

Procurement of Primary Dental Services Case Study: North Cumbria PCTs

Introduction

PCOs are under increasing scrutiny in their procurement processes for primary care service commissioning to demonstrate robust local processes.

Primary dental services fall under “medical services” which are on the B list for OJEU tenders. This means that they are exempt from the OJEU full tender process but in order to ensure transparent and robust procurement processes, commissioners must –

- ensure fair competition is undertaken and that no potential supplier is disadvantaged by the process or requirements of the tender
- ensure the decision to award a contract is based upon evaluation criteria that are linked to the requirements of the specification documents and that this can be demonstrated.
- specifications must include all technical and professional requirements
- an award notice is placed through OJEU

Although the full EU tender process does not have to be applied when procuring primary dental services, the principles of fairness and open competition must still be applied, and suppliers who are not successful may legally challenge if they believe this was not the case.

This briefing paper sets out a case study from North Cumbria PCTs in their local undertaking to secure NHS dental services through a formal procurement process. The paper is accompanied by the documents developed and used by the PCTs in this undertaking.

Background

North Cumbria PCTs are responsible for a patient population of 320,000. The PCTs have, in recent years, explored the potential of PDS to secure greater access to NHS dental services for its populations, with varying degrees of success. During the recent build up to changes to the contractual arrangements for dentistry to commence on 1st April 2006, a number of dental practices had expressed the intent of relinquishing NHS contracts to transfer to private arrangements. Clearly this could potentially cause issues with NHS access within the PCTs boundaries.

In late 2005, three dental practices submitted notices to terminate their NHS contracts, covering 20,000 patients in total, specifically across two areas within the PCT. The practice sent letters to their patients advising of its intentions and highlighting that they would take on half of their current registered population under private arrangements.

The PCTs worked closely with patient groups and the media, to ensure a strong message was cascaded locally that the re-provision of NHS dental services would be secured for patients in those areas as soon as possible.

Process

Given the timescale imperatives, North Cumbria PCTs prioritised obtaining clarity from commissioning and procurement advisors to establish a robust and timely

procurement route that would ensure a stringent process within the PCTs Standing Financial Instructions. As above, the PCTs were advised that OJEU advertising was not necessary, however, in order to ensure clear and transparent actions, the PCTs used the BDJ to advertise the contracts as it was felt that the journal had sufficient UK and European coverage to stand up to scrutiny.

The PCTs set out their plan and the timescales, to ensure a maximum 4 month process from advertising to service availability (see Box 1). A detailed Quality Criteria questionnaire was produced against which initial 'expressions of interest to tender' could be assessed.

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ID	Task Name	Start	Finish	05	12	19	26	02	09	16	23	30	06	13	20	27	06	13	20	27	03
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	PROCUREMENT PROCESSES	Mon 05/12/05	Fri 31/03/06																		
2	Establishing process, specs and procurement timetable	Mon 05/12/05	Fri 16/12/05																		
3	Advertising 'expression to tender' and receiving clarification from potential providers to final QC questionnaires	Mon 05/12/05	Fri 23/12/05																		
4	Identifying short listed providers to negotiate	Mon 26/12/05	Fri 06/01/06				4														
5	Sending out final documents, inviting providers for clarification/interview meeting/submission of final offers	Mon 26/12/05	Fri 20/01/06				5														
6	Assess full and final offers	Mon 16/01/06	Fri 27/01/06							6											
7	Identifying preferred provider negotiating contact	Mon 23/01/06	Fri 17/02/06									7									
8	For provider to establish services with agreed contract and within agreed premises and quality parameters	Mon 30/01/06	Fri 31/03/06										8								

The criteria were not merely focussed on the quality of service delivery, but more over, the quality of the actual potential providers and their ability to deliver some of the key imperatives of the contracts, namely;

- quality of service
- delivery within the PCTs timescales
- location of service

The QC questionnaire went on to focus on a number of areas designed to ensure a potential provider could demonstrate a track record in delivery of;

- services under new ways of working (delivery under PDS specifically)
- setting up a new dental practice/service
- recruitment of dentists
- retention of dentists, for example if recruited from abroad, the provider would need to demonstrate how they would support the dentists

Following the submission of the QC questionnaires, the PCTs short listed a number of potential providers from the submissions they received who were then sent the full contract documentation and invited to formally negotiate with the PCTs, following which their full and final offers would be submitted to the PCTs. As part of the final negotiations and lead up to final submissions, providers were invited to meet with a PCT panel consisting of;

- Dental Leads
- Non Executive Director
- Director of Commissioning
- Finance representative

This enabled the providers and the PCT to clarify any information from the original questionnaire, service and provider specifications, premises/location of the services, and update on any national information that had come to light (for example, the benchmark prices for GDS and PDS UDAs which had been released after the PCTs had advertised the invitation to tender).

The PCTs had identified potential premises, one of which was within a new Primary Care Centre, within which dental services had been planned for. This was an option for potential providers to explore and include as part of the negotiations, but was not a stipulation of tendering i.e. potential providers were able to explore other local appropriate options if they could demonstrate alternative premises would meet quality markers. (NB PCTs can stipulate premises as part of their invitations to tender where they have identified premises from which they wish NHS dental services to be provided, but must be mindful that this may be an important factor in the negotiating process).

In parallel to the formal meeting with the PCT panel, providers were invited to submit their full and final offers to the PCTs. All in all this represented a 5 week process from submissions of the initial Quality Criteria questionnaires to the submissions of the full and final offers.

At the time of writing the PCT had a number of potential providers who were invited to the second stage of the process to invite final offers, all of which were confident of ability to recruit and to establish a service open to patients by the 1st April 2006.

North Cumbria PCTs have demonstrated that with an appropriate planning and parallel procurement process resulting in establishing new services is achievable within a 4 month period. PCTs need to primarily plan their timescales along this kind of procurement route, particularly if services are to be established quickly.

Conclusions

- It would be advisable for PCTs to set out and formalise a minimum standard procurement process from the outset. It can obtain advice on what this should include from its local procurement hubs/departments, regional Primary Care Contracting Advisors and from the NHS Purchasing and Supplies Agency (PASA).
- PCTs will be well-advised to identify a senior manager with project management skills to coordinate a procurement exercise with enough time and capacity to see the whole process through.
- The procurement documents, developed by North Cumbria PCTs, that go along with this briefing paper, are useful templates to undertake a range of primary care procurement exercises.

Acknowledgements

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