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Contract

## **Reimbursement of manufacturing costs with option to purchase goods**

Department of Health and Social Care

F03: Contract award notice

Notice identifier: 2021/S 000-000302

Procurement identifier (OCID): ocds-h6vhtk-028874

Published 7 January 2021, 4:40pm

### **Section I: Contracting authority**

#### **I.1) Name and addresses**

Department of Health and Social Care

39 Victoria Street

London

SW1H 0EU

#### **Email**

[Procurement.Operations@dhsc.gov.uk](mailto:Procurement.Operations@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

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Reimbursement of manufacturing costs with option to purchase goods

#### **II.1.2) Main CPV code**

- 33141625 - Diagnostic kits

#### **II.1.3) Type of contract**

Supplies

#### **II.1.4) Short description**

Manufacture of Lateral Flow Antigen tests for Sars-Covid-2

#### **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: £3,160,000

## **II.2) Description**

### **II.2.3) Place of performance**

NUTS codes

- UK - UNITED KINGDOM

### **II.2.4) Description of the procurement**

Manufacture of Lateral Flow Antigen tests for Sars-Covid-2

### **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

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## **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 COVID-19 outbreak is a Public Health Emergency of International Concern as declared by the World Health Organisation on 30 January 2020. The WHO Director General characterised COVID-19 as a pandemic on 11 March 2020.

2. A key element of ensuring an effective response to the pandemic is ensuring that there is adequate testing. Therefore, ensuring surge LFT capacity, including sufficient availability of Lateral Flow Tests, is critical.

3. Mass testing of the UK Population is a key step in bringing the Pandemic under control. (Lateral Flow Tests produce quicker results than the current PCR (Polymerase Chain Reaction) test, and do not require a lab processing step.) LFT tests have only recently become viable as a means of testing, with multiple tests being progressed through to certification and approval. This was unforeseen by the DHSC and outside its control.

4. DHSC's market analysis data demonstrates that the global market for LFT is volatile and highly competitive. Global manufacturing capability is limited to circa 120m units per day. Demand often outstrips supply. DHSC's requirement is driven by the progress of the pandemic (including emerging variants), the changing efficacy of available LFT products and the severity of the second wave/national R-number. That requirement, combined with high global freight and insurance costs, mean that DHSC must make substantial purchases of tests during a short manufacturing window.

5. DHSC has been tasked with ensuring security of supply of a critical consumable asset (Lateral Flow Antigen tests) in a volatile and competitive global market place. This initial volume manufacturing contract pursues that mandate by guaranteeing that DHSC is able to receive a stable supply of completed lateral flow test devices manufactured by a diagnostics tests manufacturing specialist, within the urgent timeframes required by the project and VFM cost.

6. A market engagement exercise for DHSC was carried out at pace due to the urgent requirement. Worldwide manufacturers with tests validated for use in the UK were invited to make manufacturing proposals including licencing production and were considered on the basis of a range of criteria including (but not limited to) cost, performance and ability to provide security of supply. GAD were identified via this process.

7. DHSC is satisfied the tests permitting use of the Negotiated procedure without prior publication (Regulation 32(2)(c)) are met:

A. As far as is strictly necessary: The surge LFT capacity was identified as strictly necessary to meet the demand to scale up the testing programme in the UK.

B. There are genuine reasons for extreme urgency: It is responding to COVID-19 immediately because of public health risks presenting a genuine emergency.

C. The events that have 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." (Commissioner Breton, Internal Market, 01.04.2020).

D. It is impossible to comply with the usual timescales in the PCR: It is not possible to comply with the timescales of another procedure due to the urgent requirement to ensure effective surge capacity.

E. The situation is not attributable to the contracting authority – DHSC 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

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## **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**

8 December 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**

Global Access Diagnostics Ltd

Bedford Technology Park, Thurleigh, Bedfordshire, United kingdom

Bedfordshire

MK44 2YA

Country

United Kingdom

NUTS code

- UK - UNITED KINGDOM

National registration number

12558218

The contractor is an SME

Yes

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

Initial estimated total value of the contract/lot: £3,160,000

Total value of the contract/lot: £3,160,000

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

The High Court

Strand

London

WC2A 2LL

Country

United Kingdom

Internet address

<https://www.gov.uk/courts-tribunals>