



# Department of Health

Commercial Division  
Finance & Group Operations Directorate  
Skipton House  
80 London Road  
London SE1 6LH

[www.dh.gov.uk](http://www.dh.gov.uk)

29 August 2017

Dear Potential Provider,

## **Invitation to Tender (ITT) for the Supply Chain Future Operating Model (FOM) – Logistics Services**

**OJEU Reference No:** 2017/S 164-338174  
**ITT Reference No:** 60469

The Department of Health (acting on behalf of the Business Services Authority) (“the Authority”) is pleased to invite your organisation to tender for the Supply Chain Future Operating Model (FOM) – Logistics Services.

### *Background*

The NHS spends approximately £5.7bn on goods annually. Rather than centrally purchased, this spend is distributed across many autonomous organisations that buy from a variety of suppliers in a variety of ways.

To promote efficient purchasing and delivery of goods, the NHS entered into a national supply chain arrangement with DHL in 2006. This arrangement consolidated NHS Logistics and much of NHS Procurement and Supply Agency into one organisation, the NHS Supply Chain. While there was no mandation of individual trusts to use the service, it sought to achieve aggregation of demand through compelling prices and service delivery.

The Contract was extended in 2015 and is due to expire in September 2018. As part of the extension agreement, the Authority has the contractual right to transfer certain pre-defined areas of the Contract from DHL and switch delivery to a new service provider. It also provided the Authority with greater transparency around the operation of the service and commitments to achieve £300 million of savings by September 2018.

The Future Operating Model envisages disaggregating the service into the below five areas:

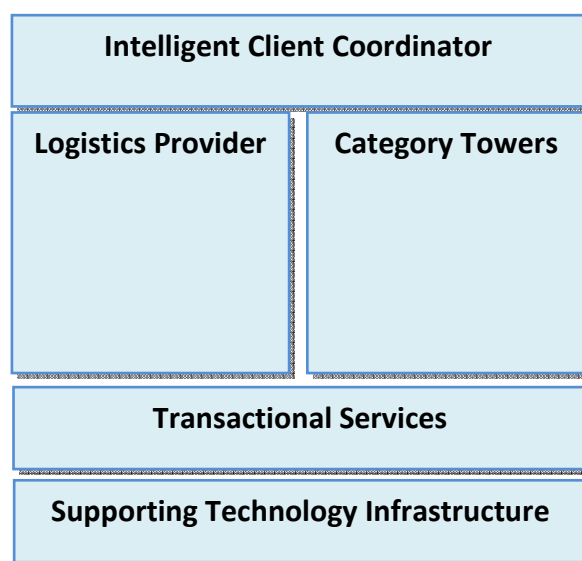


Figure 1 – The FOM

### *The Requirement*

The procurement exercise is for the delivery of Logistics Services, which will be a component of the Future Operating Model being procured to replace the current service.

The procurement is specifically to provide the following logistics services:

1. Management of existing logistics services including transport, inventory management and site facilities at the named sites in II2.3 as the principal leaseholder.
2. Provision of an in-bound logistics and inter-depot trunking service at a site to be determined by the successful bidder in consultation with the Authority.
3. Support for expansion of logistics services to meet projected demand increases (details regarding current volumes and projections will be available within the data room)
4. Provision for home and community delivery services for continence products and potentially other products on behalf of the Authority; to residential homes, care homes, domestic premises and any NHS-funded providers of community health care services.

The full suite of ITT documents and copy of the draft Contract is accessible through the Authority's e-sourcing portal. Further information regarding the e-sourcing portal can be found at: <https://www.gov.uk/government/organisations/department-of-health/about/procurement>

Additional supporting documentation for the ITT can be accessed through the Department of Health's secure Data Room. To gain access, you will need to send an email requesting access to [fom.logistics@dh.gsi.gov.uk](mailto:fom.logistics@dh.gsi.gov.uk). Full access to the project Data Room will be granted on completing the registration and accepting of the non-disclosure agreement.

The key indicative dates are below;

DATE	ACTIVITY
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DATE	ACTIVITY
25 <sup>th</sup> August 2017	OJEU Notice Submitted
29 <sup>th</sup> August 2017	Tender Documents Published and Clarification Period Open (Subject to OJEU publication)
7 <sup>th</sup> September 2017	Deadline for Potential Providers to submit a site visit or Payment Mechanism Presentation request
12 <sup>th</sup> September 2017	Logistics Site Visit (located at Rugby and Crick)
13 <sup>th</sup> and 14 <sup>th</sup> September 2017	Payment Mechanism Presentations
11:00 UTC 18 <sup>th</sup> September 2017	Clarification period closes (" <b>Tender Clarifications Deadline</b> ")
11:00 UTC 25 <sup>th</sup> September 2017	Deadline for a response to the clarification questions
11:00 UTC 9 <sup>th</sup> October 2017	Deadline for submission of Tenders (" <b>Tender Submission Deadline</b> ")
10 <sup>th</sup> October- 3 <sup>rd</sup> November 2017	Evaluation period
1 <sup>st</sup> – 2 <sup>nd</sup> November 2017	Tender clarification meeting (to be confirmed (if required))
3 <sup>rd</sup> November 2017 – 19 <sup>th</sup> February 2018	Internal approvals (FBC process)
20 <sup>th</sup> February 2018	Intention to award notices issued to successful and unsuccessful Potential Providers.
2 <sup>nd</sup> March 2018	Standstill Period ends (in accordance with Regulation 87)
5 <sup>th</sup> – 12 <sup>th</sup> March 2018	Expected execution date of Contract and start of Implementation Services period
1 <sup>st</sup> October 2018	Contract commencement date (Operational Services)

Table 1 – Indicative Procurement Timetable

Please note the above dates are indicative as such that the Authority reserves the right to adjust, all Potential Provider will be notified accordingly.

Any questions concerning the ITT suite of documents and / or the procurement process must be sent using the Clarification Questions Submission Template (Attachment 7) to the Logistics Services project email address [fom.logistics@dh.gsi.gov.uk](mailto:fom.logistics@dh.gsi.gov.uk).

The Authority will endeavour to respond to clarification questions within two (2) working days from when received but, ultimately, by the date the Authority has set for responses to clarification questions in the procurement timetable above.

The Authority would like to draw Bidders attention to the Section 11 of the Instruction to Potential Providers, which provides clear guidance to Bidders when responding to the Invitation to Tender.

Yours sincerely

**Logistics Services Project Team**