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Contract

## **Managed Services Contract – Medical Biochemistry & Immunology**

Cardiff and Vale University Health Board

F20: Modification notice

Notice identifier: 2025/S 000-010567

Procurement identifier (OCID): ocds-h6vhtk-04cc57

Published 21 March 2025, 9:39am

### **Section I: Contracting authority/entity**

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

Cardiff and Vale University Health Board

Woodland House, Maes Y Coed Road

Cardiff

CF144HH

#### **Contact**

Sarah Yellen

#### **Email**

[sarah.yellen@wales.nhs.uk](mailto:sarah.yellen@wales.nhs.uk)

#### **Telephone**

+44 2921501500

**Country**

United Kingdom

**NUTS code**

UK - United Kingdom

**Internet address(es)**

Main address

<http://nwssp.nhs.wales/ourservices/procurement-services/>

Buyer's address

[https://www.sell2wales.gov.wales/search/Search\\_AuthProfile.aspx?ID=AA0221](https://www.sell2wales.gov.wales/search/Search_AuthProfile.aspx?ID=AA0221)

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## **Section II: Object**

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

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

Managed Services Contract – Medical Biochemistry & Immunology

Reference number

CAV-DCO )24-25) 142 CR46

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

- 71900000 - Laboratory services

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

Services

### **II.2) Description**

#### **II.2.2) Additional CPV code(s)**

- 71900000 - Laboratory services

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

NUTS codes

- UKL22 - Cardiff and Vale of Glamorgan

Main site or place of performance

Cardiff and Vale University Health Board

#### **II.2.4) Description of the procurement at the time of conclusion of the contract:**

A contract involving analytical equipment is being extended for the continued provision of a Managed Service for Medical Biochemistry and Immunology across the Cardiff and Vale University Health Board for a period of 60 months commencing 01.04.2025. The reasons for needing the extension are outlined in section VII and VII 2. The provision of services is through two related other contractual resources outside of this procurement: the Laboratory

Information System (LIMS) and underlying analytical equipment. The LIMS system is at the end of life and will not be guaranteed past Dec 2025. Accordingly, the implementation of a new LIMS system has been prioritised over the analytical equipment provided by Abbott. Both resources require renewal.

Due to the technical complexity of changing the LIMS it is not possible to change analytical equipment at the same time – part of evaluating a new IT system involved end to end testing and to change a second major component at the same time places a high risk on the service provision to the C&V population.

Currently, the All Wales LIMS system is being replaced placing significant pressure on the department to test the system – with over 600 test sets all of which require extensive testing and retesting to ensure the system is safe for patient use. This is an All Wales System and involves the whole departmental technical and Clinical teams, this is on top of having to provide a safe Clinical Patient Centred Service. Once the System is implemented by early 2026 there will be a period of evaluation and testing for system defects as it's recognised nationally that due to the accelerated implementation low level defects cannot be changed before go live – the team are not expected to be released for other substantial projects until Mid-2026 at the earliest.

## **II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession**

Duration in months

60

## **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.2) Administrative information**

#### **IV.2.1) Contract award notice concerning this contract**

Notice number: [2024/S 000-041275](#)

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## **Section V. Award of contract/concession**

### **Contract No**

CAV-DCO (24-25) 142 CR46

### **Title**

Managed Services Contract – Medical Biochemistry & Immunology

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract/concession award decision:**

30 December 2009

#### **V.2.2) Information about tenders**

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

#### **V.2.3) Name and address of the contractor/concessionaire**

ABBOTT LABORATORIES LIMITED

Abbott House Vanwall Business Park, Vanwall Road

Maidenhead

SL64XE

Telephone

+44 1628644195

Country

United Kingdom

NUTS code

- UKJ11 - Berkshire

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)**

Total value of the procurement: £70,588,275

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## **Section VI. Complementary information**

### **VI.3) Additional information**

It is considered that the requirements of 72(1)(b) are met in relation to the extension which has become necessary such that a change of contractor cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or (ii) would cause significant inconvenience or substantial duplication of costs. The technical and economic reasons are set out below

Technical issues involve:

- LIMS System

- Changing the LIMS is a major undertaking at any time and to do this at the same time as changing our major equipment platforms would not have allowed us to guarantee a patient safe service – the LIMS change cannot be delayed because of infrastructure issues which means the supplier cannot support the current system after the spring of 2026 giving a firm end point on the current system.

- The original contract award commenced in 2022 but did not progress due to various issues so was re-awarded in 2023 which meant all the work undertaken in 2022 was lost and we have needed to enter into an accelerated period of testing and evaluation due to the firm deadline of the spring of 2026, this is taking a significant amount of departmental resources to the point that key staff are having to undertake overtime to complete the work, these are the same individuals required to contribute to the tender specification.

- With the accelerated process of acceptance testing the plan to go live by early 2026 when there will be a further period of testing minor defects are repaired.

- Analytical Equipment

- To currently change the current analytical system to a new unknown system would place significant pressure on the team who are currently fully engaged in the testing and validation of the new Laboratory Information System – to implement a new system would require full technical and clinical evaluation against the current equipment for all assays including:
- Full Verification and validation of each assay
- Re-baselining patient on specific assays
- Full linearity checking of each assay
- Carry over and cross over experiences
- Technical retraining of the staff during this period of high pressure
- Experience has shown this can take up to 12 months of several senior staff full time – these are the same staff currently testing the laboratory information system while simple replacement to the same analytical system only required simple correlation checking as all other parameters have been checked

(WA Ref:148722)

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

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

High Court

Royal Courts of Justice, The Strand

London

WC2A 2LL

Telephone

+44 2079477501

Country

United Kingdom

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## **Section VII: Modifications to the contract/concession**

### **VII.1) Description of the procurement after the modifications**

#### **VII.1.1) Main CPV code**

- 71900000 - Laboratory services

#### **VII.1.3) Place of performance**

NUTS code

- UKL22 - Cardiff and Vale of Glamorgan

Main site or place of performance

Cardiff and Vale University Health Board

#### **VII.1.4) Description of the procurement:**

Tender Process timing

- To ensure that the appropriate level of detail and due diligence is applied to any future tender it is has been established that a five-year extension to the current contract would be necessary for the following reasons;

- The need to provide a safe sustainable Clinical service during the tender process. The Clinical risk of not having an operational Medical Biochemistry and Immunology service within Cardiff and Vale is significant as the laboratory is involved in 70% of all Clinical decisions – around 90% of the work undertaken within the department requires a 2 hour turnaround from time of receipt to reporting of the result which can only be achieved with an onsite service supported by hardware and the LIMS system.

- 12 months to write and refine the tender specification – there is currently no specification written other than the one issued around 2007 – this requires time to ensure all key points are covered

- 24-36 Months to go through the tender process including viewing potential options open to us to ensure an informed choice is made.

- 12-24 Months Implementation – this would include phasing out the current equipment following validation and verification of any new platforms - some assays may require significant patient rebase lining which means dual running to evaluate any change in results



on a personal patient basis - during this period a contract will still be required with Abbott diagnostics.

- Tender processes – there is evidence from other sites within the UK including legal precedence that show the above is a realistic timeline.

#### End of life-cycle equipment

- The current equipment provided under the managed service contract with Abbott including Alinity analysers and associated automation (sample tracking and movement system) is 8 years old and needs replacing. A five-year contract could achieve this cost effectively, but any lesser period would place huge financial pressures on the HB in duplicative costs and may not be achievable. In the short term, not changing the aging equipment now and attempting to run it for a further 2-3 years to undertake a procurement exercise (notwithstanding the technical/resource limitations) would create a significant patient risk as the analysers down time which is likely to increase, will have a detrimental effect on the department's ability to turnaround the majority of work within the required 2 hours' time window, this places patients at risk by not being able provide laboratory results to make a clinical decision. Accordingly, the indication is that a period of less than five years is not economically viable to replace the current system.

- There is also an indication that the automation is nearing its end of life, this is evidenced by the increased down time of individual components on the tracking system and time taken to obtain parts, life expectancy of this equipment is around 8 years although that is not a hard end point as with the LIMS, rather it is an unknown risk that could materialise or escalate in severity over time. Abbott Diagnostics are no longer contracting their track system to Inpeco and going forward would not be able to hold the risk under the MSC due to this contracting change.

- As indicated 8 years is the usual life cycle of both analytical and tracking systems, although the equipment is still fully functional down time will increase and for the track will take longer to obtain, this increased downtime will seriously affect our ability to meet the 2 hours' time window for the return clinical results required to treat patients

#### **VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession**

Duration in months

60

#### **VII.1.6) Information on value of the contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession:

£29,064,470.50

### **VII.1.7) Name and address of the contractor/concessionaire**

ABBOTT LABORATORIES LIMITED

Abbott House Vanwall Business Park, Vanwall Road

Maidenhead

SL64XE

Telephone

+44 1628644

Country

United Kingdom

NUTS code

- UKJ11 - Berkshire

The contractor/concessionaire is an SME

No

## **VII.2) Information about modifications**

### **VII.2.1) Description of the modifications**

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

This modification outlines the need to extend the current managed service contract for an additional 60 months for continuation of service and provision of hardware that has become end of life and no longer supported. The modification will allow the Health Board to undertake a Tender renewal process in a controlled timeframe to allow appropriate market engagement and scoping of the requirements around the clinical service constraints that are outlined in sections II.2.4 and VII 2.2.

Further to the information provided in the other sections it there are economic factors to also

consider as the reasons for this modification. The financial consequence of being out of contract during the period of procurement and installation is significant to the organisation and is mentioned above. The particular issues are that the Health Board would:

- Lose the Managed service contract benefit – increasing the cost by 20% and CAV would need to carry the service risk
- Revert to list pricing for all products which would be significantly higher than current costs
- Be unable to upgrade equipment so would be running at significant service risk for a period of up to 5 years, this would place patients within the Cardiff and Vale location at significant clinical risk
- The economic benefits of a five-year extension represent a saving to the Health Board of over ten times the saving of a four-year contract and any shorter extension would result in no saving and an increase in cost to the Health Board on current annual cost.
- The value of the extension is GBP29,064,470.50 and as such the extension is less than 50% of the original contract value.

## **VII.2.2) Reasons for modification**

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

Replacement of 2 systems: the LIMS & the analytical system/hardware side by side. This is not a product of timing, but a legacy issue arising from Covid 19 pandemic in 20-21 that restricted planning such that timescales for procurement of two systems was condensed & then became overlapped to an unacceptable degree– due to the pressures of the pandemic and travel/social distancing restrictions placed on us during 20/21 the HB would have been unable to start a new tender process due to

- social distancing resulted in department split in 2 teams to ensure business continuity reducing scope to meet as senior management was split between teams –principle being no mixing of teams for several months – this system worked and at no time did the department suffer a significant outbreak supporting the ability to deliver a safe patient service at risk
- The pressure of designing and opening a new lab in the Dragon's Heart hospital and stress & anxiety placed on staff due to being in a pandemic

## **VII.2.3) Increase in price**

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £70,588,275

Total contract value after the modifications

Value excluding VAT: £99,652,745.50