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Contract

Contract for the supply of raw materials for manufacture of lateral flow tests

Department of Health and Social Care

F03: Contract award notice

Notice identifier: 2021/S 000-001381

Procurement identifier (OCID): ocids-h6vhtk-028cbb

Published 22 January 2021, 5:07pm

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

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

Contract for the supply of raw materials for manufacture of lateral flow tests

II.1.2) Main CPV code

- 33141625 - Diagnostic kits

II.1.3) Type of contract

Supplies

II.1.4) Short description

Contract for the supply of raw materials for manufacture of lateral flow tests including Nitrocellulose, Sample and Sink Pad membrane, Conjugate Pad and Reagents

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: £5,300,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - UNITED KINGDOM

II.2.4) Description of the procurement

Contract for the supply of raw materials for manufacture of lateral flow tests including Nitrocellulose, Sample and Sink Pad membrane, Conjugate Pad and Reagents

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 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. The UK's own 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 UK must make substantial purchase of raw materials to manufacture tests.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 of raw materials 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. SureScreen Diagnostics Limited was identified via this process and the supply of raw material was purchased from them.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

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

24 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

SureScreen Diagnostics Ltd

1 Prime Parkway,

Derby, Derbyshire,

DE1 3QB

Country

United Kingdom

NUTS code

- UK - UNITED KINGDOM

National registration number

03235601

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: £5,300,000

Total value of the contract/lot: £5,300,000

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>