



National Health Service in Scotland  
Management Executive

St. Andrew's House  
Edinburgh EH1 3DG

Dear Colleague

SUPPLIES - USE OF CENTRAL CONTRACTS

**Summary**

1. This letter is to advise Health Boards and Trusts that it is mandatory to use all contracts negotiated centrally by CSA Supplies Division for goods, services and equipment.

**Background**

2. This decision, taken on advice from SCOTMEG and after full consultation with the Service reflects the fact that contracts negotiated on behalf of the NHS in Scotland as a whole have a number of valuable benefits. Through increased purchasing power, we can maximise value for money and ensure reliable sources of supply. Suppliers can also plan ahead and reduce contracting costs.

3. Some Boards have already made these contracts mandatory and they are to be applauded. However this is by no means universal, and there have been some examples of central contracts being used as stalking horses for deals with failed tenderers. This brings the tender system into disrepute and the gains made locally are generally at the expense of the NHS as a whole.

4. If there are weaknesses or disadvantages with any central contract, these should be fully explored and discussed with the Director of CSA Supplies Division. Any unresolved complaints should be raised with the CSA General Manager. He is to put in place new monitoring arrangements, including client response and will report quarterly to me on the performance of national contracts and progress on expanding the range of goods, services and equipment subject to national contracts.

**Action**

5. Any existing separate Board contracts for which there are equivalent central contract arrangements should not be renewed.

16 April 1992

**Addressees**

For action:  
General Managers,  
Health Boards

General Manager,  
Common Services Agency

General Manager, State  
Hospital  
Chief Executives,  
Trusts

For information:  
Chief Executive  
Designate,  
NHS Trusts

General Manager,  
Health Education Board  
for Scotland

To be copied to Unit  
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6. At the meeting with General Managers on 25 March it was agreed that a target of 40% of the total value of goods and services purchased annually by the NHS in Scotland should be set initially for the goods and services arranged through central contracts. This would extend to 50% in 3 years. Pharmaceutical supplies would require special consideration but will be included in the general thrust to greater volumes on central contracts. CSA Supplies Division in consultation with Boards through the present and future Commodity Advisory Panels will identify the most suitable candidates for central contracts.

7. A copy of this letter is being sent to the Audit Committee of all Health Boards and NHS Trusts.

Yours sincerely



DON CRUICKSHANK

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27 APR 1992	
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COMMON SERVICES AGENCY	