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# Public Procurement Conference

– centralization and new trends

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**Centralising procurement in the EU: The case of the new Health Emergency Preparedness and Response Authority (HERA)**



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# Joint cross-border and centralized procurement in times of crisis (an ongoing research)

- The case of the Joint Procurement Agreement (JPA)
- Introduced by Decision No 1082/2013/EU, now replaced by Regulation (EU) 2022/2371)
- Voluntary scheme for participating countries to jointly procure countermeasures against serious cross-border health threats



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## Il modello europeo degli acquisti congiunti nella gestione degli eventi rischiosi per la salute pubblica

The European joint procurement agreement (JPA) for coordinating responses to serious cross-border health threats



G. Sdanganelli, [Il modello europeo degli acquisti congiunti nella gestione degli eventi rischiosi per la salute pubblica](#), in DPCE online, n. 2/2020, 2323-2346



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## An evaluation of the effectiveness of the JPA model

- **Advantages:** improved cooperation between MS, third countries and EU, favorable prices and flexibility (e.g., PPEs)
- **Risks:** lack of coordination, duplication of procedures and disruption of supply chain
- **Poor data quality:** little data available on TED (only notices awarded without publication, due to urgency), concerns about lack of transparency



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR HEALTH AND FOOD SAFETY

Public Health  
The Director

**Subject:**

**Study on assessing the functioning of the Joint Procurement Agreement for purchasing medical countermeasures for cross-border health-threats – Consultation activities and treatment of personal data**



The study (2022) also involved a team of researchers from the University of Turin

## TED data (2020-2022)

### Contract notices of procurement awarded by the DG Sante under the JPA:

- **Personal protective equipment** (SANTE/C3/2020/015; SANTE/2020/C3/017; SANTE/2020/C3/025; 2021/S 092-237152)
- **Ventilators** (SANTE/2020/C3/018), **Laboratory Equipment** (SANTE/2020/C3/019)
- **Remdesivir** (SANTE/2020/C3/038; SANTE/2020/C3/048; HERA/2022/NP0001; 2022/S 142-405075)
- **Monoclonal antibodies** (SANTE/2020/C3/091; SANTE/2021/C3/04, SANTE/2021/C3/021, SANTE/2021/C3/014; HERA/2022/3/NP002)
- **Medical Equipment for Covid-19 Vaccination** (SANTE/2020/C3/055)
- **Rapid antigen tests** (SANTE/2020/C3/064)
- **Intensive care products** (SANTE/2020/C3/029)
- **Monkeypox vaccine** (2022/S 142-405075)
- **Nirmatrelvir** (2022/S 231-667110)
- **Heterodimer** (2022/S 139-395984; 2022/S 239-688348)

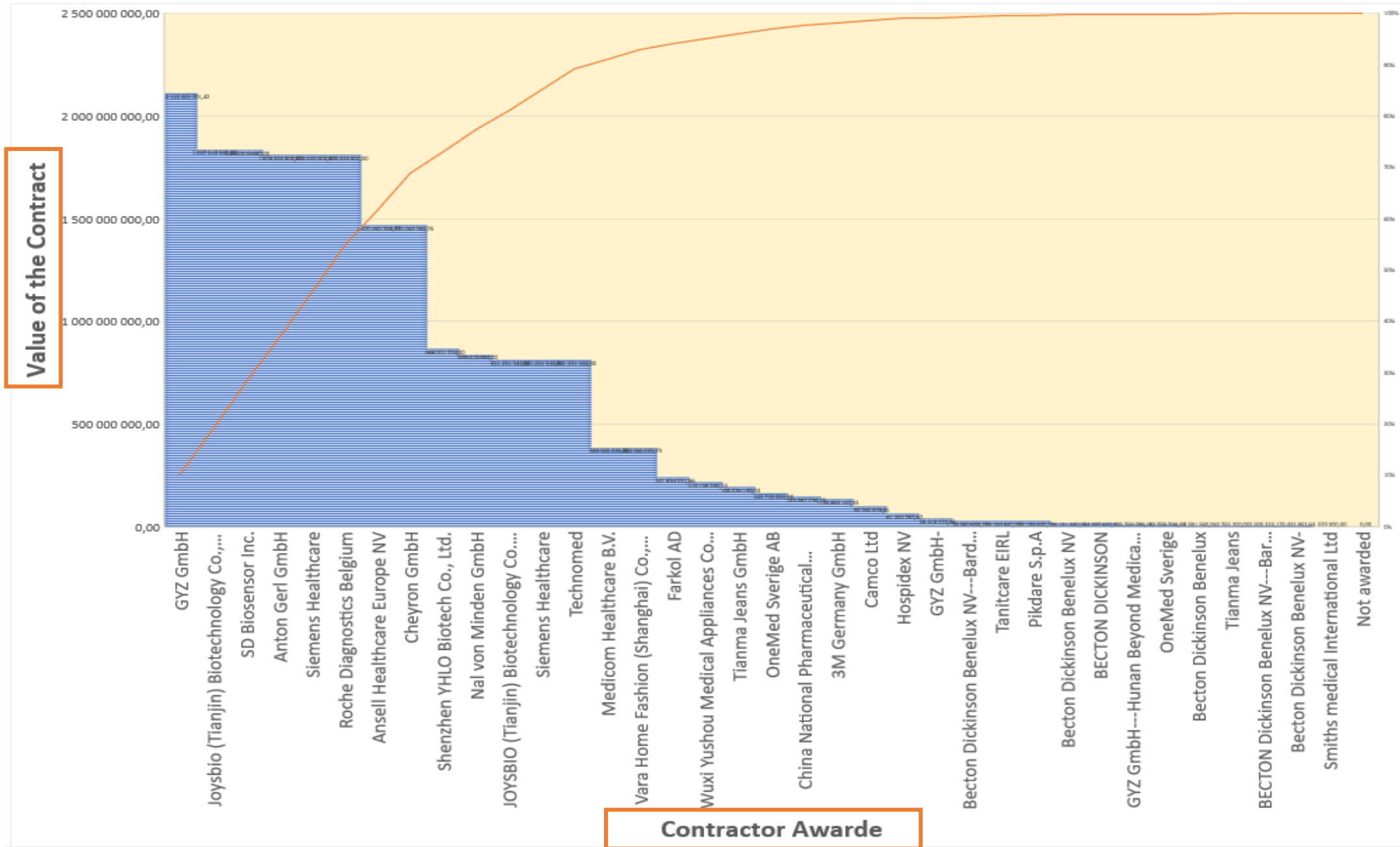


# DG Sante – TED Contract notices (2020)





# DG Sante – TED Contract notices (2021)

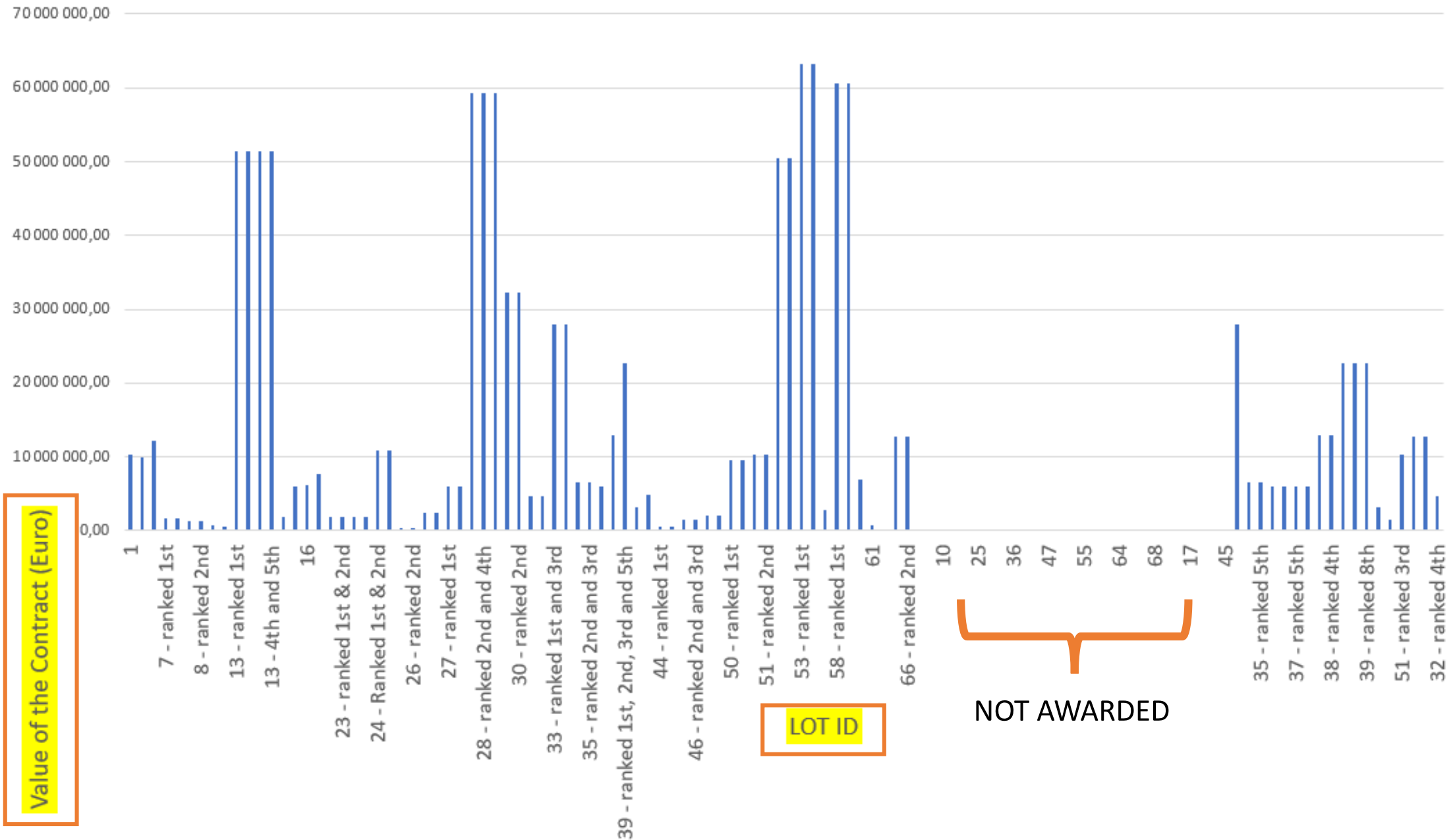




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# DG Sante – TED Contract notices (2022)

SANTE/2020/C3/029 FA – Medicinal Products for Intensive Care Patients – 68 lots (published 01.04.2022)





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# The new European Health Emergency preparedness and Response Authority (HERA)



Brussels, 16.9.2021  
COM(2021) 576 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN  
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE  
REGIONS**

**Introducing HERA, the European Health Emergency preparedness and Response  
Authority, the next step towards completing the European Health Union**



# The role of centralised procurement and HERA in response to the pandemic crisis



- HERA's mission and scope: to improve the **EU's ability to respond to natural and/or man-made threats** (nuclear threats, infectious diseases, risks by global population growth, climate change, pressures on land use, food production and agriculture...)
- HERA activities include addressing market challenges and improving the **EU strategy for the procurement and distribution** of essential medical countermeasures
- HERA will operate in two modes: 1) preparedness mode and 2) crisis mode



## HERA's preparedness mode

- HERA's **preparatory phase** includes the **stockpiling** of crisis medical countermeasures at EU level and an **inventory of production facilities**
- Stockpiling strategies require *cooperation between the EU and the Member States*, as well as *private-public collaboration*
- HERA will develop advanced **technological tools and digital** platforms for the accurate identification of the needs of the health supply chain (**physical and virtual stockpiling**)

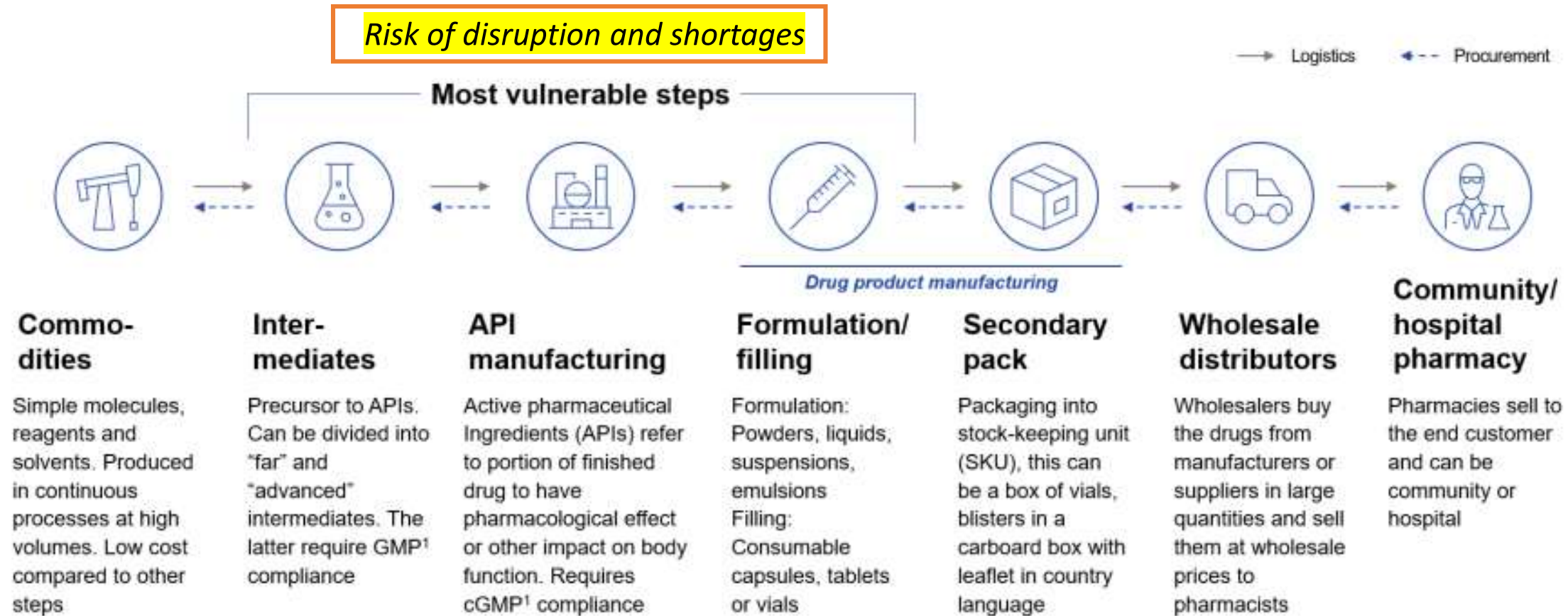


## HERA's preparedness mode

- Physical and virtual stockpiling models already tested in the past (eg., implementation of the **Virtual Stockpile Pooling** by the WHO 2009 during **swine flu pandemic**)
- **Key benefits of stockpiling:** real-time information on medicines availability; transparency in supply chain management against the risk of disruption and shortages due to **emergencies and/or unforeseeable events** (e.g., pandemic / other events: the blockage of the Suez Canal in March 2021)
- Possible solution: combination of virtual and physical stockpiling **and public-private partnerships** , supported by EU data monitoring and redistribution mechanisms

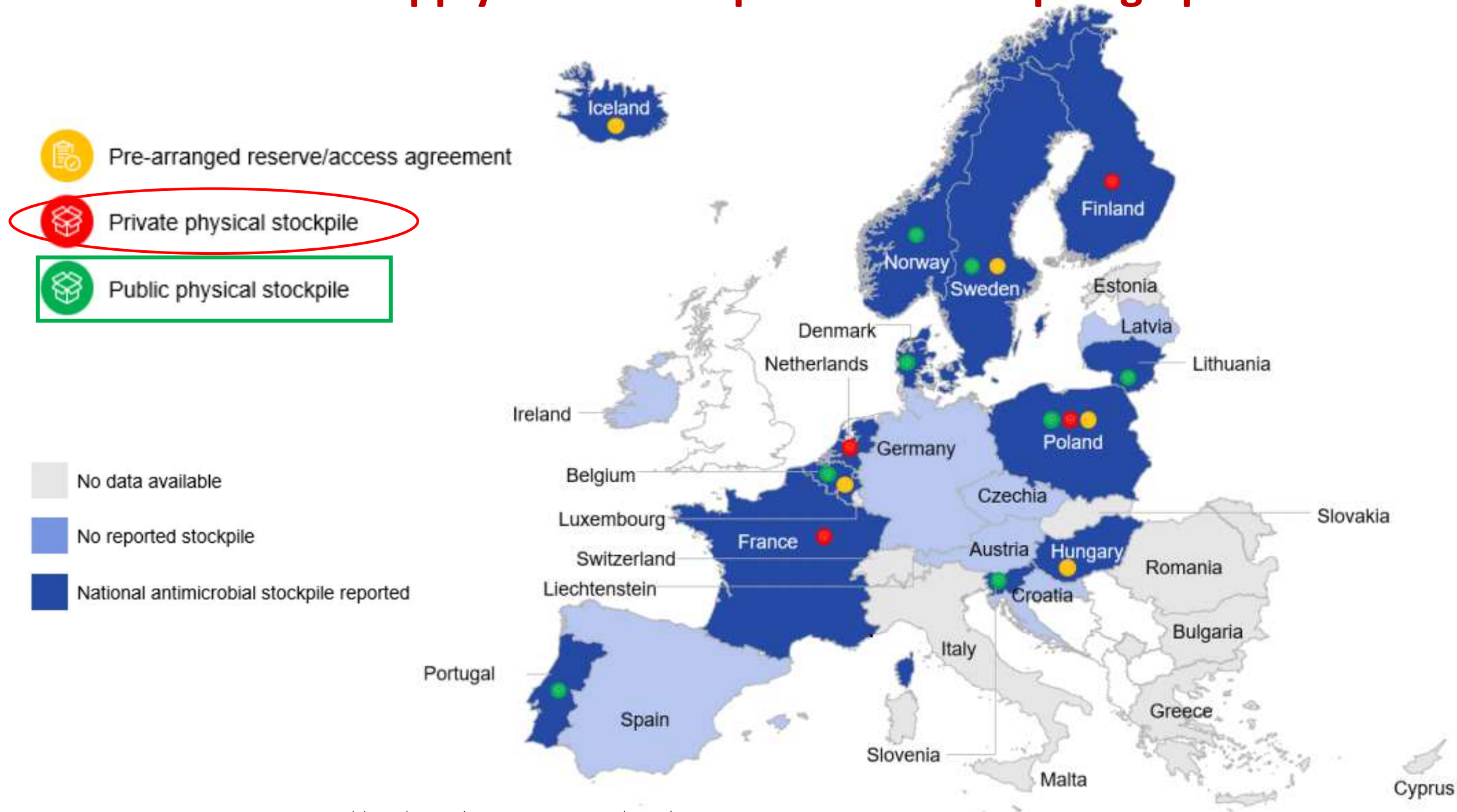


# Antibiotic supply chains and potential stockpiling options



Source: EU Commission, European Health and Digital Executive Agency (2022) [HERA AMR feasibility study on stockpiling: D1-D5 Final report](#), Publications Office of the European Union

# Antibiotic supply chains and potential stockpiling options



## HERA's crisis mode

- During the crisis mode, HERA will act as a central purchasing body, on behalf of the participating countries under the **JPA model**, as amended by the new Regulation on serious cross-border threats (Regulation (EU) 2022/2371)
- Aim: to **overcome fragmented efforts at EU level** and allow the timely access to crisis medical countermeasures
- HERA 2022 awards based on TED data (notices following **negotiated procedure without calling for competition**):
  - *'HIPRA'* vaccine for Covid-19 variants (ref. 2022/S 139-395984 and 2022/S 239-688348)
  - *'Remdesivir'* drug for Covid-19 treatment (ref. 2022/S 142-405075)
  - *Smallpox Vaccine* (ref. 2022/S 230-663924)
  - *'Nirmatrelvir'* drug for Covid-19 treatment (ref. 2022/S 231-667110)



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2022

CONTRACT  
NOTICES

Contract N°	Publication date	Title of the notice	Contracting Authority name	Procurement type	Framework agreement?	# Offers	Contractor awarded	Value of the Contract
HERA-PN-2022-0002	21/07/2022	Framework Contract for the Supply of a Bivalent Variant Vaccine, Recombinant Protein (Heterodimer Rbd) – HIPRA	HERA	Negotiated procedure without a call for competition	Yes	1	HIPRA Human Health SL	2 375 000 000,00
HERA/2022/NP/0001	26/07/2022	Framework Contract for the Supply of Veklury (Remdesivir) for the Treatment of COVID-19	HERA	Negotiated procedure without a call for competition	Yes	1	Gilead Sciences (Ireland, Slovakia, Belgium, Denmark, Finland, Hellas, Norway)	776 250 000,00
HERA/2022/NP/0004	29/11/2022	Framework Contract for the Supply of Modified Vaccinia Ankara–Bavarian Nordic (MVA-BN®), a Third-generation, Non-replicating Smallpox Vaccine	HERA	Negotiated procedure without a call for competition	Yes	1	Bavarian Nordic A/S	1,00
HERA/2021/3/002	30/11/2022	Framework Contract for the Supply of the Protease Inhibitor PF-07321332 (Nirmatrelvir) that is Co-packaged and Co-administered with the Pharmaceutical Product Ritonavir	HERA	Negotiated procedure without a call for competition	Yes	1	Pfizer Incorporated	1,00
HERA-PN-2022-0002	12/12/2022	Framework Contract for the Supply of a Bivalent Variant Vaccine, Recombinant Protein (Heterodimer Rbd) – HIPRA	HERA	Negotiated procedure without a call for competition	Yes	1	HIPRA Human Health SL	2 375 000 000,00



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## HERA's new DPS-PPEs

- In **June 2022**, HERA launched a pilot **Dynamic Purchasing System (DPS)** for a rapid and agile procurement of PPEs
- The DPS is based on a **fully digital process** that enables economic operators to pre-qualify and register within the system (**pre-qualification** will remain open for 4 years)
- Based on the results of the pilot, the EU Commission **may consider extending** the DPS **to other medical countermeasures**



EUROPEAN COMMISSION

DIRECTORATE-GENERAL FOR HEALTH EMERGENCY  
AUTHORITY

The Director General

Brussels

**Subject:**

**Invitation to participate  
Dynamic Purchasing System for the supply of Personal Protective  
Equipment (DPS-PPE)/Phase I; HERA-2022-3-001**

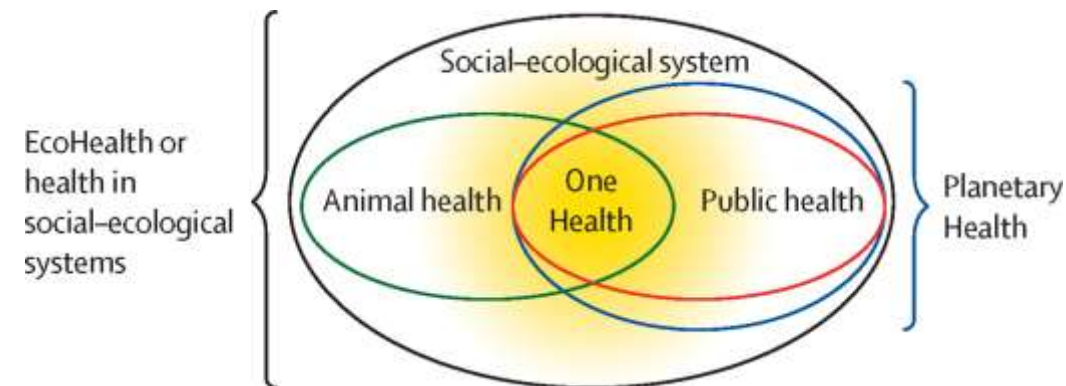


Source: EU Commission ([https://health.ec.europa.eu/latest-updates/european-health-union-hera-sets-dynamic-purchasing-system-more-effective-joint-procurement-ppe-2022-10-04\\_en](https://health.ec.europa.eu/latest-updates/european-health-union-hera-sets-dynamic-purchasing-system-more-effective-joint-procurement-ppe-2022-10-04_en))



# Aggregation of demand and digitalisation for a better dialogue with the industry

- **Administrative cooperation** and aggregation of public demand are crucial to face current and future cross-border threats (one health approach)
- **Data and digitalisation** are the key for better procurement outcomes (better management of procurement data and spending, transparency and accountability)
- **Better dialogue with industry** is needed, as at present operators sometimes resist procurement aggregation and related data, fearing a loss of influence on pricing
- The **Public Procurement Data Space** and the European Health Data Space can play a key role in supporting data sharing and coordination for facing future crisis (environmental, nuclear, digital...)





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THANK YOU

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