



Office of the National Director of Procurement
Health Business Services
Health Service Executive
Dr. Steevens' Hospital
Dublin 8
D08 W2A8



Oifig an Stiúirthóir Náisiúnta Soláthair
Seirbhísí Gnó Sláinte
Feidhmeannacht na Seirbhíse Sláinte
Ospidéal Dr. Steevens'
Baile Atha Clíath 8
D08 W2A8

Tel: 01 6352688 F:6352358
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Deputy David Stanton,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

11/12/2020

RE PQ 39869/20

Question

To ask the Minister for Health if he is satisfied that there is sufficient personal protective equipment in stock and currently available to the HSE; the amount of stock available at present; the amount ordered and delivered each month to the end of July 2020; the further amounts ordered and delivered since; the associated costs involved; the procurement and tendering methods used in each case; and if he will make a statement on the matter. -David Stanton

Response

Deputy Stanton,

The Health Service Executive (HSE) has been requested to reply directly to you in the context of the above Parliamentary Question which you submitted to the Minister for Health for response.

The COVID-19 pandemic continues to drive volatility in the global market for key medical supplies and products, with ongoing challenges in sourcing PPE including the global constrained supply of PPE and the highly competitive and volatile market. In addition, the unprecedented level of PPE demand which exists domestically, continues. Despite this, PPE sourcing remains stable at present, with relatively secure supply lines established for most PPE items. This involves supply lines from Asia and Europe with increasing capacity for Face Masks & Aprons from Ireland. Significant levels of PPE continue to be received by the HSE and there is a strong projected supply line for most items at present.

The HSE has 365,256,578 pcs of PPE in stock at present.

The breakdown by product of PPE ordered and delivered year to date is as follows:

Ref	PPE Category	PO VAL	GRN Value
	SAP Midlands	€888,000,257	€776,060,388
	East SAP	€31,478,270	
	Total	€919,478,527	€765,720,388
1.1	Hand Gel Small (<100ml)	€18,311,595	€16,482,903
1.2	Hand Gel Medium (150 - 500ml)	€44,308,492	€41,065,987
1.3	Hand Gel Large (550ml - 1000ml)	€3,208,611	€2,775,603
1.4	Hand Gel Bulk 2.5L	€28,749	€28,749
1.5	Hand Gel - Bulk 5L	€84,211	€84,211
2.1	Nitrile Examination Gloves	€55,876,146	€21,770,051
2.3	Glove Vinyl	€1,191,330	€1,191,330
3.1	Goggles	€18,178,522	€12,073,446
3.2	Face Shield	€13,329,910	€12,895,825
4.1	Long Sleeved Gowns	€124,621,804	€111,175,000
4.2	Plastic Aprons	€22,891,670	€15,695,304
4.3	Protective Suits	€9,684,082	€9,683,967
5.1	FFP2 Mask	€43,632,884	€24,571,290
6.1	Type 11	€34,269,070	€18,959,155
6.2	Type 11R	€224,212,384	€209,296,772
8.3	Disinfectant Wipes (small pack)	€227,415	€227,415
8.4	Disinfectant Wipes (individual)	€71,185	€71,185
9.9	CHINA RESOURCES PHARMACEUTICAL	€225,128,510	€225,128,510
9.9	EKO INTEGRATED SERVICES LTD	€48,743,688	€42,543,688
SAP EAST	CHINA RESOURCES PHARMACEUTICAL	€31,478,270	€31,478,270

The environment in which the HSE sourcing activity was conducted in response to the pandemic was unprecedented. All global healthcare systems faced the same challenges in securing the PPE necessary to manage and contain the pandemic. The characteristics, challenges and landscape of the market during the pandemic were and still are volatile, complex and uncertain. The primary challenges that were faced included:

- WHO reported demand for PPE to be 100 times normal demand and prices up to 10 times higher than normal.
- Little or no robust epidemiological data was available to conduct robust and detailed demand planning exercises
- China which accounts for 65% of worldwide PPE manufacturing introduced significant restrictions which included closure of manufacturing plants, and limitations to shipping channels due to port and airport closures.
- In mid-March a total of 226 countries were identified that had export bans, export restrictions or state requisitioning arrangements in place.
- All global healthcare systems became price takers in the context of PPE and it was not possible to negotiate downward pricing. Furthermore any price speculation or market softening strategy on the part of the HSE was considered too high risk. The immediate security of PPE supply lines was absolutely critical to the pandemic response.
- Gouging which included creation of secondary markets where ownership deeds change hands numerous times before they reach the end buyer at a hugely inflated price.
- Traditional sourcing channels were not in a position to source and secure the volumes of products required.



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- Pace complexity and scale at which PPE procurement was required to be completed
- A growing base within the Irish healthcare system that reverted to HSE for the provision of PPE including GPs, Private Nursing Homes, provision on face masks to all healthcare workers etc.


In order to act with the pace necessary to meet these challenges the HSE availed of the provisions under the Covid Procurement Framework (2020/C 108 I/01) which allows for the procurement by 'Negotiated Procedure without Prior Publication' in cases of extreme urgency. There is also provision under Article 32 2(c) of Procurement Directive 2014/24/EU which justifies the use of a negotiated procedure without prior publication where "in so far as is strictly necessary, where for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. The circumstances invoked to justify extreme urgency shall not in any event be attributable to the contracting authority".

New markets and suppliers were identified and researched, and significant new supply arrangements were established at short notice such as a primary PPE supplier in China. Local and indigenous manufacturing provided additional capacity, and will continue to be a valuable source in the future. HSE Procurement led the response to supply of PPE in Ireland through a multi-agency approach involving the Department of Business, Enterprise and Innovation (DBEI), IDA Ireland, Enterprise Ireland, Department of Foreign Affairs and Trade, Department of Health and the Defence Forces. Regulatory support has been provided by the Health Products Regulatory Authority (HPRA).

A national strategy for PPE procurement is under development which will need to develop a sourcing strategy for all defined PPE requirements, including options for indigenous based manufacturing, EU/UK based manufacturing, and rest of world manufacturing (e.g. China, Far East USA). The HSE intends to publish a tender process for future supply of PPE once this strategy is finalised.

I trust this information is of assistance to you, but should you have any further queries please do not hesitate to contact the Office of the Head of Procurement on (01) 635 2688 or via ohop@hse.ie.

Yours sincerely,



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