



Focus

Project:
Implementation of eTendering & eAuctions across the agency

Objective:
Improve the efficiency and effectiveness of the tendering process

Contract duration:
Three years

NHS Purchasing and Supply Agency



Case study

The NHS Purchasing and Supply Agency (NHS PASA) is an executive agency of The UK Department of Health. It acts as a centre of expertise, knowledge and excellence in purchasing and supply matters for the UK health service. The Agency works with around 600 NHS trusts and health authorities and negotiates around 3,000 national purchasing contracts on behalf of the NHS, influencing around £4 billion of the £17 billion spent annually by the NHS in England on purchasing goods and services.

NHS
Purchasing and Supply Agency

«The new site has made the [tender] process easier and more secure for all participants. It covers the whole procurement process from start to finish, and it is all encapsulated in a single piece of technology. eTendering is fully embedded in NHS Purchasing and Supply Agency policy and is now used for all its procurement exercises. It makes the Agency a leader in the adoption of eProcurement systems in the public sector.»

Joe Walsh,
Head of eProcurement, NHS Purchasing and Supply Agency



REQUIREMENTS



Improve efficiency of procurement processes through eSourcing

NHS PASA has been actively seeking a Public Sector compliant eSourcing solution for several years. Recently it identified a need to improve the efficiency of its procurement processes in line with the recommendations of the Gershon Review, and as part of the implementation of the Supply Chain Excellence Programme (SCEP) which was launched in 2004.

SCEP set ambitious savings targets to be met through strategic sourcing and demanded improvements in efficiency through restructuring and process review. eSourcing was seen as an essential component of the Agency restructuring process as it offered an opportunity to institute procurement best practice across the organisation.

Procurement at NHS PASA was reorganised in 2005, with small permanent category teams supported by data analysts and sourcing specialists from a central Procurement Enablement Directorate for critical periods during procurement exercises. An eTendering solution was required to enable specialists to source the next wave of NHS framework agreements as efficiently as possible. Deployment of eAuction functionality was also critical in order to deliver direct savings through increased supplier competition.

SOLUTION



Public sector compliant eTendering portal for all sourcing activities

NHS PASA worked in close collaboration with OGCBuying.Solutions, the Executive Agency of the Office of Government Commerce in the Treasury, to specify an eSourcing Framework Agreement for the UK Public Sector. BravoSolution was awarded this contract by OGCBuying.Solutions in March 2005. Joe Walsh, Head of eProcurement at NHS PASA, is confident that the solution offered can meet and exceed expectations.

NHS PASA decided to adopt the eTendering element of the eSourcing solution. This web-based technology, securely hosted and supported by BravoSolution, facilitates buyer and supplier interaction throughout the tender process. It handles online tenders both above and below OJEU thresholds, and includes built-in eAuction functionality.

RESULTS



Impressive adoption, significant performance and productivity improvements

NHS PASA launched their eTendering portal in July 2005, and the results have been impressive.

Since the launch all new NHS PASA contracts have been negotiated via the Service. As a result, within the first 6 months of the Service going live, more than 100 tenders were published, with over 1500 suppliers registering to participate.

The eTendering Service has handled several thousand messages, allowed the exchange of nearly 2,000 tender documents and issued around 20,000 automated communications during this initial 6 month period. The majority of these interactions between NHS PASA and its suppliers would previously have been performed manually by email or using hard-copy document exchange. The resultant time savings for NHS PASA have been considerable leading to significant performance and productivity improvements for the entire procurement team. NHS PaSA also worked with BravoSolution on the implementation of a number of eAuctions conducted for the provision of a variety of goods and services. Most recently it successfully conducted one of the largest eAuctions worldwide, a 3-year contract for the provision of Temporary Staffing services for a total estimated value of £1.26 Billion. The eAuction was conducted in several lots over 3-days with the participation of 176 employment agencies from across the UK. The eAuction registered an unprecedented 55,000 bids resulting in important cost savings for the NHS.

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