



Delegated Officer Report

Decision Maker: Rebekah Sutcliffe

Date of Decision: 08/02/2019

Subject: Alere/ Abbott contract extension for point of care testing consumables

Report Author: Anna Tebay

Ward (s): All

Reason for the decision: A deed of variation is sought to extend a contract period with an existing provider Alere/ Abbott whereby funds have been transferred 2015. No additional financial investment is required. This is for the delivery of point of care testing (POCT) consumables required to support NHS Health Checks delivered through GP practices and pharmacies. The contract value for the entire duration has not increased and therefore meets requirements of the Council Procurement rules set out within 17.1(b).

Summary: All Local Authorities have a responsibility for NHS Health Checks and as such Oldham Council commissions GP's to deliver NHS Health Checks to the eligible population i.e. those aged 40-74 with no pre-existing health condition. Some GPs lack the capacity to be able to deliver this in-house and therefore identify patients eligible and work in partnership with the local Pharmacy for delivery.

With technological advances, it is possible to carry out Point of Care Testing (POCT) for the blood tests needed for NHS Health Checks, in a variety of settings i.e. laboratory testing performed within a GP practice or pharmacy. As such, the NHS Health Checks programme uses POCT as a diagnostic solution to

assess risk of vascular diseases. These testing kits offer patients rapid access to tests and results on premises such as GP surgeries. The advantage of POCT is that results are quick and a NHS Health Check can be signed off quickly without having to recall the patient, which in turn reduces primary care appointments. This is beneficial to GP's and patients alike.

In 2015, Oldham Council undertook a procurement exercise and Alere (now trading as Abbott) were awarded the contract of £107,494 to provide POCT machines called LDX's. These machines are on long term loan to GP's and require compatible consumables only available from Alere/ Abbott which Oldham Council Public Health have purchased in advance along with the quality assurance tests required to meet recommended clinical governance standards.

Since commencement of this commission, the use of POCT has considerably diminished from 43 to 12 GP practices and 3 Pharmacies. As a result of the low uptake, the anticipated number of prepaid kits have not yet been reached and continuation of this service for up to a further 12 months is possible with no additional funding. Through the deed of variation, the only amendment to contract is the delivery time, to complete 31st March 2020.

A balance of £9,012 (correct 1st December 2019) remains in the Alere/ Abbott pre-paid account and is not anticipated to be used in full by the end of contract 31st March 2019. The proposal is to fund a further year or part year. To enable this, the Council will be required through a deed of variation to extend the contract period.

The contract value has not increased from that originally tendered and therefore meets the Council's Contract Procedure rules 17.1/ 17.1(b).

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option 1: To extend the contract with Alere/ Abbott to provide point of care testing consumables to GP's and Pharmacies for the delivery of NHS Health Check programme

Option 2: To stop providing the GP's and Pharmacies with point of care testing consumables and risk performance of the NHS Health Checks programme.

Consultation: including any conflict of interest declared by relevant Cabinet Member consulted.

No consultation has been undertaken / not required.

Recommendation(s):

Option 1 is recommended: To extend the contract with Alere/ Abbott to provide point of care testing consumables to GP's and Pharmacies for the delivery of NHS Health Check programme

Implications:

What are the financial

The existing contract with Abbott (previously known as Alere)

implications?

ceases on 31st March 2019 at which point Abbott are expecting to hold a residual cash balance of approx. £9k, generated by underspends in the current year.

The proposal is to extend the contract for a further twelve months or until the balance remaining (£9K) has been fully utilised.

There are no adverse financial implications as a result of extending this contract.

(Jenny Howarth Senior Accountant/Andy Cooper Senior Finance Manager 18/01/19)

*What are the **legal** implications?*

Rule 17.1 (b) of the Council's Contract Procedure Rules allows for modifications of contracts in circumstances where additional services are required from the original contractor which were not included in the initial procurement where a change of contractor would cause significant inconvenience or substantial duplication of costs for the Council provided any increase in price does not exceed 50%. The contract was previously extended but the value of the contract did not increase. The proposal for a further extension would not incur additional expenditure and therefore it falls within the scope of the Rule.

(Elizabeth Cunningham Doyle, 28/01/2019)

*What are the **procurement** implications?*

Based on the Information provided in this report, Strategic Sourcing supports the provision under the Rule 17.1. (c) For the requirement of the service for local population and its medical needs, Strategic Sourcing will provide commercial support as necessary on this basis, and in accordance with legal advice.

(Mohammad Sharif, Interim Sourcing 28/01/2019)

*What are the **Human Resources** implications?*

There are no Human Resources implications

***Equality and Diversity Impact Assessment** attached or not required because (please give reason)*

No equality and diversity impact assessment has been undertaken as this work is borough wide.

*What are the **property** implications*

There are no property implications

Risks:

No risks have been identified with the continuation of this provision through contract extension.

Co-operative agenda

#ourbit: supporting public services with the technology available (POCT testing) that demonstrate value for money and encouraging innovation, leading to better health outcomes and delivery of NHS Health Checks

#yourbit: Getting involved and having your say in designing future public services

#result: Empowering the positive reform of public services

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No

Reason(s) for exemption from publication:

List of Background Papers under Section 100D of the Local Government Act 1972:

There are no background papers for this report

Report Author Sign-off:	
Date:	

Please list and attach any appendices:-

Appendix number or letter	Description

In consultation with Director/Executive Director

Signed :  Date: 08/02/2019