



## Innovative Approaches to Financing eHealth Solutions

Public Procurement in the United Kingdom:  
The NHS Connecting for Health experience

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# Approach

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- National Programme for IT (NPfIT) Procuring the Core Contracts
- Additional Supply Capability and Capacity (ASCC) Project
- Enterprise Wide Agreements

# Old approach to procurement



- **Procurement was too slow –**  
common EPR system for 12 trusts took 3 years and 3 months from contract notice to selection of bidder
- **Costs would be prohibitive -**  
report in January 2003 extrapolated costs of existing EPR projects to find it would require £11.5bn just to deliver electronic records across NHS



Led to

- **Little progress on getting IT supported patient care in the 10 years to 2002:**
  - By March 2001 only 6 trusts (about 3% of total) had EPR systems
  - By March 2002 only 14 trusts (about 8%) had PACS
  - 99% of GP practices computerised to a reasonable level but **NO** interoperability with other GPs, hospitals or across communities
  - Limited access for the 1.3m people working in NHS to computers and online information

# New approach to procurement



- Rapid
- Based around Local Service Providers, National Application Service Providers and National Infrastructure Service Providers
- A new approach to the procurement of IT in the NHS to ensure:
  - > better value for money for the NHS
  - > more clarity and quicker decisions for suppliers

Active management of the supply chain by the NHS

# Our Principles of Procurement



A set of core principles:

- rapidity
- creation of a multi-supplier contestable post award framework
- appropriate risk transfer
- completion/service risk remains with the contractor
- additional capacity
- clear understanding of what we want to buy
- ensure applications and systems perform before we buy them
- buy things that work together
- cope effectively with change
- equitable approach to intellectual property rights.

# Risks Transferred to Suppliers



- Technical and performance risks
- Design meets OBS requirements
- Service performance to SLAs
- Sub-contractor performance
- Successful Deployment and Use
- Deployments completed
- Cost to complete
- Business usage
- Termination protection for NHS

# Delivering better value



This is being achieved by:

- Avoiding multiple procurements
- Significant reduction in time taken on procurement and acquisition costs
- Reduced unit costs for applications and systems e.g. PACS
- Ensuring that multiple national suppliers maintain on-going post award competitive pressures at the time of any change, extension or renewal
- Improved and faster procurement will reduce the problem of technology half-life
- Protecting the Public Purse and the Taxpayer's money

# Additional Supply Capability and Capacity (ASCC) Project

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## What is the ASCC Project

The ASCC procurement will establish a series of IT framework contracts to provide the Authority and the wider NHS with access to the broader based supply community necessary to continue to deliver the National Programme for IT (NPfIT) as it develops.

The existing contractual arrangements have worked well. However, the increasing size, complexity and duration of the NPfIT are such that these existing arrangements are likely to require enhanced additional capability and capacity.

The Authority has therefore reviewed the current range of services and the likely future requirements with a view to acquiring such additional supply capacity and capability to complement and support these existing contractual arrangements.

An OJEU (Official Journal of the European Union) Notice, was published on 26 March 2007. Initial responses have been evaluated and the long list of bidders drawn up, with a view to delivery of frameworks in December of 2007.

For further information is available through [ascc@nhs.net](mailto:ascc@nhs.net)

# Additional Supply Capability and Capacity (ASCC) Project

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## Why is this needed? What are the benefits?

It will enhance the overall quality of IT provision and value for money by:

- Significantly reducing the timescales and procurement team costs associated with separate OJEU's for future procurement activity;
- Ensuring plurality of supply by encouraging the participation of Small to Medium Enterprises (SMEs);
- Exercising enhanced corporate leverage on the IT marketplace by aggregating individual procurements where necessary and appropriate; and
- Developing a Health Service specific series of contractual Terms and Conditions by building on the proven effective NHS CFH base

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## What services will be provided under ASCC?

- Provision for delivery of new local, regional, pan-SHA and/or national systems.
- Provision of specialist knowledge, skills and services not currently or readily available from existing NPfIT suppliers or other government catalogue services.
- Contingency to manage any inability of incumbent NPfIT suppliers to deliver in whole or part against their existing contractual obligations. This could include replacement of a NASP, LSP, or Material Sub-Contractor, provision of 'Step-In' services to an NASP or LSP, provision of management support to maintain incumbent supplier delivery, etc.
- Delivery of standardised administrative systems across the NHS and/or the provision of additional or extended clinical systems/services.
- Provision for Testing environments and related services across the NHS and wider healthcare space to meet any future requirement.

As set out in the OJEU notice, ASCC has been split out into four separate lots that will enable the Authority to offer the ASCC requirements as separate contracts.

# Additional Supply Capability and Capacity (ASCC) Project

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## Who can use the ASCC framework arrangement?

- Will be available for use by organisations which receive funding, either directly or indirectly, from the Secretary of State for Health (England) to provide Health and Social Care Services

## What are the implications for existing contracts?

- These requirements are intended to complement existing OGC frameworks, such as Catalist, as an additional procurement route for services and suppliers to the NHS.
- It is therefore not intended that any ASCC awarded frameworks will conflict with existing contractual arrangements.

# Enterprise Wide Agreements



## Microsoft EWA

- 9 year deal split into 3 x 3 year stages
  - License cost savings of £330m
- Present (first) stage covers NHS to 600,000 desktops for MS Office and Client Access Licences (CALs)
- Software Assurance benefits makes Office 2007 Professional Plus available now to the NHS
- Support and User Training materials included
- Deployment/benefits supported by two CUI work streams
- Uptake across the NHS is patchy
  - Win98, WinNT4 & Office 2000 still in widespread use
- A better stage 2 renewal being negotiated now
  - Seeking to upgrade all products and CALs and add extra value for the NHS
- Better asset & inventory management needed for future renewals

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## Novell EWA

- 3 year deal corrected an old rental agreement that had uncontrollable costs
- £75m savings realised along with perpetual licences, maintenance & largest discount on all other Novell products (inc. SuSE Linux)
- Identity Manager (IDM) and software asset management (Zenworks) secured at NHS-wide volumes
- Work on “Beacon Projects” across NHS deliver packaged solutions for real situations that ease & accelerate deployments
- Recognises the NHS has highly heterogeneous infrastructure and shows vendors can work closely to deliver NHS-wide benefits & re-usable guidance

# Lessons Learned



- Market awareness
- Monitor the market particularly post contract
- Understand the Prime Contractor/Sub-Contractor relationship
- Clarity over your requirements and supplier expectations
- Market your successes
- Manage your Communications
- Consult with your Stakeholders
- Do not be afraid to use your buying power