

# RWT Pathology Services



# Public Procurement in Laboratory Medicine

## How to Obtain the Best Solution

### Introduction

- Who am I and where do I work
- Background
- Pre-Tender Preparation
- During the Tender
- Post Tender Award
- Summary

## Who am I and where am I from?

- Alain Rolli, Blood Sciences Manager

Manage; Clinical Chemistry, Haematology, Blood Bank and Immunology laboratory services. Biomedical Scientist by profession.

A laboratory services manager not a legal expert!

- Royal Wolverhampton NHS Trust

Teaching Hospital with a catchment population circa 420,000 and wider catchment area for tertiary services (circa 1m).

950 beds on 3 Hospital Sites.

- New Pathology Centre opened April 2013

Ground floor

Blood Sciences

1<sup>st</sup> Floor

Microbiology

2<sup>nd</sup> Floor

Cellular Pathology and Cytology Screening Service



CPA UK Accredited  
and  
UKAS ISO 15189



## Background

- New Building due to open in April 2013 (18m for procurement)
- Tendering - Definition

The process whereby governments and other public institutions invite bids for large procurement projects that must be submitted within a finite deadline.

  - Open Tender
  - Restricted Tender (chosen method)
  - Competitive Dialogue
- Risk of Legal Challenges or Wrong Solution

## Background

- Tender for Pathology Managed Service Contract (MSC)

### Single Specification Document with 3 lots

- Lot 1: Main Automation (Chemistry, Serology, Haematinics and Immunology)
- Lot 2: Other Automation (not scored, bids not compulsory)
- Lot 3: Everything Else (not scored, bids not compulsory)

### Main benefits of MSC

- Can reclaim VAT
- Transfer of risk to supplier
- Can include all Pathology products including other suppliers and novation of existing contracts

## Pre-Tender Preparation

- Preparation is the Key to Success
- Plan well in advance and work hard!
- Involve Hospital Management
- Take account of
  - Standing Financial Instructions
  - Local, national and EU procurement rules
  - Good practice

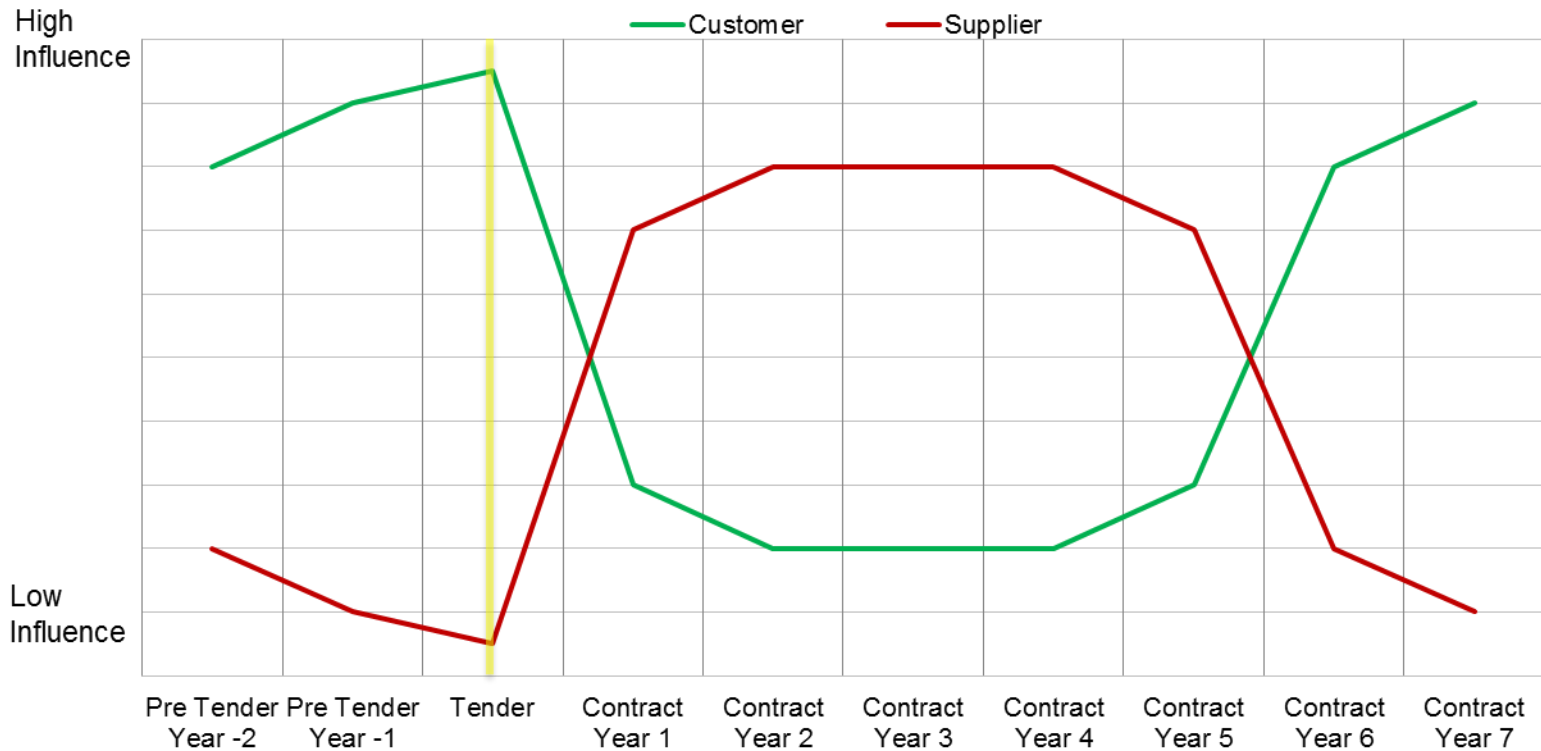
## Pre-Tender Preparation

- Establish Project Team
  - Managerial Lead
  - Procurement Representative
  - Financial Accountant
  - Clinical Scientist
  - Technical Lead
  - IT Lead
  - Laboratory Staff Involvement at ALL levels
- Need a Mixture of Experience and Enthusiasm
- Detailed Tender Project Plan with SMART objectives  
(specific, measurable, achievable, realistic/relevant, time bound)



# Influence/Power

- Who has most Control? The Customer or Supplier?

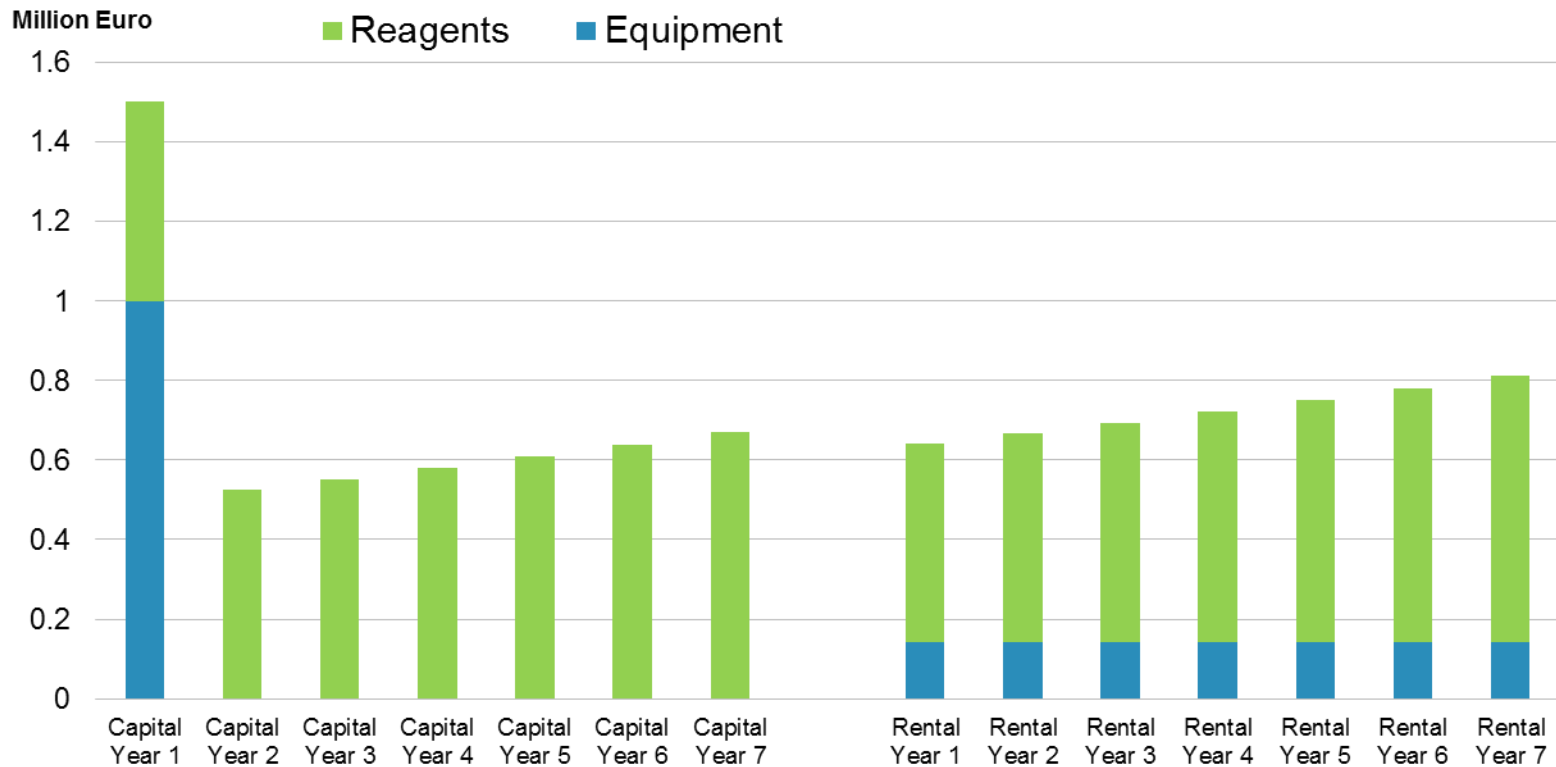


## Pre-Tender Preparation

- Research the market
  - Speak to colleagues
  - Visit laboratories with different solutions
  - Speak to suppliers
  - Obtain indicative costs for different options
    - Fully tracked
    - Partially tracked
    - Hot cells with sample pre-analytical processors
- Decide on Length of Contract
  - Typically 5-10 years
  - 7 years plus up to 7 years Extension
- Decide on Lease/Rental versus Capital Purchase

# Pre-Tender Preparation

- Capital Purchase versus Rental/Lease



## Pre-Tender Preparation

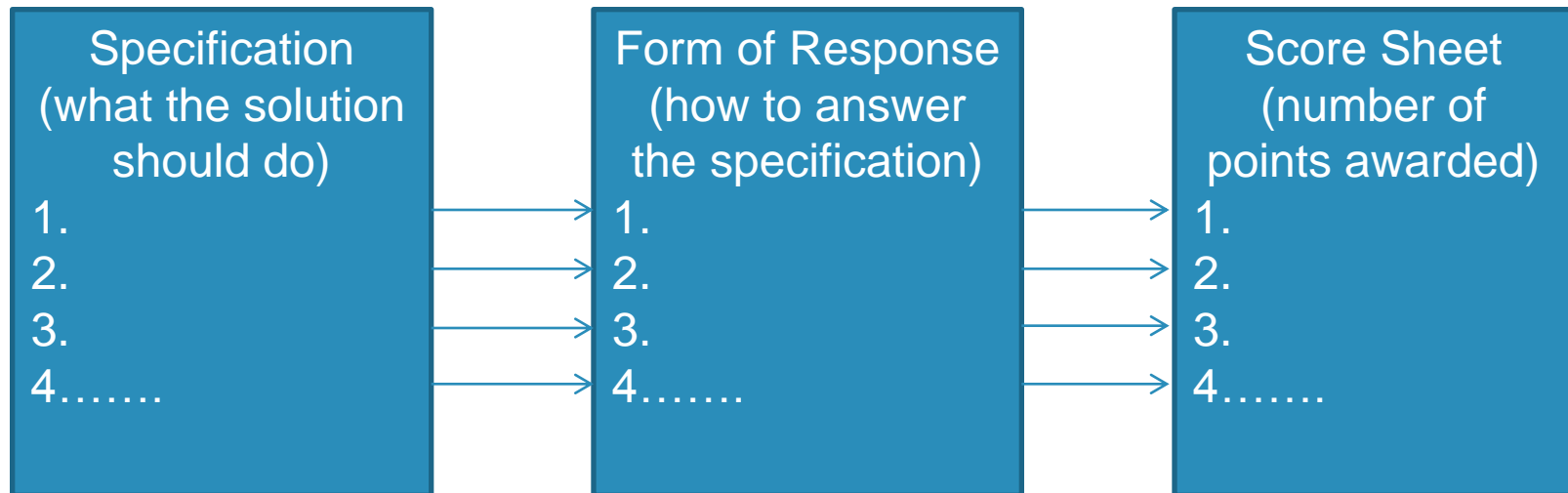
- Prepare Documentation
  - Pre-Qualification Questionnaire
  - Invitation to Tender including
    - Specification
    - Form of Response
    - Financial and Equipment Proforma
    - Draft Contract
    - Draft Key Performance Indicators
- Prepare Scoring Methodology
- Test Scoring Methodology

## Pre-Tender Preparation – Specification Contents

| <b>SOLUTION</b>                           | <b>MANAGED SERVICE</b>                           | <b>DEPLOYABILITY<br/>(Equipment)</b> |
|---|--|--------------------------------------|
| Introduction, objectives, and requirement | Contract Management                              | Health & Safety / Waste              |
| Overall System Capability                 | Key Performance Indicators                       | Water/Electrical                     |
| Effectiveness and Quality                 | Financial Management                             | UPS                                  |
| Throughput Overall Capacity & Speed       | Training   | IT                                   |
| Centrifugation                            | Documentation                                    | Implementation Plan                  |
| Pre and Post Analytical Robotics          | Supply Chain, Logistics and Inventory Management |                                      |
| Analysers                                 | Disaster Recovery & Contingency Arrangements     |                                      |
| Reagents & Consumables                    | Contract Exit Strategy                           |                                      |
| Availability and Support                  | Added Value Services                             |                                      |
| Technology Refresh                        | Transfer of Third Party Contracts                |                                      |

# Pre-Tender Preparation

## Three key documents -



The solution should be able to de-cap 600 tubes per hour

Explain how your solution de-caps tubes. Provide details of what tube types can be de-capped and if/how the decapper is linked to a sample track.

Worth 20 Points

# Pre-Tender Preparation

- Prepare and Test Tender Scoring Methodology

| Criteria              | Criteria Score | Sub-Criteria            | Sub-Criteria Score | Question    | Question Score | %             |
|-----------------------|----------------|-------------------------|--------------------|-------------|----------------|---------------|
| Quality               | 3618           | 1.0 Solution            | 1828               |             |                |               |
|                       |                |                         |                    | 1.1         | 148            | 2.5%          |
|                       |                |                         |                    | 1.2         | 400            | 6.6%          |
|                       |                |                         |                    | 1.3         | 240            | 4.0%          |
|                       |                |                         |                    | 1.4         | 80             | 1.3%          |
|                       |                |                         |                    | 1.5         | 240            | 4.0%          |
|                       |                |                         |                    | 1.6         | 240            | 4.0%          |
|                       |                |                         |                    | 1.7         | 240            | 4.0%          |
|                       |                |                         |                    | 1.8         | 200            | 3.3%          |
|                       |                |                         |                    | 1.9         | 40             | 0.7%          |
|                       |                |                         |                    | Total score | 1828           | 30.4%         |
|                       |                | 2.0 Deployability       | 616                |             |                |               |
|                       |                |                         |                    | 2.1         | 0              | 0.0%          |
|                       |                |                         |                    | 2.2         | 40             | 0.7%          |
|                       |                |                         |                    | 2.3         | 0              | 0.0%          |
|                       |                |                         |                    | 2.4         | 416            | 6.9%          |
|                       |                |                         |                    | 2.5         | 160            | 2.7%          |
|                       |                |                         |                    | Total score | 616            | 10.2%         |
|                       |                | 3.0 Managed Service     | 1174               |             |                |               |
|                       |                |                         |                    | 3.1         | 68             | 1.1%          |
|                       |                |                         |                    | 3.2         | 400            | 6.6%          |
|                       |                |                         |                    | 3.3         | 40             | 0.7%          |
|                       |                |                         |                    | 3.4         | 120            | 2.0%          |
|                       |                |                         |                    | 3.5         | 0              | 0.0%          |
|                       |                |                         |                    | 3.6         | 186            | 3.1%          |
|                       |                |                         |                    | 3.7         | 40             | 0.7%          |
|                       |                |                         |                    | 3.8         | 40             | 0.7%          |
|                       |                |                         |                    | 3.9         | 200            | 3.3%          |
|                       |                |                         |                    | 3.10        | 80             | 1.3%          |
|                       |                |                         |                    | Total score | 1174           | 19.5%         |
| Maximum Quality Score | 3618           |                         | 3618               |             | 3618           | <b>60.1%</b>  |
| Price                 | 0              | Total Cost over 7 Years |                    |             | 2200           | 36.6%         |
|                       |                | Cost of Upscaling       |                    |             | 200            | 3.3%          |
| Maximum Price Score   |                |                         | 2400               | Total score | 2400           | <b>39.9%</b>  |
| Maximum Total Score   |                |                         | 6018               |             | 6018           | <b>100.0%</b> |

# Pre-Tender Preparation

- Scoring Methodology

| Score        | Value | Description / Scoring Guidance   |
|--------------|-------|--|
| Excellent    | 100%  | <p>The answer is clear, unambiguous and consistent with other answers.</p> <p>AND</p> <p>There is robust and compelling evidence that the solution / proposal will entirely support the objectives of the procurement and meet the specification with little or no risk to implementation of the solution described within the required timescales.</p> <p>AND</p> <p>There are no grounds for concern about the proposal / plans the bidder has put forward regarding how they will deliver the capability being described.</p>   |
| Good         | 80%   | <p>The answer is clear, unambiguous and consistent with other answers.</p> <p>AND</p> <p>There is credible evidence that the solution / proposal will support the objectives of the procurement and meet the specification with minimal risk to implementation of the solution described within the required timescales.</p> <p>AND</p> <p>There are only minimal grounds for concern about the proposal / plans the bidder has put forward regarding how they will deliver the capability being described.</p>  |
| Adequate     | 50%   | <p>The answer is mostly clear, unambiguous and consistent with other answers.</p> <p>AND</p> <p>There is some – but not entirely convincing - evidence that the solution / proposal will support the objectives of the procurement and meet the specification with acceptable risk to implementation of the solution described within the required timescales.</p> <p>AND</p> <p>There are some grounds for concern about the proposal / plans the bidder has put forward regarding how they will deliver the capability being described, but it is considered likely that the bidder will be able to address these concerns satisfactorily during the contract.</p>   |
| Unacceptable | 0%    | <p>The answer is unclear, ambiguous, incomplete, or inconsistent with other answers.</p> <p>OR</p> <p>There is either unconvincing evidence that the solution will support the objectives of the procurement and meet the specification with acceptable risk, or the solution is likely to fail to deliver the objectives of the procurement and / or fail to meet the specification.</p> <p>OR</p> <p>There are some significant grounds for concern about the proposal / plans the bidder has put forward regarding how they will deliver the capability being described and it is considered unlikely that these can be satisfactorily addressed during the contract.</p> <p>OR</p> <p>Failed to answer question.</p> |



## The Tender - Timeline

- Advertise in OJEU and wait for respondents
- Issue Pre Qualification Questionnaire and Tender Documentation to Suppliers
- Score PQQ and Shortlist Suppliers
- Meet Shortlisted Suppliers (together)
- Invite Suppliers to present to staff
- Answer Suppliers Questions on weekly basis

## The Tender

- Suppliers Return Responses
- Initial Scoring of Responses (individual)
- Visit Laboratories to corroborate scores
- Seek any clarifications from Suppliers
- Finalise Scores (group)
- Final Clarification Meetings
- Notification of Award to Suppliers

## The Tender

- Standstill Period (min 10 days)
- Suppliers Feedback Meetings
- Contract Award Notice (max 48 day period)
- Finalise Contract
- Place Order with Supplier

## Post Tender

- Detailed and Robust Implementation Plan
  - Suppliers Project Manager
  - Staff Involvement
  - Extensive Training
- Monitor Contract
  - Monthly Billing to monitor expenditure
  - Quarterly Contract Meetings
  - Key Performance Indicators

Monitor both Financial and Service Performance

# Key Performance Indicators

| KPI                             | Description                                    | Tolerance | Measurement  | Consequence of Service Failure   |
|---------------------------------|--|-----------|--|--|
| 1. Analyte availability         | All Group 1 analytes should be available.      | 0%        | Determined from analyser repertoire and service up time.<br><br>Please refer to ITT document 'Appendix B – Workload Specification' for list of Group 1 analytes. | The Service Provider will be liable for any additional costs if the Trust has to make alternative arrangements. This will include the actual invoiced cost from the analysing laboratory, postage and packing, and Trust costs for making alternative arrangements which is a fixed fee of £2000 per quarter.  |
| 2. System Availability          | Minimum uptime is 98% per analytical unit      | 0%        | Based on the % of system availability during each calendar month   | A payment of £2000 in respect of each failure per analytical unit during the previous quarter. Payment to be applied to the Trust account as a Credit charge for the relevant Quarter.<br><br>The Service Provider will also be liable for any additional costs if the Trust has to make alternative arrangements. This will include the actual invoiced cost from the analysing laboratory, postage and packing, and Trust costs for making alternative arrangements which is a fixed fee of £2000 per quarter. |
| 3. Urgent Test turnaround times | Maximum TAT of 45 minutes for each Urgent Test | 2%        | Inclusive of pre – analytical and analytical time – measurement taken from LIMS/ interfaces  | £2000 per month  |

# Key Points

Procurement Process

Good Research

Detailed Planning and Paperwork

Robust Marking Scheme

Fairness and Transparency

Staff Involvement

SUCCESS!



## September 2014 – Health Service Journal Award Value and Improvement in Pathology Services

