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Contract

The provision of freight services for the supply of personal protective equipment, medical equipment and lateral flow test kits for testing of COVID-19

Department of Health and Social Care

F03: Contract award notice

Notice identifier: 2021/S 000-000047

Procurement identifier (OCID): ocids-h6vhtk-028775

Published 4 January 2021, 3:25pm

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 and lateral flow test kits for testing of COVID-19

Reference number

VIRGIN PVG DEC

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, medical equipment and lateral flow test kits for testing of COVID-19

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: £3,510,000

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:

The COVID-19 pandemic created an unprecedented requirement for PPE and medical products, as well as testing kits. There were huge increases in global demand, and export restrictions from various nation states, which both contributed to a shortage of product availability. The consequences of not responding rapidly to the pandemic to meet the exceptional increases in demand would have resulted in significant excess illness and deaths in the UK. The Government has set out the increase of COVID-19 testing capacity as a cornerstone of its strategy to combat rising rates of infection, suppressing community transmission, savings lives and ultimately supporting societal and economic recovery. The urgent requirement for PPE, medical products and testing kits 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. The supply of PPE, medical products and testing kits is currently limited in the face of very high global demand and consequently it was necessary to contract for supply on an ex-works basis for product manufactured in China in order to secure the required quantity of product and prevent gazumping. Where product has been sourced on an ex-works basis it is imperative that this product is moved at the earliest opportunity to prevent it being sold to higher bidders. The disruption to freight and exports from China following their lockdown and export restrictions led to the severely restricted availability of freight capacity. 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. No pre-existing government commercial agreements were identified which covered the nature and scale of the services required. In light of these factors the contract was awarded to Virgin Atlantic Airways to meet the specific urgent need to transport PPE, medical products and test kits to the UK, utilising flights from China to UK during December. 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) 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

19 November 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: £3,510,000

Total value of the contract/lot: £3,510,000

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>