# Procurement Plan of the Welsh Renal Clinical Network

## Executive Summary

The WRCN is involved in a number of procurement exercises including unit haemodialysis services, home therapies, high cost renal drugs and transport to and from dialysis. Collectively these represent an annual value of approximately £15m.

The processes are being led by Shared Services Partnership within the relevant Standing Financial Instructions of the contract holding organisation (one of the University Health Boards).

## Action/Decision required

The Joint Committee is asked to

- **SUPPORT** the procurement exercises listed.
<table>
<thead>
<tr>
<th>Link to Board Committee (s)</th>
<th>N/A</th>
</tr>
</thead>
</table>
| Link to Standards for Health Services in Wales | 1. Governance and accountability framework  
5. Citizen Engagement and Feedback  
7. Safe and Clinically Effective Care |
INTRODUCTION

The purpose of this paper is to update the WRCN board and the Joint Committee on the procurement work being undertaken by or involving the WRCN management team following its report in September 2012.

MAIN ITEMS

The WRCN is supported by a central procurement team who are part of NHS Wales Shared Services Partnership. This provides consistent and accessible procurement and legal guidance and support.

Key roles of the WRCN have included: production of national specifications, establish clinical consensus and evaluation of submissions.

Unit Haemodialysis Services

1. Merthyr Tydfil Dialysis Unit

   The contract has been awarded to Fresenius. Whilst sticking to the proposed timescales of 26 weeks, the start has been delayed due to a number of factors along the path including a challenge to the award. The operational date is now confirmed as 3 March 2014.

   The unit is experiencing further problems with the building fabric (as predicted). Remedial work is being explored to ensure the sustainability of the unit during the interim. Contingency plans are in place but will be reliant on additional transport to other subsidiary units in the South East region.

2. South West Wales

   Invitation to tender has been issued for the provision of services in South West Wales including the refurbishment of space in the Padarn Surgery to become the replacement Aberystwyth Dialysis Unit. Award is anticipated to be in January 2014.
3. South East Wales

A number of service contracts are due to expire by March 2015 including Pentwyn and St.Woolo’s. This offers the potential to batch together these contracts plus a replacement for West Wing and the provision of a North Gwent Dialysis Unit.

The work needs to link with the refurbishment of Suite 19 (the main dialysis unit at University Hospital of Wales) which is urgent need of work to address risks identified in the previous Dialysis Estates Review. This includes a new Water Treatment Plant as well as full refurbishment of space.

The Directorate of Nephrology & Transplantation has prepared an outline project plan and is working with Capital and Estates colleagues to develop a process which allows for the refurbishment with minimum service disruption. This will be dependent upon securing additional capacity in the peripheries.

4. North Wales

Legal advice confirmed that the lowest risk approach to the provision of service at the Alltwen Dialysis Unit was to undertake a tendering process. This has been initiated.

5. Swansea Main Unit

The Healthvision Swansea scheme is expected to provide a new 25 station unit before end of 2014. This opportunity to decant and refurbish the main unit requires additional capital from Welsh Government and a business case is in preparation by Abertawe Bro Morgannwg University Health Board.

**National Schemes**

**Home Therapies**

This is a highly complex and ambitious contract which will put into place a national framework for machines, equipment and consumables for the provision of home Haemodialysis and Peritoneal Dialysis.
Dialogue with the companies has been extensive. Trials are underway of the different machines across Wales to ensure that all clinical teams are familiar with the options.

Originally it was hoped to have awarded by July 2013 but this needs to be extended, reflecting the complexity of the process and to ensure that the best decision for NHS Wales is achieved. Award is anticipated to be made in **November 2013**.

A trial is also underway to review the role of Health Courier Service in undertaking home deliveries and collections instead of the service providers. HCS already provide logistical support across NHS Wales. A ‘proof of principle’ trial is underway in Swansea.

**Dialysis Consumables**

A specification has been agreed and issued to establish a contract for the provision of vascular access consumables which services across Wales will have the opportunity to use. Award is anticipated for **October 2013**.

**Renal Drugs**

1. ESA

   The Welsh Renal Medicines Management Group has agreed to extend the current national ESA contract for a further 12 months up to **November 2014**.

   Recurrent additional savings of circa £500,000 have been identified and part of this has been used to pump prime the Immunosuppression infrastructure.

2. Post Transplant Immunosuppression

   Following approval by Welsh Health Specialised Services Committee, confirmation of funding was sent to the three provider Health Boards in June 2013.

   The teams had prepared vacancy request information and recruitment is now underway.

   The services are monitoring changes to prescribing so as to keep track of expenditure and switching.
The repatriation of prescribing post renal transplantation from primary to secondary care is progressing to plan. Details have been confirmed with Directors of Finance regarding levels of funding to be top-sliced and transferred into a central budget.

The project group overseeing the immunosuppression repatriation has agreed to continue the current arrangements for the generic Tacrolimus. The Mycophenolate contract is to be in place from 1 February 2014. Other drugs such as cyclosporine will be awarded separately this time round. It is planned that a subsequent round of contracts will enable the creation of a Specialist contract comprising all main immunosuppressant drugs.

**Transport**

*Dialysis Transport*

The WRCN is working with ABMUHB Transport leads to secure alternative options for transporting patients to and from dialysis including reimbursement and partnership with the Community Transport Association. Once these elements have been successfully introduced, the plan is to support the retendering for remaining activity.

Currently, the Renal Transport Hub is providing a brokerage type role with allocation of work between Medical Services and the Welsh Ambulance Service NHS Trust.

**CONCLUSION**

Whilst progress is being made, there has been slippage in a number of schemes which reflects the complexity of the procurement issues.

**RECOMMENDATION**
The *WRCN Board* is asked to

- **NOTE** the update on WRCN related procurement exercises.
- **AGREE** to receive a further update in February 2014.

### IMPACT ASSESSMENT

<table>
<thead>
<tr>
<th>Health Improvement</th>
<th>Specifications and requirements based on best practice and evidence.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce</td>
<td>Renal service staff and users are involved centrally in the procurement exercises.</td>
</tr>
<tr>
<td>Education and Training</td>
<td>N/A</td>
</tr>
<tr>
<td>Financial</td>
<td>Affordability and VFM is key to the procurement exercises. Batched / National approaches improve economies of scale.</td>
</tr>
<tr>
<td>Legal</td>
<td>Procurement and legal advice sought via Shared Service Partnership.</td>
</tr>
<tr>
<td>Equality</td>
<td>N/A</td>
</tr>
<tr>
<td>Environmental</td>
<td>N/A</td>
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</tbody>
</table>
# RISK ASSESSMENT

Please undertake a risk assessment against the following domains and detail whether the recommendations in the report are designed to address a known risk.

<table>
<thead>
<tr>
<th>Domain</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical/Service</td>
<td>National specifications assist in reducing inequity in access and improving quality of services.</td>
</tr>
<tr>
<td>Financial</td>
<td>Intelligent, clinically informed procurement will improve the value of the related contracts through reducing spend and / or improving the service within same value.</td>
</tr>
<tr>
<td>Reputational</td>
<td>The network has experienced great success with the two national ESA contracts and is looking to build upon these. It is part of the WRCN’s commitment to safely and effectively commissioning adult renal services.</td>
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<table>
<thead>
<tr>
<th>Acronyms and abbreviations</th>
<th>Description</th>
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<tbody>
<tr>
<td>WRCN</td>
<td>Welsh Renal Clinical Network</td>
</tr>
<tr>
<td>CVUHB</td>
<td>Cardiff &amp; Vale University Health Board</td>
</tr>
<tr>
<td>ABMUHB</td>
<td>Abertawe Bro Morgannwg University Health Board</td>
</tr>
<tr>
<td>ESA</td>
<td>Erythropoiesis Stimulating Agent</td>
</tr>
<tr>
<td>BJC</td>
<td>Business Justification Case</td>
</tr>
<tr>
<td>VFM</td>
<td>Value For Money</td>
</tr>
</tbody>
</table>

# CONSULTATION AND ENGAGEMENT

The procurement groups are clinically led with input from service providers and users alike.
SOURCES OF INFORMATION

- Central Procurement Team (Shared Services Partnership)
- WRCN Management Team

Welsh Government (2010) *Doing Well, Doing Better: Standards for Health Services in Wales*