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Ms. Éilis Fallon
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

By e-mail only to: PAC@oireachtas.ie

21st May 2021

Re: S0307 PAC33

Dear Ms. Fallon,

I write in response to your letter of 21/04/2021.

As an appendix to this letter, and as requested, please find attached a breakdown of the non-compliant expenditure identified in the Annual Financial Statements for 2019.

By way of explanation and context, I wish to generally reiterate the reasons for residual non-compliant procurement offered to the Committee in respect of Beaumont Hospital's 2018 expenditure:

- 1) In the first instance, it is noted that the value of non-compliant expenditure for 2019 equated to 9.5% of the Hospital's total non-pay expenditure for the period, meaning that 90.5% of the Hospital's expenditure complied in full with the public procurement regulations. In 2019, the Hospital's level of compliant purchasing increased by 5.5% (or €8,125,598) compared to 2018 compliance levels.
- 2) The non-compliant expenditure incurred during 2019 involved only 102 distinct suppliers or service providers, a small portion of the Hospital's total supply base of 1,184 economic operators.
- 3) As is evident from the progress made towards full compliance between 2018 and 2019, the work of Beaumont Hospital's Procurement Department to formalise historic non-compliant purchase agreements is ongoing. It is expected that the level of compliant purchasing will continue to increase year-on-year.
- 4) In 2019, the Hospital conducted 44 advertised tendering procedures, all of which resulted in the award of formal contracts, while in 2020, 43 contracts were awarded following competitive tendering procedures. This level of procurement activity substantially exceeds that of any other

voluntary hospital and, indeed, compares favourably to the number of competitions conducted by any other body governed by public law for the period in question.

- 5) By way of comparison, the number of competitions published by each of the main Dublin voluntary hospitals for 2019 and 2020 is as follows (with data taken from the Irish government's Procurement Opportunities Portal, www.etenders.gov.ie):

Organisation	No. of Tendering Procedures Conducted	
	2019	2020
Beaumont Hospital	44	43
St. James's Hospital	31	21
Mater Misericordiae University Hospital	6	5
St. Vincent's University Hospital	14	5
Tallaght Hospital	6	6

- 6) It must also be noted that compliance with the public procurement regulations poses a greater challenge to the health sector than to most other public sector organisations. Historically, the over-arching remit to provide rapid clinical care, coupled with the absence of an effective centralised purchasing model managed by the HSE, have dictated that local purchases were occasionally made, of necessity, without recourse to formal tendering procedures.
- 7) Regarding the suppliers and service providers listed in the appendix to this letter, you will appreciate that no formal long-term contracts have been awarded by Beaumont Hospital. The majority of this expenditure was incurred by way of ad-hoc, repetitive purchasing of a number of comparatively low-value items. The award of long-term contracts to particular suppliers or service providers without recourse to competitive tendering has never been the practice of Beaumont Hospital.
- 8) Large portions of the non-compliant expenditure incurred during 2019 concerned situations in which the Hospital's clinicians identified a particular item as being the optimum product for use in the treatment of a specific patient or cohort of patients. Illustrative examples in this regard are as follows:
- In the case of Fannin (€722,334), the expenditure concerned in excess of 300 different medical, laboratory and pharmaceutical products, ordered in varying multiples on an as-needed basis. The products included dressings, wipes, surgical procedure packs, infusion consumables, ET tube connectors, sterile surgical gloves, examination gloves and drapes. These products were selected by clinicians based upon their suitability for Beaumont Hospital's patient cohort and individual patient needs. The sheer volume of comparatively low value products involved dictates that selecting lots for tender poses considerable operational difficulties.
 - In the case of Boston Scientific (€563,727), the expenditure concerned c. 150 different

high-end cardiology and radiology products that were deemed clinically appropriate for particular patient requirements by Beaumont Hospital's medical and surgical staff. Varying multiples of these products were ordered on an as-needed basis. The products in question included stents, balloons, balloon catheters, angio-catheters, guiding catheters, dilation catheters, pacemakers, biliary stents and guide wire.

- In the case of Healthcare 21 (€296,189), the expenditure concerned in excess of 80 different medical and physiotherapy products, ordered in varying multiples on an as-needed basis. The products in question included airways, laryngeal masks, tracheostomy tubes, suction catheters, dressings, nebulisation consumables, pulse oximetry sensors, bandages, gowns, splints, back supports and disposable suction liners.

All medical and surgical device suppliers detailed in the appendix to this letter are associated with similar explanations; namely, in each instance, on grounds of clinical preference, the most suitable consumable to treat a particular patient was purchased by the Hospital.

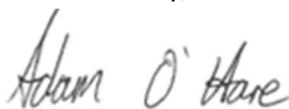
- 9) The appendix to this letter also details expenditure incurred with various recruitment and personnel placement firms (i.e., Access Nursing Limited, FM Jobs Agency, FRS Recruitment Society and Premier Recruitment International). While Beaumont Hospital has access to both the HSE's medical agency framework agreements and to its own independent compliant personnel placement framework agreements, severe national constraints upon the supply of nursing and other healthcare staff dictate that the Hospital, from time-to-time, sources such personnel from any available vendor.

It is pointed out that staff placement services fall within Annex XIV of Directive 2014/24/EU, in that they do not have automatic cross-border interest and are not subject to the detailed provisions of the public procurement regime. Consequently, only limited obligations concerning transparency are imposed by Article 74 of Directive 2014/24/EU upon a public body tendering for these services. Nonetheless, Beaumont Hospital is continually reviewing its approach to tendering for staffing services in order to ensure the greatest possible levels of compliance and transparency.

In conclusion, I wish to assure the Committee that Beaumont Hospital is fully cognisant of its obligations under the European and domestic public procurement regimes and strives to ensure value-for-money, compliance and the mitigation of risk across all of its purchasing activities.

Should you have any further queries in relation to this matter, please do not hesitate to contact me.

Yours sincerely,



Adam O' Hare
Director of Finance & Procurement
Beaumont Hospital

APPENDIX – BREAKDOWN OF EXPENDITURE BY SUPPLIER

SUPPLIER	€
3M IRELAND LIMITED	140,242
ABBOTT MEDICAL	140,448
ACCESS NURSING LIMITED	187,765
ACCUSCIENCE (IRL) LTD	296,288
ADVANCED MEDICAL PARTS LTD	34,400
ALN - IMPLANTS CHIRURGICAUX	31,876
AQUILANT MEDICAL	89,168
AQUILENT SCIENTIFIC	216,481
ARCROYAL UC	118,043
ARMSTRONG MEDICAL SERVICES LIMITED	25,064
B BRAUN MEDICAL LTD	43,351
B. BRAUN AVITUM	29,602
BARD LIMITED	51,509
BAXTER HEALTHCARE LIMITED	44,280
BECKMAN COULTER	98,088
BECTON DICKINSON UK LTD	33,654
BELTECH INDUSTRIAL LTD	53,719
BIOMERIEUX UK	54,158
BIOVENTUS COOPERATIEF U.A.	47,500
BOSTON SCIENTIFIC	563,727
BRENDAN CUTHBERT LIMITED	32,783
BUNZL SUPPLIES IRELAND LTD	267,988
CARDIAC SERVICES (IRL) LTD	99,411
COFFEY HEALTHCARE LTD.	42,707
CONAL DEVINE & ASSOCIATES	25,240
CONMED	39,712
COOK MEDICAL EUROPE LTD	67,046
CROSBIE REFRIGERATION & AIR CONDITIONER	159,405
CRUINN DIAGNOSTICS LTD	356,778
DISPOSE-ALL LTD	33,389
EDWARDS LIFESCIENCES LTD	105,846
EMERALD HEALTHCARE LTD	74,396
ETHOS MEDICAL PRODUCTS	32,390
FANNIN LTD.	722,334
FISHER & PAYKELL HEALTHCARE LTD	62,290
FLEETWOOD HEALTHCARE	102,280
FM JOBS AGENCY	33,120
FRS RECRUITMENT SOCIETY LTD	38,219
GS MEDICAL LTD	153,957
HEALTHCARE 21 (TYCO)	296,189
HOSPITAL SERVICES LTD.	114,159
HUMANCARE LIMITED	128,064

ILLUMINA CAMBRIDGE LTD	115,167
INDUSTRIAL WATER MANAGEMENT LTD	41,943
INTEGRA (CUSA) LIFESCIENCES	212,641
INTEGRITY SOLUTIONS	99,078
INTOUCH CONTROL SYSTEM	25,387
INVACARE IRELAND	48,995
IRISH HOSPITAL SUPPLIES	128,700
IRISH MERCHANTS LIMITED	49,406
ISKUS HEALTH LTD	63,596
J S DOBBS & CO LTD	82,273
JOHN BANNON	51,325
JOHNSON & JOHNSON (IRL) LTD	115,294
KEYMED (IRELAND) LTD	66,771
LIP-FANNIN HEALTHCARE	26,659
LIVANOVA UK LTD	328,584
LYNCH MEDICAL SUPPLIES	78,899
M.E.D. SURGICAL LTD	198,053
MEDICAL DIAGNOSTIC INSTRUMENTS LTD	131,744
MEDICAL SUPPLY CO. LTD	39,447
MEDICAPP HEALTH SOLUTIONS IRELAND LTD	173,039
MEDILEX LTD	50,783
MEDI-STER LTD	67,806
MEDTRONIC IRL LTD	685,806
MMS MEDICAL LTD	44,052
NATURGY	2,462,992
NEWCORP COMPUTER SERVICES TLD	107,515
OXYCARE LTD	41,300
OXYGEN-CARE TEO	31,194
P J BRENNAN AND CO LTD	81,507
PAT COAKLEY SURGICAL LTD	131,037
PATRON DISTRIBUTORS LTD	45,013
PEI SURGICAL LTD	155,178
PLANNET 21 COMMS. LTD	150,036
POLBROOK TRADING LTD	39,477
PREMIER MEDICAL LTD	46,631
PREMIER RECRUITMENT INTL.	53,268
Q M S CONSULTING SERVICES	93,129
ROCHE DIAGNOSTICS LTD	143,337
RYCOL MEDICAL LTD	263,199
SEROSEP LIMITED	62,067
SEVERN HEALTHCARE	42,519
SINGLE USE SURGICAL	48,345
SYNAPSE MEDICAL	46,725
SYNERGY SALES & MARKETING LTD	27,024
SYSMEX UK LTD	232,351

TECHNO-PATH DISTRIBUTION LTD	28,969
TEKNO SURGICAL LIMITED	201,296
TERUMO	213,354
THERMOFISHER DIAGNOSTICS IRELAND LTD.	92,929
TLC CENTRE LTD	31,853
UNIPHAR GROUP	426,257
UNIPHAR WHOLESALE (CAHILL MAY ROBERTS)	56,197
UNITED DRUG LTD SUPPLIES	61,838
VERNON MEDICAL	74,953
VIRGIN MEDIA IRELAND LIMITED	89,086
VYGON IRELAND LIMITED	51,205
WORD PERFECT TRANSLATION SERV LTD	107,777
ZEUS PACKAGING	65,213
ZIMMER LTD	42,976
TOTAL	14,060,267