



**Council**  
**17 July 2018**

**Quality Assurance procurement**

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| <b>Classification</b>                        | Public  |
| <b>Purpose</b>                               | For decision  |
| <b>Issue</b>                                 | Progressing the management of our quality assurance activities from August 2020 to July 2023 (with an option for a further two year extension).   |
| <b>Recommendation</b>                        | To agree the proposed approach to the Quality Assurance major tender exercise   |
| <b>Financial and resourcing implications</b> | Our quality assurance services costs are calculated on an 'activity' basis. The cost over the last three years has been approximately £216,000 but this varies depending on the quality assurance activity that takes place each year. Overall, the costs fit within the expected budget envelope from August 2018 onwards. |
| <b>Equality and diversity implications</b>   | Our tender process integrates considerations of promoting equality and valuing diversity.   |
| <b>Communications implications</b>           | None arising from this paper. In due course, any decision to put our quality assurance contract out to tender will need to comply with the law and in particular, European Union tender requirements. If these are applicable at that time.   |
| <b>Annex</b>                                 | Procurement Policy Extract from the General Osteopathic Council Governance Handbook available at:<br><a href="https://www.osteopathy.org.uk/about-us/the-organisation/governance-handbook/">https://www.osteopathy.org.uk/about-us/the-organisation/governance-handbook/</a>  |
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## Background

1. Decisions about procurement rest with Council. Our procurement policy is set out in the Governance Handbook. An extract of the relevant part of the procurement policy is attached at the Annex.
2. We currently procure quality assurance expertise from the Quality Assurance Agency for Higher Education (QAA) to undertake aspects of our quality assurance activities. These activities contribute to ensuring that only students meeting the Osteopathic Practice Standards are awarded a 'recognised qualification' entitling them to apply for registration with us. The current contract commenced in August 2015 and will end on 31 July 2020.
3. The quality assurance contract is one of our largest contracts with an external organisation and represents around 3% of our total expenditure.
4. The quality assurance contract is therefore important in terms of its nature (informing the exercise of our statutory responsibilities) and size (proportion of our budget being paid to an external organisation). Council will therefore require assurance that there is appropriate governance over the award of the contract and that all risks associated with the contract performance and the activities are identified, managed and monitored appropriately.
5. This paper outlines our approach to our quality assurance activities beyond the conclusion of the current contract in July 2020, decision points for Council and the Policy Advisory Committee which performs the functions of the statutory Education Committee (the Committee), should Council decide to proceed in accordance with the proposed timetable.

## Discussion

6. We have statutory duties to ensure that only students meeting the Osteopathic Practice Standards are awarded 'recognised qualifications' entitling the graduate to apply for registration with us. The Committee has a role in making recommendations to Council and its duties and terms of reference include to:
  - a. Advise Council on the recognition of qualifications in accordance with section 14(6) of the Act.
  - b. Appoint and manage the performance of visitors to conduct the evaluation of courses under section 12 of the Act.
  - c. Advise Council on matters relating to the withdrawal of recognition of a qualification in accordance with sections 16(1) and 18(5) of the Act.
  - d. Exercise powers to require information from osteopathic educational institutions in connection with its statutory functions in accordance with Section 18 of the Act.
7. Before making decisions about the recognition or withdrawal of 'recognised qualifications' the Council must seek the advice of the Committee (see s14 and s16 of the Osteopaths Act 1993).

8. Further detail about our quality assurance processes employed by the Committee to inform these recommendations to Council can be found at: <https://www.osteopathy.org.uk/news-and-resources/document-library/about-the-gosc/consultation-on-changes-to-the-quality-assurance-of-osteopathic/>
9. Specific aspects of our quality assurance activities are undertaken under contract currently by the QAA. The scope of this contract includes:
  - project, contract and relationship management,
  - the management of the Visitor pool including recruitment, training and appraisal of Visitors,
  - undertaking visits including initial recognition visits, unscheduled monitoring reviews, five-yearly review visits and monitoring visits,
  - following up of conditions and action plans,
  - analysis of annual reports,
  - contract evaluation and
  - contribution to the development and implementation of a new quality assurance framework.
10. This contract did not exceed more than £216,000 over the past three years and was awarded from 1 August 2015 to 31 July 2018 with an option to extend further from 1 August 2018 to 31 July 2020. Council agreed to extend the contract on the recommendation of the Committee in 2017. The paper informing this Council decision is available at: <https://www.osteopathy.org.uk/news-and-resources/document-library/about-the-gosc/council-november-2017-item-11-quality-assurance-contract/?preview=true>
11. As this contract exceeds £50,000 per year, the procurement process is subject to the additional requirements outlined in paragraph 7 of the extract at the Annex namely:
  - a. A business case, procurement strategy and project initiation document will be submitted in advance of the procurement for approval by the relevant committee or by Council.
  - b. The procurement panel will include the Chair of Council or another Council member.
  - c. The final award of contract will be subject to agreement of the procurement panel.
  - d. A contract award notice will be published on the GOsC website.
  - e. The outcome of the procurement will be reported to the relevant Committee and/or to Council.
  - f. Where, for any reason, the cost of the procured goods or services increases by 10% or more, or where a significant delay is anticipated, the circumstances will be reviewed by the original tender panel.
  - g. The outcome of the review at f. will be reported to the relevant Committee and/or Council, and be open to review by the Audit Committee.

12. Because of its financial value, the contract must also be advertised on a pan-European basis in accordance with EU procurement rules using the Official Journal of European Union (OJEU). Although the implications of Brexit are yet to be clarified, it may be that even if the requirement was removed, that we may wish to still advertise internationally.
13. In March 2018, the Committee considered a draft outline timetable for the quality assurance procurement. Feedback from the Committee included the need to specify more detail about the delegation process, the importance of ensuring sufficient independence and expertise within the procurement process and the importance of ensuring that a new contract did not inhibit the opportunity to develop an innovative and different quality assurance process within that contract term.
14. In June 2018, the Committee considered a much more detailed timeline which is reproduced below. In summary, this timeline allows the Committee more discussion time to consider our approach to quality assurance, the business case and the elements of our approach to quality assurance that would benefit from procuring expertise before making substantive recommendations to Council. It also allows for expertise and independence to be incorporated into the procurement process. In this way, we anticipate that the Committee scrutiny of both the content of the contract and also the governance (including management of risks) will be comprehensive.
15. The proposed timeline below sets out a more detailed process and set of decisions to be taken by the Committee and Council along with a clear indication of the options for each decision and the information for development.

*Indicative timeline for the Major Quality Assurance Tender*

| <b>Date</b>  | <b>Activity</b>   |
|--------------|---|
| October 2018 | <p>Seminar discussion – the Policy Advisory Committee considers an early draft business case and procurement strategy and project initiation document (including key requirements of the new contract and also the process for selection) in order to make recommendation to Council about taking the process forward.</p> <p>The Committee considers the constitution of the selection panel in order to both meet the requirements of the GOsC procurement process but also to ensure that the panel is appropriately qualified to assess those tendering. The previous selection panel comprised:</p> <ul style="list-style-type: none"> <li>• The Chair of the Education and Registration Standards Committee and member of Council</li> <li>• The Chief Executive</li> </ul> |

| Date                  | Activity   |
|-----------------------|--|
|                       | <ul style="list-style-type: none"> <li>• The Head of Registration and Resources</li> <li>• The Head of Professional Standards</li> </ul> <p>The Committee makes recommendations to Council about:</p> <ul style="list-style-type: none"> <li>• The draft business case for tendering the contract</li> <li>• The proposed timeline</li> <li>• Whether to appoint an expert procurement consultant to support the Executive.</li> </ul> <p>The Committee makes recommendations to the Executive about key areas that they would like to see represented in the tendering process.</p> |
| <b>January 2019</b>   | <b>Business case, timeline and procurement expertise agreed by Council.</b>  |
| May 2019              | Procurement consultant appointed to advise and implement procurement process (if considered necessary).  |
| May to September 2019 | <p>Develop the procurement strategy with the consultant (if appointed) and ensure the following documents are drafted:</p> <ul style="list-style-type: none"> <li>• Procurement strategy</li> <li>• OJEU advert</li> <li>• PQQ document (including scoring mechanism)</li> <li>• Tender document (including scoring mechanism)</li> <li>• Draft contract terms.</li> </ul>   |
| June 2019             | Committee consider and feed into the work on the detailed procurement process and propose Council delegate oversight to the Committee.   |
| <b>July 2019</b>      | <b>Council agree to delegate the procurement decision to the Committee.</b>  |
| September 2019        | Issue paper for Committee on agreed procurement strategy.  |
| October 2019          | Procurement strategy and supporting documents agreed by Committee.   |
| October 2019          | OJEU advert placed and documents available on GOsC website.  |
| November 2019         | Closing date for PQQ submissions (30 days).  |

| <b>Date</b>        | <b>Activity</b>   |
|--------------------|---|
| November 2019      | PQQ assessment completed and draft invitation to tender issued.   |
| Late November 2019 | Briefing session for bidders.   |
| December 2019      | Invitation to tender issued.  |
| January 2020       | Closing date for tender responses (>35 days).   |
| January 2020       | Shortlisting (if required) and call for interview completed.  |
| Early February     | Tender panel interviews and award decision.   |
| End February 2020  | Standstill period concludes.  |
| March/April 2020   | New contract finalised.   |
| May 2020           | New contract comes into force. (There may need to be an overlap in the two contracts if they are held by different organisations to ensure no gap as the subsequent contract undertakes seamless activities). |
| <b>May 2020</b>    | <b>Report to Council about the outcome of the procurement exercise.</b>   |
| June 2020          | Report to the Committee about the implementation of the new Contract.   |
| 31 July 2020       | Old Quality Assurance Contract ends.  |

**Recommendation:** to agree the proposed approach to the quality assurance major tender exercise.

### **Procurement Policy Extract from the GOsC Governance Handbook (p53 to p54)**

#### **Procurement of services**

##### *Principles*

1. It is the duty of all those engaged in the procurement of goods and services for the GOsC to ensure that contracts are reviewed on a regular basis to ensure they represent value for money, while having due regard for quality and sustainability.
2. There are a number of principles which underpin the procurement of services:
  - a. All procured goods and services should be obtained on the most economically advantageous terms and assessed using objective criteria.
  - b. All procured goods and services should strive to ensure the best quality is achieved for the price being paid.
  - c. Those individuals procuring goods or services should have regard for all relevant legislative requirements under The Public Contracts Regulations 2015 and any relevant EU Procurement Directives.
  - d. Contracts should be reviewed on a regular basis having due regard for latest best practice, e.g. external financial audit.
  - e. Contracts should be reviewed on a regular basis having due regard to the competitiveness of relevant markets, e.g. utilities and insurance.
  - f. Those individuals procuring goods or services should have regard for the procurement criteria as specified in paragraphs 5 and 6 below.
3. The Chief Executive is authorised to sign all contracts on behalf of the GOsC.
4. The procurer of the goods or services will, where the value of the contract is over £25,000, inform the Director of Registration and Resources so that the details of the contract can be added to the list of procured goods and services published on the GOsC website. Procurement criteria Contract value £5,000 to £50,000
5. All contracts with an anticipated value between £5,000 and £50,000 will be subject to the process for procurement of services as set out below, unless otherwise varied by Council.
  - a. The relevant head of department will prepare an invitation to tender document setting out the specification for goods or services.
  - b. The relevant head of department will consult with the Director of Fitness to Practise on the legal implications of any tender process (including any requirement arising from EU Procurement Directives), and shall comply with the requirements.
  - c. Where no legal requirement exists, or the number of suppliers is not specified, the relevant head of department will arrange for at least three suppliers to tender.

- d. At least one of the Chief Executive, Director of Registration and Resources or Director of Fitness to Practise, will sit on the selection panel considering the tender.
- e. The selection panel shall assess the tenders and make a recommendation on which of the potential suppliers best meets the requirements set out in the invitation to tender.
- f. The final award of contract will be subject to a legal review by the Director of Fitness to Practise seeking specialist advice where required.

### *Contract value greater than £50,000*

6. For tenders where the anticipated value is greater than £50,000, a number of additional steps to those set out in paragraph 3 will apply. These are:
  - a. A business case, procurement strategy and project initiation document will be submitted in advance of the procurement for approval by the relevant committee or by Council.
  - b. The procurement panel will include the Chair of Council or another Council member.
  - c. The final award of contract will be subject to agreement of the procurement panel.
  - d. A contract award notice will be published on the GOsC website.
  - e. The outcome of the procurement will be reported to the relevant Committee and/or to Council.
  - f. Where, for any reason, the cost of the procured goods or services increases by 10% or more, or where a significant delay is anticipated, the circumstances will be reviewed by the original tender panel.
  - g. The outcome of the review at f. will be reported to the relevant Committee and/or Council, and be open to review by the Audit Committee.
7. Where at the outset of a procurement process it is not clear whether the contract value will or will not exceed £50,000, then the process at paragraph 6 should be followed.

(N.b. this is the current procurement policy. Council agreed at its May 2018 meeting that this policy should be redrafted and a new policy presented to it at its November 2018 meeting)