

Meg Hillier MP
Chair of the Public Accounts Committee
By email

May 20th 2021

Dear Ms Hillier,

I am writing in response to your letter dated 30 April 2021.

Below I have provided answers to your questions where they are relevant to Uniserve's commercial engagement with the Government during the Covid-19 pandemic. I hope they are valuable to you and the Committee in understanding our experience working with the Government during this period.

I am happy to expand on the answers, or any other areas of interest to the Committee, in my oral evidence.

I note your intention to publish this response and I confirm that I am content for you to do so.

1. Did your company have experience of providing health-grade PPE before the pandemic? If yes, please provide details.

Uniserve is the UK's leading global logistics and trade management provider, and one of the largest British-owned freight and supply chain companies in the world. Uniserve was founded by me in 1984 and we are experts in supply chain management and the international movement of goods. We work across multiple industries including, importantly – healthcare.

Of particular value to the Government at the outset of the pandemic was our ability to transport goods from China and Europe into the UK when others couldn't. Uniserve has a wide network of customers and suppliers around the world which include relationships with factories that produce health-grade PPE.

Our first call for help from the DHSC was not related specifically to buying PPE, it was to move medical ventilators from China to the UK. Having responded without hesitation to support during the crisis and having fulfilled everything we promised on urgent international deliveries, we were asked to urgently move more goods (now including PPE) from China, Europe, and the rest of the world.

Once we had demonstrated our global expertise and infrastructure across air and road freight and proven we could deliver what the DHSC needed under virtually impossible market conditions, we were asked to source PPE, as well as transporting PPE by all modes of transport that had been purchased by the DHSC from other suppliers.

2. During 2020, were you able to rapidly produce PPE or source it with the correct certification from reliable manufacturers or intermediaries?

If yes, please explain how you did this.

Yes, that is correct. All the PPE we supplied was approved by the DHSC prior to ordering. This included each product going through extensive checks of factories, certification and specification to meet all the standards that had been set by the DHSC. All the products were subsequently quality checked at each factory and were given satisfactory approval for dispatch.

We were able to do this because of our significant experience in global supply chains and procurement, especially operating in markets where a lot of PPE is made, such as China.

Our global relationships and credibility have been built over nearly four decades of working with manufacturers both overseas and in the UK. The underlying reason why Uniserve was able to deliver what the DHSC needed at the outset of the pandemic is because of our global reputation, our vast market knowledge, our willingness to support on the crisis response and our established services and facilities covering the entire supply chain operations from production to end user (in this case, the frontlines of the NHS).

We provided more than just international transport or the supply of PPE, we manage the entire DHSC PPE supply chain. Our technology and professional services were implemented for the DHSC to support the management and quality control on PPE being procured from all suppliers.

3. Did you make an offer to supply PPE to the Department of Health & Social Care or to the Cabinet Office? If you did, did you receive a response?

In the first instance, DHSC approached Uniserve on 22nd March 2020. The first request was to help transport ventilators that they had bought from China to the UK. At the time the DHSC could not find a way to bring the equipment to the UK.

This was completed in a very short timescale that others could not offer or achieve and as a result the DHSC became very confident in Uniserve's capabilities and willingness to get things done.

Subsequently, discussions began with the DHSC about how Uniserve could help with the supply of PPE.

Once the DHSC became confident in our global ability during the crisis and we gave our professional advice on what was needed, we were asked to take on more responsibility. The contract values that have been published and reported in the media were not awarded in one go. They are the result of incremental requests based on a proven track record of delivery across a vast array of services.

Please describe the response and in what time frame it was received.

N/A

Do you think the Department of Health & Social Care's supplier checking process was set at an appropriate level for new suppliers to enter the market?

Uniserve manages thousands of companies' supply chains every day and there are huge variances to every company's processes. In my opinion, particularly taking into consideration the extreme circumstances, I think that the DHSC did a good job with the resources they had at their disposal.

Our own experience of the initial supplier checking process was a major benefit to the DHSC as it allowed us the insight to give constructive feedback and advice on how to improve the efficiency of how all vendors were managed.

We found the initial process for product and supplier verification of PPE to be acceptable given the immense pressure and urgency of the situation.

I would reiterate that Uniserve's supply chain management system, professional services and freight services that the DHSC implemented for their PPE procurement efforts enable them to track and control all suppliers more effectively.

If you did not receive a response, please indicate

N/A

4. Did you make your offer through the Department of Health & Social Care's normal process/portal for supplier offers and/or through other routes (for examples via a minister, MP or senior official)?

As we stated in our answer to question three, the initial request was made by DHSC to Uniserve, rather than the other way around.

Subsequent additional requests, contract and extensions have been awarded because Uniserve demonstrated our expertise and established good working relationships within the DHSC and associated departments and has a proven track record of delivering.

For the avoidance of doubt, Uniserve had not sought to market its services to Government via ministers, MPs or senior officials.

If you did make an offer through the Department of Health & Social Care's process or through these other routes, please describe the response and in what time frame it was received.

N/A

5. Were you awarded a contract to provide PPE or PPE-related services? If yes, please describe: What you were contracted to provide and when;

In order to help the Committee understand our current engagement with Government and how it has grown over time we have provided the Committee with the below timeline:

22 March 2020 – DHSC procurement official made an initial approach to Uniserve to determine whether we could transport ventilators from China to the UK.

23 March 2020 – The following day the ventilators were organised for airfreight from China to the UK.

Operating in a rapidly changing environment where speed is of the essence, Uniserve was subsequently given work orders to transport (via air and road) medical equipment and PPE bought by the DHSC from China and Europe to the UK.

31 March 2020 – Uniserve was awarded a freight contract effective 31st March 2020 to transport products bought by the DHSC from other suppliers to the UK. The scale of requirements was not visible at this stage and the size of the operation evolved over the coming weeks and months. The size and complexity of the freight operation should not be underestimated, especially at a time when there was a global rush for air, sea and rail space and a massive reduction in carrying capacity due to the pandemic.

- Uniserve freight services contract (£572.89 million), 31/03/20 – 31/12/21

3 April 2020 – Air freight charter program commenced, building up to 5 charter flights per day from China.

14 April – 1 June 2020 – Uniserve is awarded seven PPE procurement contracts.

- Uniserve PPE contract – goggles and face masks (£7.125 million), 14/04/20 – 14/04/20
- Uniserve PPE contract – face masks (£69.6 million), 14/04/20 – 14/04/20
- Uniserve PPE contract – gowns and aprons (£10 million), 14/04/20 – 14/04/20
- Uniserve PPE contract – gowns and gloves (£86.2 million), 17/04/20 – 17/04/20
- Uniserve PPE contract – gloves and aprons (£13.5 million), 20/04/20 – 20/04/20
- Uniserve PPE contract – aprons (£14.4 million), 25/05/20 – 31/07/20
- Uniserve PPE contract – face shields and goggles (£103.04 million), 01/06/20 – 05/06/20

24 April 2020 – DHSC signs up to the Uniserve One World System, our proprietary supply chain management system. This gives the DHSC the capability of managing vendors, optimizing supply chains and tracking shipments via one fully integrated online live platform.

May 2020 – Uniserve commenced rail freight building up to five full charter trains per week.

June 2020 – Uniserve commenced sea freight shipping building up to approx. 15,000 containers of PPE to the UK.

The volume by air, rail and sea movements to date are huge, Uniserve has managed nearly 1,000 full air charter flights and approx. 17,000 containers loaded with PPE by rail and sea to meet demand.

18 June 2020 – Crown Agent appointed to oversee all services Uniserve were providing as we were recognised as a large supplier.

30 March 2021 – Uniserve's freight contract is extended until 31st December 2021.

Uniserve has managed and delivered over 33.4 billion items of PPE from over 313 vendors from all around the world to meet the demands of the DHSC, NHS and frontline healthcare workers.

Please see below a comprehensive list of all the services we have been contracted to provide:

Origin Transport and Storage

- Collections
- Long term bonded handling and warehouse storage
- Long term general handling and warehouse storage
- Short term, transit shed handling and storage

Methods of Transport – Hazardous and Non-Hazardous

- Air freight groupage
- Air freight charters
- Rail freight groupage
- Rail freight charters
- Sea freight groupage
- Sea freight full loads
- Road freight groupage
- Road freight full loads
- Export Customs formalities
- Import Customs formalities
- Carrier management
- Exit and arrival port management
- Shipper booking management
- Equipment management and positioning

International Freight Document Management

- Packing lists
- Origin receipts
- House bill of lading
- Master bill of lading

- Origin and destination Customs declarations
- Proof of delivery

Destination Storage

- Long term bonded handling and warehouse storage
- Long term handling and warehouse storage
- Short term, transit shed handling and storage
- On quay shipping line container storage
- Off Quay shipping line container storage
- Container reloading
- Off Quay rental container storage
- Purchasing containers

UK Transport services

- Equipment management and positioning
- Container deliveries
- Collection and delivery of products for domestic suppliers to the NHS warehouse network
- Collection and delivery of products for international suppliers to the NHS warehouse network
- Collection and delivery of containers of products for international suppliers to the NHS warehouse network
- Collection and delivery of products direct to hospitals

Professional Services Management

- Communications and planning with the DHSC and associate parties
- Interpret contract requirements and priorities
- Set up Working Teams and Projects
- Task and KPI management
- Project status reporting
- Risk and issue management
- System usage reporting
- Administrate project meetings/calls and actions

Comms Team*

- Project wide communication
- Central communication and document sharing
- Repository for all training material
- Access management

*(communication management between Uniserve, DHSC and all other parties involved in the movement of PPE & Test Kits such as vendors, factories etc)

Process Development

- Designed and documented the Uniserve Operational Processes
- Designed and documented the Overseas Partner Operational Processes
- Designed and documented the Freight Compliance Processes
- Designed and documented the MPO Contract Management Processes
- Designed and documented the Vendor Management Processes
- Designed and documented the DHSC Finance Payment PPE Processes
- Designed and documented the DHSC Vendor Manual
- Designed and documented the vendor packing list
- Designed and documented the Capacity and resource plan
- Designed and documented the supply chain milestone processes
- Process mapped the end-to-end DHSC processes

Training

- Group virtual training sessions
- Onsite training sessions
- Telephone training sessions
- Video user guide creation
- One to one virtual training sessions
- Email guided tutorials
- One page 101 summary training documents
- Frequently asked questions and answers guides

MPO Creation & Management

- DHSC email inbox management*
- Contract tracker log of all receipts
- Reconciling all contract documentation
- Contract MPO system administration
- Documentation uploading into One World – contracts, schedule changes, product specifications, quality control reports, certificates
- Query Management with Finance
- Query Management with Closing Teams
- Contract documentation management
- Document extraction from Atamis
- Missing information investigation from Atamis
- Contract interpretation
- Query Reconciliation
- MPO updates and management
- Contract standard compliance checking
- Escalation and resolution of FPO issues with DHSC
- Escalation and resolution of commercial invoice issues with DHSC
- Lot amendments
- Query Status Reporting daily
- MPO warehouse receipt reconciliation delivery packing lists and proof of deliveries

*this mailbox was set up to control the flow of information to and from Uniserve and the DHSC and the vendors / suppliers we are managing.

Vendor Management

- Hotline – call centre
- PPE Vendors e-mail inbox, general enquires
- Vendor queries/enquires – bookings, system, payments & general support
- Vendor training on the system
- Managing vendor contact information
- Issuing vendor pack – Vendor SOP, booking documents etc.
- Packing list completion guidance
- Vendor verification process
- Following up late vendor responses
- Resolving queries on data provided
- Escalation and resolution of issues with DHSC
- Shipment schedules
- Vendor verification compliance checking
- Vendor verification reconciliation
- Data sign off and upload to system
- 3rd Party Shipment Tracking
- Reviewing & uploading availability schedules to One World
- Reviewing invoices & uploading to One World
- Reviewing transports & uploading updates to One World
- Three times per day VV Reporting
- Factory details gathered for QC
- Vendor Comms for QC

Quality Check (QC) Management

- Origin Basic QC
- Destination Sample Ring Fencing
- Human Rights Audits as requested
- ISO Audits
- Deep Dive Audits, including structural and financial
- Batch audits and inspections
- Lab tests

MPO Allocation & Shipment Approvals

- Report actual shipment vs contractual discrepancies to the DHSC and the vendor management team
- Report shipment orders without contracts or DHSC POs to the DHSC
- Daily One World compliance of International Operations
- Ensure partners only accept Packing lists which adhere to the minimum required information standards
- Liaise with the vendor verification team to see if they can fill in the missing information
- Daily report to Partners of packing lists that require more information.

Tracking & Escalation

- Report actual shipment vs contractual discrepancies to the DHSC and the vendor management team
- Investigate those discrepancies
- Raise queries for discrepancies

Compliance

- VV Query Management with Finance
- VV Query Management with Closing Teams
- VV Query Management with Contract Management Teams
- Query Reconciliation
- MPO Compliance checking
- SCCL PO data Compliance Checking
- Contract standard compliance checking

One World Development

- Vendor system development
- PO and supply chain visibility development
- Warehouse management systems integration
- QC systems integration
- Testing
- Platform maintenance
- Platform support
- Data feeds into analysis models
- Reporting

Reporting

- 3rd party data integration
- Business analysis
- Data Visualisation
- Reporting development
- Demand modelling
- Real time reporting on mobile and desktop

Procurement of PPE

- DDP procurement
- Ex Works procurement

What monitoring and oversight arrangements were included in the contract;

Uniserve reported to a number of different senior DHSC personnel and consultants on a daily basis. A Crown Agent was appointed on the 18/6/20 to oversee all services Uniserve were providing as we were recognised as a large supplier.

Whether the contract award has been published by government;

We understand the Government has published the freight and procurement contracts.

Your experience of contracting with the Department of Health and Social care;

The scale of the crisis was monumental and there was no real time to prepare or plan for the pandemic. The world was in turmoil and the DHSC was faced with an almost impossible job.

The panic buying by virtually every country in the world led to chaos and confusion, the cost of PPE increased as countries tried to outbid each other for production and supply. This panic buying coupled with a shortage of air and shipping capacity meant the problem wasn't just about buying the PPE but moving it to where it was urgently needed (where Uniserve has particular expertise).

The DHSC drafted in emergency resources to form a new PPE buying structure which called on everyone who could help, to help. The urgency of the situation was unimaginable and under the circumstances the DHSC achieved what it set out to do: deliver PPE to the frontline.

We provided the DHSC with all our supply chain management expertise, all our people, network, and assets without hesitation. Our One World supply chain systems enabled the DHSC to rapidly establish processes and manage delivery of vast quantities of PPE to the UK quickly, efficiently, and methodically.

We led and trained the DHSC volunteers in the end-to-end management of the PPE supply chain, making sure their capabilities were maximised and the PPE supply chain was as effective as possible.

From the day we were introduced, the DHSC had greater management and control of the PPE procurement process and was much better placed to issue Ex-Works (ex-factory) contracts to suppliers and better manage all the vendors. This dramatically improved the DHSC's ability to move quickly and make the right decisions in the madness of the PPE market and ensure delivery.

Whether you encountered any difficulties supplying the PPE or PPE-related services in the contract. What was the outcome?

There are many lessons to take from the pandemic, but it is important to remember just how unprecedented the past year has been. We have nothing to compare it to nor was anyone in the world prepared for the devastation it has and continues to cause. We were in the eye of the storm and have lived every second with the DHSC to create a fit for purpose

PPE and Test Kit supply chain during this chaos. We believe we have both succeeded and whilst there have been difficulties there have been many more gains and benefits. We have all done our jobs well under enormous pressure.

Introducing our supply chain management system and professional services was a real turning point in the DHSC's ability to bring in PPE at scale, in a rapid and efficient way. This coupled with our international freight services allowed the Government to issue Ex-Works contracts to suppliers and therefore focusing on the cost and quality of the products whilst making sure that urgent equipment is delivered under the DHSC's full control.

This dramatically improved the DHSC's ability to move quickly in the manic PPE market and allowed the DHSC to procure PPE with more confidence and certainty, this also made the DHSC more attractive to suppliers by removing the complexity of delivering the PPE to the UK.

The DHSC procurement capabilities were significantly improved by our supply chain management services and training. As the UK looks to implement its 'Global Britain' outlook, I am sure that other departments would benefit from similar improvements to their supply chains and global logistics infrastructure.

Finally, I would like to put it on public record how proud I am of Uniserve and every one of my colleagues at every level, in every business unit, who have worked endlessly and diligently to support the DHSC and our country through the pandemic.

I hope the above is useful to the Committee and I look forward to answering your questions.

Yours sincerely,

Iain Liddell
Group Managing Director