



Council of Academic Hospitals of Ontario

**CAHO Capital Equipment
Group Purchasing Initiative Launch**

Wednesday, May 7, 2008

Benefits of Group Purchasing

1. Savings from increased volumes
2. Reduced administrative duplication for both hospitals and vendors
3. One group RFP issued, rather than multiple individual RFP's
4. Sharing of knowledge and building of expertise
5. Generation of leading procurement practices

What does participation in this initiative mean?

- Customer choice is paramount for the success of this initiative
- The goal of this initiative is to provide an efficient process that will provide hospitals with as much information about the equipment/technology as possible in order to facilitate effective decision making
- The goal is not to force all participating hospitals to standardize or agree on a single vendor solution

Rules of Engagement

The participating hospitals have agreed to:

1. Share capital planning and budget information with the CAHO Project Management Office in a timely manner;
2. Have participating staff declare conflicts of interest and sign confidentiality agreements;
3. Contact vendors through channels established by CAHO; and
4. Not use information obtained through this initiative to arrange alternate deals with vendors.

CAHO Capital Procurement Cooperative



Capital equipment group purchasing division of St. Joseph's Health System based in Branford serving over 170 healthcare facilities including several CAHO hospitals

Bid administrator for the pilot

www.sjhcs-gpo.com



Joint venture between London Health Sciences Centre and St. Joseph's Health Care, London to consolidate purchasing, contract management, accounts payable and inventory management; providing services to 14 other healthcare organizations on a regional basis.

www.hmms.on.ca



Toronto-based organization established to provide business support functions in supply chain management, transactional finance and HR/payroll services; members include 7 CAHO hospitals

www.plexxus.ca

CCPC Operating Principles (partial list)

1. We will follow the PMAC Code of Ethics
2. We will use a standardized RFP template, evaluation tools and processes
3. We will use the SJHS-GPO as the bid administrator
4. We will always follow federal and provincial competitive bidding guidelines (fair, open and transparent)
5. We will respect participating hospitals' purchasing policies
6. We will maintain flexibility on behalf of participating hospitals with respect to service agreements and warranties
7. We will pursue opportunity agreements for equipment where appropriate so that the equipment can be purchased at any time, during the period of agreement, by any CAHO hospital

Selection and Scheduling of Purchases

Purchases for the initial 2 year plan have been selected based on:

- Number of hospitals planning to buy particular equipment
- Anticipated volume of purchases
- Cost savings potential identified during implementation analysis
- Ability to agree on common specifications across hospitals

The schedule of purchases takes into consideration:

- Equipment bundling opportunities (e.g., CT scanners and MRIs)
- Opportunities to negotiate multi-year/opportunity agreements
- Trade shows and other market events where new technologies are announced
- Timelines required to facilitate Construction /Redevelopment projects

List of Proposed Items for Initial 2 Year Plan

1. MRI machines
2. CT Scanners
3. Angiography systems
4. Fluoroscopy units
5. Nuclear medicine units
6. Radiation therapy equipment
7. Cardiac catheterization labs
8. Digital imaging infrastructure
9. Digital mammography machines
10. Beds and stretchers
11. Surgical microscopes
12. Anaesthetic machines
13. Dialysis machines
14. Infusion Pumps
15. Monitors
16. Operating room tables
17. Ventilators
18. Ultrasound machines

Bid Administration

- The bid administrator for all RFP's will be the St. Joseph's Health Systems Group Purchasing Organization
- All RFP's will be posted on the SJHS-GPO website:

www.sjhcs-gpo.com

- Proposals are to be returned to St. Joe's, attention Annette Senko
- All questions and inquiries must be directed to Annette's attention
- Questions and responses will be posted on the SJHS-GPO website (weekly)
- Any addendum issued becomes an integral part of the RFP
- Centralized Vendor Fairs will be held as required (locations TBD)

Initial RFP's

- To date we have issued 2 RFP's:
- Patient Handling Equipment and Sleep Surfaces
 - Issued: February 8, 2008
 - Closed: March 7, 2008
 - Vendor Fair: March 19, 2008
- IV Therapy System Devices
 - Issued: February 22, 2008
 - Closed: March 27, 2008
 - Vendor Fair: April 16 & 17, 2008

Feedback from Hospital Participants

- Hospital participants have been very positive about process to date
 - CAHO GPI staff have been helpful and responsive
 - Looking forward to future opportunities
- Level of collaboration among hospitals is impressive
 - Sharing information and working towards common goals
- “It has proven to be an extremely efficient mechanism to approach capital purchases”
- “The opportunities to network and share with staff from other hospitals who are going through the same process is invaluable, and adds significantly to the ability to make a good decision”

(Helen Edwards RN MN, Director - Clinical Informatics and Technology Hospital for Sick Children)