



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Feidhmeannacht na Seirbhíse Sláinte
Rannán Gnóthaí Parlaiminte
Oifig an Ard-Stiúrthóra
Bloc D, 2 urlár
Ionad Gnó Gheata na Páirce
Sráid Gheata na Páirce
Baile Átha Cliath 8
Teil. (01) 635 2505
Facs (01) 635 2508
Rphost: pad@hse.ie

Health Service Executive
Parliamentary Affairs Division
Office of the Director General
Block D, 2nd floor
Parkgate Business Centre
Parkgate Street
Dublin 8
Tel: (01) 635 2505
Fax: (01) 635 2508
Email: pad@hse.ie

18/10/2021

Mr Pat Fannin
Committee Secretariat,
Public Accounts Committee,
Leinster House,
Dublin 2.

Re: (Ref: S0480 PAC33 & R0606 PAC33)

Dear Mr Fannin,

I refer to your recent correspondence to Mr. Paul Reid, Chief Executive Officer, Health Service Executive and the request for information regarding the compliance of Section 38 hospitals.

Please find below an information note on the matter.

If any further information is required, please do not hesitate to contact me.

Yours sincerely,

Ray Mitchell
Assistant National Director
Parliamentary Affairs Division

Encl.

Information Note on Compliance with Procurement Guidelines of Section 38 Hospitals*

*(Beaumont Hospital, Mater Misericordiae University Hospital, St. Vincent's University Hospital and Tallaght Hospital)

Committee of Public Accounts Correspondence
Ref: S0480 PAC 33 & R0606 PAC33

Briefing Note:**PAC Correspondence Ref: S0480 PAC33 & R0606 PAC33**

Purpose of Briefing Note:	The purpose of this Briefing Note is to provide concise information to the Committee on the compliance of Section 38 hospitals with procurement guidelines and on HSE activities to improve compliance in the health sector
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Summary Key Points:

- 1. HSE has stipulated additional provisions regarding procurement compliance in HSE Service Arrangements with Section 38 Agencies:**
- 2. HSE has stipulated additional provisions regarding procurement compliance in the Annual Compliance Statement by the Directors of Section 38 Providers:**
- 3. HSE has established a Health Sector Collaborative Procurement Planning Forum to progress Multi-Annual Procurement Plans which are required to enable an effective centralised purchasing model for the health services:**
- 4. HSE has developed a comprehensive on-line Corporate Procurement Planning (CPP) Toolset and has made this fully accessible to Section 38 Agencies:**
- 5. HSE has provided on-line access to information on all HSE and OGP Contracts and Framework Agreements via its WWW.HBSPASS.ie secure website:**
- 6. HSE has sponsored participation on the Public Procurement & Supply Chain Excellence (PPSCE) Certificate (QQI Level 7) and Diploma (QQI Level 8) for all Section 38 & Section 39 Agencies:**
- 7. Review by HSE of correspondence from Beaumont Hospital (R0606 PAC33):**

Summary Briefing Note:

1. HSE has stipulated additional provisions regarding procurement compliance in HSE Service Arrangements (SA) with Section 38 Agencies:

HSE SA (Part 2 Schedule 6) stipulate provisions to support the implementation of the Government's model for procurement including the requirement of each Section 38 Agency (with a SA above €3mil) to develop a multi-annual Procurement Plan as an integral part of a singular Procurement Plan for the health services. Section 38 Agencies are required;

- 1) To nominate a senior manager for planning and co-ordination of the Procurement Plan
- 2) To provide summary spend data & contract information
- 3) To provide information on procurement and purchasing structures

2. HSE has stipulated additional provisions regarding procurement compliance in the Annual Compliance Statement by the Directors of Section 38 Providers:

To further promote collaboration in building an effective centralised purchasing model for the health services, HSE has revised the provisions in respect of procurement in the **Annual Compliance Statement by the Directors of Section 38 Providers:**

Section 8. Procurement

8.1 The Provider is compliant with public procurement law, regulations and guidelines as set out in Part 1 of the Service Arrangement and with the Code of Practice for the Governance of State Bodies.

8.2 The Provider has engaged with HSE Health Business Services (HBS) Procurement to progress the development of a corporate procurement plan and has used HBS and Office of Government Procurement (OGP) contracts and frameworks, as appropriate.

8.3 The Board has a management system in place which identifies any contracts in excess of €25,000 which were not subjected to the appropriate competitive procurement process in 2020.

3. HSE has established a Health Sector Collaborative Procurement Planning Forum to progress Multi-Annual Procurement Plans which are required to enable an effective centralised purchasing model for the health services:

The Health Sector Collaborative Procurement Planning Forum has met on several occasions pre-COVID-19 dealing with important topics such as Implementing the Government' Procurement model, Procurement Planning, Improving Procurement Compliance, Brexit and Training and Development of Procurement Officers in the Health Services.

Preparations are continuing for a virtual meeting of the Health Sector Collaborative Procurement Planning Forum in October to discuss arrangements for the finalisation of the Health Service Multi-Annual Procurement Plan (2022-2024) which will be published in Q1 2022.

4. HSE has developed a comprehensive on-line Corporate Procurement Planning (CPP) Toolset and has made this fully accessible to Section 38 Agencies:

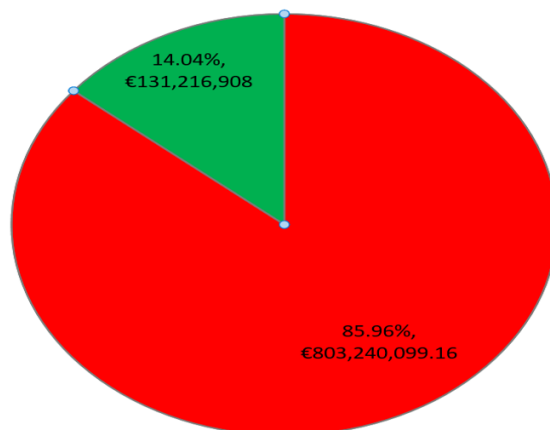
The Code of Practice for the Governance of State Bodies (the Code) sets out the procedures for procurement in code provisions 8.16 to 8.21 inclusive.

HSE has developed an on-line Corporate Procurement Planning Toolset which is designed to fully support the Board/Executive of a publicly funded organisation to have visibility and manage its compliance with Code provisions 8.16 – 8.21 inclusive. HSE has also made available professional support and guidance, planning tools / reports and analyses to assist in driving improved compliance and VFM.

The topic of developing a singular Procurement Plan for Health was discussed in depth at the Health Sector Collaborative Procurement Planning Forum on several occasions. Relevant Spend and Contract DATA were requested from each Section 38 Agency to facilitate the development and implementation of a singular Procurement Plan for Health however HSE Procurement only received the data for 14% of the overall spend involved from the Section 38 Agencies.

Contract & Procurement Information

■ Information Not Received ■ Information Received



5. HSE provides on-line access to information on all HSE and OGP Contracts and Framework Agreements via its WWW.HBSPASS.ie secure website:

HSE provides Section 38 & Section 39 Agencies with on-line access to detailed information on all HSE and OGP Contracts and Framework Agreements via its secure website WWW.HBSPASS.ie

In addition, the HSE Service Arrangements mandate that all Section 38 staff-members authorised to source suppliers must use WWW.HBSPASS.ie as their primary source of supply and comply with HSE and OGP Contracts and Framework Agreements, or be in a position to explain and justify any departures.

6. HSE has sponsored participation on the Public Procurement & Supply Chain Excellence (PPSCE) Certificate (QQI Level 7) and Diploma (QQI Level 8) for all Section 38 & Section 39 Agencies:

HSE has developed in collaboration with University of Limerick (UL), a QQI accredited level 7 Certificate programme and Level 8 Diploma programme in Public Procurement Supply Chain Excellence (PPSCE).

These bespoke formal learning programmes combine modules from Public Procurement, Supply Chain Management and Business Excellence programmes providing an excellent foundation of knowledge for all staff members involved in the sourcing, purchase to pay, logistics and associated finance and audit functions who interested in developing their competencies and professionalism in public procurement.

The PPSCE programme has won national accolades including:

- National Procurement Awards 2020 – Winner - Excellence in Education & Training;
- The Public Sector Magazine – Excellence in Business Awards

To date, 140 health service personnel have participated in the PPSCE programme of which c.60% are HSE staff-members c.40% are from Section 38 and Section 39 funded Agencies

7. Review by HSE of correspondence from Beaumont Hospital (R0606 PAC33):

7.1 The alignment of procurement activity and awareness of the support available from both the HSE and OGP will be discussed directly with the hospitals.

7.2 HSE will continue to seek engagement and collaboration from Section 38 Hospitals in respect of the development and implementation of its Corporate Procurement Plan and a Multi-Annual Procurement Sourcing Plans which will be published in Q1 2022. A Health Sector Collaborative Procurement Planning Forum Workshop is being arranged on November 25th in this regard.