



Delivering 21st Century IT Support for the NHS

Summary of the overall procurement strategy

Summary document

Preface

This document is a summary of the new procurement strategy for the national programme for IT in the NHS. Its purpose is to provide information and enable consultation with a wide audience across the NHS, Department of Health, other relevant Government Departments and the NHS IT supplier community.

Comments on the procurement strategy should be directed to the National IT Programme Office by 31st August 2002 <mailto:npsa@nhsia.nhs.uk>

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1. INTRODUCTION

- 1.1 It is widely accepted that the NHS Plan to improve care and services in the NHS depends on a number of transformations in quality, speed and capacity of the organisation. Information Technology (IT) and the electronically stored information it handles are key enablers of some of this transformation. With modern IT, information can be captured once and used many times, working practices can be modernised and communications speeded up.
- 1.2 The National Programme for IT in the NHS ("The Programme") is designed to connect the capabilities of modern IT to the delivery of The NHS Plan. The core of the strategy is to take greater control of the specification, procurement, resource management, performance management and delivery of the information and IT agenda. From a procurement perspective there are four key elements that the Programme must manage:
- Infrastructure - covering the provision of secure broadband connectivity over an NHSnet backbone, and the completion of existing activities to implement email and Directory services;
 - Integrated Care Record Services (ICRS) - a broad, continuously expanding and maturing portfolio of services covering the generation, movement and access to health records. Clinical tools (including electronic prescribing in hospitals) and workflow capabilities to manage a patient's care pathway through the NHS are a key part of ICRS;
 - Electronic appointment booking – an existing project based around providing for locally based solutions on booking secondary care appointments and implemented within a national framework;
 - Electronic Transfer of Prescriptions (ETP) - providing a service for rapid, safe, generation and transfer of prescriptions from Primary Care to the pharmacy of the patient's choice.

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2. PROCUREMENT STRATEGY

- 2.1 The overall Procurement Strategy for the Programme must take into account the individual needs and current progress of the four main elements and then develop a strategy for bringing their procurement together into a cohesive whole that the NHS and Industry can understand and manage.
- 2.2 At the core of our Procurement Strategy is strategic outsourcing, that is, selectively outsourcing major components of the Programme with delivery of some components at a national level via the NHS Information Authority (NHSIA) and maximum use of national framework contracts for other services which will comply with national standards. The various elements of the Programme will be outsourced to Prime Service Providers (PSPs) who will manage approved sub-contractors.

INFRASTRUCTURE

- 2.3 The infrastructure element is composed of the following sub-elements:
- re-procurement of NHSnet, the wide-area network connecting NHS sites
 - provision of national email and directory services for all NHS staff
 - provision of framework contracts that local organisations can use to call-off their local IT needs e.g. Local Area Networks, Personal Computers etc.
- 2.4 The first needs to be in place by 2004 to provide a backbone of increased bandwidth for data transfer and management in the NHS and will be undertaken as a single national procurement. The second procurement is underway, has identified a preferred supplier and must proceed rapidly to a conclusion to meet the March 2003 target. For the third, local contracts will continue but some standardisation has been created already and outsourcing can be considered locally.

ELECTRONIC APPOINTMENT BOOKING

- 2.5 The procurement approach for electronic appointment booking is at the stage of selecting a PSP to work with StHAs and local communities to implement electronic booking.

ELECTRONIC TRANSFER OF PRESCRIPTIONS (ETP)

- 2.6 ETP is at an early stage of development with three pilot services being used to test viability. Like electronic booking it could be the subject of a single national application provided by a single PSP or it could be provided as part of ICRS (see below). Firm decisions about that will be taken during the pilots.

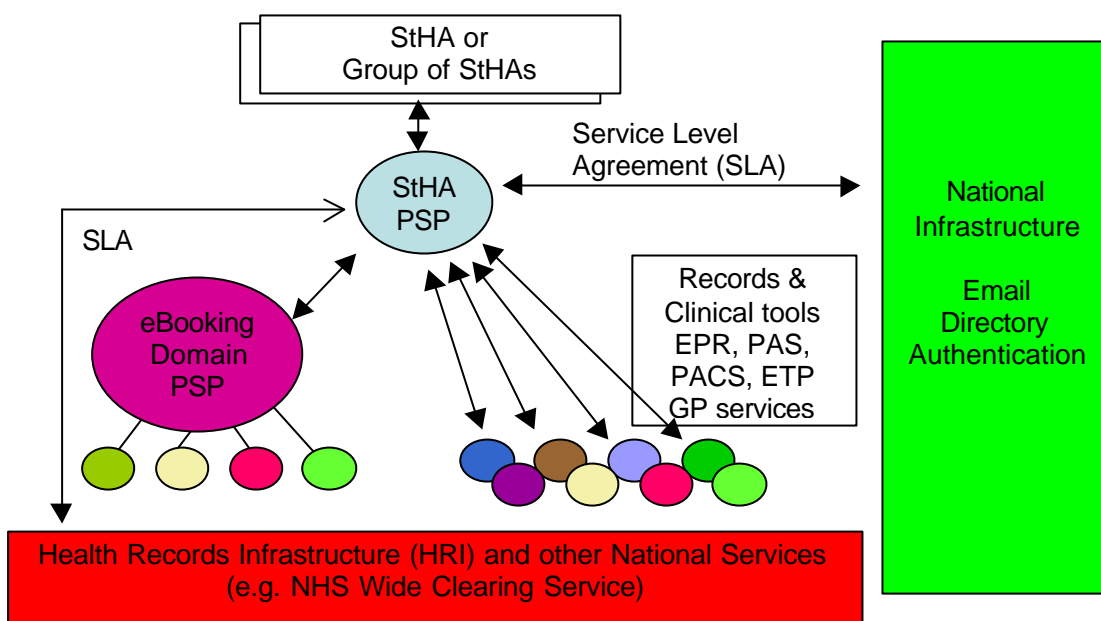
INTEGRATED CARE RECORD SERVICES (ICRS)

- 2.7 ICRS delivers a seamless continuum of care for an individual patient or service user across all care settings, within and across care communities (primary, secondary, tertiary or specialist, social care etc). There is a large range of services that need to be supported – prevention, promotion, screening & surveillance, investigation & diagnosis, treatment, rehabilitation, respite and palliative care.
- 2.8 A small number of Prime Service Providers who can work at Strategic Health Authority (StHA) level as integration and implementation partners will be procured nationally. Each PSP will have an aligned consortium of vendors for the ICRS element of the Programme and will work with the Prime Service Providers for infrastructure, electronic booking and possibly ETP to provide an integrated service locally.

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2.9 Figure 1 below illustrates the preferred procurement inter-relationships for the programme:

Figure 1



2.10 At a national level in this model the Programme will:

- Procure nationally a series of tightly specified, priced framework contracts for a short-list (2-5) of Prime Service Providers who can work at StHA level, as integration and implementation partners for all aspects of the Programme. Each PSP will have an aligned consortium of service providers and vendors for the ICRS element of the Programme, and will be mandated to work with the domain PSP for electronic booking, the infrastructure providers and National Service Providers. StHA Prime Service Providers may not make their products exclusive or mandatory to their StHA;
- Create priced packages of national services and applications that the PSPs and StHAs can together implement locally. This activity will include managing the creation of a single national Health Records Infrastructure Service (HRI) and other national services, to access and move health record information as required;
- Create Service Level Agreements (SLAs) for the national services and other services out of the scope of the PSP consortium, that the PSPs can work to in providing an integrated service to the StHA;
- Develop and maintain the national standards and specifications that all vendors must use;
- Create the national business cases required for DH/Treasury governance, and support the local decision making business cases required at StHA level;
- Procure under national contracts a backbone network infrastructure.

2.11 Each StHA (or if they choose, a group of StHAs) will:

- Select using criteria jointly developed with the national team, a single PSP and its consortium from the national framework list;
- Work with that PSP to prepare, plan and implement the portfolio of approved services. StHAs will have ultimate responsibility for the successful implementation and use of the new IT services.

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2.12 Each PSP will:

- Create a consortium of vendors and service providers to deliver ICRS requirements that comply with the national standards;
- Agree the local priorities, portfolio of services and applications with the StHA;
- Work to SLAs with the providers of National Services and infrastructure;
- Implement, the nationally accredited services and applications of their consortium, taking into account the data quality, conversion and legacy system needs, together with the change management and training needs to ensure successful use of the services by the clinician and patient;
- Work with the Programme to identify innovations that can be applied nationally from their local experience;
- Work with the Programme and StHA to, at agreed points in time, expand or contract the scope of services with which they support their StHA.

2.13 A key issue that needs to be resolved through discussion with the StHAs and industry is whether PSPs may also provide exclusive or non-exclusive products and services not provided by members of their consortium. This is a complex discussion, with significant implications for the prospective PSPs. Work is underway to resolve this critical question.

PREFERRED CONTRACTING ARRANGEMENT

2.14 Of the contracting options consider the preferred option requires service contracts based on the PSP being contractually responsible for all health care records services delivered within a StHA. This would mean that:

- Service payments would be made to the PSP for implementing and managing all aspects of delivering the service;
- The PSP would be responsible for negotiating back-to-back contracts with each sub-contractor, taking all contract interface risks.

2.15 The arrangement provides the greatest clarity in respect of the appropriate allocation of responsibilities and is well understood in the public and private sectors. Services will be procured on a long term basis so the combination of local and central funding will be required for at least 5, preferably 10, years at guaranteed levels.

IMPLEMENTATION APPROACH

2.16 The most appropriate approach may be phased delivery, with StHAs being clustered into waves, and their initial scope of implementation being set by their local priorities from the initial portfolio of ICRS requirements, in addition to electronic booking and ETP. However options and a mixed approach will need to be considered.

CURRENT PROCUREMENTS

2.17 A review procedure, supported by resources from the National Programme, will be agreed with StHA management, to make decisions about whether to sustain, progress or stop current procurement activities for projects inside the scope of the Programme (infrastructure, ETP, electronic booking, ICRS).

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3. TIMETABLE

- 3.1 The table below sets out indicative completion dates for the procurement and implementation process granted sufficient procurement and contract management resources and the necessary funds are available.

Activity / output	Likely Completion
Agree Procurement Strategy (DoH, StHA)	End Jul 02
Service requirement finalised and approved	End Sep 02
Outline Business Case developed and approved	End Sep 02
OJEC Advert	Oct 02
Procurement of systems and implementation services for electronic booking begins	Oct 02
National long list PSPs created	Dec 02
Invitation to Negotiate Issued	Jan 03
National shortlist PSPs created	Apr 03
First StHAs begin detailed planning with PSPs	Aug 03
PSP Framework Contract finalised	Oct 03
Infrastructure provider(s) contract agreed	Oct 03
First StHAs begin implementation	Nov 03
Infrastructure migration begins	Mar 04