 and the first quarter of 2015/16 the Trust received 4 of these circulars covering the following areas: Construction Works Procurement; Standardisation of NEC3 Engineering and Construction Contract Z Clauses; and the publication of information on Infrastructure Projects and Supplies and Services Contracts. The Department also issued a number of older PGN’s that had been previously implemented but not formally distributed. All PGN’s are shared with relevant Trust Directors and Assistant Directors, including the Head of Estate Services, for dissemination to all staff involved in procurement.

ⁱ BSO Annual Assurance 2014/15. Letter received from BSO Chief Executive 30th June 2015