

# Exposed: Special Procurement Channels for ‘VIPs’ and UK Cabinet Contacts

By [Good Law Project](#)

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Region: [Europe](#)

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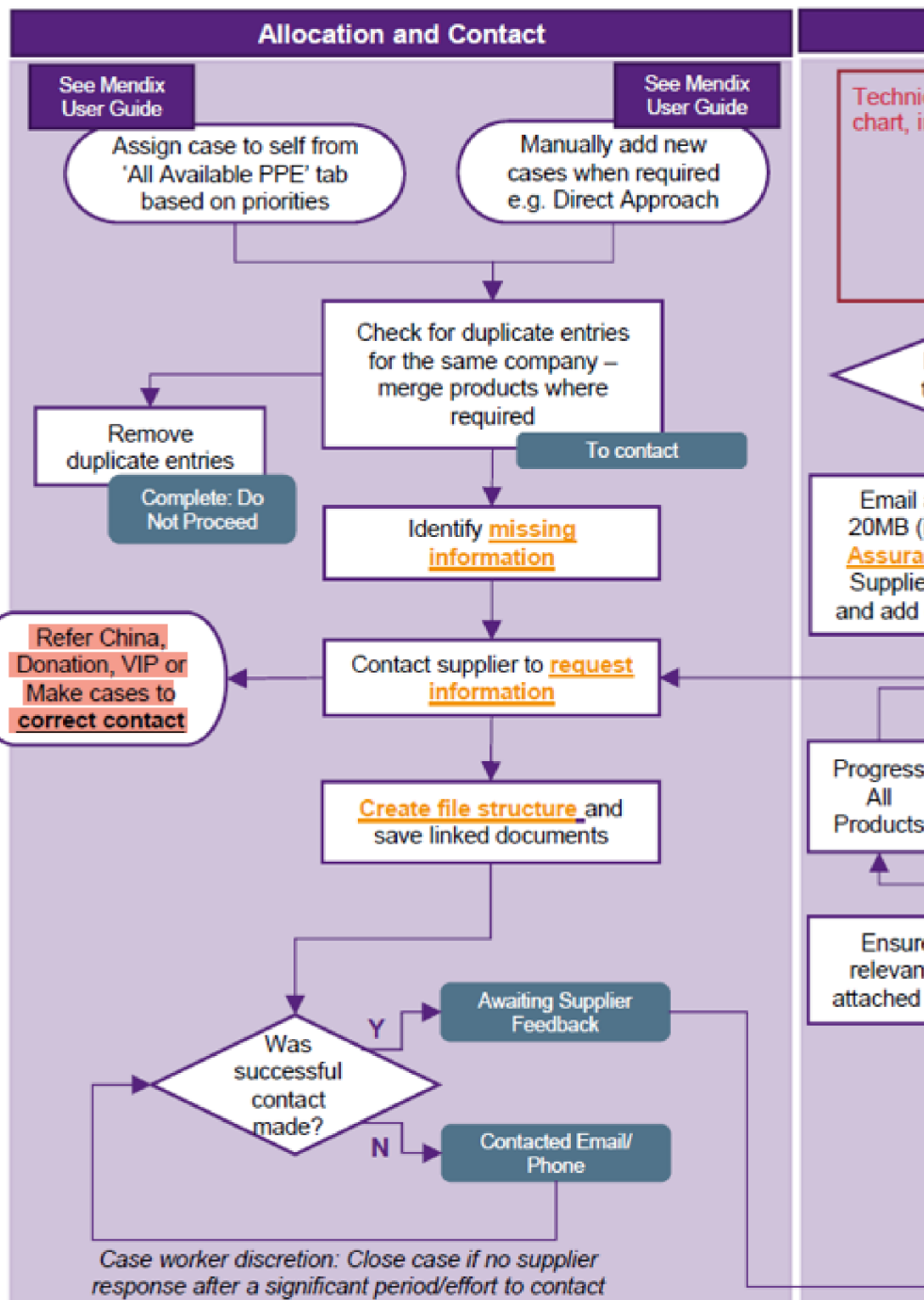
*Leaked documents seen by Good Law Project set out special pathways by which “VIP” and “Cabinet Office” contacts could be awarded lucrative PPE contracts at the height of the pandemic – and at inflated prices.*

Lord Bethell, a junior Health Minister, [promised](#) that “suppliers will be evaluated by Departmental officials on their financial standing.” But questions arose over how enormous contracts came to be awarded to dormant or new entities and those of dubious financial standing including:

- [PPE Medpro](#) won two contracts worth over £200m to supply PPE to the NHS. The £100 company, set up by the former business associate of Conservative peer Baroness Mone, won the contract just seven weeks after it was set up.
- SG Recruitment UK Limited, a staffing agency, won two PPE contracts worth over £50m, despite auditors raising concerns about its solvency. Tory Peer [Lord Chadlington](#) sits on the Board of its parent company, Sumner Group Holdings Limited.
- P14 Medical Limited, controlled by former Conservative Councillor [Steve Dechan](#), who stood down in August this year, was awarded three contracts worth over £276m despite having negative £485,000 in net assets.

The leaked documents disclose that special procurement channels – outside the normal process – were set up for VIPs.

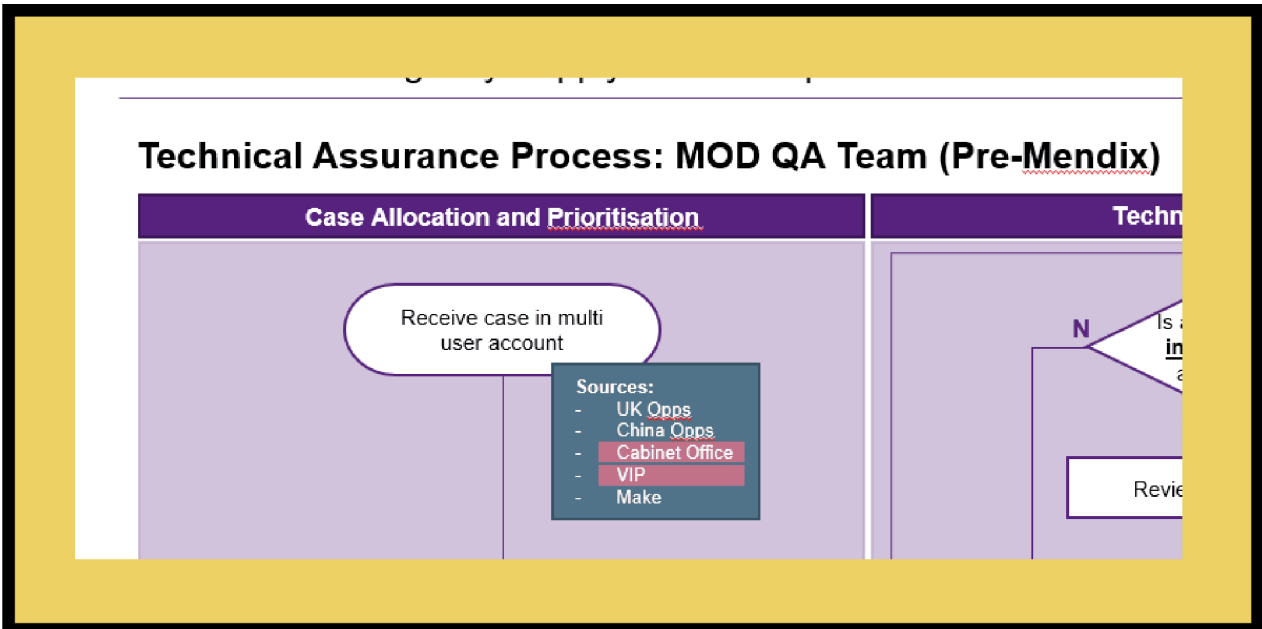
## Opportunities Process: Mendix (all new cases)



Opportunities from high profile contacts require an expedited response

- Support provided from high profile contacts, require a rapid response and managing through the process. Therefore are managed through the High Priority Appraisals Team

They also show that Cabinet Office was feeding its contacts into the procurement process, outside the normal public channel.



Good Law Project is also aware that successful contractors - like Ayanda which received a £252m contract for supplying facemasks most of which were unusable - were guided through the process by the Cabinet Office.

12. Though the Contract was ultimately concluded with Ayanda (for the reasons explained below), the original offer came from a related company, Prospermill Ltd ("Prospermill"). Prospermill registered on the Government Portal on 11 April 2020 offering to supply masks and various other products. The need to buy additional PPE masks was particularly acute during this period, and Type IIR masks were second on DHSC's 'Buy Cell Critical List' at this time. For FFP2/FFP3 masks, annual demand is typically 5 million, whereas (based on usage during the second quarter of 2020) it was projected to rise to 50 million in the circumstances of the current pandemic; for Type IIR, annual demand is usually 24.4 million, but was now projected to be over 2 billion.

13. Prospermill had secured exclusive rights to the full production capacity of a large factory in China to produce masks and was therefore able to offer to supply a very large volume of product that could be available for use almost immediately. **Its offer was passed to the 'High Priority Appraisals Team' accordingly.** Some 50 million FFP2 masks were available, and Prospermill was also able to supply 150m Type IIR masks in parallel. The offer was accompanied by the requisite test certificates, showing that the masks complied with the appropriate technical standards in each case, and this was verified by the quality assurance team.

Andrew Mills is not a Director of Ayanda Capital. He is a senior adviser to Ayanda Capital and a business associate of mine. Given his relationships with the Department of International Trade and his long experience in international business and sales, I asked him to assist Ayanda with this project which he has done. **He was able to make contact with the Cabinet Office Procurement team who outlined the process to us and directed us to the public PPE procurement portal to enable us to engage in the process.**

The leaked documents also evidence a startling opportunity for price gouging by favoured suppliers. It is only if prices were more than 25% above the average paid to other suppliers that questions were to be asked about value for money.

Terms and Conditions inc Price		VAT code is NR
DHSC Order Form inc Ts and Cs signed by Supplier	Word and PDF	The PDF version to show no changes from when the supplier signed The Word version allows DHSC to sign and that is then sent back to the supplier with buyer details after approval Ensure quantities and delivery schedule for all items item are included Any variation from standard Ts and Cs - explanation provided to show commercial judgement on acceptability of any risk
TLT Risk Assessment	eMail/PDF	Variations from the standard Ts and Cs should be referred to TLT and their risk assessment and any subsequent assessment by the closing team to be called up in the supporting submission.
Pricing	N/A	Cost per unit ex Vat without shipping costs to be provided and comparison made to average unit prices. <b>if greater than 25% variation, explanation why price achieved is reasonable to be provided</b> , explain why prepayment is necessary, action to reduce it taken. <b>Unserve</b> to be used for collection and delivery - not the supplier unless good reason to

Good Law Project understands that most suppliers were operating on 10-20% margin. The leaked documents reveal that Cabinet Office contacts and others were helping ‘VIPs’ sell PPE to Government outside normal procurement channels. The information that Government would buy at 25% above the price paid to ‘regular’ suppliers was a licence to make enormous margins – 35% – 45% – on contracts sometimes worth hundreds of millions of pounds. Although Government has tried to cover up the per unit prices it paid to connected suppliers, we know that Ayanda enjoyed staggering margins above the prices paid to others. So there are certainly questions to be asked about whether other politically connected ‘VIPs’ benefited from lucrative inside information about pricing.

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