

Crown Commercial Service

Call-Off Order Form for RM6187 Management Consultancy Framework Three (MCF3)

Framework Schedule 6 (Order Form and Call-Off Schedules)

Order Form

Call-off reference: **C124057**

The buyer: **NHS England**
Buyer address: **Quarry House, Quarry Hill, Leeds, LS2 7UE**

The supplier: **PA CONSULTING SERVICES LIMITED**
Supplier address: **10 Bressenden Place**
London
SW1E 5DN

Registration number:
DUNS number:
Sid4gov id:

Applicable framework contract

This Order Form is for the provision of the Call-Off Deliverables and dated the date is is e-signed but effective as of the Call-off Start Date.

It is issued under the Framework Contract with the reference number RM6187 for the provision of management consultancy services.

Call-off lot:

Lot 4 Finance

Call-off incorporated terms

The following documents are incorporated into this Call-Off Contract.

Where schedules are missing, those schedules are not part of the agreement and can not be used. If the documents conflict, the following order of precedence applies:

1. This Order Form including the Call-Off Special Terms and Call-Off Special Schedules
2. Joint Schedule 1(Definitions and Interpretation) RM6187
3. The following Schedules in equal order of precedence:

Joint Schedules for RM6187 Management Consultancy Framework Three

- Joint Schedule 1 (Definitions)
- Joint Schedule 2 (Variation Form)
- Joint Schedule 3 (Insurance Requirements)
- Joint Schedule 4 (Commercially Sensitive Information)
- Joint Schedule 10 (Rectification Plan)

Call-Off Schedules

- Call-Off Schedule 7 (Key Supplier Staff)
- Call-Off Schedule 9 (Call-Off Security)
- Call-Off Schedule 20 (Call-Off Specification)

4. CCS Core Terms (version 3.0.10)
5. Joint Schedule 5 (Corporate Social Responsibility)
6. Call-Off Schedule 4 (Call-Off Tender) as long as any parts of the Call-Off Tender that offer a better commercial position for the Buyer (as decided by the Buyer) take precedence over the documents above.

Supplier terms are not part of the Call-Off Contract. That includes any terms written on the back of, added to this Order Form, or presented at the time of delivery.

Call-off special terms

None

Call-off start date: 3rd February 2023

Expected Call-off expiry date: 31st March 2023

Call-off initial period: 2 months

Call-off Deliverables

Stated within Call-Off Schedule 4 (Call-Off Tender) and Call-Off Schedule 20 (Call-Off Specification). Appended as Annex A and Annex B at the end of this document.

Maximum liability

The limitation of liability for this Call-Off Contract is stated in Clause 11.2 of the Core Terms.

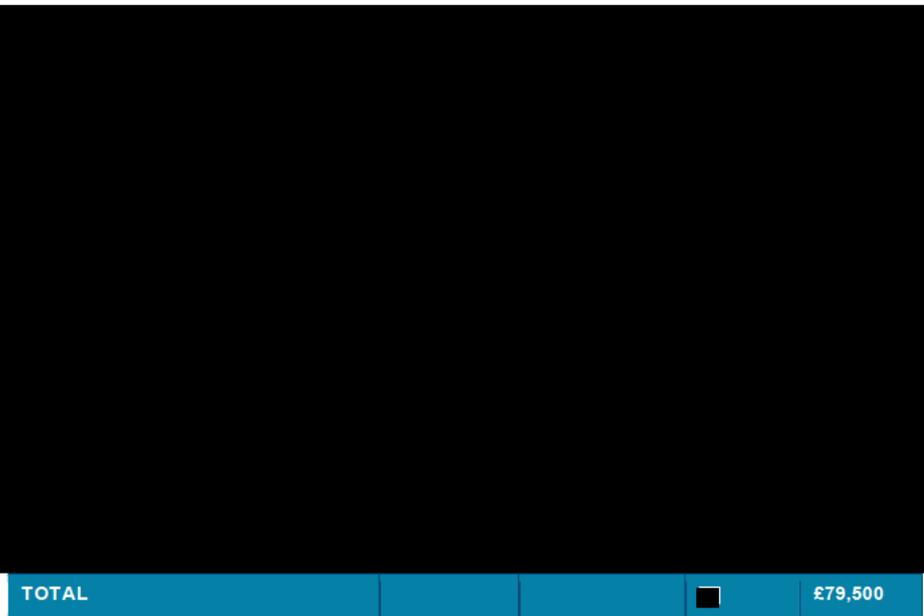
The Estimated Year 1 Charges used to calculate liability in the first contract year are: £80,000

Call-off charges

All changes to the Charges must use procedures that are equivalent to those in Paragraphs 4, 5 and 6 (if used) in Framework Schedule 3 (Framework Prices)

The Charges will not be impacted by any change to the Framework Prices. The Charges can only be changed by agreement in writing between the Buyer and the Supplier because of:

- Specific Change in Law



TOTAL				£79,500
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Reimbursable expenses

Recoverable as stated in Framework Schedule 3 (Framework Prices) paragraph 4.

Payment method

The Supplier will invoice the Buyer on completion of the work.

NHS England will pay correctly addressed and undisputed invoices within 30 days in accordance with the requirements of the Contract. Suppliers to NHS England must ensure comparable payment provisions apply to the payment of their sub-contractors and the sub-contractors of their sub-contractors.

General requirements for an invoice for NHS England include:

- A description of the good/services supplied is included.
- NHS England's reference number/Purchase Order number is included.

The Provider will be expected to submit all invoices via NHS England's e-Invoicing Platform in accordance with e-Invoicing Guidance or via an alternative PEPPOL-compliant e-invoicing system.

Useful Link at: <https://tradeshift.com/supplier/nhs-sbs/>

Buyer's invoice address

NHS England,
X24 Payables K005,
Phoenix House,
Topcliffe Lane,
Wakefield,
WF3 1WE

Buyer's authorised representative



Buyer's security policy

Information Security Policy Version number: v2.0 Available online here: [information-security-policy-v4.0.pdf \(england.nhs.uk\)](https://www.england.nhs.uk/information-security-policy-v4.0.pdf)

All processing of Buyer data shall be conducted on Buyer Assets which Buyer shall configure to prevent/minimise data loss and/or corruption.

Supplier's authorised representative



Supplier's contract manager



Progress report frequency

See Call Off Schedules 4 and 20 or otherwise agreed between the Parties.

Progress meeting frequency

See Call Off Schedules 4 and 20.

Key staff



Key subcontractor(s)

N/A

Commercially sensitive information

- [Redacted]

[Redacted]

[Redacted]

- [Redacted]

[Redacted]

[Redacted]

What do you anticipate the key challenges to be in delivering this work and how will you overcome these?

Supplier Response (word count = 500/500)

[Redacted]

- [Redacted]

[Redacted]

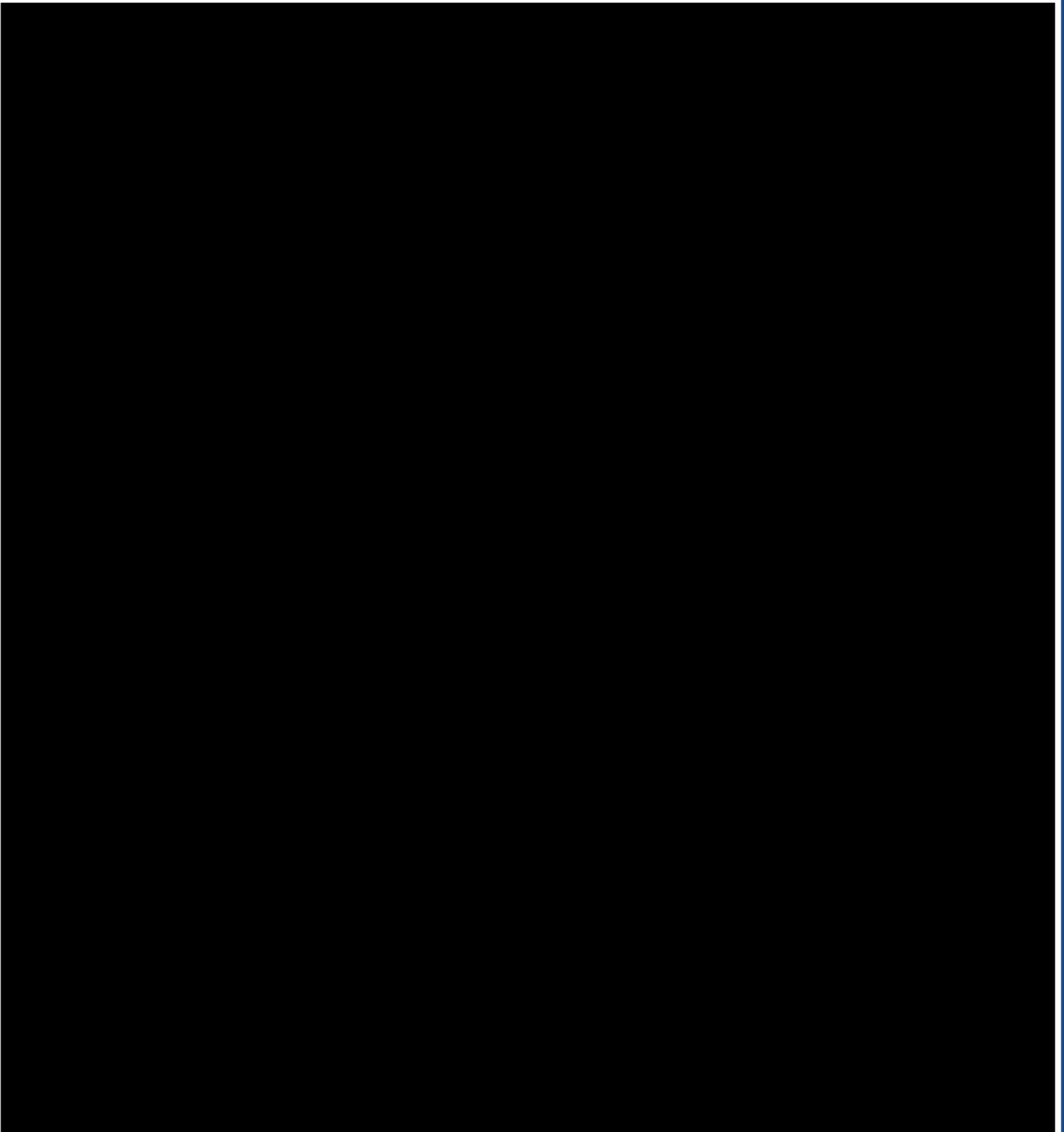
Question 3

Question %
Weighting

10

How will you resource and manage the proposed provision and meet the delivery timetable?

Supplier Response (word count = 500/500) (300 in image)



[REDACTED]	[REDACTED]	[REDACTED]

[Redacted text block containing multiple paragraphs and bulleted points]

Annex B

Call-Off Schedule 20 (Call-Off Specification)

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract.

The Requirement is detailed below which provides background to the project/business need, the standards or specification required alongside the essential supplier skills and the objectives of the requirement.

Background Information:

Medicines represent the second biggest expenditure in the NHS, after workforce, with £17.2bn spent in England in 2021/22. To constrain the cost of branded medicines, a voluntary scheme is negotiated regularly (generally at 5 year intervals) with the industry representative, the Association of the British Pharmaceutical Industry (ABPI), referred to as the [Voluntary Scheme for Branded Medicines Pricing and Access \(VPAS\)](#). The current scheme is due to conclude in 2023, with a successor scheme to be agreed and start from 2024. This is supplemented by a statutory scheme, which covers sales by companies that choose not to join the voluntary scheme. The schemes are negotiated on the behalf of the UK.

The current affordability mechanism agreed as part of the 2019 VPAS has protected the NHS from higher than anticipated levels of growth in spend on the medicines covered by the scheme, resulting in considerable rebate payments being made by industry to the NHS. However, the result of the existing scheme is likely to put pressure on the negotiations of a successor scheme. As a result, it is likely that a more innovative affordability mechanism is required to meet the NHS's/Governments objective and still be attractive to industry. This will increase the need for more complex analysis and modelling to support negotiations.

Securing a good successor deal with industry, and ensuring that the statutory provisions are fit for purpose, will be essential to maintaining control of the branded medicines budget, and supporting the continued prioritisation of the UK market by the global pharmaceutical industry (particularly in light of the post-Covid and Brexit environment).

The ability of any successor voluntary scheme to effectively constrain the costs of branded medicines to the NHS, and support the wider access innovation environment, whilst also gaining the support of the life-sciences industry, will be dependent on robust quantitative analysis to estimate the cost to the NHS of various policy options related to future scheme design.

Standards and Service Specification:

For the negotiation of the current 2019 VPAS, DHSC developed a medicine spend forecast model to understand future growth in gross medicine spend. An updated version of this model will be used during the negotiations of the 2024 VPAS.

The medicine spend forecast model then allows for the spending implications of affordability mechanism options to be considered by applying additional assumptions on top of the forecast.

Quality assurance (QA) of the medicine spend forecast model is necessary in order to give stakeholders confidence in the analysis and to help minimise financial risk to the NHS. The quality assurance will need to comprehensively review the underpinning logic and workings of the forecast.

The medicine spend forecast model is an England level forecast of total spend on medicines covering the period up to the end of the next VPAS (end 2028). The model uses historic spend data on medicines in primary care (PCA) and secondary care (Pharmex) as a base for forecasting future spend and utilises both deterministic and probabilistic modelling approaches. The model has been developed using Python.

Quality assurance of the Medicine Spend Forecast Model

The provider will be expected to produce a comprehensive quality assurance of the model's conceptual design and a full technical QA of the processes and calculations. This is to include:

Model validation

- Full validation of the model's existing conceptual design to ensure the logic is valid for the use cases of the model.
- Assessment of the quality of the input data sources and the way in which these are combined for use in the forecast model.
- Critical analysis of the main assumptions made for the purposes of forecasting.

Model verification

- Full verification of the processes that underpin the medicine spend forecast model.
- A full review of the code, from the processing of input data through the estimation and production of forecast outputs, to identify and potential errors.
- Assessment of whether the model processes are aligned to the conceptual design of the model.

The provider will be expected to provide a full QA report with the activities undertaken and the findings of the model validation and verification work. This document will outline any issues identified during the QA which have implications for the forecast outputs. Where issues have been identified, the QA report will:

- Qualitatively/quantitatively assess the impact on forecast outputs.
- Proposed recommendations and solutions to address identified issues.

The QA should be produced recognising the principles of the [HMT Aqua Book](#).

Development of a dynamic front end tool to model policy options

There are a number of different affordability mechanism designs and exemptions/definitions that could be considered when designing the next VPAS. This can result in a large number of combinations of scenarios which need to be modelled, potentially in real time, as negotiations progress. As such, a dynamic tool is required to be able to consider all options and output results efficiently and accurately.

The desired tool would allow for stakeholders to select various option design parameters with a dashboard-style output showing the results, in terms of spend and other metrics, associated with the chosen parameters.

Certain policy options may also influence the underlying level of gross spend, meaning the tool would need to be built onto the medicine spend forecast. In addition, certain policy options may be expected to result in interactions with exemptions and/or first and second order behavioural impacts and the tool would require the flexibility to be model the implications of this.

The provider will be expected to produce a dynamic analytical tool which has the functionality to:

- Consider different affordability mechanism designs applied on top of the spend forecast, e.g. an allowed growth rate as in the current VPAS, with the ability to consider different levels/rates for each option.
- Consider option designs which by nature will impact the underlying level of medicines spend.
- Model exemptions from the scheme, e.g. new active substances, exceptional central procurements, with ability to change the definitions and levels related to each exemption.
- Ability to apply differential option designs to subgroups of spend.
- Ability to consider behavioural responses to certain option designs over the course of the scheme.
- Ability to consider break even analysis across different option designs, i.e. what parameters of option design A are required in order to achieve the same total spend as estimated for option design B.

The tool will need to be designed in a way such that it fully incorporates interactions between different elements of the forecast and policy options, e.g. how do potential behavioural impact influences the amount of spend that is covered by an exemption.

The tool would need to output a number of results for each option design, including:

- Medicine spend under the options considered:
 - Gross spend and spend net of any rebates
 - Total and branded spend
 - England and UK estimates of spend
- Payment percentages where relevant

Upon completion, the tool will be then be fully handed over from the provider to NHSE.

Essential Skills Deliverables:

The supplier will be expected to have the following skills and experience:

- Knowledge and experience of conducting projects related to the pharmaceutical sector and pharmaceutical product lifecycles.
- Familiarity and understanding of the affordability mechanism of the current VPAS, including how the scheme operates, which products are included/exempt and the implications for total medicine spend.
- Experience working with data related to pharmaceuticals, including spend, volume and pricing data.
- Experienced quantitative analysts with working knowledge of range of statistical and econometric methods
- Experience in the quality assurance of business-critical analytical models, including both model validation and model verification.
- Knowledge of the methods of quality assurance as set out in the HMT Aqua Book.
- Strong quantitative analytical skills, including the use and development of both deterministic and probabilistic forecasting techniques.
- Experience and skills in the development of dynamic, front-end analytical tools to model policy options with a number of varying parameters.
- Strong experience in the use of the Python coding language.
- Ability to carry out robust desk research.
- Communication skills, both verbal and written (writing recommendations, QA documents).
- Project management skills.

Deliverables:

The supplier will be required to deliver the following activities:

1) Quality assurance of medicine spend forecast model

- Model validation – full assessment of the existing approach to forecasting medicine spend, including the strengths and limitations.
- Model verification – full assessment of the code and calculations that underpin the medicine spend forecast model:
- Development of a comprehensive quality assurance document which identifies the strength and weaknesses of the existing modelling approach and sets out recommendations for improvement where necessary.

2) Front end analytical tool to model policy options

- Dynamic options tool which can consider the impact of various affordability mechanism designs on top of the underlying medicine spend forecast.
- Tool with an interactive front-end for use by NHSE and DHSC which allows users to specify a range of parameters related to VPAS option designs and understand the spending implications associated at various levels.
- Tool requires the flexibility built in to allow for:
 - Modelling options on top of spend forecast, e.g. allowed growth rates, fixed payment percentages etc.
 - Modelling options which influence the underlying forecast spend
 - Modelling of exemptions from options
 - Behavioural impacts resulting from option designs
- A full report/documentation associated with the tool to explain to the customers how the product has been built and explain code processes.
- Upon completion, the tool will be then be fully handed over from the provider to NHSE. The provider should also be expected to provide support in the handover process, e.g. providing demos and technical support.
- The Supplier confirms and agrees that all Intellectual Property Rights in and to the deliverables, material and any other output developed by the Supplier as part of the Services in accordance with the Specification and Tender Response Document, shall be owned by the Authority. The Supplier hereby assigns with full title guarantee by way of present and future assignment all Intellectual Property Rights in and to such deliverables, material and other outputs. The Supplier shall ensure that all Staff assign any Intellectual Property Rights they may have in and to such deliverables, material and other outputs to the Supplier.

Formation of call off contract

By signing and returning this Call-Off Order Form the Supplier agrees to enter a Call-Off Contract with the Buyer to provide the Services in accordance with the Call-Off Order Form and the Call-Off Terms.

The Parties hereby acknowledge and agree that they have read the Call-Off Order Form and the Call-Off Terms and by signing below agree to be bound by this Call-Off Contract.



For and on behalf of the Buyer: