

Step 7: Procurement Strategy

Tool 2: Which Procurement route to use

This tool is for use in conjunction with Step 7 of the Commissioning Toolkit document

The following are the ten key considerations for commissioners in planning and executing efficient, successful tenders for direct pathology services.

Contract alone or with others?

Consider what the optimum geographical scope of the pathology services contract should be having regard to the limited shelf life of the pathology tests and gauge the interest of neighbouring commissioners in conducting a joint tender procedure in order to benefit from economies of scale.

Consider whether to expand the product scope of the tender to include indirect pathology services and commission jointly with hospital trusts having regard to forecast volumes and demand in the area.

Whether to go out to tender:

Consider the volume, value and duration of the contract and whether it is to be procured jointly with neighbouring GP commissioners, PCT clusters or hospital trusts.

Assess whether the contract merits the cost of conducting an advertised tender procedure. As a rule of thumb, tendering using the pathology toolkit should be conducted if the contract value exceeds [£50,000.00.]

Consider whether there is any valid reason not to conduct a tender. For example, if Any Willing Provider (AWP) has been introduced, there is extreme urgency due to an existing provider having terminated their contract or due to instructions from the NHS Commissioning Board.

Consider the scope and objectives of the procurement:

Consider what elements of the template contract you would like to assess bidders on and ask them to compete over in order to promote quality and value for money. For example, risk transfer (financial robustness of bidder and liability cap in contract), service levels and price per test.

Consider what weighting to give to commercial or other qualitative considerations in the tender evaluation as compared to price (or for example compete solely on price bids which pass a basic quality threshold).

Consider the optimum duration of the contract, having regard to the volume and efficiencies that can be achieved. Consider making volume and the appropriate length of contract commitments to the provider, in order to enable lower prices, but also to allow new entrants to make the investment required.

Consider what appropriate PQQ and award criteria would be in light of your specific requirements and what questions should be asked to be able to evaluate bids based on these criteria. Use the template criteria and questions set out in the toolkit as your starting point.

Engage with bidders:

Having decided the parameters of what it is that you are procuring, who you are procuring with, what the criteria will be and what the sort of questions you will ask bidders, engage with bidders prior to advert (for example, hold a bidder day). This enables you to raise interest, assess whether

there is a market for you want to buy, gather feedback on your proposed tender and structure and carry out a sense check on your approach to tendering.

Initiate the tender:

Ensure that all stakeholders have bought into the nature, scope and extent of the tender (the GP commissioner/PCT cluster board in particular and, where necessary, the NHS commissioning board) and issue an advertisement for the tender online on the commissioner website, as well as the [DH commissioning portal?].

Ensure that the toolkit template documents have been populated with the variations that you have decided on implementing, in relation to the scope of contract, areas to be competed, the award criteria and weightings and issue these documents to bidders expressing an interest.

Note that tenders should, in general, be open to all comers with no discrimination by reference to whether or not they are NHS, independent sector or third sector providers. If an NHS only tender is under consideration, consult the NHS commissioning board and legal advisers if necessary.

Run a short PQQ process:

Ask bidders to fill in the response to the PQQ questionnaire in accordance with the short timeframe specified in the advertisement and tender documents.

Ensure that your PQQ selection criteria and short-listing methodology have been fully disclosed to bidders in the PQQ.

Having received PQQ responses, evaluate those responses fairly and in accordance with the published selection criteria and using the published short listing methodology, pre-qualify and draw up your short listed bidders to be invited to ITT stage.

ITT stage:

Invite the short listed bidders to submit a response to the ITT.

Ensure that your ITT award criteria, sub-criteria, weightings and scoring methodology have been fully disclosed to bidders in the ITT. The award criteria will need, for example, to make it clear which questions relate to which criteria, how they are scored, how the scores are aggregated and weighted in order to calculate the winning bid. While an element of expert evaluation cannot be avoided, the process should be as transparent, objective and empirical as possible.

Log any clarification questions and answers and circulate the Q&A log to all bidders.

Ensure in contacts and communications with bidders that all bidders are treated equally.

Specify and keep to deadlines set out in the ITT.

Evaluation:

Having received the ITT responses, the evaluation team should conduct a fair scoring and evaluation of bids in accordance with the published criteria, weightings and scoring methodology.

This should result in a bidder scoring more marks than any other bidders. This will be the winner of the tender.

Debrief:

Once the winner has been selected, inform the unsuccessful bidders of the decision, giving them a brief explanation of their scores and the scores of the winning bidder, the relative advantages and disadvantages of their bid against the winning bid and identify the winning bidder and the date on which the contract is to be entered into.

Give the bidders at least a 10 day stand still period to raise questions or, even, potentially make a challenge to the award procedure.

Provided the above rules have been followed and the process has been conducted fairly and transparently, there should be no basis on which to bring a challenge.

Contract award:

Finally, enter into the contract with the successful bidder and commence services.