



**Proposed  
procurement of phase  
2 PET-CT services:  
Guide to 30 day  
engagement period**

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**Publications Gateway Reference: 04608**

<b>Document Purpose</b>	Guidance
<b>Document Name</b>	Proposed procurement of phase 2 PET-CT services: Guide to 30 day engagement period
<b>Author</b>	NHS England, Commissioning Operations, Specialised Commissioning
<b>Publication Date</b>	07 January 2016
<b>Target Audience</b>	CCG Clinical Leaders, CCG Accountable Officers, Foundation Trust CEs , Medical Directors, Directors of Nursing, Local Authority CEs, NHS England Regional Directors, NHS England Directors of Commissioning Operations, Directors of Finance, NHS Trust CEs, Interested patient groups and associations, other providers of PET-CT services
<b>Additional Circulation List</b>	
<b>Description</b>	This guide supports an engagement period asking for patient, public and provider views on a proposed procurement process for PET-CT services. The document explains the PET-CT services to be procured, the proposed design of the procurement process and how people can contribute their views.
<b>Cross Reference</b>	N/A
<b>Superseded Docs (if applicable)</b>	N/A
<b>Action Required</b>	N/A
<b>Timing / Deadlines (if applicable)</b>	<b>The engagement period runs from 7 Jan 2016 to 5 Feb 2016</b>
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**Document Status**

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# **Proposed procurement of phase 2 PET-CT services**

## **Guide to 30 day engagement period**

Version number: 1

First published: 7 January 2016

Prepared by: Commissioning Operations (Specialised Commissioning)

Classification: OFFICIAL

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## 1 Introduction

1. In 2014, NHS England carried out a procurement process for around 50% of positron emission tomography-computerised tomography (PET-CT) activity, known as PET-CT phase 1. The National PET-CT contract replaced two contracts, PET-CT North and South, which were running out.

2. NHS England now intends to carry out a phase 2 procurement process for PET-CT activity not included in phase 1.

3. The aim is to procure services that:

- reduce health inequalities and improve patient experience and access to care
- achieve the best clinical outcomes for patients
- ensure an equitable access to, experience of and outcomes from services across the country
- ensure that all providers work to a consistent service specification
- ensure adequate PET-CT provision in the future
- provide best value for money.

4. The proposed process will seek bids from providers to deliver services in 9 different lots that are geographically defined – though it is possible for there to be multiple PET-CT sites within each lot. In addition, the proposal includes a maximum single price for scans, and a limit on the number of lots any one bidder can be awarded to maintain plurality of supply.

5. The procurement process will ask bidders to propose solutions that limit any inequity and maximise quality, access, patient experience and value for money, and specify the locations from which services will be delivered. This does mean that the location of PET-CT services could potentially change from where they are currently provided. However, until the procurement process is more advanced, we will not know the extent of any impact nor where it will be felt. This is because we will not have sight of proposed solutions until later in the process, and therefore any proposed changes to service location or the potential impact for patients. At that later point, any potential change in location of PET-CT services may need public involvement and consultation.

6. NHS England is now to conduct a 30 day period of engagement to test the proposals prior to beginning the procurement. It also seeks views on potential mitigation for any change in location of PET-CT services that could be built into the service requirements for bids.

7. This guide sets out the proposed procurement process and describes how you can have your say.

## 2 Background

### 2.1 What is PET-CT?

8. PET-CT, or positron emission tomography-computerised tomography, is used to produce detailed three-dimensional images of the inside of the body. An advantage of a PET-CT scan is that it can show how well certain parts of your body are working, rather than just showing what it looks like. PET-CT is particularly helpful for investigating confirmed cases of cancer, but is used in other conditions as well.

## **2.2 How are PET-CT services provided currently?**

9. The PET-CT services to be included in this phase 2 procurement are provided in England by a variety of fixed and mobile facilities through 15 providers. These include NHS Trusts, independent sector organisations and third sector providers.

10. Demand for PET-CT has grown significantly, and this is expected to continue for four main reasons:

- clinicians are increasingly reliant on the service for diagnostic purposes and radiotherapy planning
- the increase in the prevalence of cancer
- a rise in the number of applications for PET-CT
- improved access for patients.

11. There were around 41,000 PET-CT scans in 2014-15, with a maximum capacity among providers estimated to be approximately 93,600 scans. The number of scans is expected to continue to grow at around 14% a year, which would see around 84,700 scans in 5 years' time and 163,900 scans in 10 years' time.

## **2.3 How will the procurement process work?**

12. The proposed approach for the procurement consists of several stages over a period of a few months:

- There has already been some pre-procurement market engagement to gauge levels of interest among potential providers.
- This guide accompanies the current stage: pre-procurement public engagement.
- Following the engagement and having taken responses into account, the procurement will begin with publication of the procurement documents.
- The procurement process will begin with potential providers asked to complete a pre-qualification questionnaire (PQQ).
- The intended approach would then see providers asked to submit initial bids in a first round Invitation to Tender (ITT).
- Any bidders that do not meet a set of minimum criteria would be deselected at this stage.
- Depending on whether the first round bids for a lot propose a change of location for PET-CT services, there may be a need for public involvement and consultation for that lot.
- The intention would be for a second ITT round and assessment to follow prior to detailed evaluation.
- Preferred Bidders will be identified for each lot.
- Finally, contracts will be finalised and services commence.

## **2.4 What is the design of the lots in this procurement process?**

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13. Presently, there are 15 providers of the PET-CT services included in this procurement exercise. NHS England proposes to run a competitive tender to provide PET-CT services in 9 lots.

14. The use of 9 lots means the number of providers and sites for PET-CT services could increase or decrease. It does not necessarily mean any reduction in providers (providers could collaborate in bids) or locations from which the services are provided (there can be multiple sites in any lot).

15. The lot design follows consideration of:

- geographic location of the populations served by PET-CT services included in Phase 2
- market interest and maximising the benefit of a competitive process
- compliance with applicable procurement legislation
- the aim of maximising potential for investment in PET-CT services and obtaining value for money
- feedback received from engagement with regional commissioners.

16. The proposal is for PET-CT services currently provided in the **North West** to be tendered **as two lots**. The main reasons for this are to avoid disruption to the contract through the devolution of budgets and greater local decision making to the greater Manchester area, and in response to local commissioner feedback.

17. In the **East Midlands**, the proposal is to have **a single lot**. The primary reason for this is the geographic separation of this service from any of the other regional services.

18. PET-CT services in the **South West Midlands** would be tendered as **a single lot**, with the potential that overall income from a single lot will better support investment than two separate lots.

19. The **Home Counties** would have **a single lot** under these proposals. The reasoning includes that a single lot may encourage improved access to patients, rather than including this population as part of a London lot.

20. Services in **Greater London** would be tendered **as three lots**: North & South West; North, Central & East; and South East London. The main reasons are to maintain current clinical networks and collaborative working, and to align with future commissioner plans around populations.

21. PET-CT services on the **South Coast** would be tendered as **a single lot**. It is thought that overall income would better support investment more than two separate lots, and there would be some beneficial economies of scale and efficiencies in purchasing equipment and the tracers used in PET. However, there is an argument that two separate lots would align with commissioner feedback, potentially providing plurality of service.

22. An exercise to test market interest has been carried out in which organisations were invited to express interest in the future delivery of PET-CT services. The expressions of interest covered all the geographical areas listed above. Most of the

organisations advised that they would consider submitting a bid either individually or in partnership with other Trusts or any other Provider.

## **2.5 What if bidders propose a change in location of PET-CT services?**

23. The procurement process will ask bidders to specify the locations from which services will be delivered. This does mean that the location of PET-CT services could potentially change from where they are currently provided. However, until the procurement process is more advanced, we will not have sight of proposed solutions, and therefore any proposed changes to service location or the potential impact for patients. At that later point, any potential change in location of PET-CT services may be the subject of public involvement and consultation.

24. It is already the case that many patients have to travel out of their local area for a PET-CT scan. If the location of the service changes, patients that currently don't have to travel far may have to in future. Conversely, some patients who currently have to travel may get a more local service.

25. During this engagement process, we are seeking suggestions of potential mitigation for any change in location of PET-CT services that could be built into the bidding requirements.

## **2.6 Other details of the procurement process**

26. The procurement process will encourage bidders to propose innovative solutions that:

- facilitate patient access to the service
- accommodate interdependencies with associated services
- reflect current clinical networks.

27. A limit on the number of contracts awarded to any one provider is proposed to maintain supply from a range of providers, though there is no limit to the number of bids that a provider can submit.

28. Currently, prices for scans vary across the providers of Phase II PET-CT services, with some offering a range of prices per scan depending upon the PET tracer used.

The majority of PET-CT scans are carried out using fluorodeoxyglucose 18 F or "FDG" as a tracer, the remainder make up approximately 3% of scans.

The proposal is to ask providers to submit a single price for scans in their bids.

## **3 Engagement process**

### **3.1 Why are we asking for feedback on this procurement process?**

29. NHS England will carry out a 30 day engagement period with patients, public, providers and other interested parties to test the lotting strategy and to inform the subsequent procurement process. We want to raise awareness and understanding of



the procurement process and to get useful responses on the design of the procurement process

### 3.2 What are we seeking views on?

30. We are seeking feedback to the following questions:

1. Do you agree with the proposal to request a single unit price for all PET-CT scans in a lot area, regardless of tracer, service location or patient condition?  
Please provide comments to support your answer.
2. Do you agree with the proposed lot structure?  
Please provide comments to support your answer.
3. Do you agree with the proposal to restrict the maximum number of lots awarded to any individual provider? (Current thinking being no more than 3 out of the 6 lots outside of London and 1 out of 3 in London)  
Please provide comments to support your answer.
4. What characteristics do you consider important for patients when accessing PET-CT services, e.g. quality of the service, quality of the outcome, travel distance, accessibility by public transport, car parking, hours/times the service is available?  
Please provide comments.
5. Do you agree with the proposed minimum criteria an ITT submission must satisfy prior to being considered further?  
Please provide comments to support your answer.  
The proposed minimum criteria are:
  - confirmation of compliance with the [service specification](#)
  - the submitted scan price being equal to or less than the maximum scan price.
6. Are there any other criteria that should be applied at this stage?  
Please provide comments.

### 3.3 How can I make my views known?

31. NHS England is carrying out public engagement for 30 days from 7 January 2016 to 5 February 2016.

32. We would like to hear from anyone with an interest in the provision of these PET-CT services – patients, public, providers and any other groups.

33. An online survey for feedback can be found here:  
<https://www.engage.england.nhs.uk/>

34. Responses will be public documents and all, or any part of a response, may be put in the public domain. If it is necessary to refer to any confidential information in your response, it must be included in a separate document which is very clearly marked as confidential on each page. NHS England is governed by the Freedom of Information Act 2000 and Data Protection Act 1998. While we would seek to respect the confidentiality of any information provided, respondents should be aware that we may be obliged to release even confidential information under these Acts. You must therefore ensure that there is a clear lawful basis for submitting any confidential data.

35. Any comments that relate to services or issues outside the scope of this engagement will be noted and passed on accordingly.

36. NHS England will not be able to provide individual replies to any submissions unless they relate to the mechanics of accessing and responding to the engagement questions.

#### **4 Reporting on the engagement process**

37. Following the engagement period, NHS England will review all the feedback received. All relevant feedback will be considered and used to inform the next stage of the procurement process. NHS England will produce a report of the feedback received and ensure it is distributed to those that have taken part in this engagement process.