



Department
of Health

Procurement Transformation Programme

News from the Future Operating Model (FOM) for NHS Supply Chain



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The Future Operating Model for NHS Supply Chain will flex the tremendous buying power of the NHS saving over £600m annually – a major contribution to healthcare efficiency.

By collaborating with suppliers and leveraging the NHS's purchasing power on a national scale the Future Operating Model will be able to deliver better value for money for the NHS and the taxpayer.

The Future Operating Model is organised into eleven Category Towers, covering medical, capital and non-medical areas of the procurement spend. The FOM will be supported a new performance management and customer engagement function, the Intelligent Client Coordinator (ICC), and by a new logistics and IT infrastructure.

Current news

The first of the Category Towers to go live will be the Office Solutions Category Tower, covering areas such as office equipment and stationery. The contract has been awarded to Crown Commercial Service (CCS), a publicly owned organisation that specialises in providing commercial services to the public sector and saving money for the taxpayer. The new Office Solutions service will be up and running by the autumn of 2017.

Focus on...

... Supporting Technologies (ICT)

The Future Operating Model requires an ICT (Information and Communications Technology) organisational model that will deliver an enhanced set of ICT systems,

services and capabilities and will need to modernise and manage the replacement of end-of-life technologies.

Last week (13/6/17) we published an Official Journal of the EU (OJEU) notice for an ICT contractor to deliver all ICT services for the Future Operating model.

The Programme will run a competitive dialogue process through this year and make a contract award early next year. This will allow for a six month transition to take over the full service in October 2018.

The contract term will be for 4 years with an option of a 2 year extension.

News from the Phases

Office Solutions Category Tower

Achievements and Progress

- Work continues on the Phase 1 blueprint.
- Business Processes Design – The Phase 1 team (DHL/CCS/BSA[ICC] and the programme team) are continuing to work through a number of actions that have resulted from key workshops held in the last couple of weeks.

Medical Category Towers

Achievements and progress

- The moderation of the bids is now complete and an evaluation report is being drafted.
- Phase planning continues to build more detail and dependencies into the transition plans.

Going forwards...

- The next steps are to incorporate ICC build milestones and DHL Transition interlocks.

Non-Medical Category Towers

Achievements and progress

- Detailed 4 month planning continues
- Engagement has been undertaken with Capital Towers stakeholders regarding 'as-is' processes.
- We have introduced operational readiness criteria and a change impact assessment approach

Going forwards...

- Continuing to work toward delivery against activities in Phase 2 plan
- Engagement with Capital Tower stakeholders regarding savings methodology

Supporting Technologies & Transactional Services

Achievements and progress

- The OJEU for the ICT tender was published on 13 June..
- The draft OBC for Transactional Services is with the Design Authority for sign-off.

Going forwards...

- The ICT Neutral Network & Savings reporting business case is expected to be available in the first week of July.
- A plenary event for ICT bidders is planned for the week commencing 26 June.
- The next market engagement event for Transactional Services will be in Leeds on 30 June.

Logistics

Going forwards...

- The focus is on finalising the Logistics procurement documentation in preparation for OJEU in early August.

Intelligent Client Coordinator (ICC) Build

Going Forwards...

- We continue with process reviews and gap analysis.

Stakeholder Engagement and Communications

- Justine Henson from our stakeholder engagement team attended NHS CONFED on 14-15 June in Liverpool.
- We have now published a general guide to the FOM, aimed at audiences who may have little prior knowledge of it. (Contact stuart.notholt@dh.gsi.gov.uk for a copy.)

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