



## HSE Board Briefing Template

**Subject:** Request for the approval of the award of a Contract for the Supply and Delivery of Meningococcal Group B vaccine on behalf of the HSE and all other Public Services

**Total Contract Value:** : [REDACTED] (Incl. VAT) initial term of 48 months

**Annual Contract Value :** [REDACTED] (Incl. VAT)

**Awarded Supplier:** GlaxoSmithKline(Ireland) Limited

**Incumbent Supplier :** GlaxoSmithKline(Ireland) Limited

**Submitted for meeting on:** 26<sup>th</sup> July 2024

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### Why is this information being brought to the Boards attention?

Board approval is required for:

- The award of contract for the provision of Meningococcal Group B vaccine.
- The contract value is estimated at [REDACTED] (including VAT) over four years.
- The contract will provide the HSE [REDACTED] Bexsero® vaccines over four years +/-15% depending on the birth cohort.

### Is there an action by the Board required, if so please provide detail?

Board Approval is sought for the award of a Contract for the provision of Meningococcal Group B vaccine on behalf of the HSE and all other Public Services to GlaxoSmithKline(Ireland) Limited.

### Please indicate which of the Board's objectives this relates to;

- The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system; ☐
- Developing a plan for building public trust and confidence in the HSE and the wider health service; ☐
- Ensuring the HSE's full support for and implementation of the Government's programme of health reform as set out in the Sláintecare Implementation Strategy; ☐
- Exercising effective budgetary management, including improving the value achieved with existing resources and securing target saving, with the objective of delivering the National Service Plan within Budget. ☒

### Brief summary of link to Board objectives.

The HSE is required to comply with the Procurement Regulations and Guidelines.

The Award of a Contract in excess of €10 million requires Board Approval.

### What actions are required by the Board?



Approval is sought for the award of a Contract for the provision of Meningococcal Group B vaccine on behalf of the HSE and all other Public Services to GlaxoSmithKline(Ireland) Limited.

**Background - provide context in order to ensure that the Board fully understand the issue.**

The Meningococcal Group B Vaccine, as per Department of Health policy, is administered as part of the Primary Immunisation Programme to all babies born in Republic in Ireland aged 2 month followed by a second dose at 4 months and a booster at 12 months. The Meningococcal B vaccine will protect babies against infection by Meningococcal Group B bacteria, which are responsible for more than 90% of meningococcal infections in young children.

As there is only one supplier of Meningococcal Group B Vaccine that meets the National Immunisations Advisory Committee (NIAC) requirement, the National Immunisation Office (NIO) requested HSE Procurement to enter Direct Negotiations with GSK for the supply of this vaccine.

**Previous Contract**

The Meningococcal Group B vaccine was introduced in Ireland for all children born on or after 1 October 2016 because children under one year are at the highest risk of meningococcal B disease and forms part of the Primary Childhood Immunisation Schedule. Since the introduction of this vaccine along with the Meningococcal C Vaccine in 2010, cases of meningococcal meningitis have dropped more than 80%.

In February 2016 the HSE, pursuant to a Direct Negotiation (HSE 6413), concluded a contract with GSK for [REDACTED] vaccines of Meningococcal Group B Vaccine, Bexsero® vaccine over a seven year contract period (approximately [REDACTED] doses per annum ) @ [REDACTED] ( [REDACTED] including VAT) per dose. Since 2016, the PCI birth cohort dropped by 15k therefore the quantity required has dropped. The final delivery of stock is due to be delivered October 2024.

As GSK is the sole supplier of Meningococcal Group B vaccine that meets NIACs requirements, HSE Procurement entered in to Direct Negotiations with GSK April 2024.

The proposed price received from GSK was [REDACTED] ( [REDACTED] including VAT) per vaccine. Following Direct Negotiations, a price of [REDACTED] ( [REDACTED] including VAT) per dose of Bexsero® vaccine was agreed which equates to a saving on the tendered price of [REDACTED].

This four year contract will provide the HSE up to 680,000 Bexsero® vaccines +/-15%.

Total cost of contract over four years including VAT, [REDACTED].

A cost avoidance of [REDACTED]%, following direct negotiations on Tender Submission costs

There was also a cost avoidance of [REDACTED] by switching from a single dose pack to a 10 pack. The cost avoidance will be achieved in the National Cold Chain Service over the four years of the contract.

There is a financial impact of [REDACTED] on the current price paid for the Men B vaccine however this is due to the lower volume and shorter duration for this contract.

The cost per dose has increased from [REDACTED] ( [REDACTED] including VAT) to [REDACTED] ( [REDACTED] including VAT) which equates to an increase in price per dose of 21% approximately. The Consumer Price Inflation from December 2015 to March 2024, is 21.3% which is in line with the price increase negotiated with GSK.

Highlight any implications that the Board should be made aware of in its consideration such as;

**Current status**



- The last delivery from the 2016 contract is due October 2024 and given the global level of demand for Bexsero® and the necessity to continue the Primary Childhood Immunisation Programme, the HSE needs to secure continuity of supply from GSK.

**Budget**

- In instances where there is a sole supplier, the HSE reserves the right to conclude the Contract by way of Direct Negotiation. As GSK is the only supplier that meets NIACs requirements, HSE Procurement entered in to Direct Negotiations.
- Following these negotiations, a reduction in the proposed price submitted was agreed.
- The proposed cost, over four years, submitted was [REDACTED]. Following negotiations, the cost was reduced to [REDACTED] a saving of [REDACTED] or 6.5%, was achieved.

**Impact to delivery of services**

- There is only one supplier of Meningococcal Group B vaccine suitable for the Primary Childhood Immunisation Programme and failure to implement this contract will impact continuity of supply of the Men B vaccine for the Programme and at risk cohorts programme resulting in cessation of the programmes.

**Corporate Plan**

- The implementation of the Contract will deliver an element of the target Sum Under Management for Procurement.

**Legal factors**

- There are no significant legal risks identified with the specific contract.

**Conclusion:**

- The Procurement Evaluation Group is satisfied that the tender evaluation is robust and we can defend any challenges to the outcomes.
- Approval of the Contract Awards to the provider is recommended.

**Recommendation:**

The award of the tender outcome to the tenderer is recommended for approval.