

# **C A R E B**

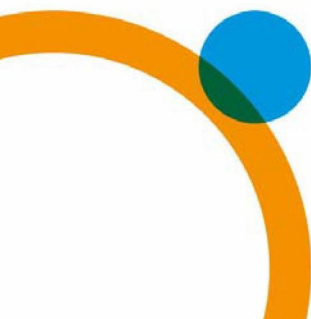
## **Commodity Action Report & Eps Bulletin**

**Contract Name: Albumin Products**

**Contract Reference: NP31518**

Hazel Johnstone  
Commodity Manager  
National Procurement

27 November 2018



## Document Information

Contract Name: Albumin Products

Contract Reference: NP31518

National Spend: £2,121,324

Savings Opportunity: £100,599

Start Date: 1 March 2019

Expiry Date: 30 April 2021

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## Awarded Supplier (see main text for details of selection and evaluation process)

CSL Behring, Grifols UK Ltd, Octapharma Ltd and Bio Products Laboratory (BPL)

## Key Strategy (see main text for further details)

NHSS tender and contract for twenty six months with the option to extend by up to a further period of twenty two months

Lots one and two awarded as a multi supplier ranked framework:

- Lot 1 - Human Albumin Solution (Low strength) - (4.5% - 5%)
- Lot 2 - Human Albumin Solution (High strength) - (15% - 25%)

All framework participants are required to supply the Goods to the Scottish National Blood Transfusion Service (SNBTS), and all health boards to call off via SNBTS.

Health Board	No Change Impact	Optimum Benefit	Specific HB Comment
Ayrshire & Arran	-£27,685	£6,430	<p>The 'No Change Impact' has been calculated to show the financial impact if health boards maintain current practice and do not switch to the new 1<sup>st</sup> ranked suppliers product.</p> <p>The optimum benefit saving of £100,599 has been calculated based on all current Zenalb 4.5% 500ml and Albunorm 20% 100ml volume switching to the 1<sup>st</sup> ranked supplier, on a lot by lot basis.</p> <p>For the purpose of the financial analysis an assumption has been made that there will be continued usage of Albunorm 5% 100ml at the new framework price. This will result in an increased cost of £6,207. In practice health boards should review the opportunity to switch to Albutein 5% 250ml where it is more cost effective than using multiple 100ml vials.</p> <p>Full details of assumptions and savings calculations are detailed in Section 6 within the main body of the document</p>
Borders	-£4,937	£2,745	
Dumfries & Galloway	-£15,214	£4,112	
Fife	-£16,698	£5,549	
Forth Valley	-£14,826	£2,387	
Grampian	-£36,923	£14,328	
Greater Glasgow & Clyde	-£119,469	£13,114	
Highland	-£12,134	£3,602	
Lanarkshire	-£43,139	£2,972	
Lothian	-£42,693	£25,959	
NWTC (Golden Jubilee)	-	-	
Orkney	-	-	
Shetlands	-	-	
Western Isles	-	-	
Special HBs	-£77	£99	
Tayside	-£29,250	£19,302	
<b>Total</b>	<b>-£363,047</b>	<b>£100,599</b>	

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## 1. Introduction

This framework is for the supply of Albumin Products to NHSScotland. The award of this framework provides health boards with an immediate saving of £100,599 based on current usage of the two (2) most commonly used products, listed below, switching to the new 1<sup>st</sup> ranked supplier.

### Current Product

Zenalb 4.5% 500ml (BPL)

Albunorm 20% 100ml (Octapharma)

### New Product

Alburex 5% 500ml (CSL Behring)

Alburex 20% 100ml (CSL Behring)

SNBTS will manage the stock transition in advance of the new framework to ensure all existing stock is run down and new 1<sup>st</sup> ranked products are available. A failure to make the required change will result in a cost increase of £363k nationally.

The document also details a cost avoidance opportunity in relation to Albunorm 5% 100ml.

At the time of data collection for this procurement there was no current usage of the albumin 20% 50ml presentations. However, it is noted that usage of this presentation has increased in the last few months. A 50ml presentation will be available on the framework from the 2<sup>nd</sup> ranked supplier, Grifols.

## 2. Current Position

There is currently a multi supplier framework agreement in place that is due expire 28 February 2019, split across four (4) Lots, one (1) for each presentations. There are two (2) suppliers on the Framework – Bio Products Laboratory (BPL) and Octapharma. Lots one (1) and two (2) are ranked multi supplier, and Lots three (3) and four (4) are both single supplier Lots, as detailed below in Table 1:

Lot	Product	Supplier	Brand	Rank
1	Human Albumin solution 20% 100ml	Octapharma	albunorm 5% 100ml	1
		BPL	Zenalb 20	2
2	Human Albumin solution 20% 50ml	Octapharma	albunorm 20% 50ml	1
		BPL	Zenalb 20	2
3	Human Albumin Isotonic Solution (4-5% protein) 100ml	Octapharma	albunorm 5% 100ml	1
4	Human Albumin Isotonic Solution (4-5% protein) 500ml	BPL	Zenalb 4.5	1

Table 1 – Current Lot Structure

There is a twelve (12) month extension option remaining, however the decision was taken to re-tender this framework due to the perceived commercial benefit (based on NHSE CMU benchmarking) following the re-introduction to the UK of human albumin product by Grifols.

Health boards do not deal directly with suppliers. SNBTS call off from the first ranked supplier, moving to the second ranked supplier only where the first rank supplier is unable to supply. SNBTS currently hold three (3) months buffer stock.

The current annual spend for Albumin Products is £2,221,922 based on SNBTS sales data for the period from 1 March 2017 to 28 February 2018. Table 2 details health board spend by product.



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Health Board	Zenalb 4.5% 500ml	Albunorm 5% 100ml	Albunorm 20% 100ml	Total
NHS A&A	£ 68,040	£ 612	£ 80,988	£ 149,640
NHS Borders	£ 33,534		£ 13,301	£ 46,835
NHS D&G	£ 43,740		£ 44,472	£ 88,212
NHS FIFE	£ 62,208		£ 47,981	£ 110,189
NHS Forth Valley	£ 20,412		£ 44,635	£ 65,047
NHS GG&C	£ 158,760	£ 16,626	£ 343,373	£ 518,759
NHS Grampian	£ 165,780		£ 104,448	£ 270,228
NHS Highland	£ 39,312		£ 35,210	£ 74,522
NHS Lanarkshire	£ 5,670	£ 163	£ 132,845	£ 138,678
NHS Lothian	£ 328,860	£ 1,785	£ 110,976	£ 441,621
NHS Tayside	£ 240,354		£ 76,378	£ 316,732
SNBTS	£ 1,296		£ 163	£ 1,459
<b>Total</b>	<b>£ 1,167,966</b>	<b>£ 19,186</b>	<b>£ 1,034,770</b>	<b>£ 2,221,922</b>

Table 2 - Current Spend by Health Board & Product

### 3. New Contract Process and Award

#### Clinical Advisory Panel

The National Plasma Product Expert Advisory Group (NPPEAG) was consulted throughout the procurement process

#### Contract Process

The market was approached using the open procedure, as there are a limited number of suppliers.

The following table (Table 3) shows the agreed structure of the framework agreement and the criteria used to evaluate tender responses:

Contracting Process	Agreed Structure
Type of Framework Agreement	Ranked Multi Supplier
Lot Structure	Lot 1 - Human Albumin Solution (Low strength)
	Lot 2 - Human Albumin Solution (High strength)
Duration of Framework Agreement	26 Months
Extension Option	Up to 22 Months
Selection Criteria	Mandatory Requirements
Evaluation Criteria	<b>Price: 70%</b>
	<b>Security of Supply: 10%</b>
	- Plasma Collection – 2.5%
	- Manufacturing Plant – 2.5%
	- Packaging & Labelling – 2.5%
	- Stock holding facility / warehouse – 2.5%
	<b>Contingency &amp; Risk Management: 15%</b>
	<b>Environmental Impact: 5%</b>

Table 3 – Framework Agreement Structure

The lot structure was agreed with NPPEAG to generate competition between the lower strength products that are interchangeable and offer a wider range of vial sizes that may offer more clinical efficiencies.

Colleagues from SNBTS conducted the Contingency & Risk Management (non-commercial) scoring evaluation.

Full details of the selection criteria and individual technical scoring methodology are available on request from Hazel Johnstone, Commodity Manager.

#### Award

It was agreed that four (4) suppliers would be awarded to the Framework Agreement across both Lots, as outlined below in Table 4:

Supplier	Lot 1	Lot 2
CSL Behring UK Ltd	1st Ranked	1st Ranked
Grifols UK Ltd	2nd Ranked	2nd Ranked
Octapharma Ltd	3rd Ranked	3rd Ranked
Bio Products laboratory Ltd/Biotest*	4th Ranked	4th Ranked

Table 4.0 - Suppliers awarded by Lot

\*Bio Products Laboratory (BPL) are the lead bidder with Biotest acting as the other bidder participating in the procurement procedure together.

At the time of the tender being published there was no current usage of albumin 20% 50ml presentations. Since this time usage has increased. The currently used product has not been awarded but an albumin 20% 50ml presentation is available from the 2<sup>nd</sup> ranked supplier, Grifols.

Details of all products and presentations awarded to the Framework Agreement are included in Appendix A – Contract Summary. This information has been shared with SNBTS who will arrange to update their catalogues and issue updated purchase order templates in advance of the framework start date.

## **4. Base Data Used For Contract Analysis and Benefit Calculation**

The base data to determine the overall spend on these products has been collated from health board usage via SNBTS for the twelve (12) month period from 1 March 2017 to 28 February 2018.

## **5. Calculations of Financial Impact**

The following table (Table 5) shows the financial impact if health boards maintain current practice.

Health Board	Current Value		No Change Value		Financial Impact
NHS A&A	£	149,640	£	177,325	-£ 27,685
NHS Borders	£	46,835	£	51,771	-£ 4,937
NHS D&G	£	88,212	£	103,426	-£ 15,214
NHS FIFE	£	110,189	£	126,887	-£ 16,698
NHS Forth Valley	£	65,047	£	79,874	-£ 14,826
NHS GG&C	£	518,759	£	638,228	-£ 119,469
NHS Grampian	£	270,228	£	307,151	-£ 36,923
NHS Highland	£	74,522	£	86,657	-£ 12,134
NHS Lanarkshire	£	138,678	£	181,817	-£ 43,139
NHS Lothian	£	441,621	£	484,314	-£ 42,693
NHS Tayside	£	316,732	£	345,982	-£ 29,250
SNBTS	£	1,459	£	1,536	-£ 77
<b>Total</b>	<b>£</b>	<b>2,221,922</b>	<b>£</b>	<b>2,584,969</b>	<b>-£ 363,045</b>

Table 5 - No Change Impact by Health Board

## 6. Details of Opportunity & Method of Call Off

### Opportunity

The overall saving opportunity for NHSScotland from this procurement process is £100,599. This saving is calculated based on the following,

- All current Alburnorm 20% 100ml usage switching to Alburex 20% 100ml
- All current Zenalb 4.5% 500ml usage switching to Alburex 5% 500ml

The following table (Table 6) provides a breakdown of savings by health board (based on overall usage switching to the 1<sup>st</sup> ranked supplier on a lot by lot basis), excluding current Alburnorm 5% 100ml usage.

Health Board	Current Value		New Value		Saving
NHS A&A	£	149,640	£	143,210	£ 6,430
NHS Borders	£	46,835	£	44,090	£ 2,745
NHS D&G	£	88,212	£	84,100	£ 4,112
NHS FIFE	£	110,189	£	104,640	£ 5,549
NHS Forth Valley	£	65,047	£	62,660	£ 2,387
NHS GG&C	£	518,759	£	505,645	£ 13,114
NHS Grampian	£	270,228	£	255,900	£ 14,328
NHS Highland	£	74,522	£	70,920	£ 3,602
NHS Lanarkshire	£	138,678	£	135,706	£ 2,972
NHS Lothian	£	441,621	£	415,663	£ 25,959
NHS Tayside	£	316,732	£	297,430	£ 19,302
SNBTS	£	1,459	£	1,360	£ 99
<b>Total</b>	<b>£</b>	<b>2,221,922</b>	<b>£</b>	<b>2,121,324</b>	<b>£ 100,599</b>

Table 6 - Savings by Health Board

### Lot 1 – Human Albumin Solution 5% 100ml

Octapharma, 3<sup>rd</sup> ranked supplier, can continue to supply albumin 5% 100ml (Alburnorm) presentation as there is no alternative 5% 100ml presentation from the 1<sup>st</sup> or 2<sup>nd</sup> ranked supplier. The financial impact for doing so will result in a cost increase of £6,207. Depending on clinical requirements, it is anticipated that some usage could switch to a 250ml presentation available from Grifols. Health boards should review cost avoidance opportunities locally.



For full details on analysis please refer to Appendix B – Health board breakdown.

#### Method of Call Off

Call off from the Framework Agreement shall be made by submission of orders by SNBTS to the 1<sup>st</sup> ranked supplier for each lot, cascading through the suppliers if 1<sup>st</sup> ranked supplier is unable to meet the requirement.

SNBTS will place orders with the suppliers for all the NHS Scotland health boards ensuring that costs are kept to a minimum with one ordering and delivery point.

Health boards will place orders direct with SNBTS by submitting the completed purchase order template issued by SNBTS.

Orders will be fulfilled and distributed directly from SNBTS to health boards as and when required, with SNBTS holding a three (3) month buffer stock.

## **7. Next Steps**

The Plasma Products Manager at SNBTS will update purchase order templates and issue them to pharmacy leads within health boards in advance of the framework start date.

The Plasma Products Manager at SNBTS will ensure the current stock is run down and will purchase new stocks from the framework supplier based on the ranking within the framework award

Health boards should update all appropriate systems with any new or alternative product details ahead of the framework start date.

Health boards should review their clinical requirements for albumin 5% 100ml and determine if there is an opportunity to use a 250ml presentation that offers better value.

PCF Strategic Sourcing staff will engage with NPPEAG members to ensure that health board staff are made aware of changes and ensure that they are using the most cost effective product where applicable through regular updates to NPPEAG.

## **8. Contract Extensions**

There is the option to extend the framework for up to a further twenty two (22) months.



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#### Version History

Version	Date	Revised By	Description	Filename
1.0	27 November 2018	Hazel Johnstone	C A R E B - Albumin Products	NP31518 CAREB V01.0 (Final)

#### Distribution

To	Action	Date
Directors of Pharmacy Chief Pharmacists	Cascade Distribution to appropriate users	27 November 2018
POG	Cascade Distribution to appropriate users	27 November 2018
Pharmacy Procurement Staff	For implementation and logistics	27 November 2018
SNBTS	For implementation and stock management	27 November 2018
NPPEAG	For information	27 November 2018