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Date: 29 October 2015

Pandemic Flu Preparedness – approval of the Outline Business Cases (OBC) for the procurements of valved and unvalved respirators

Issue

1. This submission seeks your approval for the attached Outline Business Cases (OBC) for the Just in Case (JIC) and Just in Time (JIT) procurement of valved respirators and the JIT procurement of unvalved respirators.

Timing

2. A response by **20 November** will allow us to commence the procurement before December.

Recommendation

3. That you approve the outline business cases.

Background

4. Following the completion of the Pandemic Flu Preparedness Outline Business Case in 2008, DH procured a national stockpile of respirators at the start of the H1N1 swine flu pandemic. However, due to the mild nature of the pandemic it was not necessary to distribute much of the stockpile. As the respirators approach their shelf life expiry dates, a replenishment programme is required from 2016/17 onwards.

5. In line with the influenza pandemic preparedness strategy published in November 2011, we are continuing to ensure that preparedness arrangements are in place for a more severe influenza pandemic.
6. In the event of an influenza pandemic, respirators when correctly fitted and used consistently with other measures such as hand hygiene and worn with other protective equipment held in the stockpile, offer protection for health workers carrying out potentially infectious aerosol generating procedures. It is important to note that the procurement includes a 'call off' provision for the supplier to provide 'fit test' train the trainer training to ensure that the respirators are used and fitted correctly. This will help improve their effectiveness when used in a healthcare setting during an influenza pandemic.
7. The outline business cases set out the replenishment strategy in relation to the procurement of respirators on a JIC and JIT basis. Based on market analysis, there will be two separate procurements. The first procurement will be for unvalved respirators and consist of 20% of the derivation to be purchased on a JIT basis. The second procurement will be for valved respirators which the NHS prefer to unvalved respirators as they are more comfortable and allow staff to work longer. The procurement of valved respirators consists of 100% of the derivation to be purchased on both a JIC and JIT basis. This contract will have an agreement to initially purchase 80% of the JIC requirement with the remaining 20% on a JIT basis should it be required in a pandemic. Market analysis suggests there is some risk of obtaining the 20% JIT procurement for valved respirators in the timescales that would be required in a pandemic and so this has been mitigated by procuring a 20% JIT for unvalved respirators to provide contingency. Therefore the unvalved JIT procurement will only be called upon to the extent that the valved JIT requirement cannot be delivered within the required time frame during a pandemic. This approach is in line with the requirement to minimise the complexity of fit testing at the time of a pandemic whilst increasing the resilience of the overall solution.
8. Your approval of the outline business cases will enable us to start a full procurement exercise via new OJEU tenders. For the JIT OBC this will enable us to put in place framework agreements. These agreements should ensure that JIT procurements can be completed promptly at the start of an influenza pandemic. Full Business Cases will be provided for approval before agreements are signed for both the JIC and JIT requirements.

Revenue and Investment Branch (RIB)

9. The DH Revenue and Investment Branch (RIB) have reviewed the procurement plans and have confirmed they are content with the outline business cases.

Costings and Affordability

10. The total expenditure on procurement via the valved respirators JIC & JIT OBC is £68,832,000, (£50,265,600 for the JIC procurement and £12,566,400 JIT procurement in the event of a pandemic) of which the share for England is £52,684,632 (£42,147,706 for the JIC procurement and £10,536,926 JIT). The planned capital expenditure for 2015/16 is considered affordable within the Health's total Departmental Expenditure Limit (DEL).

11. The total potential expenditure via the unvalued JIT OBC is £7,883,600 of which the share for England is £6,568,474. This expenditure will only arise in the year of a future pandemic. As such, it will be unplanned and the funding will need to be sourced at the time based on discussions with DH, and potentially with HMT. A decision to proceed will be required promptly at the start of a pandemic, as part of the governance arrangements for the response.
12. The Devolved Administrations have been consulted on the procurement and have confirmed that they are content with the plans set out in the outline business cases and that their costs for the JIC procurement are affordable in 2016/17.

Conclusion

13. Respirators play an important role in pandemic preparedness. The plans for JIC and JIT procurements take account of our experience in 2009 and represent a proportionate approach to the future procurements required for pandemic flu preparedness. You are asked to approve the outline business cases.