



# CAR Summary

26th of July 2024

<b>Subject/Title</b>	Contract Approval Requests (CAR) for Board
<b>Board Lead</b>	Stephen Mulvany CFO
<b>Prepared by</b>	Siobhan Dunphy, Acting National Director Procurement
<b>Purpose</b>	Decision

## 1. Recommendation to the Board

That it is in order to approve the five Cars Submitted for Consideration at the Board meeting on the 26<sup>th</sup> of July 2024.

## 2. Executive summary

The Board are required to approve all contract arrangements that are greater than €10m as part of their reserved functions.

Five CARS are being brought to the Board today, which have passed both SLT and ARC meetings. These are summarised in the table below:

Car No.	Contract name	Annual value	Total value	Contract durations (yrs.)	Extensions (yrs.)	Preferred Vendor	HSE AREA
19800	Provision of Contracted Satellite Haemodialysis Unit Group (Ennis)	€2,618,177 total value annum incl. VAT (Yr. 1 and 2) €3,492,672 total value annum incl. VAT (Yr. 3 to 10)	€33,177,729.00	7yrs	3x 1yrs	Fresenius Medical Care (Ireland) Ltd	UL Hospital Group (Ennis)
24237	Supply & Delivery of a Monoclonal Antibody for Respiratory Syncytial Virus (RSV) Passive Immunisation of Infants HSE	N/A		6mths	N/A	Sanofi-Aventis Ireland Ltd for Nirsevimab (Bayfontus)	National
24164	OGP Tender on behalf of HSE/Health Sector Provision of 100% Renewable Electricity Supply to the Health Service Executive & Health Sector in Ireland (UEL005F ~24) (PPMS 24164)	€95,045,463	€285,136,388.00	3yrs	N/A	Energia	National
18169	Supply and Delivery of Meningococcal Group B Vaccine			4yrs	N/A	GlaxoSmithKline (Ireland) Limited	National
22321	National Logistics Solution for Health Protection Products	Year 1: Year 2: Year 3:		3yrs	2 x 1yrs	JMC Van Trans Limited	National

The total overall value of these 5 CARS ranging from to . Additional information is provided in the attached briefing notes but is also summarised under section 3.



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### 3. Background and Other Key Information for Board

#### **HSE 19800 Provision of Contracted Satellite Haemodialysis Unit Group (Ennis)**

**Summary:** This requirement is for a new contracted Satellite Haemodialysis Unit for Ennis under the governance of ULHG to be located in Ennis (circa 5 km radius of Ennis General Hospital).

The scope of this contract includes the requirement to identify, procure and oversee the commissioning of Satellite Haemodialysis Services for University Hospital Limerick Group to meet the current and future needs of renal patients in this Region. The Tender was advertised as one Lot.

**Value for Money:**

The commissioning of this Satellite Unit will result in a reduction in transport related costs, such as taxis from the Ennis Region to UHL and the Dock Road Satellite Unit, which will in turn reduce patient travel times. The Tenderer will also facilitate holiday dialysis whenever possible thus allowing dialysis patients to take holidays overseas.

These service improvements will result in an increase in patient's quality of life.

The Most Economically Advantageous Tenderers price proposal was benchmarked by comparing to other tendered prices. The next best price is 10% higher and the highest tendered price (from one Tenderer for two options, two locations) is 15% higher.

The budget for this contract will not be drawn down for at least 18 months as the new unit will require full planning permission, building and commissioning before it goes live, so the increased cost is taking into account medical inflation for the next 12 years. While the lowest tendered price is 32% higher than the last comparable tender which was done 6 years ago (a green field site for a new satellite unit in Galway in 2018), this should be considered against an increase in the medical inflation rate of 6 to 8% per year for the last 6 years (as evidenced by the annual rise in Health Insurance premiums).

There has been a significant increase in the cost of Renal Satellite Units since the Galway Satellite Unit Tender in 2018, and a number of Dialysis Service providers requested and were granted price increases in recent years due to a number of factors including increases in wages, supplies, energy and general overheads.

This service is in line with National Renal Office strategy to expand capacity and provide treatment closer to Service User's home. It will provide a contract for up to 10 years, facilitating haemodialysis treatments in Ennis and the surrounding Region.

#### **HSE 24237: Supply & Delivery of a Monoclonal Antibody for Respiratory Syncytial Virus (RSV) Passive Immunisation of Infants HSE**

**Summary:** In accordance with National Immunisation Advisory Committee (NIAC) advice, HSE Public Health: National Health Protection, with the National Women and Infants Health



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Programme wish to put in place a contract for a monoclonal antibody called Nirsevimab (Beyfontus®) [REDACTED] per dose ([REDACTED] including VAT) for a pathfinder immunisation programme to protect all babies from RSV disease born during the RSV season from 1st September 2024 to 28th February 2025.

This contract will supply [REDACTED] doses of the monoclonal antibody for passive immunisation over a six month period. It is a once only dose and will protect all eligible babies during their first season of RSV when they are at the highest risk of being ill from RSV disease as per National Immunisation Advisory Committee (NIAC).

This contract is only for a six month period pending a Health Technology Assessment (HTA) to determine whether infant and/or adult vaccination will provide the greater benefit, due early 2025.

Sanofi-Aventis Ireland Ltd is the sole supplier of this monoclonal antibody drug that has received marketing authorisation by European Medicine Agency (EMA) for use in all neonates and infants for the prevention of RSV disease.

In addition to the [REDACTED], another [REDACTED] doses of Nirsevimab (Beyfontus®) will be purchased for babies currently eligible for Palivizumab (current drug in use for high risk babies only)

**Issue Encountered:** Sole Supplier. Very short time line due to sign off from Department of Health (DoH) for budget approval which was received on 18th June 2024 and the commencement of the contract 1st August 2024.

**Value For Money:** The original budget estimate was [REDACTED] based on Public Health data for other countries that have commenced Nirsevimab (Beyfontus®) for their immunisation programmes.

HSE Procurement achieved a cost avoidance of [REDACTED] which equates to [REDACTED] on the original proposed price submitted by Sanofi-Aventis Ireland Ltd following direct negotiations.

NIAC have recommended passive immunisation of all infants against RSV disease during their first RSV season and noted that this monoclonal antibody drug for infants has received EMA authorisation, is safe and effective and should be considered for use in Ireland. Introducing this new drug will reduce the burden of RSV disease on babies, families and healthcare - including primary care, ED presentations, hospitalisation of infants.

**HSE 24164 OGP Tender on behalf of HSE/Health Sector Provision of 100% Renewable Electricity Supply to the Health Service Executive & Health Sector in Ireland (UEL005F – 24) (PPMS 24164)**

The OGP conducted a tender competition for the supply of 100% renewable electricity to the HSE using an OPG DPS. This award will replace an existing contract with the recommended Provider (Energia) which has been in place since 1st April 2023, which is due to expire on the 30th September 2024.

**Value for money:** A cost reduction of [REDACTED] ([REDACTED]) including VAT per annum was achieved. This will result in an overall savings of [REDACTED] including VAT, for the contract period of 36 months.

The following service related benefits apply:



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- A national approach will ensure consistency of contract performance and management reporting;
- Standardisation of quality, service and pricing across the HSE;
- Increased contract compliance for HSE
- Contributes the HSE Sustainable goals.

The OGP measured the projected cost avoidance or cost reduction, as follows:

#### •Results versus Current Contract

Annual cost reduction projections – the overall cost impact for 2022/2023 versus 2023/2024 is an annual reduction of [REDACTED] including VAT ([REDACTED] reduction). This figure represents what should have been paid for these supply points over the past twelve months under the previous electricity supply competition rates, versus the projected cost over the next 12 month period with the new rates.

#### •Over the 36 month period of the contract

36 months contract cost reduction are projected to be [REDACTED] including VAT ([REDACTED] reduction), against current contract.

The current contract has VAT rate of 9% and the new contract will have a VAT rate of 13.5%.

#### HSE 18169 Supply and Delivery of Meningococcal Group B vaccine

This Vaccine is part of the primary immunisation scheme.

The last contract was for [REDACTED] doses over 7 Years.

This contract is for the supply of up to [REDACTED] (+/-15%) of Meningococcal Group B Vaccine over a four-year period.

The annual requirement is for [REDACTED] doses, which equates to [REDACTED] doses in a four-year period. The smaller number of doses is due to birth rate decreasing and a shorter contract term. There is a higher price per dose due to the shorter contract and less quantity.

In the previous contract seven years ago, we were one of the first countries to use the vaccines, [REDACTED] but this wasn't given this time.

#### 1.0 Value for Money

- The current contract cost is [REDACTED] ([REDACTED] including VAT) per dose of Bexsero® vaccine.



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- GSK proposed price of [REDACTED] (including VAT) per dose of Bexsero<sup>®</sup> vaccine.
- Following Direct Negotiations, a price of [REDACTED] (including VAT) per dose of Bexsero<sup>®</sup> vaccine was agreed.

A result of the Direct Negotiation for this process, the cost per dose has increased from [REDACTED] to [REDACTED], 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.

The National Immunisation Office requested a shorter duration for this contract as there is a combined vaccine in the development stage which includes Men B. It is anticipated that the combined vaccines will be available in the Irish market place in four to five years approximately. This will increase competition in the market place as well as providing greater immunity for a number of diseases not just Meningococcal B.

- Pre Direct Negotiation, the cost for [REDACTED] doses of Men B vaccine was [REDACTED] over four years. This equates to [REDACTED] per vaccine
- Post Direct Negotiation, the cost for [REDACTED] doses of Men B vaccine was [REDACTED] over four years. This equates to [REDACTED] per vaccine

### Cost Avoidance

HSE Procurement achieved a Cost avoidance of [REDACTED] %/[REDACTED] was achieved by HSE Procurement direct negotiations on the tendered price submitted by GSK.

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

Total of cost avoidance by Direct Negotiation is [REDACTED].

### HSE 22321 National Logistics Solution For Health Protection Product

This Contract Approval Request is for a Logistics Service for Health Protection Products on behalf of the HSE. This contract is a replacement for an existing arrangement with the same Service Provider, which has been in place since 1<sup>st</sup> January 2022, which is due to expire on the 30<sup>th</sup> September 2024.

The new contract will incorporate:

- Storage & Distribution of PPE;
- Storage & Distribution of COVID Vaccine Consumables;
- Storage & Distribution of COVID Testing Consumables;

The scope of the tender also includes the nationwide collection and preparation of medical products for humanitarian aid. A stay has been placed on the roll out of this service element of the new contract to allow completion of ongoing and planned initiatives. Arrangements for the provision of this service element will be agreed in due course.

The Health Service Executive, Organisations funded by the HSE and public and private entities who operate in the Health & Social Care Services in the Republic of Ireland are included in the scope of this contract.

There is an opportunity to achieve a [REDACTED] % saving of [REDACTED] over the 3-year term of the contract (inclusive of VAT). The Savings were calculated by taking spend under the current



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contract for 2023 and comparing them to the total cost tendered by the highest ranked Tenderer (also the incumbent).

Value for money was benchmarked by comparing spend under the current contract for 2023 against the total cost tendered by the highest ranked Tenderer. This resulted in an overall savings of [REDACTED] for the 3 year term of the contract.

This is a very competitive market. Eight Suppliers tendered, with the outcome recommending the incumbent as the highest ranked tenderer and offering savings versus the current pricing.

The following service related benefits apply:

- A national approach will ensure consistency of service support, contract performance and management reporting;
- Standardisation of quality, service and pricing across the HSE;
- Increased contract compliance for HSE.