



## HSE Board Briefing Template

**Subject:** National Drawdown Framework Agreement for the Provision of Medical Hygiene Products – with

1. Brennan & Co
  2. Bunzl Ireland Ltd
  3. Diversey Hygiene Sales Ltd T/A Diversey Ireland
  4. Fannin Ireland
  5. H & H Products
  6. Humancare
  7. Lynch Medical Supplies Ltd
  8. Mediteq Healthcare Solutions Ltd
  9. Western Hygiene Supplies Ltd
- with all particulars set out in the Contract Approval Document.

Maximum Four Year Term [REDACTED]

**Submitted for meeting on:** 29<sup>th</sup> May 2024

**Name & title of author:** John Swords, National Director of Procurement

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

As the value of this proposed contract exceeds €10 million over the contract lifetime, HSE Procurement is now seeking Board Approval as per HSE expenditure guidelines and to ensure that this value is justified and agreed upon by the Board in advance of the proposed contract award.

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

Yes, HSE Procurement is requesting Board sign off and approval before the proposed contract finalisation and close out stages commence.

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

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.**

HSE require ongoing supplies of Medical Hygiene Products for Service Provider and Service User to. This significant requirement is governed by EU Public Procurement rules and HSE National Financial Regulations. The process followed ensures compliance with all relevant regulations and optimum value for money.

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

This Multi Supplier National Drawdown Framework Agreement (NDDFA) will provide a contract for Medical Hygiene Products for the Health Service Executive (including organisations funded/contracted by the HSE) and Irish Public Sector Departments and Organisations.

This contract will replace a previous contract for Medical Hygiene (HSE 4556) which expired in 30/09/2022 and has been extended in the interim by means of non-compliant extensions to allow time for new contract to be awarded and which will be superseded by this new contract.

The suppliers will be appointed to the NDDFA on a Ranked Basis, by Lot, according to the ranking position assigned through the award criterion, evaluation process, scoring matrix and as supported by the DSM.

The Framework went out with 6 Lots with relevant sub lots as follows:

- Sub lot 1.1 Hand Soap Liquid
- Sub lot 1.2 Hand Soap Foam
- Sub lot 2.1 Alcohol Gel
- Sub lot 2.2 Hand Foam Sanitiser
- Lot 3 Non-Alcohol Sanitiser
- Lot 4 Patient Hygiene
  - Sub lot 4.11 Patient Hygiene (Combined Patient Wash System)
  - Sub lot 4.12 Patient Hygiene (Oral Care Hygiene Single Patient Use)
  - Sub lot 4.13 Patient Hygiene (Patient Care Barrier Cloths)
  - Sub lot 4.14 Patient Hygiene (Bodily Fluid Spill Powder)
  - Sub lot 4.15 Patient Hygiene (Bodily Fluid Spill Kit)
- Lot 5 Surface Disinfecting Wipes
- Lot 6 NADCC > Clinical Cleaning Solutions

The process undertaken was via means of a National Draw Down Framework Agreement Competition published on both the Official Journal of the European Union and e-Tenders.

By the closing date, 12 tenders were received. The required services shall be awarded under Title III – Particular Procurement Regimes, Chapter I - Social and other specific services of Directive 2014/24/EU. The required services are listed as Annex XIV services, and accordingly, only Articles 74 to 77 of Directive 2014/24/EC applies to the award of any contract(s) that arise from this process.

The envisaged contact duration will be 2 (2) years with possible extensions of two (2 x 12 month), totalling four years maximum with a contract value of [REDACTED] (including VAT @ 23%).

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

1. Current status:  
The current agreement shall expire on 30th September 2024.
2. Budget and Resources implications:  
[REDACTED] over the term of the contract
3. Risk Assessment:  
The risk to the service provider and service user are substantial if we cannot secure a consistent delivery of Medical Hygiene Products.
4. Impact to delivery of services  
This Agreement is essential to ensure that the proper elements and commitments are in place to provide Medical Hygiene products.
5. Legal factors:  
Potential liability for not providing Medical Hygiene Products both Staff and service users.

**Value For Money:** The preliminary market research showed this market to be competitive with a number of active number of responses to our Invitation to Tender request, 12 responses were received. The Value for money was benchmarked by comparing the previous 12 month spend and usage figures for all Suppliers and comparing them to the prices tendered by the number 1 ranked company per lot, giving an overall savings of €3,328,498 for the total term of the contract if 1st ranked Supplier is utilised, a 10% price decrease over the term of the Agreement

If product ranked number 1 (in any lot/sublot) is not used, this will result in increased costs. It may not be possible or practicable to totally switch to rank 1 in each Lot, however, ordering locations should be encouraged where practicable to order the highest ranked Solution in a Lot to ensure optimum value is achieved.

Cost Drivers		
Element	%	Influencing Factors
Raw Materials	15	Global Supply Issues, availability of materials
Manufacturing Costs	20	Cosy of Labour ,Cost of Energy, Cost of Logistics
Energy	40	Energy Inflation
Transport	25	Fuel Costs
Total	100%	

### Conclusion

Following a compliant procurement process, we request approval for the National Drawdown Framework Agreement for the Provision of Medical Hygiene Products HSE 18331.

### Recommendation

HSE Procurement is recommending the award of this proposed contract to

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  3. Diversey Hygiene Sales Ltd T/A Diversey Ireland
  4. Fannin Ireland
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- with all particulars set out in the Contract Approval Document.

With Board approval and sign off HSE Procurement will commence the contract close out stages.