The Nottingham University Hospitals NHS Trust

Estates & Facilities
Management and Related Services

Market Test

15 February 2013

Memorandum of information for the Nottingham University Hospitals NHS Trust
Estates & Facilities Management and Related Services / Works Market Test
OJEU Reference Number: TBC
Disclaimer

This Memorandum of Information has been prepared by Nottingham University Hospitals (NUH).

The information contained in this Memorandum of Information should be considered as preliminary information and is subject to change and will be further refined by the final procurement documents.

NUH and its advisors who contributed to the preparation of this document and all references to NUH shall be construed as including all such persons make no representation, warranty or undertaking of any kind in relation to the contents of this document. In particular, but without limiting the disclaimer, NUH does not warrant that the information contained in this document is complete or accurate or that it represents all of the information in its possession, or within its knowledge which may be relevant to the project or the proposed obligations of any person who may enter into a contract in connection with the project.

NUH will not be liable or responsible to any person in relation to any inaccuracy, error, omission or misleading statements contained in the information provided in respect of this transaction or any related transaction. NUH will not be liable or responsible to any person in relation to any failure to inform any person of inaccuracy, error, omission or misleading statement contained in the information of which it becomes aware after the date of release of that information. NUH shall not be liable to any person for any damages, losses, costs, liabilities or expenses of any kind which it may suffer as a consequence of relying upon the information.

Any person considering making a decision to enter into contractual relationships with NUH or any other person on the basis of the information provided should make their own investigations and form their own opinion of NUH and the project. In particular, the distribution or receipt of this Memorandum of Information shall not constitute, or be construed as, the giving of investment advice or a recommendation by NUH.

The attention of Potential Providers is drawn to the fact that, by issuing this Memorandum of Information, NUH is in no way committed to awarding any contract or part thereof and that all costs incurred by Potential Providers in relation to any stage of the tender process are for the account of the relevant Bidder only.
## CONTENTS

1 **INTRODUCTION AND BACKGROUND**  
   - National Strategic Context  
   - Local Context Nottingham University Hospitals NHS Trust  
   - Local Context Estates and Facilities Management Services  
   - Introduction to Nottingham University Hospitals NHS Trust  
     - Strategy  
     - Our Estates and Facilities Management Services  
     - NUH Key Service activity and site distribution  

2 **The Requirement**  

3 **Technical Information**  

4 **PROCUREMENT ARRANGEMENTS**  
   - Procurement Timetable  
   - Procurement Procedure  
   - The Competitive Dialogue  
   - Award Criteria  
   - Governance Arrangements  
   - Glossary  


1. INTRODUCTION and BACKGROUND

We are one of the largest acute teaching trusts in England, with an annual turnover for 2012/13 projected to be £794m. The Trust provides a wide range of secondary and tertiary hospital services for patients in Nottingham, Nottinghamshire and the East Midlands. In addition, the Trust forms a major centre for healthcare research, and has a close partnership with the University of Nottingham across a variety of research and training activities. The Trust has a stated ambition to be the best Teaching hospital in the UK by 2016 and to become an NHS foundation Trust by 2014.

The expenditure on Estates and Facilities Management represents the biggest area of cost in support services across the Nottingham University Hospitals NHS Trust. Delivery is currently underpinned mainly by an in house Estates and Facilities Management team providing c80% of those services supported by a number of external contractual arrangements providing the remaining 20%. As part of the Trust’s ambitious thrust to become the best Acute Teaching Trust in the UK by 2016 it has agreed to review all of its corporate services and to carry out a series of market tests to ensure its support services provide quality, value for money whilst being flexible and responsive. The Trust is keen to examine all options including the need to maintain a continuous improvement in all services whilst examining its options in estate optimisation through the rationalisation and release of assets.

Nottingham University Hospitals NHS Trust is seeking a single provider to work with us to deliver its EFM services by providing a sustainable, deliverable and transformational approach to both the core services and its estate. We are seeking a partner who can help transform the use of the estate in support of our clinical and estates strategy whilst exploiting any opportunities to rationalise and reconfigure the Estate which exist. This EFM market test will be comprehensive and include an in-house response to the challenge as well.

National Strategic Context

The NHS is planning to deliver c£20bn efficiency savings in the years from 2011-15, much of which is required to be delivered by NHS provider Trusts who are faced with real term reductions to the funding they receive from the National Tariffs for patient services.

Hence there is a significant drive to identify opportunities to release resources out of support activities where they can be undertaken more efficiently, with a view to reinvestment back into front line services. A number of high impact areas for improvement are being progressed including back office efficiency and management optimisation.

This framework agreement relates to the range of NUH’s facilities management services as set out in the MOI, but will require flexibility to accommodate future sites/estate and customers. The Project is intended to specifically result in an award of business in respect of Nottingham University Hospital NHS Trust (NUH) but within the scope of the project is the opportunity to extend the range and number of premises for which NUH may be responsible for during the term of the Contract and to permit some or all of the services to be supplied to other participating bodies within the Nottinghamshire area and particularly where this may offer added value.
Local Context (From our Integrated Business Plan V 17.4 5th April 2012)

To be England’s best acute teaching Trust in 2016, we must deliver excellence in our two complementary roles;

- A distinguished general hospital, providing excellent care to our local communities, including care in ‘out-of-hospital’ settings.

- A leading centre of excellence in selected specialities, recognised locally, nationally and internationally for research, teaching and clinical care, serving our local community and a wider catchment.

Our Quality Strategy describes how we will achieve excellence in patient outcomes, experience and staff satisfaction. We must be able to demonstrate sufficient financial resilience and governance capability to become a Foundation Trust.

We have plans to generate efficiencies of £108m in the three years to 2014/15. Our Estate Strategy describes a significant reduction in the overall size of our facilities and an emphasis on improving the quality of our estate by refurbishing to promote flexible use, and by targeted strategic and tactical risk-driven investment.

Local Context EFM Services

The expenditure on the areas we are looking to market test in Estates and Facilities Management in 2012/13 in circa £40m. This is supported by a number of external specialist contracts of variable terms. An illustrative breakdown of spend is outlined below. The service is also underpinned by an extensive range of income generation c£10m (car parking, retail catering, linen contracts, services to third parties, & property income)

Illustrative breakdown of Nottingham University Hospitals NHS Estates/FM Service Delivery as at 11/12
Introduction to Nottingham University Hospitals NHS Trust

Nottingham University Hospitals NHS Trust has identified that their core purpose is to deliver excellent, caring, safe and thoughtful healthcare for Nottinghamshire and the East Midlands. Our vision is to become the best acute teaching trust in England by 2016. By the best, we mean that the Trust’s services and departments must be in the top three compared to peers in the country. We will measure this in six areas: patient experience, clinical outcomes, staff satisfaction, teaching and training, research and development and value for money.

We provide services to over 2.5 million residents of Nottingham and its surrounding communities. We also provide specialist services for a further 3-4 million from across the region. A proportion of the Trust’s activity is provided to patients who are referred to our hospitals from outside the region. We have an annual operating income totalling over £781 million. NUH is also one of the largest employers in the local economy with a workforce as at end of March 2012 of over 14,000 (11,326 whole time equivalents).

Our QMC campus will be progressively remodelled for urgent and emergency care, ensuring patients have prompt access to care when they need it. These services will be flexible, efficient, high quality and focused on patients regaining health and independence after an accident or acute illness.

Our City campus will have an increasingly distinct identity as the focus for elective and planned care. People with long term conditions (including cancer) will access specialised advice and treatment here when they need it. We will develop new models of care, in conjunction with these patients, their GPs and partner health and social care agencies, to maximise independent living and reduce dependence on our hospital services.

We have effective relationships with our local GP commissioning consortia and with specialist commissioners, not least because of the strength of our clinical leadership community, and its involvement in our service, quality and estate strategies.

Our partnerships are purposeful, built on the basis of mutual trust and benefit, and focused on the delivery of our objectives. We will build on our strong relationships with local universities, local authorities, other NHS providers, private and third sector organisations to fulfil our vision.

Crucially, we will continue to engage with our patients, communities and staff about every aspect of the services we currently provide and our plans to improve them.

Delivery of our vision requires a transformational change in the way we provide our services. Particularly in the current economic environment, the scale of the challenge we face is unprecedented - and so must be our response. Our Whole-Hospital Change Programme, ‘Better for You’, will ensure that we can make our services more caring, more thoughtful and safer, even as we reduce waste and improve efficiency.
Our strategy is summarised in the diagram below.

**Mission**

We deliver excellent, caring, safe and thoughtful healthcare for Nottinghamshire and the East Midlands

**Vision**

We will be England’s best acute teaching trust by 2016

**Values**

1. Polite & respectful
2. Helpful & kind
3. Communicate & listen
4. Vigilant
5. On stage
6. Speak up
7. Informative
8. Timely
9. Compassionate
10. Accountable
11. Time & resources
12. Always improving

**Aims**

We will be excellent in clinical outcomes, patient experience, teaching and learning, research, staff satisfaction, value for money

**2013/14 Annual Plan Objectives**

- Improve patient experience as measured by our Friends and Family test and National Patient Surveys
- Improve treatment outcomes in infection, dementia and falls reduction
- Maintain quality and range of services whilst reducing cost base
- Deliver strategic developments

**Action**

Transformation of our services will be managed through our annual planning process and our Better for You programme

---

**Our Estates and Facilities Management Services**

Nottingham University hospitals NHS Trust (NUH) currently manages estates and facilities services with circa 1152 whole time equivalent and also utilises a number of third party organisations who deliver a limited range of contracted out services.

The Services include:

- Cleaning Services
- Hard FM repairs and maintenance
- Catering Services Patient including Ward Waitress service at our City Hospital.
- Catering Services Retail
- Patient Movements/Portering
- Logistics
- Linen Services
- Estates and Facilities Management
- Waste Services
- Security and Car Parking
- Switchboard
These EFM services also produce c£10m income from across its services which we expect to see increase as we continue to develop our capability around revenue generation.

Our estate comprises three separate sites – the Queen’s Medical Centre (QMC), Nottingham City Hospital, and Ropewalk House – with a combined area of approximately 46 Hectares, and built floor space of 340,617m2. The estate was valued at £372 million in 2011/12 and all three sites are owned freehold by the Trust. Our occupancy costs are circa £58 million per annum, which compares well with our peer group Trusts.

In the short term, we are committed to continuing to operate from three sites, but in the medium to long term it is an aspiration to consolidate all of our services onto two sustainable campus sites – City Hospital and the QMC. Consequently, when market conditions improve, we will review the future of Ropewalk House and consider relocating the services based there to one of our other two sites or into a community setting.

In 2009, a comprehensive land and property appraisal (6 facet survey-Summary available on request) was completed by an independent consultancy in accordance with Department of Health guidance. This has since been updated by further assessment by the Trust this analysis concluded that:

- Overall, the estate is in sound physical condition, operationally safe, exhibits only minor deterioration, with low levels of backlog maintenance identified as being in the ‘significant’ and ‘high’ risk categories. However, there are elements of the estate that has reached or exceeded their useful design life and will need to be addressed as part of the 10 year strategy to reduce the overall backlog maintenance liability. The six facet survey has established that NUH has a risk adjusted backlog cost (ERIC 11/12) of £10.5m and a £6.6m cost to remove significant risk. Action plans are in place to address these areas with investment identified within the Trust Integrated business plan over the next 10 years:
  - During 2012/13 our plan was to spend c£5m to address the backlog and significant risk issues whilst also providing another £10-20m to support Trust service developments.
  - The Trust has an annual planned capital spend of c£20-30m which forms part of the Lot 3 tender

- Our estate is both extensive and varied, as well as being geographically dispersed. This inevitably presents some challenges, but broadly aligns with the configuration of our services today.
- In broad terms, our estate is generally satisfactory in relation to its functional suitability, although deficiencies have been identified in some key areas, mainly as a consequence of space constraints due to building design and the age of facilities which are no longer ‘fit for purpose’.
- Similarly, we are achieving a satisfactory level of utilisation overall, but with a few areas empty or under-utilised. However, some departments are overcrowded, and the utilisation of space in some areas is currently poor.
NUH Key Service activity and site distribution

The tables below demonstrate activity is continuing to change as demand for services and patient expectations grow and clinical practices change. It reflects a change in trend from elective inpatient to day-case. This reflects the increase in the number of procedures undertaken in a day case setting. Similar changes in clinical practice are equally reflected in the increased volume of new outpatient activity. The economic realities mean that NUH may have to do less work in an acute setting although as a centre of excellence for a number of services there may also be growth in estate demand. Consequently, NUH planning assumption and a core theme of their Integrated Business Plan (IBP) is that flexibility will be critical to success in this procurement.

Activity Trends

<table>
<thead>
<tr>
<th></th>
<th>2011/12 Activity Plan</th>
<th>2012/13 Activity Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;E</td>
<td>164,503</td>
<td>177,832</td>
</tr>
<tr>
<td>Daycases</td>
<td>60,959</td>
<td>64,032</td>
</tr>
<tr>
<td>Electives</td>
<td>24,532</td>
<td>24,553</td>
</tr>
<tr>
<td>Non Electives</td>
<td>91,294</td>
<td>93,771</td>
</tr>
<tr>
<td>Outpatient - First Attendances</td>
<td>220,907</td>
<td>224,161</td>
</tr>
<tr>
<td>Outpatient - Follow Up Attendances</td>
<td>449,097</td>
<td>503,970</td>
</tr>
<tr>
<td>Outpatient - Procedures</td>
<td>96,693</td>
<td>92,047</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,107,985</strong></td>
<td><strong>1,180,366</strong></td>
</tr>
</tbody>
</table>

Activity Actual

<table>
<thead>
<tr>
<th></th>
<th>2010/11 Actual activity</th>
<th>2011/12 Activity Plan</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;E</td>
<td>174,220</td>
<td>177,569</td>
<td>3,349</td>
<td>1.92%</td>
</tr>
<tr>
<td>Daycases</td>
<td>65,189</td>
<td>65,919</td>
<td>730</td>
<td>1.12%</td>
</tr>
<tr>
<td>Electives</td>
<td>25,889</td>
<td>23,332</td>
<td>-2,557</td>
<td>-9.88%</td>
</tr>
<tr>
<td>Non Electives</td>
<td>96,862</td>
<td>95,916</td>
<td>-946</td>
<td>-0.98%</td>
</tr>
<tr>
<td>Outpatient - First Attendances</td>
<td>237,634</td>
<td>235,407</td>
<td>-2,227</td>
<td>-0.94%</td>
</tr>
<tr>
<td>Outpatient - Follow Up Attendances</td>
<td>525,709</td>
<td>559,373</td>
<td>33,664</td>
<td>6.40%</td>
</tr>
<tr>
<td>Outpatient - Procedures</td>
<td>100,623</td>
<td>97,578</td>
<td>-3,045</td>
<td>-3.03%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,226,126</strong></td>
<td><strong>1,255,094</strong></td>
<td><strong>28,968</strong></td>
<td><strong>2.36%</strong></td>
</tr>
</tbody>
</table>
The current distribution of NUH Services across the three sites is as summarised below.

### Current Service Distribution

#### Queens Medical Centre campus
*Focus on urgent and emergency care*
- Acute medicine
- Acute gastroenterology
- Children's Hospital
- Clinical immunology
- Colorectal
- Ear, nose and throat
- Emergency department
- Emergency general surgery
- Emergency gynaecology
- Eye casualty
- Healthcare of older people
- Hepatology
- Hepato-pancreato-biliary surgery
- Maxillo-facial
- Neurology
- Neurosurgery
- Ophthalmology
- Orthopaedic trauma
- Orthodontics & restorative dentistry
- Paediatric dermatology
- Rheumatology
- Spines
- Sports and exercise medicine
- Vascular

#### City Hospital campus
*Focus on cancer services and planned models of care*
- Breast services
- Burns & plastics
- Cardiac surgery
- Cardiology
- Clinical haematology
- Elective general surgery
- Elective gynaecology
- Elective orthopaedics
- Genetics
- Genito urinary medicine
- Medical gastroenterology
- Neuro-rehabilitation
- Oncology and radiotherapy
- Palliative care
- Renal
- Renal transplant
- Sexual health
- Stroke
- Thoracics
- Upper gastrointestinal surgery
- Urology

#### Both QMC and City
- Cardiology
- Critical care
- Clinical nutrition
- Diabetes
- Endoscopy
- Maternity
- Neonates
- Respiratory

#### Ropewalk House
- Audiology
- Breast screening

NUH’s Current Internal (Feb 13) performance against other key indicators is outlined below:

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>QMC</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard FM Ratio of PPM: Reactive %</td>
<td>40:60</td>
<td>40:60</td>
</tr>
<tr>
<td>PEAT Environment</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Privacy &amp; Dignity</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Cleaning score</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>PEAT Food</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Cook Freeze /Microwave</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Meal ordering</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2 THE REQUIREMENT

The current property portfolio is extensive and identifies facilities on 3 sites. NHS owned or leased property currently covers an occupied space footprint of circa 340,617m².

In this context NUH is seeking a strategic partnership to deliver a high quality and sustainable Facilities Management service along with helping transform the use of the estate in support of our clinical and estates strategy to meet both the requirements of statutory compliance whilst delivering the clinical strategy and at the same time reducing waste and improving efficiency.

In delivering the vision the outputs required from the operator include but are not be limited to:

- The effective and efficient delivery of both hard and soft FM services which creates the required value for money
- Year on year cost improvement without detriment to service quality with a minimum expectation in year 1 of 10%.
- A demonstrable customer focus.
- Delivery of continuous quality and performance improvement through innovation.
- Full Compliance with all statutory & regulatory standards and specifications.
- An ability to adapt to the changing landscape, respond to local/national agendas.
- Opportunities to enhance and develop workforce capacity and capability and reflect the Trust values and behaviours.
- The creation of Investment and Commercial opportunities (with due consideration of accountability, governance, transparency and demonstrable commitments to sustainability).
- A demonstrable commitment to sustainability

3 TECHNICAL INFORMATION ON THE PROCUREMENT

NUH wishes to market test for a full Facilities Management Service for the entire NUH owned estate with a single outsourced service provider on the basis of [either a contract term of ten years or of] five years with an option to extend by 3 years with appropriate value for money test breaks,

This EFM market test will be comprehensive and include an in-house response to the challenge.

Nottingham University Hospitals NHS Trust has decided to undertake this procurement through Competitive Dialogue.

During the lifecycle of this procurement it is envisaged that the parties to this procurement may extend to others within the East Midlands and/or within adjacent counties to the East Midlands.
High Level In House Staff Data

Nottingham University hospitals NHS Trust (NUH) currently manages estates and facilities services with circa 1152 whole time equivalent

It is not possible to estimate the number of potential staff transfers under TUPE at this time as it will be determined by the level of call-off from the Framework Agreement. This issue will clearly be explored in more detail with Bidders who are invited to submit outline solutions. All staff hold Agenda for Change contracts and have the right to join the NHS Pension Scheme. The only local terms and conditions applicable are those which implement the national on call principles in relation to Agenda for Change.

Lot Methodology

The services that are being procured are split into Lot 1, Lot 2 and Lot 3

While it is the anticipation of NUH to only award a single contract (to one service provider), NUH reserves the right to:

- Not award a contract at all, or
- to award part or all of the Lot 1 services only or
- to award part or all of the Lot 2 services only.
- To award part or all of Lot 3.

Bidders must submit bids for both Lot 1 and Lot 2. Bids for Lot 1 only will not be accepted or evaluated and bids for Lot 2 only will not be accepted or evaluated.

Any variant bids must still contain bids for Lot 1 and Lot 2.

Lot 3 (part or all) will not be awarded without part or all of Lot 2 being awarded.

Any bidder that passes the Lot 2 criteria minimum threshold as set out in the NUH evaluation criteria (to be set out in the Invitation to Submit Outline Solutions) shall have their Lot 3 submission evaluated in accordance with the criteria set out for this Lot.

Timetable

Details of the procurement timetable are contained in this document see below under procurement arrangements issued with the PQQ.
The Sites and Services

Detailed in the table below are the sites which may be potentially included as part of Lot 1 and Lot 2 at the present time. A high level summary of illustrative services required at each site are also detailed. This is for illustrative purposes only and is intended to provide an indication of the scale and scope of the Lot 1 and Lot 2. NUH reserves the right to change and/or update this list during the procurement process.

<table>
<thead>
<tr>
<th>Site</th>
<th>GIFA (m2)</th>
<th>In Patient Bed Numbers</th>
<th>Other Provider Metal Health In Patient Bed Numbers</th>
<th>Annual Out Patient Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>QMC</td>
<td>181,396</td>
<td>1091</td>
<td>68</td>
<td>162880</td>
</tr>
<tr>
<td>CITY</td>
<td>157,659</td>
<td>791</td>
<td>40</td>
<td>78922</td>
</tr>
<tr>
<td>Ropewalk</td>
<td>6,750</td>
<td></td>
<td></td>
<td>42489</td>
</tr>
<tr>
<td>Total</td>
<td>340617</td>
<td>1882</td>
<td>108</td>
<td>284291</td>
</tr>
</tbody>
</table>
4 PROCUREMENT ARRANGEMENTS

Indicative Procurement Timetable

The timetable for submission of completed PQQ’s is as follows:

- At this stage, this is an indicative timetable, based on the anticipated programme, and is therefore subject to change.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>15th February 2013</td>
<td>OJEU Notice placed</td>
</tr>
<tr>
<td>15th February 2013</td>
<td>MOI and PQQ available to interested parties</td>
</tr>
<tr>
<td>19th March 2013</td>
<td>Closing date for submission of completed PQQ’s</td>
</tr>
<tr>
<td>20th March – 5th April 2013</td>
<td>Evaluation period</td>
</tr>
<tr>
<td>w/c 8th April 2013</td>
<td>Notification of outcome</td>
</tr>
<tr>
<td>April/May 2013 (TBC)</td>
<td>Invitation to Participate in Dialogue</td>
</tr>
<tr>
<td>2013 (TBC) at a later date</td>
<td>Dialogue Stage 1 - Invitation to Submit an Outline Solution (ISOS)</td>
</tr>
<tr>
<td>2013 (TBC) at a later date</td>
<td>Dialogue Stage 2 - Invitation to Submit a Detailed Solution (ISDS).</td>
</tr>
<tr>
<td>2013 (TBC) at a later date</td>
<td>Dialogue Stage 3 - Invitation to Submit a Final Tender (ISFT)</td>
</tr>
<tr>
<td>2014 (TBC) at a later date</td>
<td>Preferred bidder notification</td>
</tr>
<tr>
<td>10 days</td>
<td>Standstill period</td>
</tr>
<tr>
<td>2014</td>
<td>Award</td>
</tr>
</tbody>
</table>
Procurement Procedure

NUH is seeking a strategic partnership to deliver a high quality and sustainable Facilities Management service and transform the healthcare environment in Nottingham by means of the Competitive Dialogue Procedure, in accordance with the Public Contracts Directive and all other applicable laws and regulations. The Competitive Dialogue Procedure will comprise of a Pre-Qualification Stage, an Invitation to participate in dialogue (ITPD) comprising, an Invitation to submit outline solutions (ISOS), an Invitation to Submit detailed Solutions (ISDS), and the Final Tender Stage.

Bidders will bear their own costs of participation in this Procurement Procedure.

NUH reserves the right to vary, withdraw from, suspend or terminate the Procurement Procedure, any part of the Procurement Procedure or these rules.

NUH reserves the right to change the date of any event occurring in or forming part of the Procurement Procedure.

These procurement stages are outlined below:

Prequalification – Selection Stage

Potential Providers are required to complete and return all prequalification information in accordance with the requirements set out in the Pre-qualification Questionnaire (PQQ). Responses will first be checked for compliance prior to formal evaluation.

Compliant submissions will then be subject to the PQQ evaluation process. In undertaking this evaluation, NUH will use the selection criteria as set out within the information supplied to Applicants. Bidders who submit a compliant PQQ may be requested to respond to points of clarification raised by NUH and / or to attend an interview, the purpose of which will be to enable NUH to clarify the information in their PQQ submission. Following this process, NUH will complete its evaluation of the PQQ returns and rank Applicants in order of scores. NUH expects to shortlist 5 bidders plus any that tie on scores with the 5th ranked bidder. NUH will then invite the short-listed bidders to participate in dialogue. NUH reserves the right, in the event that a Bidder withdraws or drops out after being shortlisted, to revert to the next ranked Bidder identified at the PQQ evaluation stage or to continue (at its discretion) with the fewer number of short-listed bidders.
Invitation to Submit Outline Solutions (ISOS) – Stage 1 Competitive Dialogue Phase

The Applicants who are shortlisted as a result of the PQQ evaluation process will be invited to participate in a competitive dialogue and will be issued with an ISOS.

NUH will publish the following documents as guidance as part of the ISOS:

- Soft and Hard facilities service specifications
- Details of payment mechanism
- Costs of current service provision
- Plans

The competitive dialogue phase will comprise three distinct stages.

In the first stage there will be a strong emphasis and focus on Bidders’ outline proposals to deliver the key outcomes for both Lot 1 and Lot 2 in terms of service delivery and partnering. Stage 1 will culminate in the formal submission of Outline Solutions by shortlisted Bidders.

These submissions will be evaluated in accordance with the award criteria to be published as part of the ISOS and must include an indicative cost from the bidder. At this stage, NUH proposes to reduce the number of Bidders who will proceed to the second and third stages of the competitive dialogue. For the avoidance of doubt the award criteria will include both financial and non-financial parameters.

Invitation to Submit Detailed Solutions (ISDS) - Stage 2 Competitive Dialogue Phase

The Applicants who are shortlisted as a result of the ISOS will be invited to participate in a competitive dialogue and will be issued with an Invitation to Submit a Detailed Solution (ISDS). This will involve refinement of the solution.

Provided that there are sufficient qualified Bidders then up to four Bidders will be issued with the ISDS. It is envisaged a minimum of three Bidders will be issued with the ISDS.

NUH will at this stage request a fully developed and priced bid based on an agreed contractual position. This will be to determine the objective that subsequent final tenders (ITSFT) once received will be both compliant and acceptable. For the avoidance of doubt the award criteria will include both financial and non-financial parameters.

The completion of this stage (ISDS) is intended to result in NUH deselecting all but 2 bidders to take forward to the ITSFT stage.
Invitation to Submit Final Tenders (ITSFT) - Stage 3 Competitive Dialogue Phase

NUH envisages issuing an ITSFT to the two highest ranked Bidders following the above evaluation. Through this final stage ITSFT of the competitive dialogue NUH will continue to work with Bidders to scope, agree and document solution(s) for Lot 1 and 2 capable of meeting NUH’s overall objectives and upon which final bids will be sought. In particular, this will involve finalising detailed service delivery plans for each of the services and agreeing legal documentation.

When NUH is satisfied that its objectives and compliance requirements can be met, then the competitive dialogue can be concluded and the remaining Bidders will be notified of such in writing. Bidders will then be issued with an Invitation to Submit Final Tenders (ITSFT).

Following receipt of final bids, and after any necessary clarification, specification or fine-tuning; NUH will evaluate the final bids for Lot 1 and 2 received in accordance with award criteria issued as part of the ITSFT and select a Preferred Bidder.

Bidders are reminded that NUH is only permitted to "clarify, specify and fine tune" final bids. This means that there will be an extremely limited opportunity to leave matters open and/or hold discussions with Bidders once final bids have been submitted.

Preferred Bidder

The contract will be awarded on the basis of the most economically advantageous bid in accordance with the award criteria which will be included in the tender documents at each stage.

The Competitive Dialogue

This Competitive Dialogue forms part of the Procurement Procedure leading to the award of the Contract referred to in the Contract Notice. At the initial stage, NUH is not objectively able to define the technical means capable of satisfying its needs and objectives for the Project and is not objectively able to specify the detailed legal and financial make-up of the Project. NUH considers that the use of the open or restricted procurement procedures would not provide the conditions to allow it to award the Contract.

The aim of the Competitive Dialogue therefore is to identify and define the means best suited to satisfying NUH’s objectives and requirements.

NUH and Bidders will conduct the Competitive Dialogue in accordance with the principles of equal treatment, non-discrimination, proportionality and protection of the rights of the individual, the duty of transparency and all applicable laws and regulations.

Award Criteria

These will be issued with the ISOS and subsequent stages of the ITPD
Governance Arrangements:

Project Structure

Project Board (PB)

In accordance with the Trust's Standing Orders (10.2), a Project Board has been set up; this group reports into Directors’ Group and the Trust Board as required. The Project Board is responsible for ensuring that the market testing exercise is completed to the approved programme and is compliant with all Trust policy & procedures, Standing Financial Instructions and legislative requirements. It approves the service specifications developed by the project manager (assisted by the Project Team and Working Groups). It oversees the procurement process and ensure wide representation/consultation with service users and staff side.

The Project Board is responsible for developing any Terms of Reference and setting the aims and objectives of the Project Team and Working Groups (including their respective Terms of Reference), resolving issues where there is an interface or overlap of service requirements which cannot be resolved by the Project Team; reviewing documentation and service specifications, and reporting to the Directors’ Group and Trust Board to obtain approvals and guidance where required.
The Project Board will comprise of the following:

- Director of Finance & Procurement (Chair)
- Medical Director or Director of Nursing & Midwifery to share
- Non Executive Director
- Clinical Director or Clinical lead
- Director of Estates & Facilities Management
- Director of Workforce & Strategy
- Project manager
- In Attendance:
  - Staff Side Representative
  - External E&FM Consultant-EC Harris
  - Associate Director of Communications
  - Head of Procurement
  - Other specialist officers as required

The Project Board meets on a monthly basis or at frequencies as agreed to ensure progress against programme.

The Project Board will co-opt specialist members from time to time as necessary.

The Chair of the Project Board oversees the procurement process to ensure it is delivered to time; ensure co-ordination of the working groups and work with the Trust’s Procurement Department to issue the tender documentation.

**Project Team**

A project manager will be appointed to develop the service specifications. This process will be managed by the Project Team who will ensure the necessary input will be provided by a range of Trust staff and key organisational committees. The draft service specifications, once developed, will be put forward for approval by Project Board prior to tender. The project team will ensure that the day to day process of the project proceeds to programme and that issues raised by the Working Groups are either resolved or submitted to the Project Board for resolution.

The Project Manager will submit outcomes of the Working Groups to the Specification Steering Group for approval.

The Project Team comprises of the following:

- Project Manager (Chair)
- Representatives from the Working Groups
- Relevant Procurement officers
- Specialist Trust personnel to include: Infection Control, Health and Safety/Risk/Quality, Dieticians, LSMS, Nutrition, Emergency Planning, Patient and Public involvement
- Senior Financial representative
- Senior HR representative
- 2 Matron representatives/Assistant General Manager representative
- Senior Communications representative
- Better For You representative
- Staff side representative

The Project Team meets on a monthly basis prior to the SSG meetings or at frequencies as agreed to ensure progress against programme.

It will be necessary to review the makeup of the Project Team post entering competitive interaction with bidders / Invitation to Tender to ensure separation of the involvement of people who may be included in the development of the in-house bids.

Working Groups

Three Working Groups will be required to be formed:

- Soft FM Services
- Hard FM Services
- Environmental Services

The Working Groups are chaired by the Project Manager and work independently of each other, although there may be some common membership. The key role for the Working Groups is to ensure that they achieve the project objectives set out in the project strategy and to submit recommendations to the Project Team.

The membership of the groups is drawn from a selection of users of the services. The groups include representation from Risk, Health and Safety, Infection Control, Matrons, PPI and staff side; they should each have a Chairperson, who should also be a member of the Project Team.

The Chairperson is responsible for ensuring that all members of the Working Group have an opportunity to present their views and, where issues cannot be resolved by the working group members, submit issues to the Project Team for guidance or resolution.

Members of the Working Groups will be responsible for consulting with their colleagues and representing their views.
Specialist Working Groups

For the Soft FM Services, Specialist Working Groups were formed, enabling concentration on separate elements of the initiative these will be:

- Cleaning
- Catering
- Laundry & Linen
- Logistics
- Security
- Switchboard
- Portering

Members of the Specialist Working Groups were responsible for consulting with their colleagues to represent their specialist topics.

The Chairperson is responsible for ensuring that all members of the Specialist Working Groups have an opportunity to present their views and, where issues cannot be resolved by the Specialist Working Group members, submit issues to the Working Group for guidance or resolution.

In-house Project Group

In accordance with Standing Orders (10.2), an in-house project group has been set up. This is led by the Deputy Director of E&FM and is fully resourced to enable an in-house proposal. The Trust Director of Estates and facilities management will play no part in the compilation of the in-house proposal.
Data Room and communications

The Data Room

It is our intention that applicants who have been shortlisted as a result of the PQQ evaluation process and who are issued with an Invitation to Submit Outline Solutions will be able to access information required to formulate a response through the virtual data room for this procurement. The virtual data room is the only comprehensive source of information relating to this procurement. Instructions on how to receive access will be provided in the Invitation to Submit Outline Solutions documentation.

Notification of any update of the content of the data room shall be available.

The virtual data room will contain information that may be required to formulate a response to the ISOS and will include a link to Trust websites as follows:

Nottingham university Hospitals  www.NUH.nhs.ukNottingham university Hospitals

Requests for Information

Requests for information with regards to this procurement should be made via the portal at https://www.nhssourcing.co.uk

A response will be sent to Applicants or Bidders within two working days enclosing the information requested or an indication of when this information will be available (if consideration of response by a subgroup is required).

Requests for information received by any other means shall not be considered.

Answers to requests for information will be considered on an individual basis and the materiality of publication considered.
## Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUH</td>
<td>Nottingham University Hospitals</td>
</tr>
<tr>
<td>CCG</td>
<td>Clinical Commissioning Group</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FM</td>
<td>Facilities Management</td>
</tr>
<tr>
<td>ISOS</td>
<td>Invitation to Submit Outline Solutions</td>
</tr>
<tr>
<td>ITSDS</td>
<td>Invitation to Submit Detailed Solutions</td>
</tr>
<tr>
<td>ITSFT</td>
<td>Invitation to Submit Final Tenders</td>
</tr>
<tr>
<td>OJEU</td>
<td>Official Journal of the European Union</td>
</tr>
<tr>
<td>PQQ</td>
<td>Pre Qualification Questionnaire</td>
</tr>
<tr>
<td>VFM</td>
<td>Value for Money</td>
</tr>
<tr>
<td>QIPP</td>
<td>Quality, Innovation, Productivity and Prevention</td>
</tr>
</tbody>
</table>