

A Focused Approach to Contract Management:

How using our Maintenance Framework can save you time and money



Overview

Awarded in October 2016, the NHS Supply Chain Maintenance Framework offers a time saving, cost effective and compliant route to market for 200+ equipment areas, operating over 15 different product lots.

In July 2018, a project team was established to work closely with trusts, wanting to achieve national savings on their maintenance contracts. These trusts are known as 'focus trusts'.

How does it work?

As part of the Maintenance framework, trusts choose the service provision, contract length and the supplier(s) from our pre-approved list of recognised NHS providers. On receipt of this information, the Maintenance Project team will work with identified 'focus trusts' to explore additional savings available across the following areas:

- Framework / Multi-Year Discounts
- Multi-Vendor Quotations (3rd Parties)
- Cover Level Options
- Portfolio Analysis
- POS Quotation and Delivery
- Multi-Trust Aggregation
- Probe Pooling / Tube Detectors.

Framework Agreement Compliance

All suppliers awarded to the Maintenance Framework Agreement provide the following:

- Disclosure and Barring Service (DBS) checked staff.
- Compliance with the relevant health and safety requirements, regulations and codes of practice.
- Insurance at a minimum of £5 million.

Key benefits of using the Maintenance Framework and becoming a focus trust

- Compliance with EU Public Procurement Regulations when purchasing via NHS Supply Chain.
- No need to undertake an OJEU tender and contract process; saving time and money.
- Close governance of an open book contract for transparency.
- Dedicated team focused on conducting portfolio analysis that captures all trust contracts.
- Supplier management support.
- Confirmation received from suppliers that penalties won't be incurred for decommissioned items.
- Close working relationship with procurement and EBME departments to ensure that all contracts are captured throughout the year.

When would the service be used?

- Trusts who want to maximise their savings potential with the support of a dedicated project team.
- To support in procuring a large contract (i.e. Radiology).
- To meet service-related targets (i.e. April Renewals).
- To enhance savings potential by committing to longer term contracts.
- To provide a full service offering across teams by procuring a Point of Sale (POS) contract and capturing the maintenance savings.
- To conduct cover level analysis and identify further savings potential.

What support is provided to focus trusts?

The Maintenance Project team will analyse the trusts existing maintenance contracts and identify indicative savings values based on the discounts submitted by suppliers at the point of tender. On completion of this analysis, they will do the following:

- Request a direct asset list from the trust to identify potential savings available across all contracts.
- Present the findings of the asset list analysis back to the trust and propose next steps.
- Reach out to the trusts chosen supplier(s) to obtain quotes.
- Send quotes to the trust to review and submit the purchase order (PO).

Once the contracts start, the Maintenance team will oversee the communication between the trust and supplier(s) to ensure that the contracts continue to run effectively for both parties.

Case study

In June 2018, Blackpool Teaching Hospitals NHS Foundation Trust were identified as a trust that could maximise their maintenance savings, with the support of our Maintenance Project team.

After conducting a full portfolio analysis, the Maintenance Project team identified that the trust was utilising 46% of the Maintenance Framework for their contracts and weren't benefiting from additional savings available.



To achieve the trust's initial 5% savings target, the following objectives were agreed:

- To move from annual, to multi-year contracts.
- To ensure all new contracts are built on a like for like basis to provide continuity of service and eliminate disruptions.
- To move from annually in advance to quarterly payment terms with suppliers.

On project completion, the following outcomes were achieved:

- 22% savings value on the trust's total contract spend; reducing it from £6 million, to £4.7 million.
- £32,000 of decommissioned equipment was identified and removed from the current contracts adding to the overall savings.
- All required contract credits were issued by the supplier.
- All contracts were successfully transferred from annual to multi-year.
- The total number of contracts in place with the suppliers were reduced from 34 to 14.
- All contract payment terms were changed from annually in advance to quarterly.



The team from NHS Supply Chain facilitated important discussions with suppliers, provided input in to Board submission documents and managed compliance perfectly. Their assistance has helped me and my team ensure we achieved significant savings for our client – ultimately benefiting their patients.



Rajan Sethi, Head of Procurement and Commercial
Atlas BFW Management Ltd

Contact us

For more information about the Maintenance Framework or focus trust activity, please email Maintenance@supplychain.nhs.uk

