

HPVITS2019-075 Physiological Monitoring & Anaesthetic Gas Delivery Systems Industry Briefing

Wednesday 13th March 2019 10:00am

Questions and Answers

Contract Features

Q: Will this contract be sole supply or panel award?

This contract will be a panel arrangement. Suppliers will be pre-qualified and health services can conduct secondary sourcing activities under the HPV agreement.

Q: Will this contract be an open/closed panel?

This contract will be an open panel arrangement. This gives greater flexibility to new suppliers and technologies that can be added during the life of the contract. The same minimum requirements will need to be met in order for a new supplier to be added to contract e.g. TGA, insurances, technical specification compliance, health service trial and evaluation, immediate demand for health services to purchase etc. This assessment will be conducted via the HPV Procurement Portal upon request initiated by supplier (and submitted via HPV website/ Zendesk). An open panel also means that suppliers can submit additions to contract in categories you may not have been awarded in at the time of tender (pending mandatory criteria including TGA, trial and evaluation and health service demand).

Q: What is the process for a new supplier to come on to the panel?

Where the supplier is not currently on the panel, the supplier will need to meet the same minimum organisational requirements to those at tender time. A supplier can initiate this request and HPV will issue the response via the HPV Procurement Portal. TGA, technical specification compliance, trial and evaluation and health service demand will be required to proceed. If not an HPV contracted supplier, a financial scorecard check will also need to be undertaken prior to inclusion on the panel.

Q: What does an evergreen contract mean?

Evergreen refers to the term of the contract. The contract will be an ongoing contract and will roll over in 5 year blocks, subject to contract performance. Contract performance will be reviewed at the end of year 4. Terms and conditions, specification requirements, supplier performance and product usage will be reviewed five yearly.

Q: Can suppliers or products be removed from contract at this review period?

Yes. Suppliers will not need to provide any additional information as part of the contract review, unless otherwise asked at the time. Sales data and health service feedback will assist HPV with this review process. HPV will be establishing a supplier performance database to capture all TGA/Recall alerts, supplier/product issues, response times and resolutions. This information will form part of the review process and will be shared with health services to assist them with their own supplier/ product evaluations. Suppliers and products may be removed from contract at the review period if circumstances permit. Products with nil usage may be either removed from contract or placed on conditional award.

Q: What is conditional award?

HPV will be introducing conditional award. Conditional Award is when an item is listed conditionally, it cannot be purchased by a health service but it can be trialed and evaluated and once this evaluation has taken place if there demand the supplier/ health service can request that the item be moved to full award.

Two instances where conditional award may be applied

- Items on current contract with nil sales in past 24 months
- New products tendered where a written reference cannot be provided to validate trial, evaluation and demand

HPV will publish the conditionally awarded items in the pricing schedule to ensure health services have visibility of the list of both full award and conditionally listed items and to expedite process of transitioning to full award, where required. Health services will be informed that they can trial conditionally awarded items (and non-contracted) and any stage of the contract.

Q: What is the process if there is a new product released within the 5 year contract period?

Where a new product/ technology is introduced within the term of the contract, a contracted supplier can submit a contract variation request form via the HPV website. Any additions to contract will require a copy of the TGA certificate, electronic brochures, specifications and reference sites. HPV will not progress any additions if contract variation requests are incomplete or the product does not meet the minimum specification set in Part 5 Statement of Requirements.

Q: Can new suppliers and products only be added at the mid-term review?

Suppliers and products can be added during the life of the contract term, if all mandatory requirements can be satisfied.

Q: Can health services customise their service and maintenance packages?

HPV will be requesting all service and maintenance information, noting health services have the ability to work with the supplier to tailor the arrangements to meet their needs. Where a health services has the same supplier over a span of HPV contracts, the health service can tie service and maintenance up for a number of contracts in one agreement.

Q: What is a group buy?

A group buy is a sourcing activity run under the existing HPV agreement on behalf of a number of health services.

Where there are a number of health services seeking to purchase equipment, where timelines are aligned, HPV will engage health services and where possible consolidate health service requirements to seek improved pricing on behalf of the health services.

If health services need to purchase small volumes/value and require doing so immediately, they can purchase direct from the HPV contract. Where the qty is one unit, the contract pricing is fixed.

Q: What is secondary sourcing?

Secondary sourcing conducted by health services under the HPV agreement, through HPV pre-qualified suppliers and products. Health services establish own evaluation criteria, conduct their own trial and evaluation of HPV contracted suppliers/products and have the ability to seek revised pricing specific to the health service's needs.

Q: When HPV is reviewing key cost drivers as provided by Respondents, is there any consideration given to local distributors?

The key cost driver information will not impact the supplier selection process. It provides HPV with transparency when suppliers submit a pricing variation. It allows HPV to better understand market dynamics and the "should be" cost. HPV aim to build ongoing relationships with successful Respondents and ongoing collaboration and transparency will be key to these relationships.

Trial Evaluation and References

Q: Can referees be outside of Victorian Public Health Services?

Suppliers **must provide a minimum of one VIC public health service written reference** in order to ensure a thorough trial and evaluation process has been conducted by a Victorian Public Health Service (and to establish demand). Suppliers may provide referee contact details in the TRW for HPV to use to validate references however all references must be written either :

- (a) on hospital letterhead and signed, clearly specifying the products that have been trialled and evaluated, who was part of the evaluation team and whether there is immediate demand to purchase if awarded; or
- (b) an email attached as part of the tender, clearly specifying the products that have been trialled and evaluated, who was part of the evaluation team and whether there is immediate demand to purchase if awarded

Q: Is there a template that health services use when conducting trials and evaluations as there could be inconsistencies in the way products are being trialled by different health services?

Health services will have different processes and evaluation criteria when undertaking product evaluations therefore HPV are currently working with suppliers to better understand the most effective and efficient trial/evaluation process.

HPV will be working with health services and suppliers to create a best practice trial and evaluation guide which will include details such as; trial and evaluation processes, recommended participants on the trial and evaluation team/ committee.

For the group buy process, HPV do provide health services a generic template with evaluation criteria and weightings. Health services are able to amend this criteria and weightings as they see fit.

Health services can trial and evaluate contracted and non-contracted products during the life of the contract.

Q: How will tenderers know which items require references- assuming they are on the current contract
(UPDATED)

One written references is required for any new item tendered (not on current HPV contract) and items already on current HPV contract with nil sales in past 24 months. If written references are not able to be sourced and submitted as part of the tender response, these items will only be considered for conditional award until such time as a reference can be provided to validate suitability of the product and demand within VIC public health services.

Pricing

Q: What mechanism is in place for a supplier to submit price review?

Contract pricing for equipment (single unit purchase), accessories, options and spare parts are fixed. There will be an opportunity to submit more competitive pricing at the mid-term price review (2.5 years). Noting, health services have the ability to re-negotiate contract pricing for equipment bulk purchases (>1 unit).

Q: Will a supplier be excluded from any pricing reviews if they do not provide a breakdown of cost drivers?

Suppliers will not be excluded from pricing reviews however without transparency of key cost drivers, HPV's understanding of price variations will be more limited and will be less inclined to accept price variations.

Q: Can suppliers submit a price variation/ review separate to the mid-term price review?

Suppliers can submit a price variation request via the HPV website (contract variation request form). Strong justification will need to be provided as to the price variation, noting HPV reserves the right to reject.

Q: If pricing is fixed contract pricing for 2.5 years, how do suppliers apply for price variation to cater for changes in the market/ dollar

Please see above re fixed contract pricing and mechanisms and justifications for price variations.

Q: Is Volume Discount directed by HPV?

Volume discounts are at the discretion of the supplier. The supplier is to set the volume breaks within the TRW.

Q: Can alternative offers span across contracts?

At this stage, alternative offers are restricted to Physiological Monitoring and Anaesthetic Gas Delivery Systems ITS. If a supplier has a specific example, please contact HPV to provide details for HPV to ensure compliance to contract and adherence to probity practices.

Q: Can we add additional columns for volume breaks?

To keep things simple, we request that volume breaks are kept to 3 types / levels. Anything additional can be included within the Alternative Offers tab.

Q: Is the pricing fixed? What is the pricing structure of this contract? Is there a provision for volume discounts or alternative offers?

Contract pricing for equipment (single unit purchases), accessories, options and spare parts will be fixed. There will be a provision for a mid-term price review (2.5 year review). Health services will have the ability to renegotiate pricing at the time of acquisition based on bulk purchases (>1 unit).

There is a provision in the TRW for suppliers to tender volume discounts as well as alternative offers at supplier discretion (i.e. % or \$ commitment or preferred supplier arrangements).

HPV will be benchmarking pricing against the current contract and health service pricing. If pricing is deemed to be uncompetitive, HPV may choose to non-award based on value for money.

HPV will continue to run group buy events on behalf of health services where possible to seek improved pricing.

Q: How will inter-jurisdictional benchmarking be conducted? (NEW)

HPV will be reviewing pricing however will be taking into consideration other factors including quantities, timings, terms and conditions, KPI's, warranties and other considerations.

Tender Response Worksheet – Part 6

Q: As part of the TRW – Can we submit as many options as possible?

Yes. Suppliers can add additional rows for as many base units and options in your product offering.

Q: Do we delete lines in the TRW that are not relevant to a particular supplier?

Do not delete any rows or columns that are not required – please indicate N/A or explain why certain specifications do not apply. Please do not leave the lines blank that are advised as mandatory.

Q: Is Volume Discount directed by HPV?

Volume discounts are at the discretion of the supplier. The supplier is to set the volume breaks within the TRW.

Q: Can alternative offers span across contracts?

At this stage, alternative offers are restricted to defibrillators ITS. If a supplier has a specific example, please contact HPV to provide details for HPV to ensure compliance to contract and adherence to probity practices.

Q: Can we add additional columns for volume breaks?

To keep things simple, we request that volume breaks are kept to 3 types / levels. Anything additional can be included within the Alternative Offers tab.

Q: If your product fits in two categories can we tender in both?

No, tendered items must only be tendered in one category. Please refer to the specification and determine best fit category for your product.

Part 5 Specification (SoR) Compliance

Q: If product or suppliers only partially comply or do not comply with certain specifications, will they still be considered for award?

If the product does not meet the minimum specifications as established by the PRG, the product will not be awarded on contract. If Respondents believe there are over-specifications within Part 5 Statement of Requirements, Respondents need to bring this to the attention of HPV by COB Friday 15th March 2019.

Q: What should we do if we believe some clauses in Part 5 Statement of Requirements have certain specifications that do not make sense or are missing information?

Please provide HPV with comments for review by COB Friday 15th March 2019.

Q: What's the difference between "Not Applicable" and "Does Not Comply" within the SoR?

When the specification starts with "If" and this does not apply to the supplier or product, it is "Not Applicable" for example:

If Product ABC has alarms, it must beep for at least 30 seconds

Example 1: My product has no alarm. Response is "Not Applicable"

Example 2: My product has alarms but it only beeps for up to 25 seconds. Response is "Does Not Comply".

Q: When would I use "Partially Comply"?

When a product or supplier must meet a minimum requirement or condition, but only does under certain conditions or circumstances.

The product must beep if there is an error

Example 1: Product beeps only when optional configuration is activated by purchaser. Response is "Partially Comply".

Note: If your product does not meet minimum requirement, then it "Does Not Comply" for example,

The product should be at least 120cm in length

Example 2: My product is 115cm in length. Response is "Does Not Comply" as it does not meet minimum requirements.

Q: What is the minimum expectation / requirement for warranty?

The minimum requirement (12 months) is outlined in the SOR. In the overview tab, length of warranty and extended warranty is to be defined by the supplier

Consumables

Q: What is the process if there are consumables currently listed on other HPV contracts that are within scope of this ITS ?

This contract is to include only associated original equipment manufacturer (OEM) consumables related to Physiological Monitoring and Anaesthetics Gas Delivery Systems. Do not tender your consumables on this contract if:

- (a) they are generic consumables; or
- (b) the consumables can be used across categories or products not on this contract

As items can only be on one HPV contract, tendering on this contract will remove it from all other HPV contracts.

Mandatory Requirements

Q: Is ISO 9001 an acceptable quality management certification? Will a respondent be eliminated if we only hold one of the mandatory ISO certifications? (UPDATED)

As per Part 5 Statement of Requirements, all respondents:

- Must comply with AS ISO 13485 within 12 months from contract commencement
- Must state how the manufacturer manages hazards associated with tendered product throughout the product's life cycle, ensuring conformance to The Essential Principles of safety and performance characteristics of medical devices.

Q: Financial viability assessment checks - if we do not comply to this section will we not be awarded?

That is correct, this section is a mandatory requirement. The information requested must be provided in order to be considered for award.

Q: Do all approved cleaning agents and disinfectants submitted need to be currently on HPV cleaning contract

No, a full list of approved and non-approved cleaning agents and disinfectants and cleaning instructions/manuals for each product tendered must be provided as part of the tender response. This is a mandatory requirement at tender time. A list of approved and non-approved will be published to health services and respondents instructions on how to clean the equipment will also be mandatory and

published to health services. Suppliers will need to ensure that they keep the lists and instructions up to date and inform HPV of any amendments.

Q: Why do respondents have to submit a list of approved and non-approved cleaning agents and disinfectants in the portal and in the TRW

The information submitted in Part 6 TRW will form part of the pricing schedule and overview tabs that are published to health services. The overview tabs will assist health services with product selection. The information included within the cleaning instructions/ manuals will ensure health services are compliant. The information must be readily available to health services in both the manual and the pricing schedule.

KPI Compliance

Q: How will HPV be monitoring KPIs detailed in part 7 agreement?

Certain KPIs will be monitored by HPV whilst others will be via self-assessment however any self-assessment will be validated by health services. Sales reports will be monitored via the HPV website. Post contract commencement, HPV will be focusing more heavily on contract management including establishing a supplier performance database and supplier relationship management framework. We will be working more closely with health services and suppliers to ensure that KPIs are adhered to and reported on. Scorecards will be issued to tier 1 suppliers for assessment. This information will in turn be shared with health services to validate self-assessments. HPV will be establishing an overarching medical devices category management group. This group will be made up of health service representatives and will look at contract and supplier performance.

Q: Is VIPP / Local Jobs First applicable to this tender?

No, not applicable to this sourcing event. Respondents will not need to provide HPV with a VIPP plan however individual health services may request evidence of VIPP at time of acquisition.

Q: Is a Live Recall status mandatory for this contract?

All suppliers must hold a live status 6 months from contract commencement.

Purchase Arrangements

Q: Is there the provision for rentals/ outright/leasing arrangements in the new contract?

This is not applicable for this contract

SLA/Order Contract Form

Q: Order contract form/ SLA- do we have to use the order contract form- can we change it?

HPV will provide the awarded supplier with an order contract form within the agreement. This is a guide/ template and can be updated as the supplier and individual health services see fit to meet their requirements. The order contract/ SLA sit beneath the HPV agreement and will cover additional health service requirements e.g. leasing, service and maintenance requirements, delivery points etc. The HPV

specification/ statement of requirements is a baseline of minimum requirements, any additional health service requirements can be added to the order contract form/ SLA.

Contract Scope

Q: Will the out of scope items be considered at a later date for inclusion to the contract?

HPV will review the out of scope categories and may consider running supplementary tenders at a later date.

HPV Procurement Portal

Q: Is it possible to have different access points (usernames and passwords) to the HPV Procurement Portal for the same supplier?

It is possible to add additional users to the organisation's account. The supplier Super User is responsible for creating these additional accounts.

User accounts can be assigned to different divisions and given different roles, which will determine the level of access the user has within the organisation's account.

Users can also be assigned to a particular RFQ and will have to be assigned to an RFQ to be able access the published opportunities for the RFQ. The Super User account is the only account with access to all Published Opportunities.

Q: Is there only one submission allowed or can we upload attachments in parts to the portal?

Respondents are able to provide numerous attachments in the one submission therefore only one submission is required and allowed.

Q: Can you have more than one person from the same company working on the responses at the same time?

Yes

National Product Catalogue

Q: Is National Product Catalogue compliance relevant to this tender/ contract. Do products need to be published within a set timeframe from contract commencement?

Consumables need to be listed within 6 months of contract commencement. A compliance audit will be completed to validate this compliance from contract holders.