



Contract Approval Request

Summary Page

Title:	HSE 22321 National Logistics Solution for Health Protection Products
Initial Term:	36 months
Extension Period:	Option for 2 x 12 months extension subject to service need and storage capacity requirement.
Awarded Supplier:	JMC Van Trans Limited
Total Contract Value:	€ [REDACTED] for the total term of the contract (36 months) € [REDACTED] inclusive of 23% VAT
Annual Contract Value¹:	Year 1: € [REDACTED] Year 2: € [REDACTED] Year 3: [REDACTED]
Savings:	<p>Please refer to Appendix C – Savings</p> <p>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 contract for 2023 and comparing them to the total cost tendered by the highest ranked Tenderer (also the incumbent).</p>
Incumbent Supplier(s):	[REDACTED]
Date Submitted:	17 05 2024
Estimated Start Date:	01 10 2024
Portfolio Name:	Rapid Response Team
Submitted by:	[REDACTED]
Summary:	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 st January 2022 which is due to expire on the 30 th September 2024.

¹ It is not possible to include cost for the optional extension period as the storage capacity requirement is forecasted to reduce by up to 90% prior to expiry of the initial term of the contract.

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.

Procurement Process: Open Procedure

Issues encountered: One supplier, [REDACTED], was excluded at Minimum Eligibility Criteria stage as their proposal to [REDACTED]
[REDACTED] did not comply with the mandatory requirement that the distribution hub must be in the Greater Dublin Area.

Value for money: 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.

Tender Contract Details

1.0 Explanation of Requirement

The confirmation by the World Health Organisation (WHO) of COVID-19 as a global pandemic in March 2020 presented the HSE with an extraordinary challenge as the traditional sources of supply for pandemic management products such as PPE were depleted at a time of unprecedented demand. The crisis highlighted the risks in this regard, huge logistical distance, long order cycles and reports of short/no shipping of promised orders etc.

In late January 2020, HSE Procurement identified the need to immediately establish a dedicated PPE supply channel to include the provision of a pick and pack operation and a nationwide distribution service. Employing the exemptions available under Article 32 (2)(c) of Regulation 2014/24/EU and in accordance with Guidance from EC on Public Procurement during the COVID 19 Crisis (2020/c108/01), HSE Procurement entered into direct negotiations with JMC Van Trans Ltd to establish an interim storage and distribution contract which commenced on 27th July 2020.

In April 2021 HSE Procurement commenced a tender process to establish National Contracts for the Storage & Distribution of PPE which was awarded to JMC Van Trans Ltd for a 24 month period commencing 1st January 2022. Subsequently a number of modifications to the contract were implemented for the storage and distribution of COVID vaccine and COVID testing consumables.

The new contract will replace the current contract (HSE 16560) which was extended to 33 months and is due to expire on 30/09/2024. The award of this contract is necessary to ensure that the HSE operates in compliance with its obligations under the procurement directives and delivers cost effective expenditure of public monies.

2.0 Procurement Market

The Irish market for Storage & Distribution of goods is serviced by a mixture of multinationals, medium and large Irish SME's. This is a very competitive market in terms of price and quality and the approach used was to optimise value for money and service quality via an open competitive process.

The scope of this contract required access to a nationwide next day delivery service which limited participation to those with a proven track record or an existing capacity to meet this requirement. However the participation of 8 Tenderers in this competition demonstrates a competitive market place for the HSE's requirements.

The incumbent supplier is JMC Van Trans Ltd.

The cost drivers in this market are:

1. Warehouse Costs
2. Energy Costs
3. Transport Costs
4. Labour Costs

3.0 Procurement Strategy

There is no suitable OGP central arrangement or framework agreement in place that would meet the full scope of the tender requirement. The value and scope of this tender was likely to attract significant competition but the scope of the service requirement limited participation in the tender to those with a proven track record or an existing capacity to provide the service required.

Therefore the natural limit to the potential number of tenderers justified the use of an Open Procedure.

4.0 Procurement Process

Under the Open Procedure, the procurement process was conducted as a single stage tender incorporating 4 levels of assessment:

1. Minimum Eligibility Criteria (Pass/Fail)
2. Award Criteria (Scorable)
3. Cost proposal (Scorable)
4. Presentation and site visit

One supplier, [REDACTED], was excluded at Minimum Eligibility Criteria stage as their proposal [REDACTED] [REDACTED] did not comply with the mandatory requirement that the distribution hub must be in the Greater Dublin Area.

The recommendation is to award the contract to the Tenderer who, in the professional judgment of the Tender Evaluation Group (TEG), submitted the most economically advantageous tender and whose proposal was validated to the satisfaction of the TEG during a post evaluation presentation and site visit.

Refer to Appendix A for more detail.

5.0 Value for Money

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 (see Appendix C).

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 Most Economical Advantageous Tender (JMC Van Trans Ltd) did not tender the lowest price but scored higher on Quality than the lowest price Tenderer ([REDACTED]) See Appendix B.

This contract offers a quality service which supports the WHO recommendation for a centralised request management approach servicing all of the state's healthcare settings to ensure continued availability of Health Protection Products (e.g. PPE, Testing & Vaccine Consumables) across all health service delivery streams. All Hospitals, Community Based Healthcare settings including public and private Nursing Homes, National Ambulance Service, General Practices and multiple other critical healthcare providers will continue to have access to these critical products via this contract.



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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.

6.0 Environmental Impact Statement

The recommended Tenderer has confirmed in their tender response that they are deeply committed to environmental stewardship and sustainability, and recognize the critical importance of minimising their ecological footprint in all aspects of their operations, including logistics.

Their approach to sustainability within the execution of this contract is multifaceted and comprehensive, designed to address environmental concerns while optimising operational efficiency. They believe that through the integration of sustainable practices into every facet of the logistics process, they can achieve the dual goals of meeting the needs of the HSE while reducing their impact on the environment.

Outlined below are key components of their sustainability approach:

Green Fleet Management: They are dedicated to maintaining a fleet of vehicles that meet the highest environmental standards. Their vehicles are selected based on factors such as fuel efficiency, emissions standards, and alternative fuel options. Additionally, they employ advanced routing and scheduling algorithms to optimize delivery routes, minimizing fuel consumption and emissions.

Renewable Energy Adoption: They are committed to transitioning to renewable energy sources to power their operations wherever feasible. This includes the installation of solar panels at their facilities, utilizing wind energy, and exploring other renewable energy options to power their warehouses and distribution centres.

Packaging Optimisation: They understand the environmental impact of packaging materials and strive to minimise waste through innovative packaging solutions. Their packaging materials are selected with a focus on recyclability, biodegradability, and reduced material usage. Furthermore, they actively promote the reuse and recycling of packaging materials within their supply chain.

Sustainable Supply Chain Practices: They work closely with their suppliers to ensure they adhere to sustainable practices, including responsible sourcing, ethical labour standards, and environmental stewardship. By partnering with like-minded suppliers, they can ensure that their supply chain upholds the highest standards of sustainability.

Continuous Improvement and Innovation: They are committed to ongoing research and development efforts aimed at identifying and implementing innovative solutions to further reduce their environmental impact. This includes investments in technology, process optimisation, and sustainability initiatives aimed at driving continual improvement across their operations.

7.0 Budget

A budget of €[REDACTED] has been allocated to the provision of PPE on a national basis for 2024 which includes the storage & distribution of Health Protection Products. This budget has been confirmed by the Department of Health as part of the HSE's core allocation for 2024. The allocation has been assigned centrally to HSE Procurement to maintain the supply of PPE to all healthcare facilities in Ireland through a centrally operated supply chain.

8.0 Risk Management

A Contract Agreement incorporating standard contractual clauses and bespoke service requirements will be executed between the HSE and the recommended Service Provider. The HSE Standard Terms for Services and Supplies Version 8.2 also applies to this contract.

As the recommended Service Provider is the incumbent contractor, the implementation of the new contract will be seamless with little risk to the provision of the daily service during this phase.

The recommended Service Provider has submitted their insurance policies and tax reference number as required under the terms of the tender documentation.

9.0 Contract Management

This contract will be managed and implemented at national level by HSE Procurement via the National Logistics Service. Demand Management, Sourcing, Purchase to Pay, Reporting and Contract advice will be provided by the National PPE Team, which is part of the Sourcing & Contracts function in HSE Procurement.

Local co-ordination of orders for multiple healthcare facilities in each Community Healthcare Organisation is provided by a nominated PPE Lead in each CHO.

10.0 Approval

The Tender Evaluation Group recommends the award of this contract as detailed above and confirms:

1. The procurement process detailed above complies fully with Statutory Instrument No. 284 of 2016 EUROPEAN UNION (AWARD OF PUBLIC AUTHORITY CONTRACTS) REGULATIONS 2016 giving effect to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC; HSE Procurement Policy; and HSE National Financial Regulations;
2. No member of the Tender Evaluation Group or anyone else involved in the above procurement process had any registered interest or conflict of interest with any of the tenderers;
3. Award of contract(s) is subject to the receipt of satisfactory tax and insurance certificates;
4. Award of contract will be governed by legally binding contracts which protect HSE interests. The contract will include appropriate confidentiality clauses;
5. Funding is available to meet the cost of this contract.
6. Total life cost analysis for the initial term has been carried out and the recommended contract represents best value for money;



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7. The business benefits identified will be tracked to ensure that they are realised and will in due course be available to Board/CEO/National Director etc. and C&AG;
8. A contract will not be concluded within the standstill period required under European Communities (Public Authorities' Contracts) (Review Procedures) Regulations 2009.

Submitted By:

[Redacted Signature]

Procurement Team Lead

Date: 17 / 05 / 2024

The undersigned accepts and supports the recommendation of the Procurement Team.
Recommendation Accepted & Supported by:

[Redacted Signature]

Assistant Head of Sourcing & Contracting

Date: 17 / 05 / 2024

[Redacted Signature]

A/AND Strategic Sourcing & Contracting

Date: 18 / 05 / 2024

Approval

In accordance with HSE Purchase to Pay National Financial Regulations Board approval is required.

	Procurement Process Approval	Budget Holder Approval
Approved By	[Redacted Signature]	
Position	A/National Director of Procurement	
Date	23/05/2024	



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Appendix A: Procurement Report Summary

Tender Procedure	Open Procedure
Publication Date www.etenders.gov.ie	14/02/2024
Publication Date on OJEU	16/02/2024
Number of Tenders Received by Closing Date	8
Closing Date	21/03/2024
Tender Opening Date	21/03/2024
Tenders Opened by	

Procurement Team

Name	Title	Role
	A.N.D Logistics, HSE Procurement	HSE Logistics
	Assistant Head of Logistics & Inventory Management	HSE Logistics
	Programme Manager Global Health	HSE Logistics
	Assistant Head of Sourcing, HSE Procurement	Procurement
	Rapid Response Team, HSE Procurement	Procurement Lead
	Rapid Response Team, HSE Procurement	Procurement

Main Criteria	Sub-Criteria	Minimum Eligibility Criteria	Pass/Fail
European Single Procurement Document (ESPD)	Part III of the ESPD	Confirm that none of the Exclusion Criteria listed in Part III of the ESPD applies to the Tenderer or any other Economic Operators who form part of the tender response (see Part F of the TRD).	Pass/Fail
Supplier Declaration	Supplier Declaration	Confirm that the tender has been submitted consistent with the requirements set out in the Supplier Declaration. (See Part E of the TRD).	Pass/Fail
Economic and Financial Standing	Overall Turnover of Tenderer's Organisation	Meets or exceeds a minimum of €1,000,000 per annum in each of the last three years.	Pass/Fail
Technical and Professional Ability	Facilities	Must demonstrate ownership, lease agreement or written commitment from the owner of the premises proposed for the warehouse(s).	Pass/Fail
		Must demonstrate ownership, lease agreement or written commitment from the owner of the premises proposed for the distribution hub which must be in the Greater Dublin Area.	Pass/Fail
	Staffing	Must propose a Contract Manager for the operation of the Service with a minimum of 12 months relevant experience in a	Pass/Fail



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		similar role. A CV of the proposed Contract Manager must be provided with the tender submission.	
	Transport	Must demonstrate access to a nationwide next day delivery service for both pallets and cartons.	Pass/Fail
Technical and Professional Ability	IT Solutions	Must demonstrate availability and access to an IT Solution, either as a single system or set of integrated systems, which incorporate warehouse management, order management, transport management and a reporting capability.	Pass/Fail
Experience	Experience	Must demonstrate a minimum of 12 months relevant experience in the provision of a warehouse and nationwide transportation service.	Pass/Fail
Insurance	Insurance	Confirm compliance with the Insurance level of cover set out in the TRD.	Pass/Fail
Minimum Eligibility Criteria	Minimum Eligibility Criteria	Confirm compliance with all Minimum Eligibility Criteria set out in Schedule 1- Services of the Draft Contract Agreement.	Pass/Fail



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Suppliers eliminated at Minimum Eligibility Criteria stage	
Name	Reason
[REDACTED]	Section D4 - Minimum Eligibility Criteria stated that [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] is not compliant with this requirement.

Award Criteria

Main Criteria	Weighting	Marks Available
Warehouse	15%	150
Distribution Hub	15%	150
Transport	10%	100
Staffing	5%	50
IT Solution (s)	15%	150
Implementation Plan	5%	50
Sustainability	5%	50
Cost Proposal	30%	300
Total	100%	1000

Outcome

Financial Scoring Following Award Evaluation		
#	Name	Score
1	[REDACTED]	300.00
2	[REDACTED]	258.63
3	[REDACTED]	251.09
4	[REDACTED]	235.32
5	[REDACTED]	223.76
6	[REDACTED]	213.35
7	[REDACTED]	169.71



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Non-Financial Scoring Following Award Evaluation		
#	Name	Score
1		700
1		700
1		700
2		690
3		650
4		620
5		580

Most Economically Advantageous Ranking Following Award Evaluation		
#	Name	Score
1		951.09
2		950.00
3		948.63
4		896.20
5		869.71
6		855.32
7		803.76

Element	Influencing Factors
Warehouse Costs	Supply constraints, particularly in Dublin
Energy Costs	Energy Inflation,
Transport Costs	Fuel Costs, Cost of Logistics
Labour Costs	Cost of Labour

Budget Savings or Cost (Calculate both columns based on pre contract full year volumes)		
Pre Contract Cost	Post Contract Cost – Year 1	Full Year Benefit – Year 1
For more details please see Appendix C - Savings/Cost		



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Appendix B

Non-Financial Scoring Following Award Evaluation

No.	Tenderer Name	Minimum D1 - D10	Award Criteria							Total Score before Cost
		Pass/Fail	E1	E2	E3	E4	E5	E7	E8	
			Warehouse 150 marks	Distribution Hub 150 marks	Staffing 50 marks	Transport 100 marks	IT Solution 150 marks	Implementa- tion Plan 50 marks	Sustainability 50 marks	
1	[REDACTED]	PASS	90	150	50	60	150	30	50	580
3		PASS	150	150	50	100	150	50	50	700
4		PASS	150	150	40	60	150	50	50	650
5		PASS	150	150	50	100	150	50	50	700
6		PASS	150	150	50	40	150	30	50	620
7		PASS	150	150	50	100	150	50	50	700
8		PASS	150	150	50	100	150	40	50	690

Reasons for Non-Financial Scoring

(The following tables outline the reasons why a tenderer did not score full marks of 5/5, a full record of scoring is available on file)

Tenderer	Award Criteria	Scoring	Reason
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Tenderer	Award Criteria	Scoring	Reason
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Tenderer	Award Criteria	Scoring	Reason
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]



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Tenderer	Award Criteria	Scoring	Reason
[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED] [REDACTED]



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Appendix C Savings/Cost

Cost Element	Year 1 €	Year 2 €	Year 3 €	Total €
Recommended Tenderer				
Current Contract Cost				4
Savings				