CVD Prevention Webinar Series
NHS Supply Chain
9th March 2017
NHS Supply Chain Map

School Fruit and Vegetable Scheme
- 16,431 schools / 2.3m pupils / 3.1m deliveries

PIPP/EPRR
- PIPP (Pandemic Influenza Preparedness Programme) - 26.3m units of stock held / 6 strategic locations / £131m stock under management
- EPRR (Emergency Preparedness Resilience and Response) - 16.6m units of stock held / £32m stock under management

Home Delivery Service
- 499,000 deliveries / 960,000 calls

Contract

Procurement

Suppliers

Network

Collections into Depot Network – 17,000 supplier collections / 7 Depots and 2 Outbases in the network / 910,000 square feet Product Storage - 13,000 SKU’s / 124,000 storage locations / £78m inventory / stock turn 17.2 / 1st pick availability 99.45%
- Delivery to Trusts - 180 vehicles / 10.5m miles / 496,000 deliveries / 300m product lines delivered / delivered service level 99.25%

Distribution

Trusts

Patient

Cash - £1.4 billion paid to suppliers
Invoice - 2.1m invoices settled
Purchase Orders - 2.1m
Cash collected - £1.6 billion receipts from customers
Invoices Raised - 2m invoices raised
Customer Orders - 35m orders lines / 108,000 on-line ordering users

More than 1,000 suppliers on contract

Collections

- Category Strategies - 189 frameworks, 45 tenders
- Demand Planning and Forecasting - target service level 99.5% / target stock turn 17
- 1,028 active trusts

Marketing and Communications – 510,000 customer visits to web-site
Account Management - 1,028 active trusts
In Trust Materials Management – £600m transacted through eDC / 30 NHS sites managed by eDC Gold / 1,200 PDA’s provided free to trusts
Customer Support - 560,000 calls received

Trusts

Healthcare Professional

Patient

Finance
- 108 staff
- Full accounting services
- Transactional services
- Savings and Financial reporting
- £3 billion cash transacted annually
- Inhouse Compliance Function

IT
- 92 staff
- Fully Integrated Fulfilment Platform
  - Order to Cash
  - Purchase to Pay
  - Supply Chain Management
  - eCommerce
- Internal Development team for eCommerce applications
  - 6m product data changes
  - 1.3m price changes

HR
- We have six HR Business Partners for 2,400 staff
- HR Services supplied by “DHL People Services”
  - Resourcing and Recruitment Centre
  - Data Services
  - Reward Services
  - People Performance Management
  - Training Solutions

Project Management
- Projects and Programmes – 22 staff
- PRINCE2 and MSP Qualified
- 6 Strategic Programmes
- 60 Live projects at any one time

Capital
We managed the procurement of 15,000 pieces of medical equipment with a value of £440m in 2016.

Maintenance
We procure and transact service contracts for circa 80,000 NHS assets to the value of £200m.
In 2006, an Agreement was made between the NHS Business Services Authority (NHSBSA) and DHL Excel Europe Limited for the management of NHS Logistics which was outsourced on behalf of the Department of Health (DH). This business now provides a procurement and logistics service to the NHS known as NHS Supply Chain and operated by DHL under the terms of a Master Services Agreement (MSA). Annual expenditure through this business is currently £2 billion per annum.

The agreement is overseen by the NHSBSA Supplier Management (SM) Team based at Mansfield in Nottinghamshire which is close to the NHS Supply Chain Head Office at Alfreton.

The contract is for 10 years and became effective on 1st October 2006. As part of the agreement to extend the contract revised terms will commence from 1 October 2015 and operate for three years until 30 September 2018.

Further details can be found at:
• NHS Supply Chain Contract Extension www.nhsbsa.nhs.uk/CommercialServices/5217.aspx
• Master Services Agreement - www.nhsbsa.nhs.uk/CommercialServices/4944.aspx
• Service Statistics - www.nhsbsa.nhs.uk/CommercialServices/4946.aspx
Customer online ordering and contact

Account Managers

Clinical Nurse Advisors

Contact Customer Services

NHS Supply Chain Locations

Feedback Form

Website Research Group

Contact us
NHS Supply Chain Customers

As the appointed national procurement and logistics provider, our master services agreement with the NHS BSA, permits NHS Supply Chain to support:

- NHS Service Provider Organisations contracted to provide healthcare services and guarantee to only use products on those contracts
- NHS organisation with over 50% funding by the NHS (such as most GPs)
- Wider public sector - public sector health related customer, e.g. local authority, MOD, prison, school (home countries)
- Private greater than 50% NHS business activity provider has greater than 50% of NHS business activity
- Private less than 50% NHS business activity provider has less than 50% of NHS business activity
- Private profit making organisations using health care services to achieve core purpose profit e.g. Spire, Bupa, BMI and non-NHS Dentist
- NHS Service Provider Organisations contracted to provide healthcare services and guarantee to only use products on those contracts
- Purchases with charitable funds eligible organisations to benefit from VAT zero rating on medical/scientific items.
National procurement and logistics provider (NHS Supply Chain) benefits

- National framework agreements with many suppliers – no need to tender
- Time, administration, resource and savings
- Purchase process can be quicker with Framework pricing
- Flexibility to re-open competition
- Bespoke pricing
- Supplier maintains clinical relationship with the customer
- NHS Supply Chain procurement maintains financial relationship with suppliers
- Legal support
- NHS Relationship
- Work in partnership with the NHS BSA
Point of care testing and blood glucose

Current framework awarded Feb 2013 to Feb 2017

<table>
<thead>
<tr>
<th>Product lots</th>
<th>Sales Split</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Community</td>
</tr>
<tr>
<td>Blood Gas Analysis</td>
<td>1%</td>
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<tr>
<td>Cardiac Markers</td>
<td>28%</td>
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<tr>
<td>Coagulation</td>
<td>39%</td>
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<tr>
<td>Cholesterol</td>
<td>59%</td>
</tr>
<tr>
<td>Diagnostic Rapid Test Kits</td>
<td>20%</td>
</tr>
<tr>
<td>Drugs of Abuse</td>
<td>93%</td>
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<tr>
<td>HBA1c</td>
<td>4%</td>
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<tr>
<td>Multi Test Analysers</td>
<td>8%</td>
</tr>
<tr>
<td>Single Test Analysers</td>
<td>1%</td>
</tr>
<tr>
<td>Urinalysis</td>
<td>35%</td>
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<tr>
<td>Blood Glucose</td>
<td>45%</td>
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</tbody>
</table>

Currently separate framework for blood glucose intend to combine into one new framework
# Point of care testing and blood glucose

<table>
<thead>
<tr>
<th>26 suppliers currently awarded</th>
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</thead>
<tbody>
<tr>
<td>Abbott Laboratories Ltd</td>
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<tr>
<td>Alere Ltd</td>
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<tr>
<td>Beacon Healthcare Ltd</td>
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<tr>
<td>BHR Pharmaceuticals Ltd</td>
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<tr>
<td>Biomerieux UK Ltd</td>
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<td>Bio Rad Laboratories Ltd</td>
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<td>Biosure Ltd</td>
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<tr>
<td>Alere Toxicology Ltd</td>
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<tr>
<td>Home Health (UK) Ltd</td>
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<tr>
<td>Labcare Diagnostics Ltd</td>
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<tr>
<td>Launch Diagnostics Ltd</td>
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<tr>
<td>Pasante Health care Ltd</td>
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<tr>
<td>Una Health Ltd</td>
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</tbody>
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Point of care testing and blood glucose

- 2016 Sales £9.3m up 28% YoY
- 2015 - 2017 Savings £1.2M
- 64% national sales and 36% regional sales
- 380 plus trusts purchase through frameworks both acute and community
- Point of care acute and community market £100m plus
Initiatives

• Collaborative relationship with customers and suppliers
• Bespoke pricing exercise and mini competitions
• Matrix pricing to capture different scenarios
• eAuctions
• Compare & Save
• Bulk buys
• DH fund
• Route switch e.g. stock volume selling products
• No cost price increases
• Goal increase savings for NHS
Stage 1 – Initial contact, support and preparation

- Combined HbA1c and Cholesterol requirements for 78 analysers and consumables via reagent rental purchasing option
- Supported specification and requirements prior to issuing to suppliers
- Anticipated likely questions

Stage 2 – Communications with suppliers

- Facilitated exercise through 6 suppliers
- Conduit between Cambridge and suppliers for consistency
- Impartial
NHS Supply Chain and Cambridge Council

Stage 3 – Organise agreement

• Bespoke agreement using a Memorandum of Agreement between Cambridge and Alere
• Legal support

Stage 4 – Implementation

• Support with implementation meetings and on-going ordering and communications
NHS Supply Chain and Community Customers

- Hertfordshire Community
- Leicestershire
- Pennine
- West Cheshire
- MerseyCare

- Northwest Ambulance
- Southwest Ambulance
NHS SC contact details

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Questions and Feedback