

Request for contract approval by the Trust Board

For the provision of Paediatric Orthotics Service

The paper updates the Trust Board on Provision of Paediatric Orthotics Service and seeks approval to enter into a new contract.

1. Proposal

The Health Partnerships Division wishes to contract services from Chas A Blatchford & Sons Ltd, an independent sector provider. A three year contract (+ option to extend by 12 months) has been proposed that demonstrates value for money.

With a forecast value of £810,000 for the initial three year period, it requires Board approval in line with the Trust's Standing Financial Instructions.

2. Background to Paediatric Orthotics

Health Partnerships have been providing an Orthotic service to children and young people in the Nottingham area for many years.

The Orthotics service is provided in a number of venues (clinic) to ensure access is optimised and waiting times are minimised. The service is currently provided in the centres below:-

- Childrens Development Centre (Nottingham City Hospital site)
- Oak Field School Nottingham
- Carlton Digby School Nottingham
- Ashlea School Nottingham
- Mary Potter Health Centre

Clinics held at Child Development Centre and Mary Potter Health Centre run 52 weeks per year, whereas those within schools run term-time only.

The average number of patients attending appointments per month is 212 for the following range of services:-

- Made to measure footwear
- Ready made footwear
- Adaptations to patients own footwear
- Lower limb orthoses
- Orthoses
- Hip guidance orthoses
- Callipers all sizes
- Upper limb and lower limb gaiters
- Hip braces

3. Financial Information and Value for Money

The contractual offer being presented runs from 2013/14 (assuming a start date January 2014) for an initial period of 3 years with an option to extend for a further year.

It covers 2 specific elements:

- Provision of Orthotist
- Provision of Orthoses (custom made and off the shelf)

These were evaluated on the basis of cost and the technical and quality of provision. In terms of value for money the additional benefits of this offer are as follows:

- Reduction in product costs (Orthoses, AFO etc.) equal to 13% (£35k) on “like for like” sales per annum (as per 12/13 data).
- Reduction cost of Orthotist services equal to 24% (£10k) per annum.
- Commitment from provider to conduct full review of service, proposing recommendation for further savings.
- Creation of product review group.
- Review policy & entitlement for provision of footwear.
- Guidance leaflets for patients & carers.
- Access to RMS (Rehabilitation Management System) FOC for duration of contract (circa £21k) – improved reporting & patient communications.
- Gait analysis footplate – FOC (valued at £5k)
- Supplier support to reduce DNAs.
- Provision of a consignment stock of lower cost modular footwear available for trial fitting.
- Improve patient outcomes

4. The Procurement Process

As the existing provision had not been market tested for some years it was decided to conduct a competitive sourcing process fully compliant with European procurement regulations to ensure we were compliant in getting best value for the services and to put in place a robust contract. The objectives of the tender process were to have a contract that:

- Would maintain and improve the quality of supply through regular review & reporting
- Ensured there are no risks of failings in supply chain
- Increased visibility of spend by raising requisitions through the Purchase Order system (Integra e-series)
- Supported improving patient outcomes.
- Proved best value for money
- Reduced cost by moving to generic products where appropriate.

The project has been a successful joint initiative between the Trust's Procurement team and the Therapy Services Team of the County Health Partnerships division.

A total of seven compliant offers were received from the independent sector and NHS organisations. All offers & proposals were evaluated against the key criteria of commercial offer and technical capacity/quality.

EUS Ref: 15777 OJEU Ref: 2013/s 157-273678 Name of Bidder	Chas A Blatchford & Sons Ltd	TayCare Medical Ltd	RSL STEEPER	Nottingham University Hospitals NHS Trust	Trulife	Salts Healthcare Limited	Sherwood Forest Hospitals NHS Foundation Trust
TOTAL AWARD	78.52%	76.44%	70.99%	68.91%	69.80%	49.85%	34.98%
POSITION OF BID	1	2	3	4	5	6	7

The existing incumbent provider Chas A Blatchford and Sons Ltd received the highest score.

Service Element	CURRENT	Under New Contract	Saving (CIP) £'s PA	Savings as %
Cost of Orthoses, appliances etc: (date = year 12/13 volumes)	£274,049.83	£238,181.81	£35,868.02	13.09%
Service Fees for Orthotist	£41,971.32	£31,857.00	£10,114.32	24.10%
Totals	£316,021.15	£270,038.81	£45,982.34	14.55%

5. RECOMMENDATIONS

The process has been very positive in that the current incumbent which we already have a good working relationship with scored highest and also, savings will also be realised.

It is recommended that the Trust Board approves the Health Partnerships Division in accepting this contract offer, as per the outcomes of Tender EUS: 15777 (OJEU Ref: 2013/s 157-273678).

Paul Smeeton
Chief Operating Executive
Health Partnerships