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Contract

Ventilator Challenge Agreement for the Manufacture and Supply of Ventilators Smiths ParaPac 300

Minister for the Cabinet Office Acting through Crown Commercial Service

F03: Contract award notice

Notice identifier: 2023/S 000-005841

Procurement identifier (OCID): ocids-h6vhtk-03acd2

Published 28 February 2023, 1:44pm

Section I: Contracting authority

I.1) Name and addresses

Minister for the Cabinet Office Acting through Crown Commercial Service

The Capital Building, Old Hall Street

Liverpool

L3 9PP

Email

cco@cabinetoffice.gov.uk

Telephone

+44 08009981098

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/ccs>

I.2) Information about joint procurement

The contract is awarded by a central purchasing body

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Ventilator Challenge Agreement for the Manufacture and Supply of Ventilators Smiths ParaPac 300

II.1.2) Main CPV code

- 33170000 - Anaesthesia and resuscitation

II.1.3) Type of contract

Supplies

II.1.4) Short description

The 'Ventilator Challenge' was created by the UK government and delivered across several government departments (Department of Health and Social Care, Cabinet Office and Ministry of Defence) as part of the drive to increase ventilator supply and support the UK National Health Service (NHS) in its response to the Coronavirus disease global pandemic (Covid-19).

In March 2020, the Prime Minister called on manufacturers to help the UK to step up production of ventilators to support the UK's response to the virus and save lives. This included working on new or adapted ventilator designs, as well the Government's work to buy ventilators from abroad.

A contract award Notice was published on 25 May 2020 (reference 2020/S 100-243206) covering contracts awarded pursuant to the RMVS programme. This is a second contract award notice that covers contracts awarded thereafter. This notice also updates the expenditure incurred for contracts.

For the Smiths Parapac 300, the original contract value was GBP 34 007 542.00. The contract was awarded for 4 418 ventilators, however these volumes were not achieved in the time frames given, therefore the spend to date is GBP 25 500 000.00 (ex. VAT).

This contract was awarded as a result of the RMVS project.

RMVS CANs

Existing CANs relating to the RMVS project are 2020/S 100-243206, 2020/S 167-406004

and 2021/S 002-003456 (RMVS CANs).

Due to the need to respond rapidly to the emerging situation, some design work, testing, developing and manufacturing was undertaken before a formalised contract with known costs and outputs was put in place between Cabinet Office and those RMVS suppliers at the time of the RMVS CANs.

Instead Cabinet Office gave commitments to those RMVS suppliers to enable those suppliers to support the RMVS project at significant pace and to mitigate those suppliers operating entirely at risk during extremely turbulent and changing circumstances. The RMVS CANs reflected the estimated values as best known at the time and cost caps within which suppliers were operating.

At the time of the RMVS CANs, in order to be as transparent as possible with the market, information available at the time of entering into those commitments was provided, notwithstanding that it was expected to take several months to settle on the final output and resulting contracts.

The RMVS CANs were therefore published to notify the market of the estimated and maximum limits of the commitments Cabinet Office had entered into to support the RMVS project. Where a supplier appears on more than one RMVS CAN, this reflects an increase to the estimate or cost cap previously notified to the market.

This contract is the Ventilator Challenge: Provision of Rapid Manufacture Ventilator Systems (RMVS) resulting from the support by Smiths Medical International Ltd to the RMVS project and which is the output of Smiths Medical International Ltd appearing on 2020/S 167-406004 of the RMVS CANs.

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: £25,500,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

The 'Rapid Manufacture Ventilator Systems (RMVS) programme' is a workstream within the ventilator challenge progressing novel and modified designs for ventilator devices, manufactured on a rapid basis to ensure sufficient capacity within the NHS.

Cabinet Office, who are running the RMVS programme on behalf of the UK government, engaged with a wide range of suppliers, including designers, manufacturers and component suppliers, to progress a number of ventilator models (by taking forward existing designs through licencing agreements and by developing new products based on existing products and based on new original designs) resulting in the manufacturer of ventilators to meet the identified need.

II.2.5) Award criteria

Quality criterion - Name: Quality / Weighting: 100

Price - Weighting: 0

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

- The procurement falls outside the scope of application of the regulations

Explanation:

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. The use of ventilator equipment is critical in treating patients with COVID-19 to take over the body's breathing process when the disease has caused the lungs to fail and allow the patient time to fight off the infection and recover.

In March the NHS across the UK had access to approximately 8,000 ventilators. Modelling based the trajectory of other European countries forecast the need for significant and extremely rapid increase in the UK ventilator capacity. The Prime Minister set the ambition on 16 March 2020 for industry to manufacture as many new ventilators as possible, recognising that coronavirus is the biggest threat this country had seen for decades and that we faced a moment of national emergency. Significant quantities of extra ventilators would be required to treat seriously ill patients during the first wave of infections. Similar shortfalls in ventilator stocks were identified globally. Pressure to increase manufacturing capacity of ventilators was immense, requiring novel designs and new supply chains to be rapidly created to meet that demand. In these circumstances a procurement following the usual timescales under the PCR 2015, including accelerated options, was impossible. Ventilator manufacturers and supply chains were under immediate and unprecedented global pressure to provide products. A delay in engaging with the market by running a usual procurement process ran the risk of failing to acquire the necessary stock of ventilator equipment and presenting a significant risk to life.

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

1. As far as is strictly necessary: The Ventilator Challenge was identified as strictly necessary to meet anticipated demand on the NHS during the first wave of cases in the UK.
2. There are genuine reasons for extreme urgency: It is responding to COVID-19

immediately because of public health risks presenting a genuine emergency.

3. 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).

4. 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 it to secure delivery of products, particularly in light of the corresponding delays to timelines associated with securing increased manufacturing capacity and component supply 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

IV.2) Administrative information

IV.2.1) Previous publication concerning this procedure

Notice number: [2020/S 167-406004](#)

Section V. Award of contract

Title

Ventilator Challenge Agreement for the Manufacture and Supply of Ventilators Smiths ParaPac 300

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 June 2021

V.2.2) Information about tenders

Number of tenders received: 1

Number of tenders received by electronic means: 1

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

V.2.3) Name and address of the contractor

Smiths Medical International Ltd

1500 Eureka Park, Ashford

Kent

TN25 4BF

Country

United Kingdom

NUTS code

- UK - United Kingdom

Internet address

<https://www.smiths-medical.com/en-gb>

The contractor is an SME

No

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

Total value of the contract/lot: £25,500,000

V.2.5) Information about subcontracting

The contract is likely to be subcontracted

Value or proportion likely to be subcontracted to third parties

Proportion: 40 %

Short description of the part of the contract to be subcontracted

Rolls-Royce International Limited, Derby, DE24 8BJ

G.K.N. Group Services Limited, Birmingham, B4 6AT

Thales UK Limited, Reading, RG2 6GF

McLaren Racing Limited, Woking, GU21 4YH

Williams Grand Prix Engineering, Wantage, OX12 0DQ

Section VI. Complementary information

VI.3) Additional information

Link to Contracts Finder notice:

<https://www.contractsfinder.service.gov.uk/Notice/f6e35efc-6512-4ab7-83c7-00eaccf7c7de>

VI.4) Procedures for review

VI.4.1) Review body

The Minister for the Cabinet Office acting through Crown Commercial Service

The Capital, Old Hall Street

Liverpool

L3 9PP

Email

cco@cabinetoffice.gov.uk

Telephone

+44 08009981098

Country

United Kingdom

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