

NHS Purchasing and Supply Agency

Contract: National agreement for the supply of immunoglobulins

Contract period: 1 May 2003 – 30 April 2004 (with an option to extend)

Contract reference: RG/PD/02/72

Purchasing contact

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This agreement covers a range of immunoglobulins – pharmaceuticals produced from human plasma, which includes human normal immunoglobulins, anti-D, anti-tetanus, and hepatitis B products.

1 Purpose of contract

This national agreement will to create an opportunity for trusts to work together within their purchasing groups or confederations and to enable them to make a commitment to suppliers for 1 May 2003 to 30 April 2004.

The overall aim of this contract is an attempt to put some stability into a market that has been volatile in terms of supply over the past few years, with international suppliers pulling out of the market at short notice.

Therefore, this national strategy has been developed to minimize any risk of supply shortage and to strengthen the market for the future.

2. Background

After researching this market thoroughly, the Agency have major concerns that, with the re-emergence of competition, if all product is simply bought on price, then some suppliers may leave the UK market to sell their product elsewhere. If this were to happen then there would be a risk that the remaining suppliers would not have the capacity to meet total UK demand (taking into account their commitments to supply markets in other countries) and therefore the supply for the UK patients would yet again be compromised.

The Agency has concerns that if trusts buy product simply on price then some suppliers would feel they have to offer a more competitive price to maintain their market share, which would lead to a price war. If this happened, then the US suppliers may refuse to compete and withdraw from the UK market completely, simply because they can sell their products elsewhere at a higher price.

Should this happen we do not believe that those offering the lower prices could meet full market demand and the UK would yet again face a shortfall.

3. Terms of agreement

To take this forward, the Agency have asked each purchasing group to consider factors other than price alone in determining its need for 2003/2004 and to maintain a dynamic market that is attractive to all suppliers. We have asked that each group makes a recommendation of three or four suppliers to ensure continuity of supply.

Any commitment identified to particular suppliers have been based on the volume needed to achieve the price associated with that banding and the individual regions choice of preferred suppliers (see your own purchasing group contract pages for prices). Ad-hoc purchases will still be able to be made at a trust level against the basic contract price identified on the contract pages.

4. EU/wto compliance

The contract complies

5. Benefits of this agreement

In a summary this agreement will offer the following benefits:

- Stability in terms of supply for the Trusts and their patients
- Provide effective use of resources, both of the NHS and the Agency
- Enable NHS PASA to monitor the market and supply
- Keep PASA close enough to the market to maintain and develop its expertise while incorporating national pricing with local commitment.
- Trusts are offered a framework agreement by which they can purchase their product while being reassured they are complying with the European regulations.
- Information about the product and suppliers are made available to all pharmacists.

The Agency would like to re-emphasise that this nationally coordinated approach will create an opportunity for trusts to work together to achieve objectives of generating savings whilst maintaining all supplier within the market. We therefore ask each group to support the national strategy to minimize any risk of supply shortage and to strengthen the market for the future.

During the course of this agreement we will be monitoring the usage with all the suppliers to ensure that volume commitments within each of the purchasing regions are met in full.