

The following message was posted on the Pulse message board (page 2) in response to a series of quotes I had contributed regarding GPs tendering for Local Enhanced Services Contracts. The Link is: <http://bit.ly/YaRQS4>

Thomas Reichhelm 13 March 2013 1:24pm
Dear Janet Roberts

Sadly this is only going to be positive for you and the ever growing tribe of procurement apparatchnicks (sic). Primary care will get yet more fragmented, GPs disillusioned, trainees deterred from joining and a wholly unnecessary amount of public money spent on questionable procurement exercise. Is it not about time the spotlight is moved on to procurement expenditure and all those consultants? I suspect many a service could be paid for from the money spent on this.

It is interesting that we heard similar comments about 6/7 years ago when the legislation required that all social and residential care, as well as housing services, were to be purchased using competitive processes. I could probably find quotes from that time for “increased fragmentation”; “disillusionment”; “staff deterred from joining”. I was even attacked at one training course by a participant who claimed “you are only frightening us because you want work for your company”. So some significant similarities do exist. I do not feel the need to be defensive, but as a qualified teacher of some 40 years standing feel that it is important to explain and go on explaining.

1) It is important that the facts are identified. The reason for the introduction of procurement is to comply with EU law. Originally part of the Treaty of Maastricht; the competition Articles were part of the Treaty of Lisbon which was signed on 13th December 2007. So essentially I agree; the “spotlight” should be shone on procurement so that everyone can understand that its operation is not a decision of the Government, it is a Treaty obligation. It is this point which has not been explained during the introduction of the new health service legislation. All of the GPs can bring forward arguments as to why they should not be forced to tender for LES, or indeed to CCGs for some other services. In the end, failure to comply by the purchasing body can easily lead to action in the European Court of Justice.

Consider this: with regard to compliance with competition law, failure can lead to fines for companies of 10% of their annual worldwide turnover, not profit.

2) There is a reference which I think is to local Authority procurement officers. This is a respectable profession which is itself regulated by the Chartered Institute of Purchasing and Supply (CIPS) which provides qualifications which are recognised worldwide up to Graduate and Post graduate level. You find CIPS qualified staff where ever major purchasing takes place in both public and private sectors. Public sector procurement officers are acutely aware of costs and are tasked with providing value for money in compliance with the Local Government Act. Sometimes failures in procurement so occur; Winterbourne View was one, Bombardier was another. But through their professional organisation, Procurement Officers learn and purchasing becomes tighter with more compliance required.

So yes it would be great to focus on the unsung heroes of public spending who have to devise contracts which will attract competition, but still make savings. Make no mistake, when your local Council is boasting about “keeping Community Charge to the same level as last year” and “meeting £xmillion of savings requirements” it will have been the procurement Officers who have achieved this and met their targets.



3) "All those consultants". Local Authorities will tend to employ lawyers as consultants with regard to procurement. But when there is a risk of being challenged in the courts, then this is essential as it is for any enterprise. Sometimes Local Authorities contract with us to act as an independent tender appraisal officer. This is to help them to demonstrate their duty of fairness. Otherwise, purchasing officers do not use consultants for procurement purposes.

My business centres on helping providers to prepare to tender, reviewing tenders they have written and writing tenders. To give you an idea, we helped providers to secure contracts worth a total of £103m last year. We never work on a commission basis, so, as one satisfied customer said "the value of contracts secured far outstrips what we pay you, this excellent value for money". We also help providers to challenge when purchasers get it wrong. We helped one provider recover £85,000 wrongly held back by a purchaser.

I suppose the only comment I might make is that procurement is a highly specialist area. GPs do not appear to baulk at sending patients to consultants when there are patients who have conditions which is beyond their knowledge. I therefore cannot see any problem in a service provider faced with the problem of procurement which is highly regulated by the EU, the ECJ and the UK courts, seeking similar specialist advice.

What is clear is that local Authorities are already tendering and awarding contracts for LE Services, and that groups of doctors are already organising themselves in order to tender. I am merely the messenger. There are choices for GPs, they either grasp them with both hands, or if they do not, someone else will and the evidence is that the outcomes are clearly positive for some of those GPs who are already embracing tendering.

For recent tenders published and contract awarded please go to:
<http://www.tenderingforcare.com/recent>

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