

Greater Manchester Clinical Waste Contract

1. Introduction

- 1.1 This paper outlines the Clinical Waste procurement that was undertaken in late 2016 to deliver a GM solution for the collection of clinical waste from GP practices and community pharmacies in Greater Manchester.

2. Background to the Framework

- 2.2 In 2014 NHS England established a project team to undertake a national review of clinical waste contracts with a view to developing a national procurement framework. This followed a review in London which showed considerable savings were potentially possible.

- 2.3 The National Framework Agreement enabled NHS England and CCGs with fully delegated responsibility to efficiently and compliantly access both Pharmaceutical and GP Clinical waste services by:

- Establishing a centrally managed framework agreement for all clinical waste requirements;
- Standardising the service specification to ensure consistency of service and quality across the country;
- Understanding and delivering a plan to reduce waste at source.

- 2.4 The benefits of the National Framework Agreement, once implemented is intended to achieve the following:

- Significant financial savings and improved value for money through national procurement process;
- Ability to share best practice across the country;
- Reduction in duplication of time and resources nationally;
- Contract management costs reduced at local team level;
- Introduction of measurable performance related targets within the contract, with appropriate clauses for dealing with failure to meet the SLA/KPIs.

- 2.5 NHS England completed the service specification which was developed through external technical specialists with appropriate input from NHS England Regional Team representatives who also provided information on unit prices paid to contractors they had previously employed to undertake waste collections in addition to the baseline activity, scoping historical collection data on a practice by practice basis

- 2.6 The framework terms and conditions were initiated from the standard NHS Framework Agreement for the provision of services subsequently developed via NHS England legal teams.

- 2.7 For the North of England 4 providers were approved, SRCL, Cannon Hygiene, Sharp Smart and Healthcare Environmental Services.

2.8 The framework has been approved to deliver a 2 year contract (with possible extensions for additional 2 years) for the collection and disposal of Clinical and Pharmaceutical waste from GP Practices and Community Pharmacies. However the Call Off contract term is for an initial 12 month period, but can be extended for a further 24 months renewable annually depending on supplier performance and CCG/NHS England requirements.

3.0 Contract Award

3.1 Local area teams and CCGs submitted baseline activity information at practice level to central NHS England staff working on the national procurement. We understand that this data was combined at a regional level with no opportunity to validate the information before it was used in the procurement.

3.2 In February 2017 CCGs and GMH&SCP issued 3 months' notice to incumbent providers of clinical waste with all contracts terminated on 30th April 2017.

3.3 The NHSE Commercial team were responsible for a mini tender process that selected Cannon Hygiene as the provider for Greater Manchester. Cannon were awarded the contract as they had submitted the lowest bid. The contract commenced on 1st May 2017.

4.0 Greater Manchester Roll out

4.1 Prior to the national procurement, GM had no signed contracts in place across any GP Practices or Community Pharmacies, with all arrangements being rolled over on a year by year basis. The former PCTs had put in place the arrangements usually from a call off framework. Providers negotiated different rates with the PCT's.

4.2 GM created a Task and Finish group, made up of both commissioners and finance colleagues from each CCG with decision making authority on behalf of the CCG and this group also included GMH&SCP representation again from both Finance and Commissioning teams.

4.3 This Task and Finish Group met on a number of occasions through 2016/17 to discuss the procurement and to establish common principles in response to establishing baseline data and communications with existing providers.

4.4 The Task and Finish group has continued to meet on a quarterly basis. In November 2017, Geoff Johnston (Framework Manager across England) attended the meeting to give an overview of his input into the GM procurement process and the on-going national management support that is provided. At this meeting CCG colleagues reported that the operational aspect of the contract with Cannon is working satisfactorily. However concerns were raised over the invoicing and pricing of items.

4.5 Colleagues from GM HSCP and the Framework Manager have continued dialogue with Cannon on behalf of Greater Manchester in the interim to resolve operational issues and attempted to resolve the on-going invoicing issues.

5. The Future

5.1 The following outlines the options available to GM CCGs:

Options	Risks/Mitigations
<p>Continue with Cannon delivering the service potentially for another two years but minimum of one. If the service remains with Cannon it will potentially give Cannon more flexibility in reviewing their prices e.g. extended periods of depreciation on assets etc. 2 years would be the recommended time frame. All CCGs would need to opt in.</p>	<p>The risk is there is no guarantee that a replacement service provider would be as good as or any better than the service currently provided.</p>
<p>CCGs agree to action 90 day notice period and look to replace Cannon with another service provider. All CCGs would need to agree on this option.</p>	<p>We would not recommend individual CCGs terminating their element of the call-off contract as this could cause issues for Cannon re size of opportunity not being as advertised and particularly when Cannon have expressed concerns about the low contract value as it is now. The procurement process from issuing the tender for the call-off through to service commencement took 6 months to complete. There is the concern about being able to find a suitable replacement service provider without an interruption of service and the ramifications thereof.</p>
<p>In the event that the decision was made to terminate Cannon's services then the CCGs could individually or in groups (large or small) run their own procurement process (es). They could choose to select a new supplier using the Framework and Call-Off contracts established by NHSE or would be free to approach the market in whatever manner. The aim would be to ensure the selection complies with the current EU procurement regulations plus relevant waste and environmental regulations. CCGs would need to consider potential resource implications for the supplier(s) selected i.e. do they have the resource to rollout multiple mobilisations at one time if they were selected to supply more than one CCG and would running so many different concurrent tenders lead to some suppliers not bidding or potentially cherry picking certain localities.</p>	<p>The NHSE Commercial team would, if required, be able to provide support, knowledge from previous procurements, etc. to support the CCGs.</p> <p>It would be suggested at this time that the Commercial team would not run the procurement itself due to an ongoing legal challenge in another area.</p>

NHS England recommends that GM CCGs do not look to terminate at this time for all the reasons stated above. However, it is their decision as the budget holders. Whatever the decision, the CCGs would be recommended to act as one rather than individual organisations.