



Department
of Health

Department of Health Announcement 8 January 2018

Delivering the Future Operating Model for NHS Procurement – Award of Contracts for the Capital and Non-Medical Category Towers

The Department of Health is pleased to announce that the Procurement Transformation Programme (PTP) has awarded the final four contracts to procure capital and non-medical products for the NHS. The contracts, which will now become the Capital and Non-Medical Category Towers for the Future Operating Model (FOM), have been awarded to the following companies; DHL Supply Chain Ltd – Tower 7 (Large Diagnostic Capital Devices including Mobile and Consumables), Akeso & Company Limited - Tower 8 (Diagnostic Equipment and Associated Consumables), Foodbuy – Tower 10 (Food), and NHS North of England Commercial Procurement Collaborative (NOE CPC) – Tower 11 (NHS Hotel Services).

The Procurement Transformation Programme is transforming the NHS Supply Chain by implementing the FOM. The FOM will include a management function called the Intelligent Client Coordinator (ICC), 11 Category Towers and new transactional, logistics and IT service providers. This is a phased programme, with the FOM fully delivered by October 2018.

The FOM will reduce unwarranted price variation and work to increase product range rationalisation. It will leverage the buying power of the NHS at national level to deliver greater value extraction from procurement, which can be reinvested by NHS Trusts into frontline services. The Capital and Non-Medical Category Towers will deliver savings of £280m in the first three years of their contract.

The Category Towers will work on behalf of the NHS to deliver clinical and non-clinical assured, high quality products at the best value. They will do so through a more sustainable approach, including more rigorous and responsive management of supplier accountability, as well as category strategy development. The Category Towers will be managed by the ICC, a public sector organisation that will rationalise and simplify the procurement landscape and improve responsiveness to NHS organisations.

“The Future Operating Model will drive quality and value in the NHS through the future NHS Supply Chain. We have a duty to do this and to get the most from the public purse. It is our intention to make the NHS Supply Chain the best procurement organisation in Europe. The NHS, those who work in the health service, tax payers and patients deserve nothing less. I am delighted we have awarded these contracts for the final four of the 11 Category Towers. These organisations have been evaluated by the NHS and have passed quality and fiscal assessments against set criteria, including competitive pricing and credibility of their savings projections. We now look forward to working with all the Category Tower Providers to deliver products that better meet the needs of the NHS”.

Jin Sahota

Senior Responsible Officer, Procurement Transformation Programme, and

Following the contract awards there now follows a six-month transition period during which time the PTP will work with the Category Tower Service Providers to ensure they become operationally live on 5 July 2018.

To find out more about the Procurement Transformation Programme, and the Future Operating Model, please visit www.supplychain.nhs.uk/news/thefom or email fom@dh.gsi.gov.uk

EDITOR'S NOTES

1. The Future Operating Model Category Tower allocation

The PTP has now awarded contracts for all 11 category towers as follows:

Category Towers		Awarded To
Medical Category Towers		
Tower 1	Ward based consumables	DHL Supply Chain Ltd. - a leading global brand in the logistics and services industries.
Tower 2	Sterile intervention equipment and associated consumables	NHS Collaborative Procurement Partnership (CPP) – formed of four NHS organisations, CPP uses specialist experience to influence the market and improve the procurement landscape.
Tower 3	Infection control and wound care	DHL Supply Chain Ltd. (see above)
Tower 4	Orthopaedics, trauma and spine, ophthalmology	NHS Collaborative Procurement Partnership (CPP) (see above)
Tower 5	Rehabilitation, disabled services, women's health and associated consumables	NHS Collaborative Procurement Partnership (CPP) (see above)
Tower 6	Cardiovascular, radiology, audiology and pain management	Health Solutions Team Ltd (HST) – a joint venture between DHL Life Sciences and Vizient Inc. HST brings together DHL's current NHS procurement capability with Vizient's expertise in analytics, clinical engagement and change management.
Capital and Non-Medical Category Towers		
Tower 7	Large Diagnostic Capital Devices including Mobile and Consumables	DHL Supply Chain Ltd. (see above)
Tower 8	Diagnostic Equipment and Consumables	Akeso & Company Ltd. - an independent, leading specialist provider of procurement and supply chain advisory and support services to the NHS and healthcare sector.
Tower 9	Office solutions (operational from 01 October 2017)	Crown Commercial Service (CCS) – the largest public procurement organisation, helping save time and money when buying common goods and services.
Tower 10	Food	Foodbuy - a leading food procurement organisation. Foodbuy works closely with their clients to deliver expert procurement services, saving them both time and money.
Tower 11	NHS Hotel Services	NHS North of England Commercial Procurement Collaborative (NOE CPC) – a provider of professional, flexible procurement services to the public sector.

Further details on the Category Towers are available at www.supplychain.nhs.uk/news/thefom

2. More about the Capital and Non-Medical Category Tower Providers

DHL Supply Chain Ltd

Category Tower 7 - Large Diagnostic Capital Devices including Mobile and Consumables

DHL is a leading global brand in the logistics and services industries. With around 350,000 employees in more than 220 countries and territories worldwide, DHL provides solutions and services to people and businesses securely and reliably. DHL is part of Deutsche Post DHL Group. NHS Supply Chain (NHS SC) is one of the key contracts currently operated by DHL in the United Kingdom. It supports the NHS and other healthcare organisations in England and Wales by providing end-to-end supply chain solutions. DHL has also been awarded the contracts for the Medical Category Towers 1 (ward based consumables) and 3 (infection control and wound care).

Akeso & Company Ltd.

Category Tower 8 - Diagnostic Equipment and Associated Consumables

Akeso & Company Ltd. is an independent, leading specialist provider of procurement and supply chain advisory and support services to the NHS and healthcare sector. Akeso & Company is a Small to Medium Enterprise, with a strong track record for delivery, having worked with over half of the largest 30 NHS Trusts and 7 of the Sustainability and Transformation Partnerships in the last 3 years. They have best-in-class capabilities, experience and expertise in the development and implementation of effective sourcing strategies.

Foodbuy

Category Tower 10 - Food

Foodbuy is a leading food procurement organisation based in the UK. With over £1bn of managed spend, they bring together the widest range of foodservice and hospitality clients in the world to buy food, and everything associated with it. Foodbuy works closely with their clients to deliver expert procurement services, saving both time and money and enabling them to focus on what really matters to their businesses.

Part of Compass Group, a FTSE 100 company, who are Foodbuy's parent company and largest client, Foodbuy purchases directly from manufacturers and growers. Their suppliers range from the most recognised brands in the industry, to regional and local providers. With a team of 200 procurement professionals, Foodbuy's combination of unrivalled scale and outstanding data analysis sets them apart in their markets.

NHS North of England Commercial Procurement Collaborative

Category Tower 11 - NHS Hotel Services

NHS North of England Commercial Procurement Collaborative (NOE CPC), hosted by Leeds and York Partnership NHS Foundation Trust, provides professional, flexible procurement services to the public sector. Since inception in 2007, NOE CPC's expert team of procurement specialists have worked with public sector organisations to aggregate expenditure and deliver benefits through collaborative and bespoke procurement solutions.

As an NHS owned organisation, NOE CPC offer the assurance of understanding the NHS and processes within it, maintaining compliance, and value for money. NOE CPC's expert advice and procurement solutions have delivered millions of pounds worth of financial savings through award-winning contracts, efficiencies, innovations and value added benefits, which have gone back into the NHS. In addition to providing training, events and e-Commerce solutions, NOE CPC harness the buying power of member Trusts to put in place a range of competitive contracts and frameworks for the NHS, by the NHS.