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Contract

The provision of freight services for the supply of personal protective equipment medical equipment

Department of Health and Social Care

F03: Contract award notice

Notice identifier: 2021/S 000-000039

Procurement identifier (OCID): ocids-h6vhtk-02876d

Published 4 January 2021, 2:55pm

Section I: Contracting authority

I.1) Name and addresses

Department of Health and Social Care

39 Victoria Street

London

SW1H 0EU

Email

FreightContractNotices@dhsc.gov.uk

Country

United Kingdom

NUTS code

UKI32 - Westminster

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>

Buyer's address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

Health

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

The provision of freight services for the supply of personal protective equipment medical equipment

II.1.2) Main CPV code

- 63521000 - Freight transport agency services

II.1.3) Type of contract

Services

II.1.4) Short description

The provision of freight services for the supply of personal protective equipment and medical equipment

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £2,340,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - UNITED KINGDOM

II.2.4) Description of the procurement

Direct Award under Reg 32 of the Public Contracts Regulation 2015 for COVID-19 response

II.2.5) Award criteria

Price

II.2.11) Information about options

Options: No

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- Extreme urgency brought about by events unforeseeable for the contracting authority

Explanation:

1. The consequences of not responding rapidly to the pandemic to meet the exceptional increases in demand for PPE to protect care providers and key workers, and medical products to treat patients, would be a significant excess illness and deaths in the UK.2.

Huge increases in global demand, export restrictions from various nation states all contributed to a shortage of product availability. Where product could be sourced it was imperative that this product was moved at the earliest opportunity to prevent it being sold to higher bidders.³ The urgent need for PPE and medical products in the UK created a requirement for the fastest mode of transport. Air freight transit times were in the region of 4-5 days whereas sea freight was between 56-84 days.⁴ The disruption to freight and exports from China following their lockdown and export restrictions led to the severely restricted availability of freight capacity.⁵ The market for air freight was particularly disrupted by the cancellation of many scheduled passenger airline flights (removing significant air freight capacity from the market). This created a situation where there was severe lack of physical air freight capacity and dramatic cost inflation in this market.⁶ No pre existing government commercial agreements were identified which covered the nature and scale of the services required.⁷ This contract was awarded to Virgin Atlantic to meet a specific urgent need to transport PPE to the UK, utilising flights from China to UK during June 2020. The Department is content the tests permitting use of the Negotiated procedure without prior publication (Regulation 32(2)(c)) are met: 1) Air freight charters was identified as strictly necessary to meet anticipated demand. 2) It is responding to COVID-19 immediately because of public health risks presenting a genuine emergency. 3) The events that led to the need for extreme urgency were unforeseeable: The Commission itself confirmed: "The current coronavirus crisis presents an extreme and unforeseeable urgency – precisely for such a situation our European rules enable public buyers to buy within a matter of days, even hours, if necessary."⁴ 4) There was no time to run an accelerated procurement under the open, restricted or competitive procedures with negotiation that would secure services within the required timescales. 5) The situation is not attributable to the contracting authority: It has not done anything to cause or contribute to the need for extreme urgency

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

3 June 2020

V.2.2) Information about tenders

Number of tenders received: 1

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor

Virgin Atlantic Airways Ltd

The VHQ Fleming Way

Crawley

RH10 9DF

Country

United Kingdom

NUTS code

- UK - UNITED KINGDOM

National registration number

1600117

The contractor is an SME

No

V.2.4) Information on value of contract/lot (excluding VAT)

Initial estimated total value of the contract/lot: £2,340,000

Total value of the contract/lot: £2,340,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

High Court

39 Victoria Street

London

SW1H 0EU

Country

United Kingdom

Internet address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>