

WHC (2006) 049

WELSH HEALTH CIRCULAR



Issue Date: 10th July 2006
Status: ACTION

Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Title: DESIGNED FOR LIFE: BUILDING FOR WALES – NEW ALL WALES CAPITAL
PROCUREMENT INITIATIVE

For Action by: Chief Executives: NHS
Trusts and Powys LHB

Action required:
Paragraph 2, 4

For Information to: See attached list

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Enclosure(s): APPENDIX 1 – DESIGNED FOR LIFE: BUILDING FOR WALES

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DESIGNED FOR LIFE: BUILDING FOR WALES

NEW ALL WALES CAPITAL PROCUREMENT INITIATIVE

SUMMARY

1. The purpose of this circular is to advise NHS organisations on progress in introducing the new All Wales Capital Procurement Initiative.
2. This circular should be implemented with immediate effect in respect of capital developments with a capital cost exceeding £5 million.

BACKGROUND

- WHC (2006) 001 set out the changes affecting capital planning for the development of proposals for capital investment and described the initiatives being put in place by the Department for Health & Social Services to support the Assembly Government, Regional Offices, NHS Trusts and Local Health Boards.
- This circular updates information contained within WHC (2006) 001.
- The use of the process is mandatory for all NHS Trust construction schemes with a total value above £5 million. Failure to comply will result in allocated capital funds being withdrawn.

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3. NHS Trusts and Local Health Boards have been previously advised of the proposals regarding the establishment of a new All Wales Procurement Initiative. A copy of the Appendix contained within WHC (2006) 001 is appended for information.
4. Both Support Consultant and Supply Chain frameworks have been put in place and it is the intention that NHS Trusts and Powys Local Health Board should engage the services of these organisations at the commencement of Outline Business Case stage.
5. The Assembly is currently reviewing the use of capital funding to support primary care developments and until such time that this work is complete it would be

inappropriate for Local Health Boards to employ consultants or Supply Chains through the Designed for Life: Building for Wales initiative.

6. In order to initiate the commencement of a project the NHS Trust or Powys Local Health Board should contact Patrick Riordan (029 2031 5545) at Welsh Health Estates who will nominate a Framework Manager from within his staff to guide the NHS organisation through the process.
7. A draft Process Map will be available on the Welsh Health Estates website (www.wales.nhs.uk/whe) from Wednesday 12 July 2006. This is an evolving document which will be developed over the next year or so and has also been issued to the newly appointed Supply Chains and Support Consultants. Any comments on the document should be addressed to Mr Iain Worby (e-mail : Iain.Worby@whe.wales.nhs.uk – mobile telephone number 07917 072315.
8. Training in the new process will be arranged on two fronts. A series of training workshops will be set up for all NHS Wales organisations commencing in September 2006. Specific project based training will also take place involving the client NHS Wales organisations and the selected Support Consultants and Supply Chain. Details of the training workshops will be forwarded to all NHS organisations nearer the time.

DESIGNED FOR LIFE: BUILDING FOR WALES

1. The NHS in Wales is currently working on the new All Wales Construction Procurement Initiative for major capital projects funded by the National Assembly for Wales. The model is based on the development of long term strategic partnerships, integrated Supply Chains and collaborative working.
2. The initiative will include a call down framework of three Supply Chain Partners. These Supply Chains will deliver the design and construction requirements of the project. To assist NHS Trusts, *including those integrated with LHBs*, in fulfilling their requirements under the contractual arrangements, support frameworks will also be put in place for the project management, construction supervisory and cost advisory services. Trusts may draw down on these support services if they feel they have insufficient expertise in house to fulfil these functions.
3. The process will be **mandatory** for all NHS Trusts in Wales for capital projects with a total value exceeding £5 million (including works, fees, non works, equipment, planning contingency and VAT).
4. Partners will be appointed on the basis of a four year framework agreement (with the option to extend by two years). Consideration will also be given to introducing regional frameworks for smaller projects after a period of evaluation of the main framework.
5. Welsh Health Estates will fulfil the role of framework manager and will oversee the implementation and operation of the framework. Three Project Implementation Managers have been appointed by Welsh Health Estates to act as liaison with NHS Trusts, Supply Chain Partners and support consultants within this initiative. Suitable performance monitoring systems will be put in place for all members of the framework.
6. NHS Trusts in Wales will enter into the contract with their selected partners.
7. Welsh Health Estates, assisted by various NHS Trusts in Wales are currently engaged in procuring the Supply Chain Partners and support consultants to enable the system to go live in June 2006. It is anticipated that all schemes that do not have an approved Outline Business Case by this time will fall under this umbrella.
8. Work is currently continuing to develop the appropriate processes and procedures to accompany this initiative and a training programme for NHS Trusts and others will be developed for commencement in April 2006.
9. Progress on the new initiative can be monitored by visiting the Welsh Health Estates website www.wales.nhs.uk/whe and future communication bulletins will be posted at this venue.

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