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Contract

Supply of Plant and associated Services

The Minister for the Cabinet Office acting through the Cabinet Office

F03: Contract award notice

Notice identifier: 2021/S 000-005120

Procurement identifier (OCID): ocds-h6vhtk-029b71

Published 12 March 2021, 10:56pm

Section I: Contracting authority

I.1) Name and addresses

The Minister for the Cabinet Office acting through the Cabinet Office

1 Horse Guards Road

London

SW1A 2HQ

Email

marketsandsuppliers@cabinetoffice.gov.uk

Telephone

+44 3150103503

Country

United Kingdom

NUTS code

UK - UNITED KINGDOM

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/cabinet-office>

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

Supply of Plant and associated Services

II.1.2) Main CPV code

- 33100000 - Medical equipments

II.1.3) Type of contract

Supplies

II.1.4) Short description

The Cabinet Office will contract with a supplier to procure plant machinery which can be utilised for the production of UK-compliant non-medical face coverings (and Type IIR medical-grade masks in extremis), which are required to support the national effort to combat 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: £1,639,650

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - UNITED KINGDOM

II.2.4) Description of the procurement

The Cabinet Office will contract with a supplier to procure plant machinery which can be utilised for the production of UK-compliant non-medical face coverings (and Type IIR medical-grade masks in extremis), which are required to support the national effort to combat Covid-19.

II.2.5) Award criteria

Price

II.2.11) Information about options

Options: Yes

Description of options

12 months from the installation and acceptance of all DCR machines purchased + 6 months extension option.

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. As of 6 April 2020, scientific knowledge regarding the disease and its transmission is still emerging, however the WHO advises that COVID-19 transmission can occur via 'infective respiratory droplets' and wearing a mask represent one prevention measure that can limit the spread of viral diseases such as COVID-19.

2. In April 2020 the UK did not possess any face covering manufacturing capability and was reliant on securing supplies from overseas producers. Problems were experienced in obtaining reliable supplies of medical PPE-grade masks in a global market due to the disruption to the supply chain caused by the pandemic. There was a concern that insufficient volumes of non-medical masks would become available or, if available, they would be of inferior quality or charged at exorbitant prices. Analysis by Cabinet Office (CO) in late April 2020 highlighted that the average price of respirator masks was £3.14 (medical-grade) and Type IIR (medical-grade) was £0.67, whilst non-medical was £0.51 per unit. During a normal trading period the cost of a Type IIR mask would be approximately £0.05 per unit, sourced from China.

3. In April 2020 Cabinet Office (CO) considered it crucial in the public interest to source face covering production machinery in order to secure the UK's domestic manufacturing capacity to:

- a. produce medical grade masks immediately (if necessary);
- b. create an immediate and reliable supply of high-quality non-medical face coverings at affordable prices for the domestic market; and
- c. create national resilience to supply chain shocks within a global market.

This was because in April 2020 there was a considerable shortage of medical and non-

medical PPE globally, there was real fear that items available would be impounded at borders so domestic production was urgently required to mitigate the impact of COVID-19.

4. Accordingly, CO worked with the trade association for UK manufacturing to identify a supplier that was capable of providing machines which could make non-medical or medical-grade masks. Therefore the machines could be diverted to produce medical-grade masks for the NHS if necessary.

5. Therefore, an accelerated PCR procurement, was impossible. Any delay in engaging the market ran the risk of failing to secure production machinery (given the international demand for such equipment and the timelines involved in securing them). That would have caused knock-on delays to the production of face coverings in the required timeframe so undermining HMG efforts to mitigate Covid-19 risks in the UK.

6. Accordingly, CO purchased ten lines of production machines from Crossgates Press Limited t/a DCR Machines (DCR Machines).

7. CO is satisfied the tests permitting use of a direct award procedure (Regulation 32(2)(c)) are met (the explanation is set out in section VI.3 additional information):

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

Contract No

CO/FC/PLANT/DCR/05-2020

Title

Supply of Plant and associated Services

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

20 July 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

Crossgates Press Limited t/a DCR Machines

56 Austhorpe Road, Crossgates

Leeds

LS15 8DX

Country

United Kingdom

NUTS code

- UK - UNITED KINGDOM

National registration number

07418266

The contractor is an SME

Yes

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

Total value of the contract/lot: £1,639,650

Section VI. Complementary information

VI.3) Additional information

As part of this contract award notice the following can be accessed at:

<https://www.contractsfinder.service.gov.uk/Notice/2ecda880-c198-48b0-b90e-ef6ba50d1b50>

The text below is a continuation of paragraph 7 of Annex D1

- a. There are genuine reasons for extreme urgency: CO has responded to Covid-19 immediately due to public health risks presenting a genuine emergency. The DCR Machines possess the capability to produce Type IIR face masks, which could be utilised by the NHS in extremis, therefore providing domestic resilience during the crisis.
- b. The events that have led to the need for extreme urgency were unforeseeable: The European Commission (Commissioner Breton – April 2020) has confirmed that the coronavirus crisis presents an extreme and unforeseeable urgency.
- c. It is impossible to comply with the usual timescales in the PCR: There was no time to run an accelerated procurement under the open, restricted or competitive procedures with negotiation that would allow CO to secure production machinery in the immediate term. That is particularly so in light of the likely delays to any procurement timeline – for example, drafting the technical documents required for the ITT stage – and the operational and commercial risks that would arise due to the delays.
- d. The situation is not attributable to the Contracting Authority: It has not done anything to cause or contribute to the need for extreme urgency.
- e. As far as is strictly necessary: The UK did not have suitable machinery available at the time the DCR Machines were purchased leaving the UK vulnerable should other countries have embargoed such machinery or medical and non-medical grade face coverings. A critical factor behind the selection of the DCR machines was they had the shortest lead time amongst available options, from point of purchase to delivery of the plant machinery in the UK.

VI.4) Procedures for review

VI.4.1) Review body

The Minister for the Cabinet Office acting through the Cabinet Office

1 Horse Guards Road

London

SW1A 2HQ

Email

marketsandsuppliers@cabinetoffice.gov.uk

Telephone

+44 3450103503

Country

United Kingdom

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