



**Queensland  
Government**  
Queensland Health

*Health Services Purchasing and Logistics*

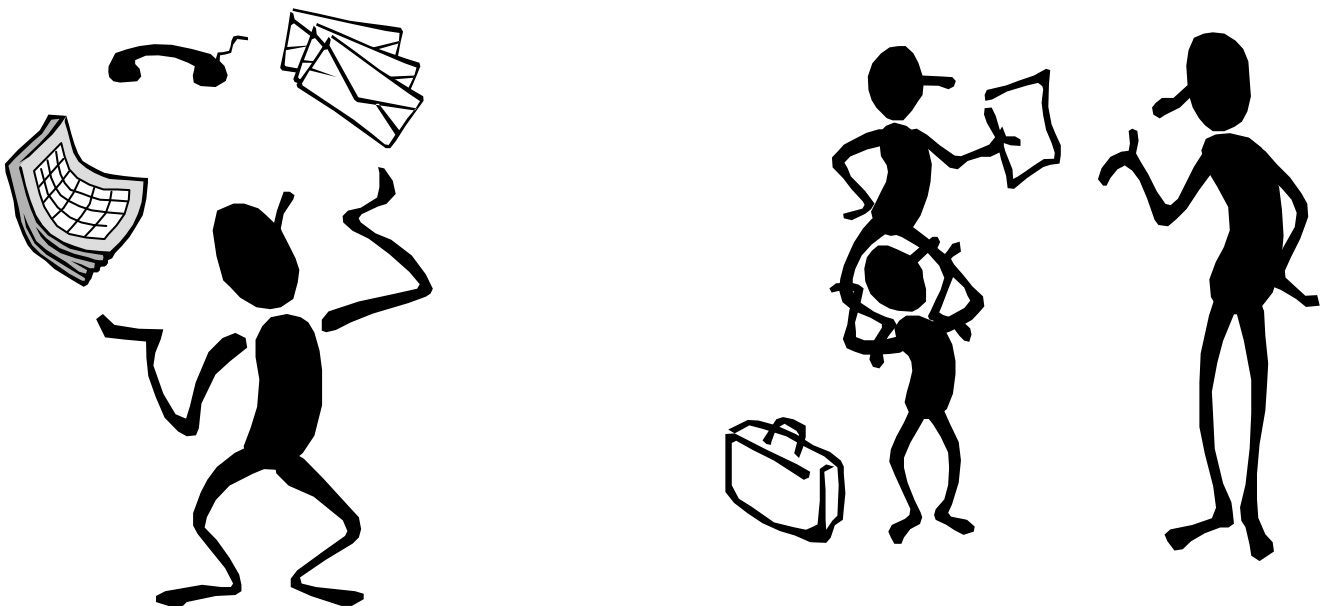
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# **INDUSTRY BRIEFING**

## **2010/12 BULK PURCHASE PROGRAM**

**FOR**

## **HEALTH TECHNOLOGY EQUIPMENT**



*29 October 2010*

# BULK PURCHASE CONTACT DETAILS

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# BULK PURCHASE PROGRAM

## **Establishment:**

- Corporately, within Queensland Health, it was recognised that purchase of equipment from the Equipment Replacement Program and the extensive Hospital Redevelopment Programs posed a major challenge.
- In particular, ad-hoc and other selective purchasing arrangements were not able to cope with the volume of equipment to be purchased throughout the duration of these programs. Also, the existing evaluation processes were not optimum for rationalisation/standardisation within tight budgetary limits.
- In October 1997, The Director-General approved the establishment of Equipment Buying Group whose roles were:
  - To collect and collate project equipment schedules.
  - To consider standardised equipment items and arrange staged bulk purchases and use of Standing Offer Arrangements, where applicable, for project and annual equipment purchases;
  - To action 1997/98 equipment acquisitions as a pilot coordinated purchasing project and report on the effectiveness of this process.

## **Pilot Program:**

- Due to the lateness of starting this new purchasing process midstream in the financial year and the great deal of start up work to establish the purchasing methodologies to be utilised, only seven (7) categories of equipment were able to be included in the Pilot Bulk Purchase Program.
- As well as attending to the issues of need and efficiency of purchasing process; product standardisation; after sales service and support; and matching equipment type with levels of service delivery, a key measure of success of the Pilot Program is the monetary savings.

# BULK PURCHASE PROGRAM

- These savings could never be achieved by individual purchasing processes conducted at District level. Indeed, the very action of each District undertaking similar purchasing procedures for similar equipment requirements would incur far greater purchasing “input costs” than the one-time action taken as part of the Bulk Purchase Program. Purchasing cost savings are estimated to save Queensland Health an additional 3% of purchase price by this central buying initiative.
- The Pilot Program was considered, on all objective measures, to be a resounding success, and it was recommended that this Bulk Purchasing process should be implemented as a permanent feature of the Capital Works equipment purchasing methodology.
- In 2006 the Director-General strongly supported that it was imperative that as much equipment as possible was purchased through the Bulk Purchase Program.

## **Equipment Replacement Program (ERP):**

- The Equipment Replacement Program, managed by Capital Works Branch was in place for four years. At the same time, there were several Hospital Redevelopments being undertaken around the state. The Bulk Purchase Program was used to purchase equipment for these programs as under:

<i>Year</i>	<i>ERP Value</i>	<i>Bulk Purchase Categories</i>
1997/98	\$5M	7
1998/99	\$10M	33
1999/00	\$0	12
2000/01	\$5M	39

# BULK PURCHASE PROGRAM

## *Health Technology Equipment Replacement Program (HTER):*

- In 2001/02 the Equipment Replacement Program was replaced with the Health Technology Equipment Replacement Program (HTER).
- In 2006/08 the HTER became a two (2) year program instead of a one (1) year program. It was recognised that the one (1) year timeframe made it extremely difficult to undertake purchasing processes, including delivery and goods receipting, for the volume of equipment required.
- The Bulk Purchase Program continued to be used to purchase equipment for these programs as under:

<i>Year</i>	<i>HTER Value</i>	<i>Bulk Purchase Categories</i>
2001/02	\$50M	70
2002/03	\$45M	80
2003/04	\$45M	98
2004/05	\$37M	88
2005/06	\$37M	98
2006/08	\$140M	130
2008/10	\$129M	126

# BULK PURCHASE PROGRAM

## Funding Sources:

- Although the Bulk Purchase Program manages the purchasing process for equipment funded primarily through the HTER and Redevelopment Programs, there are always a number of ad-hoc projects that are included in the Bulk Purchase Program.
- In Particular, purchases of equipment from District funds comprise a significant proportion of the total purchases, approx. 20%.
- For 2006/08, a total of \$200M was processed as part of the Bulk Purchase Program and for 2008/10 the value was \$147M.

## Savings:

- When the Bulk Purchase Program was a one (1) year program, savings equated to 12 – 15%.
- For 2006/08, the first of the two (2) year programs, savings of 25% were achieved overall.
- For 2008/10, savings of 27.47% were achieved overall.
- Savings achieved as part of the HTER program are utilised to purchase additional equipment.

## 2010/12:

- The 2010/12 HTER Program has \$140M allocated.
- In addition, a number of significant capital construction and redevelopment programs have been approved for Queensland Health.
- A key element in the process is the coordination and procurement of furniture, fittings and equipment (FF&E) for these projects.
- Bulk Purchase arrangements will be utilised to optimise procurement and economies of scale.

# BULK PURCHASE PROCESS

## Offer Process:

### DRAFT SPECIFICATION

- A draft Technical Specification and Schedule of Particulars is prepared by the relevant technical officer (this officer may be from Biomedical Technology Services (BTS), Centre for Health Related Infection Surveillance and Prevention (CHRISP) or Building, Engineering Maintenance Services (BEMS)).
- The draft Technical Specification and Schedule of Particulars is then forwarded to nominated representatives prior to the Specification Review Meeting/s.

### SPECIFICATION REVIEW MEETING

- All Queensland Health facilities that have a requirement for a particular category of equipment provide input in the specification by participating in Specification Review Meetings. Participants form the Bulk Purchase Advisory Committee (BPAC).
- Specification Review meetings are used to determine issues such as:
  - physical space restrictions
  - deadlines for delivery and installation
  - level of equipment required
  - clinical application
  - interfacing to existing equipment
  - brands and numbers of existing equipment
  - maintenance, cleaning, infection control and Workplace Health and Safety requirements
  - expected life of the equipment
- For most Purchase Categories these meetings are conducted via teleconference. For more complex/high value Purchase Categories, such as high end Medical Imaging Equipment, representatives may be required to attend in person.

# BULK PURCHASE PROCESS

## Offer Process:

### **SPECIFICATION REVIEW MEETING 2**

- In some cases there may be a requirement to have a second meeting. For Purchase Categories where the evaluation will be conducted by a weighted scoring process, the scoring/weightings will also be determined at the second meeting.

### **FINAL SPECIFICATION**

- A final specification is prepared after the Specification Review Meeting/s to incorporate all potential requirements.
- It should be noted that for most Purchase Categories the specifications are broad to cover all potential requirements for any Qld Health facility.

### **ISSUE OF OFFER**

- The offer document is developed using offer templates designed for the Bulk Purchase Process which include Terms and Conditions including delivery, warranty, service/maintenance etc. as well as the Technical Specification and Schedule of Particulars.
- Requests for Offers will be advertised on the Queensland Government Website: [www.qgm.qld.gov.au](http://www.qgm.qld.gov.au)
- The Technical Requirements of Part B – Specification & Terms will automatically be forwarded to suppliers who have completed and returned the “Request for Copies of Specifications” form that will be emailed to all suppliers who registered to attend the Industry Briefing.
- Once advertised, the Technical Requirements will be issued upon request to any other suppliers who return a “Request for Specification” form.
- Suppliers who intend to submit an Offer, after reviewing the Technical Specification, will be required to complete a “Request for Offer” form to obtain the Offer document.

# BULK PURCHASE PROCESS

## *Offer Process:*

### **ISSUE OF OFFER**

- Once this form is emailed to [bulk\\_purchase@health.qld.gov.au](mailto:bulk_purchase@health.qld.gov.au), the Request for Offer document, included on a CD will be mailed to the supplier in an Express Post envelope.
- The Request for Offer will generally close after a period of four (4) weeks from the date of issue.

### **CLOSE OF OFFER**

- Offers are required to be delivered to the HSPL Offer Box, Level 4, 200 Adelaide Street, Brisbane or posted to GPO Box 48, Brisbane 4001.
- At the specified Offer Closing Time, officers from HSPL will open the Offer Box and register all offers received.
- Due to the tight timeframes, requests for extensions of the Offer Closing Time will not be considered under any circumstances.

### **SCHEDULE OFFERS**

- All offers received on time will be scheduled in a format which provides a side-by-side response.
- Exceptions to this may be where suppliers do not have a suitable Quality Assurance System in place and sufficient competition is available from all other offers.
- These schedules include Whole-of-Life Costings, where possible.
- Schedules are provided to representatives nominated to attend the Evaluation Meeting.

# BULK PURCHASE PROCESS

## *Offer Process:*

### **BTS REPORT**

- For Purchase Categories where BTS is involved, and which are not a weighted scoring process, BTS provides a Technical Report which outlines for each offer and model received, compliance to Legislation and Standards and to the Technical Requirements of the Specification.
- The BTS Reports are provided to representatives nominated to attend the Evaluation Meeting.

### **EVALUATION MEETING 1**

- In evaluating offers, regard will be given to the following criteria:
  1. Technical Aspects
    - Suitability for use in clinical environments;
    - Quality of the product;
    - Features available
  2. After Sales Service and Support
    - Warranty;
    - Training and Support;
    - Availability of Spare Parts;
    - Service/Maintenance arrangements offered
  3. Comparative Whole-of-Life Costs
  4. Delivery Time/Basis
  5. Past Performance
- For most Purchase Categories, Evaluation Meetings are conducted via teleconference.
- For more complex/high value Purchase Categories, such as Medical Imaging equipment, where the evaluation will be conducted by a weighted scoring process, representatives are required to attend in person.

# BULK PURCHASE PROCESS

## Offer Process:

### **Trials**

- At the Evaluation Meeting it will be determined if trials are required and the models to be trialled.
- HSPL will advise offerers of models of equipment to be trialled and the dates and facilities for which trials will be conducted.
- Nominated District Contacts will liaise with the offerers to ensure that equipment is received on time and to organise a product demonstration which will be conducted at the beginning of the trial.
- As the procurement process has commenced suppliers are not permitted to provide any categories of equipment which are included in the Bulk Purchase process, without the prior written approval of HSPL.

### **Site Visits**

- For Purchase Categories where a weighted scoring process is being undertaken, Site Visits will be conducted to nominated supplier Reference Sites.
- These Site Visits may be conducted at interstate facilities, if these are the most appropriate sites available.

### **Evaluation Meeting 2**

- Where trials or Site Visits have been conducted a second Evaluation Meeting will be held, to assess the results and to finalise the recommendation to accept an offer or offers.

### **Procurement Approval**

- A submission is prepared by HSPL for the approval of the recommendations made at the Evaluation Meeting. This submission is a comprehensive summary of the process to date and the reasons supporting the BPAC's recommendations.

# BULK PURCHASE PROCESS

## *Configuration Process:*

- Configurations of recommended models are created by HSPL to be sent to the respective districts and include the base unit and options/accessories available.
- These configurations are then distributed to the appropriate clinician/s to complete and return to HSPL.
- Once all configurations for a particular Purchase category are received by HSPL, negotiations with recommended supplier/s on issues such as discount and price variations is undertaken by HSPL.

## *Approval Process:*

- Order Attachments are then created by HSPL based on completed configurations.
- District Order Attachments include all details necessary to raise a purchase order.
- Districts also receive an Approval Memo advising that approval has been given to place purchase orders against the Bulk Purchase Arrangement.
- A combined Order Attachment is sent to the recommended supplier/s so that they are aware of forthcoming purchase orders.
- These Order Attachments are legally binding on Queensland Health and allows successful supplier/s to commence actions to supply at the earliest possible time without waiting for individual purchase orders to be received.
- If a supplier believes that the configurations on the Order Attachments are not correct, they need to contact HSPL immediately. Under no circumstances are they to contact the districts direct, unless advised to do so by HSPL. This will ensure that any amendments are duly processed prior to purchase orders being raised.

# BULK PURCHASE PROCESS

## *Advice to Unsuccessful Offerers:*

- Once Order Attachments are forwarded to successful offerer/s HSPL will issue letters of advice to unsuccessful offerers.
- Unsuccessful offerers are entitled to a debriefing to enable them to be more competitive for future Bulk Purchase arrangements.
- During these debriefing sessions, unsuccessful offerers will be provided with the reasons as to why their offer was not recommended.
- Only the name of the successful offerer/s will be provided. At no time will the model or price of the successful product/s be disclosed.
- Offerers wishing to take advantage of this opportunity should be aware that the debriefing sessions are not a forum for debating the evaluation process or the decision.
- Debriefing will be at the convenience of HSPL.

# NETWORKED BIOMEDICAL EQUIPMENT

Due to the increased connectivity of medical devices to the Queensland Health (QH) WAN, QH is actively ensuring the security of medical devices on the network. For this to happen, QH needs the co-operation from its medical device vendors. The tender panel will be asking a series of questions in relation to the security of the device. An assessment will be made as to the risk of connecting it to the QH network. (This risk is not only to the device, but also the other devices on the network.) The panel will be informed of how susceptible this device is to malicious software. This will be considered when determining if QH will purchase the device.

The questions are to determine if you have closed all ports that are not being used by the system and if the system can run virus protection software. Once the devices are purchased they will be tested to determine their vulnerability.

For IEC802.11 protocol wireless devices there will be extra questions to determine the compatibility with the QH wireless network. It is not possible or practical to run separate wireless networks for all the devices QH will be using. Consequentially this produces some compatibility issues for medical devices:

- They will have to share an SSID with other biomedical devices.
- It is preferred they are not running IEC802.11b as this will reduce the speed of the IEC802.11g traffic.
- It is desirable to have WPA2 encryption to ensure data security.
- It is desirable the devices can accept a custom certificate to reduce the management overhead and reduce the ability for the network to be hacked.
- It is desirable to have IEC802.11e quality of service enabled to give these devices priority on the network.

# CATEGORIES AND TIMEFRAMES

## **Bulk Purchase Categories:**

The purchasing process for 143 categories of equipment will be managed through the Bulk Purchase Process as under:

- Existing SOAs – 13 – HSPL will negotiate with the SOA suppliers for a bulk price.
- New SOAs – 5 – Offers will be invited for the new SOA to commence within the 2010/12 Bulk Purchase timeframe.
- Previous Bulk Purchase – 3 – HSPL will negotiate with the suppliers/s for applicable pricing.
- Existing Bulk Purchase – 21 – These were initially invited for the 2008/10 Bulk Purchase, with an option to extend to the end of the 2011/12 financial year. HSPL will exercise the option to extend.
- Current Bulk Purchase – 1 – This category has already been finalised.
- New Bulk Purchase – 100 – Offers will be invited by HSPL. The term of these arrangements will be to the end of the 2011/12 financial year with the option to extend, at the sole discretion of HSPL, to the end of the 2013/14 financial year.

## **Timeframes:**

- Proposed timeframes have been established for the purchasing process for the 143 Bulk Purchase Categories, as listed in the following pages.
- Timeframes may vary slightly, however, they need to be adhered to as closely as possible in order to achieve delivery and payment of all goods by 30 June 2012.

# CATEGORIES AND TIMEFRAMES

Offer No	Purchasing Category	Type of Arrangement	Issue Offer	Close Offer
N/A	Anaesthetic Equipment, MRI Compatible	Bulk Purchase-Existing	N/A	N/a
PL1001/1	Anaesthetic Machines	Bulk Purchase-New	10-Dec-10	02-Feb-11
PL1002/1	Anaesthetic Monitors	Bulk Purchase-New	10-Dec-10	02-Feb-11
N/A	Analgesia Units, Inhalation	Bulk Purchase-Existing	N/A	N/A
PI003/1	Aspirators	Bulk Purchase-New	09-Dec-10	31-Jan-11
PL1004/1	Audiometers/Tympanometers	Bulk Purchase-New	31-Mar-11	05-May-11
N/A	Beds, Birthing	Bulk Purchase-Existing	N/A	N/A
N/A	Beds, Hospital	Bulk Purchase-Existing SOA	N/A	N/A
PL1005/1	Bladder Scanners	Bulk Purchase-New	06-Dec-10	04-Feb-11
PL1006/1	Blood Gas Analysers	Bulk Purchase-New	28-Mar-11	29-Apr-11
PL1007/1	Bone Mineral Densitometers	Bulk Purchase-New	10-Oct-11	07-Nov-11
PL1008/1	Cardiac Angiography Systems	Bulk Purchase-New	19-Apr-11	17-May-11
PL1009/1	Cardiotocographs	Bulk Purchase-New	13-May-11	10-Jun-11
PL1010/1	Cast Cutters	Bulk Purchase-New	08-Jun-11	06-Jul-11
PL1011/1	Chairs, Dialysis	Bulk Purchase-New	17-Feb-11	17-Mar-11
PL1012/1	Chairs, Flotation	Bulk Purchase-New	27-May-11	24-Jun-11
PL1013/1	Chairs, Shower and Commode	Bulk Purchase-New	10-Dec-10	08-Feb-11
N/A	Cots, Paediatric	Bulk Purchase-Existing	N/A	N/A
PL1014/1	CR Systems	Bulk Purchase-New	29-Nov-10	31-Jan-11
PL1015/1	CT Scanners – Offer 1	Bulk Purchase-New	10-Nov-10	15-Dec-10
PL1016/1	CT Scanners - Offer 2	Bulk Purchase-New	10-Nov-11	15-Dec-11
PL1017/1	CT Scanners – Wide Bore	Bulk Purchase-New	08-Dec-10	28-Jan-11
PL1018/1	Defibrillators	Bulk Purchase-New	30-Mar-11	29-Apr-11
N/A	Dental Equipment	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Diagnostic Instruments	Bulk Purchase-Existing SOA	N/A	N/A
PL1019/1	Dialysis Equipment	Bulk Purchase-New	25-Nov-10	02-Feb-11
PL1020/1	Dopplers, Foetal & Vascular	Bulk Purchase-New	01-Jun-11	29-Jun-11
PL0121/1	Dry Imagers	Bulk Purchase-New	02-Dec-10	04-Feb-11
N/A	Drying Cabinets	Bulk Purchase-Existing	N/A	N/A
PL1022/1	Electroanatomical Mapping Systems	Bulk Purchase-New	24-Nov-10	01-Feb-11
PL1023/1	Electrocardiographs	Bulk Purchase-New	13-Apr-11	12-May-11
PL1024/1	Electroconvulsive Therapy Units	Bulk Purchase-New	21-Apr-11	24-May-11
PL1025/1	Electroencephalographs	Bulk Purchase-New	14-Jul-11	11-Aug-11
PL1026/1	Electromyographs	Bulk Purchase-New	27-Jul-11	24-Aug-11
PL1027/1	Electrosurgical Units	Bulk Purchase-New	11-Apr-11	11-May-11
PL1028/1	Endoscopic Equipment	Bulk Purchase-New	25-Mar-11	3-May-11
PL1029/1	Exercisers, Continuous Passive Motion	Bulk Purchase-New	29-Apr-11	27-May-11
N/A	Flushers/Sanitiser, Bed Pan	Bulk Purchase-Existing	N/A	N/A
PL1030/1	Gamma Cameras	Bulk Purchase-New	14-Mar-11	11-Apr-11
PL1097/1	Haemodynamic Monitoring Systems	Bulk Purchase-New	28-Apr-11	26-May-11
PL1031/1	Haemofiltration Systems	Bulk Purchase-New	23-May-11	20-Jun-11
PL1032/1	Headlights	Bulk Purchase-New	06-Jun-11	04-Jul-11
PL1033/1	Holter Monitoring Systems	Bulk Purchase-New	15-Apr-11	16-May-11
N/A	Humidifiers	Bulk Purchase-Previous	N/A	N/A
PL1034/1	Hypothermia Units	Bulk Purchase-New	13-Jun-11	11-Jul-11
PL1035/1	Infant Incubators	Bulk Purchase-New	29-Apr-11	30-May-11
PL1036/1	Infant Phototherapy Units	Bulk Purchase-New	31-Mar-11	05-Apr-11
PL1037/1	Infant Resuscitation Trolleys	Bulk Purchase-New	14-Feb-11	14-Mar-11
N/A	Infant Warmers	Bulk Purchase-Existing	N/A	N/A
PL1038/1	Intra-Aortic Balloon Pumps	Bulk Purchase-New	29-Apr-11	27-May-11

# CATEGORIES AND TIMEFRAMES

Offer No	Purchasing Category	Type of Arrangement	Issue Offer	Close Offer
PL1039/1	Laparoscopic Equipment	Bulk Purchase-New	14-Dec-10	04-Feb-11
PL1040/1	Lasers, Surgical	Bulk Purchase-New	11-Apr-11	09-May-11
N/A	Lights, Examination/Procedure	Bulk Purchase-Existing	N/A	N/A
N/A	Lights, Operating	Bulk Purchase-Existing	N/A	N/A
N/A	Linear Accelerators	Bulk Purchase-Current	N/A	N/A
PL1041/1	Mammography Units, Digital Radiography	Bulk Purchase-New	18-Nov-10	16-Dec-10
N/A	Mattresses	Bulk Purchase-Existing SOA	N/A	N/A
PL1042/1	Microscopes, Operating	Bulk Purchase-New	21-Mar-11	18-Apr-11
PL1043/1	Mobile BreastScreening Vehicles	Bulk Purchase-New	22-Feb-11	22-Mar-11
N/A	Mobile Dental Clinics, Self Drive	Bulk Purchase-Existing	N/A	N/A
N/A	Mobile Dental Clinics, Single Surgery	Bulk Purchase-Existing SOA	N/A	N/A
PL1044/1	Mobile Image Intensifiers	Bulk Purchase-New	23-Mar-11	20-Apr-11
PL1045/1	Monitoring Systems, Patient, Physiological – Atherton	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1046/1	Monitoring Systems, Patient, Physiological – Bundaberg	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1047/1	Monitoring Systems, Patient, Physiological – Cairns	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1048/1	Monitoring Systems, Patient, Physiological – Gladstone	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1049/1	Monitoring Systems, Patient, Physiological – Gold Coast	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1099/1	Monitoring Systems, Patient, Physiological – Logan	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1050/1	Monitoring Systems, Patient, Physiological – Maryborough	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1051/1	Monitoring Systems, Patient, Physiological – PAH	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1052/1	Monitoring Systems, Patient, Physiological – QEII	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1053/1	Monitoring Systems, Patient, Physiological – Toowoomba	Bulk Purchase-New	14-Mar-11	14-Apr-11
PL1054/1	Monitors, Patient, Physiological	Bulk Purchase-New	15-Apr-11	13-May-11
N/A	Monitors, Patient, Vital Signs	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Mortuary Equipment	Bulk Purchase-Existing	N/A	N/A
PL1055/1	MRI Scanners – Offer 1	Bulk Purchase-New	05-Nov-10	03-Dec-10
PL1056/1	MRI Scanners – Offer 2	Bulk Purchase-New	16-Nov-11	14-Dec-11
PL1057/1	MRI Scanners – Intra-Operative	Bulk Purchase-New	06-Dec-11	07-Feb-12
N/A	Nebulisers	Bulk Purchase-Existing SOA	N/A	N/A
PL1058/1	Operating Tables	Bulk Purchase-New	27-Apr-11	25-May-11
N/A	OPGs	Bulk Purchase-Existing	N/A	N/A
N/A	Overbed Tables	Bulk Purchase-Existing	N/A	N/A
N/A	Oxygen Regulators	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Patient Baths/Shower Trolleys	Bulk Purchase-Existing	N/A	N/A
PL1059/1	Patient Emergency Call Systems – Biloela	Bulk Purchase-New	26-Nov-10	03-Feb-11
PL1060/1	Patient Emergency Call Systems – Charleville	Bulk Purchase-New	17-Jan-11	17-Feb-11
PL1098/1	Patient Emergency Call Systems – Hervey Bay	Bulk Purchase-New	10-Dec-10	03-Feb-11

# CATEGORIES AND TIMEFRAMES

Offer No	Purchasing Category	Type of Arrangement	Issue Offer	Close Offer
PL1061/1	Patient Emergency Call Systems – Home Hill	Bulk Purchase-New	23-Nov-10	03-Feb-11
PL1062/1	Patient Emergency Call Systems – Injune	Bulk Purchase-New	17-Jan-11	17-Feb-11
PL1100/1	Patient Emergency Call Systems – Monto	Bulk Purchase-New	17-Jan-11	17-Feb-11
PL1063/1	Patient Emergency Call Systems – Roma	Bulk Purchase-New	17-Jan-11	17-Feb-11
PL1064/1	Patient Emergency Call Systems – St George	Bulk Purchase-New	17-Jan-11	17-Feb-11
PL1065/1	Patient Emergency Call Systems – Townsville	Bulk Purchase-New	24-Nov-10	03-Feb-11
PL1066/1	Patient Hoists/Lifters	Bulk Purchase-New	11-May-11	08-Jun-11
N/A	Patient Trolleys	Bulk Purchase-Existing	N/A	N/A
PL1067/1	PET Scanners	Bulk Purchase-New	05-Dec-11	25-Jan-12
N/A	Phaeoemulsifiers	Bulk Purchase-Existing	N/A	N/A
N/A	Physiotherapy Treatment Equipment	Bulk Purchase-Previous	N/A	N/A
PL1068/1	Plethysmographs	Bulk Purchase-New	28-Apr-11	31-May-11
N/A	Pulse Oximeters	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Pumps, Infusion, PCA	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Pumps, Infusion, Syringe	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Pumps, Infusion, Volumetric	Bulk Purchase-Existing SOA	N/A	N/A
PL1069/1	Radiation Therapy Treatment Planning Systems	Bulk Purchase-New	09-Dec-11	30-Jan-12
PL1070/1	Refrigerators, Vaccine/Pharmacy	Bulk Purchase-New	13-Dec-10	10-Feb-11
PL1071/1	Scales, Infant	Bulk Purchase-New	20-May-11	17-Jun-11
PL1072/1	Scales, Patient	Bulk Purchase-New	21-Apr-11	19-May-11
PL1073/1	Scopes, Gynaecological	Bulk Purchase-New	07-Apr-11	05-May-11
PL0174/1	Slit Lamps	Bulk Purchase-New	01-Apr-11	28-Apr-11
PL48/4/1	SOA - Monitors, Patient, Vital Signs	Bulk Purchase-New SOA	27-Jun-11	25-Jul-11
PL36/4/1	SOA – Pulse Oximeters	Bulk Purchase-New SOA	30-May-11	27-Jun-11
PL30/4/1	SOA – Pumps, Infusion	Bulk Purchase-New SOA	18-May-11	15-Jun-11
PL170/2/1	SOA – Regulators & Flowmeters, Medical Gases	Bulk Purchase-New SOA	09-Nov-10	07-Dec-10
PL35/4/1	SOA – Spirometers	Bulk Purchase-New SOA	11-Aug-11	08-Sep-11
N/A	Spirometers	Bulk Purchase-Existing SOA	N/A	N/A
N/A	Sterilising Units	Bulk Purchase-Existing	N/A	N/A
PL1075/1	Stimulators, Nerve/Neuromuscular	Bulk Purchase-New	27-May-11	24-Jun-11
PL1076/1	Stress Testing Systems	Bulk Purchase-New	21-Apr-11	22-May-11
N/A	Surgical Power Tools	Bulk Purchase-Existing	N/A	N/A
PL1077/1	Tables, Examination/Treatment	Bulk Purchase-New	15-Apr-11	13-May-11
N/A	Tourniquets, Automatic	Bulk Purchase-Existing	N/A	N/A
N/A	Trolleys, Medication	Bulk Purchase-Previous	N/A	N/A
PL1078/1	Trolleys, Resuscitation	Bulk Purchase-New	04-May-11	01-Jun-11
PL1079/1	Ultrasound Units	Bulk Purchase-New	10-Dec-10	09-Feb-11
PL1080/1	Ventilators, ICU	Bulk Purchase-New	09-Dec-10	08-Feb-11
PL1081/1	Ventilators, Neonatal	Bulk Purchase-New	18-Nov-10	16-Dec-10
PL1082/1	Ventilators, Transport	Bulk Purchase-New	07-Dec-10	01-Feb-11
PL1084/1	Ventilatory Support Systems	Bulk Purchase-New	14-Apr-11	12-May-11
PL1085/1	Ward Washers/Disinfectors	Bulk Purchase-New	15-Apr-11	13-May-11
PL1086/1	Warmers, Blanket/Fluid	Bulk Purchase-New	06-May-11	03-Jun-11
N/A	Washing and Disinfecting Machines	Bulk Purchase-Existing	N/A	N/A
PL1087/1	Water Treatment Units – Hervey Bay	Bulk Purchase-New	13-Dec-10	07-Feb-11
PL1088/1	Water Treatment Units – Innisfail	Bulk Purchase-New	07-Dec-10	07-Feb-11

# CATEGORIES AND TIMEFRAMES

Offer No	Purchasing Category	Type of Arrangement	Issue Offer	Close Offer
PL1089/1	Water Treatment Units – RBWH	Bulk Purchase-New	23-Nov-10	07-Feb-11
PL1090/1	Water Treatment Units – Toowoomba	Bulk Purchase-New	09-Dec-10	07-Feb-11
PL1091/1	Wheelchairs	Bulk Purchase-New	03-Mar-11	31-Mar-11
PL1092/1	X-Ray Units, Angiographic/Fluoroscopic & Interventional	Bulk Purchase-New	22-Mar-11	19-Apr-11
PL1093/1	X-Ray Units, Digital Radiography, Fixed	Bulk Purchase-New	07-Mar-11	04-Apr-11
PL1094/1	X-Ray Units, Digital Radiography, Mobile	Bulk Purchase-New	20-Apr-11	18-May-11
PL1095/1	X-Ray Units, Fixed	Bulk Purchase-New	08-Mar-11	05-Apr-11
PL1096/1	X-Ray Units, Mobile	Bulk Purchase-New	05-Apr-11	03-May-11
N/A	X-Ray Units, Mobile CR	Bulk Purchase-Existing	N/A	N/A

## *Non-Bulk Purchase Categories:*

### **Individuals**

- There are a number of items on the HTER which could be one-off requirements, or low complexity, or low aggregated value. These items will be deemed to be of low risk from a procurement perspective. Therefore, it is considered not viable to include these items in the Bulk Purchase Process.
- Such items are referred to as “Individuals” by Queensland Health.
- These items are managed by the Queensland Health Shared Service Partner (QHSSP) on behalf of the districts.
- Depending on the particular items, QHSSP will undertake an appropriate procurement process in accordance with the Queensland Health Procurement Policy and Procedures. This could involve obtaining verbal quotes, written quotes or issuing Requests for Offers.

### **Pathology Equipment**

- Pathology and Scientific equipment purchases will be managed separately to the Bulk Purchase Process by the Pathology and Scientific Services Contract Management Unit of HSPL in accordance with the Queensland Health Procurement Policy and Procedures.

# REQUESTS FOR OFFERS

## **Main Offer:**

The “Main Offer” file contains the following information/documents:

### **Part A – General Conditions**

- Part A contains the General Conditions under which offers are submitted, evaluated and either accepted or rejected.

### **Part B – Specification and Terms**

- Part B contains the following Specification and Terms that are applicable to that particular Purchase Category:
  - Technical Specification
  - Pricing, Trialling/Site Visits, Service Support and Warranty, Acceptance Testing etc.
  - Evaluation Criteria
  - Quality Assurance requirements

### **Part C – Special Conditions**

- Part C contains the Special Conditions that are applicable to that particular Purchase Category such as:
  - Wiring and Electrical
  - Price Variations

# REQUESTS FOR OFFERS

## Main Offer:

### **Part D – Additional Information**

- Part D contains the following information that is applicable to the Request for Offer:
  - Definitions and Interpretations
  - The Right to Information Act 2009

### **Part E – Offer Response**

- This section lists all of the files that comprise the Offer Response that must be completed by the Offerer.

### **Instructions**

- This section details how to read Parts A – D.
- It also provides instructions on how to complete the files that comprise Part E – Offer Response.

### **Checklist**

- This section provides a list for offerers to assist in completing their Offer Response.

**NB:** *Where the word “shall” is used in any of the above Parts, the requirement is mandatory.*

*Where the word “should” is used in any of the above Parts, the requirement is desirable but not mandatory.*

# REQUESTS FOR OFFERS

## *Offer Submission:*

### **Response to Offer Form**

- This section is to provide information such as:
  - Person/Business/Corporation offering
  - Contact Details
  - Where purchase orders are to be directed
  - Signature of designated officer

### **Discount**

- This section asks the offerer to indicate how much the offered price has been discounted from the normal selling price.
- This information is important as it provides HSPL with substantiation to determine savings achieved.

### **Quality System Schedule**

- This section is for offerers to indicate their Quality Assurance status.
- Queensland Health's policy for Health Technology Equipment is to only accept accredited Quality Assurance System based on Australian Standard AS/NZS/ISO 9001:2008 "Quality Management System – Requirements" and/or AS/ISO 13485:2003 "Medical Devices – Quality Management Systems – Requirements for Regulatory Purposes", where practical.
- The Quality Assurance requirements apply to the offerer, not the manufacturer, and any certification must include the address of the offerer.

# REQUESTS FOR OFFERS

## Offer Submission:

### **Price Variation Schedule**

- This section is used to determine the basis upon which any price variations are applicable for the duration of the arrangement.
- Offerers are to indicate if goods are manufactured in Australia, imported by the offerer, or imported by a third party.
- If goods are imported by the offerer, then in accordance with Part C – Special Conditions – Price Variations, pricing is subject to exchange rate variations, either up or down, based on the following:
  - Pricing offered shall be based on the exchange rate specified in Part C, which will be a quarterly average (previous quarter to the offer issue date).
  - Pricing to be included on the Order Attachments will be calculated on the difference of the exchange specified in Part C and the average exchange applicable at the time the Order Attachment is prepared (average of the previous quarter).
  - Variations will be based on the difference in exchange rates applied to the stated CIF price (CIF - Cost, Insurance and Freight = Cost price from the manufacturer plus costs to ship the goods to Australia).
  - If the CIF price is not provided, HSPL will calculate an exchange rate variation based on 90% of the offered price.
  - Where goods are paid for in Australian Dollars, offerers are to state the exchange rate the manufacturer uses to convert the invoice price from foreign currency to Australian Dollars.
  - If the conversion rate is not provided, the variation will be calculated using the above mentioned formula, which means that a greater cost reduction may be applied by HSPL.

# REQUESTS FOR OFFERS

## Offer Submission:

### **Price Variation Schedule**

- Regardless of whether goods are manufactured in Australia, imported by the offerer or imported by a third party, for other than exchange rate variations, offerers are required to state if prices are firm or subject to variation.
  
- If subject to variation, offerers shall state:
  - the period for which prices are firm;
  
  - if prices are based on a published list price, and if so, the percentage of the list price;
  
  - each and every other factor where a variation in cost to the offerer shall cause a variation in the price offered (eg. Award/CPI Base rate/s, materials/components etc.).
  
- If this information is not provided, no variations will be granted for the duration of the arrangement.
  
- It should be noted that once the Order Attachment is forwarded to the successful supplier/s no price variations will be granted by HSPL. Therefore, the invoiced amount should reflect the exact pricing on the Order Attachment.

# REQUESTS FOR OFFERS

## Prices:

### Base Unit

- This section is where the offerer provides pricing for the base unit, as specified in Part B – Specification and Terms.
- The base unit price should only include those components as specified.
- A percentage discount from the Price for 1 only is requested for a sliding scale of quantities. These percentage discounts will then be applied to any option/accessories/consumables included in the final configurations to be purchased, eg.

*ECG Machine is offered at a cost of \$10,000 for 1 only*

*Discount for 10 or more is 10%*

*If a total of 15 machines are included in a single Order Attachment then the price for the base unit will be \$9,000 and the price for all options/accessories/consumables will also be discounted by 10% regardless of the number of each option to be ordered.*

### Components

- Offerers are required to detail all equipment components included in the Base Unit price offered above, including description and model/code numbers. Itemised prices are required.
- Offerers will be required to also indicate if GST is applicable for any components.

***NB: Offerers need to be aware that the base unit price must match the specification so that an equal comparison of offers can be undertaken. Also, this will be how the Order Attachment is created, and subsequently the purchase order raised, therefore, the invoice must match. Offerers must advise if this is not possible due to internal systems.***

# REQUESTS FOR OFFERS

## Prices:

### **Delivery**

- Offerers are required to state if the prices offered for the base unit include costs for delivery, installation and commissioning anywhere in Queensland as specified in Part B – Specification and Terms.
- If the answer is no to the above, offerers are required to indicate costs applicable. Responses such as “To be Advised” are not acceptable. Offerers must ensure that pricing is submitted to cover delivery, installation and commissioning anywhere in Queensland.
- There may be some Purchase Categories where HSPL provides a Delivery Schedule. Such categories would be for large items of equipment where transport costs vary across the state.

***NB: Offerers need to be aware that Part B – Specification and Terms state – “Prices offered shall be on the basis of supplied, delivered and installed Free Into Store anywhere in Queensland” and therefore non-compliance could mean non-consideration of an offer.***

### **Option 1 etc**

- There may be a number of options included in Part B – Specification and Terms, both mandatory and desirable, for which individual pricing will be requested.

### **Settlement Discount**

- Offerers are requested to indicate if any settlement discounts apply.

### **Parts 1 etc**

- If applicable, prices for parts that are required to be replaced on a regular basis will be requested.

# REQUESTS FOR OFFERS

## **Prices:**

### **Training**

- Offerers are required to provide details of any clinical and service training available.

### **Service/Maintenance Contracts**

- Offerers are required to provide costs for service/maintenance contracts in accordance with Part B – Specification and Terms.
- Prices offered are used for the purposes of calculating comparative Whole-of-Life Costings.
- Failure to offer service/maintenance contract pricing may result in your offer being eliminated from further consideration.
- It is also important that prices offered reflect the true cost of providing such a service, as prices offered will be used as the basis for negotiation for any service/maintenance contracts that are entered into as a result of the offer being accepted.

### **Comments**

- Offerers are able to provide any additional information/comments to further clarify responses provided.

## **Options:**

- Offerers are required to provide details and pricing for any additional options or consumables available that were not specifically requested in the Prices schedule.
- If a number of models of a particular option requested in the Prices schedule are available offerers are to include details here.

# REQUESTS FOR OFFERS

## **Particulars - General:**

### **Compliance**

- Offerers are requested to indicate if their offer fully complies with the General Conditions, Specification & Terms and Special Conditions detailed in Parts A, B and C.
- If not, offerers are to give details of each and every respect of non-compliance.

### **Delivery**

- Offerers are required to indicate delivery time (in weeks) for a sliding scale of quantities.

### **Installation**

- Offerers are required to indicate installation time (in days) for a sliding scale of quantities.

### **Trials**

- Offerers are required to indicate whether the unit offered is available for trial in accordance with Part B – Specification and Terms.

### **ARTG**

- Offerers are required to provide details of ARTG Registration.

### **Electrical Compliance**

- Offerers are required to provide details of compliance to the Queensland Electrical Safety Act 2002

# REQUESTS FOR OFFERS

## *Particulars - General:*

### **Documentation**

- Offerers are required to provide details of documentation provided in accordance with Part B – Specification and Terms.

### **Personnel**

- Offerers are required to provide details of personnel providing training, installation etc.

### **Warranty**

- Offerers are required to provide details of warranties available.

### **Support**

- Offerers are required to provide details of spare parts availability, service agents, etc.

### **Service/Maintenance**

- Offerers are required to provide details of test equipment required for maintenance, access to diagnostic software etc.

## *Particulars - Technical:*

- A list of questions is required to be completed by the offerer. These questions relate the Technical Requirement of Part B – Specification and Terms.
- Responses to these questions allow Queensland Health to evaluate models of equipment offered without further reference to the offerers.

***NB: It is imperative that each and every question is answered to the level of detail requested, and present this information in an unambiguous manner.***

# REQUESTS FOR OFFERS

## Reference Sites:

- Offerers are requested to provide details of sites (within Australia) where the models of equipment offered are in use, where possible.
- Where the exact model is not in use anywhere in Australia, offerers are to indicate the difference between the unit offered and the unit in use at the stated reference site.
- For Purchase Categories where Site Visits are required, such Site Visits will only be undertaken at these nominated sites. Therefore, offerers need to ensure that their nominated sites are willing to accommodate such Site Visits.
- If Reference Checks are required, these will only be undertaken with the nominated sites.

## REQUESTS FOR ADDITIONAL INFORMATION

- If additional information or clarification of any matter to enable offers to be submitted, prior to the specified Offer Closing Time, requests for such information must be directed to the Health Services Purchasing and Logistics officer nominated as part of the Main Offer file.
- Requests for information directed to hospital staff may result in the information provided being the opinion of that hospital only and may conflict with the view of the BPAC, resulting in the offerer submitting an offer using incorrect information.
- Queensland Health will only be bound by written information provided by Health Services Purchasing and Logistics.

# OFFER SUBMISSION

- It is the sole responsibility of the offerer to ensure that their offer response is received by Health Services Purchasing and Logistics prior to the specified Offer Closing Time.
- If mailing an Offer to the GPO Box, Offerers need to be aware that all incoming mail addressed to GPO Box 48 is subject to a mail screening process for security purposes. To enable lodgement of the Offer in the Offer Box prior to the Offer Closing Time, Offerers will be required to have their Offers **posted** in sufficient time (ie delivered to Australia Post Brisbane GPO at least the day before the date of closing.) It is recommended that Offerers obtain some form of receipt of the date and time their Offer is posted.
- Late offers will not be admitted for evaluation.
- The General Conditions include provision for Health Services Purchasing and Logistics to admit for consideration offers received after the specified Offer Closing Time where it considers that the integrity of the competitive offer system will not be compromised.

# POST OFFER COMMUNICATION

- Any additional information required by the BPAC will be sought by HSPL, who will request its confirmation in writing.
- Any enquiries to HSPL after the specified Offer Closing Time and prior to the Order Attachments being issued will be met with a standard response of:  
*“The process is proceeding satisfactorily and you will be advised of the outcome in due course.”*
- The district representatives involved in the BPAC meetings will have been briefed on the necessary confidentiality requirements and have agreed to these by signing an “Acknowledgment of Obligations” form (copy attached for information). Their response to any supplier enquiries regarding the Bulk Purchase Programs or specific product evaluations will be:  
*“No comment. Please contact Health Services Purchasing and Logistics.”*

# ETHICS, ACCOUNTABILITY AND PROBITY

## **Responsibility:**

- Queensland Government employees must apply the highest levels of ethical behaviour in all areas of their work. This is particularly important in procurement which involves the expenditure of public money and is subject to more than usual public scrutiny.
- Probity means integrity, uprightness and honesty. Maintaining probity in procurement involves more than simply avoiding corrupt or dishonest conduct. It means ethical behaviour that upholds public values and ensures impartiality, accountability and transparency.
- Transparency and accountability in procurement gives suppliers confidence to participate in the Government marketplace. An ethical culture minimises the cost of managing risks and enhances confidence in public administration.
- Ensuring probity of action is part of every public official's duty, with the adoption of processes, practices and behaviour that enhance and promote public sector values and interests.

## **Principles of Probity in Procurement:**

Queensland public sector employees must comply with the following four inter-linked principles of probity in procurement:

- Fairness and impartiality
- Accountability and transparency of process
- Confidentiality and security of information and materials
- Effective management of conflicts of interest

# ETHICS, ACCOUNTABILITY AND PROBITY

## *How is Fairness and Impartiality Achieved:*

The following attributes should be evident in the procurement process:

- Material should be available to all interested parties within the same time frame, and each offerer should have access to the same material.
- Each offerer must be given due consideration and be treated objectively with no conflicts of interest or bias towards certain offerers.
- All material communication with stakeholders should be carried out in the same timeframe and in the same substantive manner.
- Additional information or clarification arising from individual offerer requests should be provided to all potential offerers so that they have the same information on which to offer.
- Where feasible, information should always be provided in writing, whether in hard copy or electronic form.
- Notifications to offerers should be provided in writing and in a timely fashion. For example, once the successful offerer has been appointed, all unsuccessful offerers should know the results as soon as possible.
- Request for Offer documentation should clearly detail the conditions of offer, conditions of supply and evaluation criteria and be equally available to all interested parties. Well defined conditions give suppliers a clear indication of requirements and prevent the unproductive use of resources through the lodgement of unsuitable or misdirected offers.
- Request for offer documentation must clearly identify and separate the mandatory conditions from those evaluation criteria which are 'desirable' or 'optional'.
- An extension notice to an offer closing must be provided to all potential offerers in sufficient time to reach them before the originally published closing date and time.

# ETHICS, ACCOUNTABILITY AND PROBITY

## **How is Fairness and Impartiality Achieved:**

- The adoption of evaluation criteria that do not selectively advantage or disadvantage a particular party and which are based on objective measures that meet the primary procurement needs.
- Evaluation criteria must be documented during offer preparation stage, prior to offers being invited.
- Evaluation criteria and performance specifications must not be changed midstream unless all offerers are given and equal opportunity to revise their offers and approval for any changes is obtained at an appropriate level. If the changes are substantial then a recall of offers may be warranted.
- Decisions on the selection of suppliers must be made by independent objective evaluation against the nominated evaluation criteria and supply conditions.

## **Bulk Purchase Program:**

- All Queensland Health officers directly involved in the Bulk Purchase Program are required to observe stringent probity, accountability and confidentiality requirements.
- This is formalised by those officers completing and signing an “Acknowledgment of Obligations” and “Declaration of Conflict of Interest” form prior to participating in the process.
- Unless “Acknowledgment of Obligations” and “Declaration of Conflict of Interest” forms are completed, an officer cannot participate in BPAC meetings, even those conducted for Specification Reviews. No information concerning offer responses are forwarded to officers prior to receiving the completed and signed forms.

# ETHICS, ACCOUNTABILITY AND PROBITY

## **Bulk Purchase Program:**

- These officers will ensure that all actions conducted under the Bulk Purchase Program comply with the requirements of the State Procurement Policy including maintaining the confidentiality of the Offer Responses, both during and after the procurement activities are completed.
- HSPL has established “Agency Purchasing Procedures” that incorporate probity principles.
- HSPL will ensure that appropriate records are maintained throughout the procurement process. These should include evaluation criteria, weightings, decision making processes and decisions made and notes regarding communication with offerers. The records should provide sufficient information to enable internal audit as well as external audit and other independent review functions.
- HSPL will ensure the use of offer documentation that will elicit the information necessary for the proper evaluation of proposals under each of the evaluation criteria based on objective measures of performance.
- HSPL will ensure the evaluation of offers on a consistent basis, using predetermined evaluation criteria that are established and documented prior to calling for offers and which are made available to all potential offerers.
- HSPL will ensure implementation of measures to protect confidential information with no information released during the process that will selectively benefit or disadvantage particular offerers.



**Queensland  
Government**  
Queensland Health

# **Health Services Purchasing and Logistics**

## **BULK PURCHASE ADVISORY COMMITTEES**

### **TERMS OF REFERENCE & OPERATING PROCEDURES**

## **Section A – Terms of Reference**

### **ROLE:**

The role of the Bulk Purchase Advisory Committees (BPAC) is to evaluate equipment & associated services and make recommendations on the “Best Ultimate Value to the Queensland Government” of equipment/services as part of the Bulk Purchase Program.

### **MEMBERSHIP:**

BPACs are composed of nominated representatives from Queensland Health, who have the expertise or authority to represent the required expertise for a particular functional area of medical/clinical service delivery. The role of the members is to contribute this expertise as part of the specification review, evaluation and recommendation process.

Membership of any BPAC is determined to the satisfaction of the Senior Director, Health Services Purchasing and Logistics Branch. Facilities/agencies/organisations whose representatives disregard the terms of reference will be required to nominate an alternative representative acceptable to the aforementioned officer.

Health Services Purchasing and Logistics Branch provides members from its staff experienced in procurement activities, to Chair the BPAC and to provide procurement advice, administrative support duties during the evaluation process and to undertake contract management during the currency of the Bulk Purchase arrangement.

BPAC members represent all facilities within Queensland Health whose needs are to be met by the Bulk Purchase arrangement.

### **RESPONSIBILITIES:**

The BPAC is responsible for:

- ensuring compliance with the Queensland Health Procurement Policy and Procedures;
- maintaining sufficient data to justify and substantiate decisions taken by the committee;
- reviewing and commenting on the appropriateness of specifications, conditions and evaluation criteria;
- evaluating all offers fairly and equitably against the specified evaluation criteria;
- arranging product testing and information gathering/research where appropriate;
- recommending those items which should be included on a Bulk Purchase arrangement, based on the BPAC process.

When called upon, the BPAC will provide advice on equipments/services not covered by procurement arrangements within this program.

If technical information requires clarification then BPAC members must direct the requirement through the BPAC Chairperson. Requests for any other information must also be directed to the BPAC Chairperson.

A recommendation made by a BPAC and from which, subsequently a Bulk Purchase arrangement is established, is binding on all facilities covered by the scope of the arrangement. Therefore members must exercise particular care when making any recommendation..

## **CODE OF CONDUCT:**

BPAC members shall comply with the State Procurement Policy requirements under Section 2.4 "Probity and accountability for outcomes" and the "Queensland Health Code of Conduct".

**All information in Offers is Commercial-In-Confidence and must not ever be disclosed to any offerer or any unauthorised person under any circumstances. This confidentiality of information extends to all discussion and decisions made at meetings and the timeframe of this confidentiality is perpetual.**

No disclosure concerning offer content, evaluation process, product testing, committee membership, successful or unsuccessful offers is to be made other than by Health Services Purchasing and Logistics Branch.

All negotiation considered necessary as part of the Bulk Purchase arrangements must be conducted by Health Services Purchasing and Logistics Branch.

## **CONFLICT OF INTERESTS:**

A conflict of interests shall be any private or professional activity that would create a conflict between an officer's personal interests and the interest of Queensland Health and the State of Queensland.

A conflict of interests or the potential for a conflict of interests exists when the officer:

- stands to make possible personal and/or financial gain due to their ability to influence dealings;
- has or enters into a relationship that may render the officer partial towards a person or persons outside Queensland Health for personal reasons or may otherwise inhibit the impartiality of the officer's business judgement;
- has a direct or indirect interest in a relationship with a person or persons outside Queensland Health that is inherently unethical, be it implied or construed;
- takes personal advantage of an opportunity that belongs to Queensland Health;
- discloses any proprietary information to any person, persons and/or organisation/s without the consent of Health Services Purchasing and Logistics Branch;
- places him/herself or Queensland Health in an equivocal, embarrassing, or ethically questionable position, or in a position that reflects on the integrity of Queensland Health;
- has an interest that materially encroaches upon time or attention that should otherwise be devoted to the affairs of Queensland Health.

Officers employed to any extent in the procurement function shall be expected to be free of interests and/or relationships that are actually or potentially adverse or detrimental to the interests of the Queensland Government and/or Queensland Health.

Prior to taking up membership on a BPAC, all committee members must complete, and have witnessed, an "Acknowledgment of Obligations" in regards to their Confidentiality Obligations and any Conflict of Interests.

Any officer who has or is about to assume a financial and/or any other business relationship that may bring about a conflict of interests must immediately inform their immediate supervisor of the circumstances involved. Information supplied shall be reviewed and maintained at the appropriate management level for discussion as to whether a conflict of interests may arise or may in fact exist and, if so, what course of action may be necessary.

## Section B – Operating Procedures

### **MEETINGS:**

BPAC members may be required to participate in a number of meetings to address the issues below:

- Specification preparation which may include the following:
  - Site requirements (physical space restrictions, deadlines for delivery and installation, etc);
  - Procedural requirements (type of equipment, application, interfacing to existing equipment, etc);
  - Existing requirements (brands, quantities, service agreements, etc);
  - Expected life of the equipment;
  - Trialling requirements (which hospital will trial, etc);
  - Training requirements (number of clinical and technical staff, etc);
  - Payment conditions (progressive payments for delivery, installation, commissioning, etc);
  - Nominations for the evaluation meeting.
- At the Specification Review Meeting held prior to Offer invitation to review specifications, Request for Offer documentation and evaluation methodology;
- At the Evaluation Meeting after Offer closure, to evaluate offers received and recommending the offer that provides the best value for money. In some instances, it may be necessary to recommend that trialling is to be undertaken.

Generally, there is one Specification Review Meeting, however, a second meeting may be required if there has been considerable amendments recommended to the specification.

A second Evaluation Meeting will be required if trials or site visits are required as part of the evaluation process.

Venues and times for the meeting are coordinated by the chairperson of the BPAC and each member advised through the District Contact accordingly.

### **TIMETABLE:**

Where necessary, a proposed timetable for the process being undertaken will be established at the first committee meeting.

### **ROLE OF THE CHAIR:**

The chairperson is responsible for:

- ensuring that goals and objectives of the BPAC are met;
- conduct of the meeting;
- ensuring that a consensus is reached;
- ensuring that the appropriate committee members, with the relevant expertise, are involved in any voting process that may be required;
- ensuring that, if any doubt exists when making a recommendation, the decision is deferred until more conclusive information is obtained.

### **APPROVAL PROCESS:**

Having regard for the recommendation of the BPAC, Health Services Purchasing and Logistics Branch is responsible for obtaining the necessary approvals to enter into, extend and cancel or recall a Bulk Purchase arrangement, post offer negotiations, price amendments and any other variations that may occur during the currency of the Bulk Purchase arrangement.

# GUIDELINES FOR OFFICERS WHO PARTICIPATE IN A BULK PURCHASE ADVISORY COMMITTEE

## Probity Principles

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Probity can be defined as:

***“a defensible process which is able to withstand internal and external scrutiny, which achieves both accountability and transparency and provides offerers with fair and equitable treatment.”***

Australian Government Solicitor, *Commercial Notes No. 15*, 14 March 2005  
(<http://www.ag.gov.au/publications/agspubs/legalpub/commercialnotes/ComNote15.htm>)

The Queensland Government in its commercial dealings must observe the highest standards of probity. Government business must be fair, open, transparent and demonstrate probity in the procurement process.

There are a number of key requirements to promote probity in a procurement business process and this includes:

- Ensuring conformity to processes;
- Facilitating accountability;
- Ensuring the offerers are treated in a fair and equitable manner;
- Encouraging commercial competition on the basis that all bids will be assessed against the same criteria;
- Use of the competitive evaluation process; and
- Preserving Public and Private Sector confidence in Government processes.

Probity is a key element for all members involved in the process to consider during the offer.

The generally accepted probity principles that serve to maintain the integrity of the process are:

- **Accountability;**
- **Transparency;**
- **Confidentiality;**
- **Compliance with Legislation and Government Policies;**
- **Ethical Behaviour; and**
- **Management of conflicts of interest.**

**Accountability** is the obligation to be able to explain or account for the way duties during the offer process have been performed by the members.

A key way to meet this obligation is to keep comprehensive records, as maintaining detailed records can assist in establishing that the process followed was legitimate should any questions or complaints be raised. These records should provide sufficient information to enable audit and independent reviews to be carried out.

**Transparency** is the perception that the process is open and honest and therefore provides the offerers with the confidence in the final outcome of the offer process. A transparent and open process also minimises the opportunity for and the risk of fraud and corruption.

Offerers often invest considerable time, effort and resources when preparing and submitting bids and in return they expect impartial treatment at every stage of the process. If offerers do not consider the process to be transparent, they may be deterred from bidding in the future and competition is lessened

and the best value for money option may not be achieved. Offerers may also consider taking legal action against the Government.

All offerers must be treated fairly and on an equitable basis and it is critical that evaluation criteria are applied consistently and transparently to all bids to prevent any actual or perceived discrimination.

**Confidentiality** of bids, discussions, communications, and evaluation meetings is crucial to the offer process.

A condition of Public Sector employment is that all public servants are under a general obligations of confidentiality to the State of Queensland (*please refer to the Queensland Health Code of Conduct 2006*).

All government employees who are involved in a offer process are privy to commercially sensitive offer and evaluation information and documentation and must provide formal undertakings that they will keep this information strictly confidential.

**Compliance with Legislation and Government Polices** applicable to the offering and contracting must be observed.

This includes and is not limited to the Code of Conduct, Whole of Government Purchasing Policy and the Queensland Government Public Private Partnerships Guidance Material.

**Ethical Behaviour** and high standards of conduct is expected of all public sector employees, particularly during the offer process for the procurement of Private Sector services. Behaviour must be without reproach and actions at all time must be with integrity and impartiality (ie: without favouring any particular offerer or outcome).

Members must not accept gifts or hospitality from offerers and if interacting with a offerer during the offer process (including social interactions or work related communications on other matters) there must be no discussions whatsoever of any matter relating to the offer.

As a general rule, information about the offer should only be discussed with the other members of the evaluation panel or users group.

There should be not communications outside this group to maintain the integrity of the offer process and this includes other Government employees as well as non-Government employees.

A **Conflict of Interest** arises where an individual associated with the process is, through their particular associates or circumstances influenced to obtain an unfair advantage for him or herself or another party.

Offerers have an expectation that Government employees will perform their duties in a fair and unbiased manner and that the decisions they make will not be affected by self interest or gain.

Conflicts of interests are often unavoidable, however; if they are identified early and dealt with effectively, they need not prejudice or terminate the process.

It is vital that all members declare their interests prior to the commencement of the competitive bid process and that legal advice is taken to ensure any issues arising are resolved. Further, any new conflicts or changes in status of existing conflicts that arise during the offer process must be reported and legal advice taken to manage and resolve the conflict.

How conflicts are addressed varies due to the nature of the conflict. An extreme conflict may result in the member being removed from the process to remove the conflict. A lesser conflict may be resolved by simply declaring and documenting the conflict.

Members involved in the offer process must not accept gifts or gratuities, including entertainment, from offerers.

The test to determine whether there is a conflict of interest is whether a third party would be reasonably satisfied after viewing the alleged conflict (the "*reasonable person*" test) that no conflict exists.

While it is acceptable to consider that the member may act in good faith and would put aside the personal interest, there may be an outside perception of bias and therefore a perceived conflict and there will always be an element of doubt that cannot be removed.

A perceived conflict could enable a offerer to mount a successful legal challenge against the offer process. The aim is to prevent this situation arising.

There are two types of conflict of interest:

1. Pecuniary interest; and
2. Non-pecuniary interest.

### **Pecuniary (Financial) Interest**

The pecuniary interest may be the result of owning property, holding shares or positions in companies, trusts, debts owed to other people, receiving gifts, incomes from working elsewhere, hospitality and sponsored travel, work or research. The list is not exhaustive.

This interest does not have to be held directly and it could be a family member or close associate. This is seen to be a conflict due to the close nature of the relationship and should be disclosed to be assessed and appropriately managed to avoid any perception of bias.

### **Non-Pecuniary Interest**

There is no financial component in this interest and it might include a personal interest arising out of relationships based on common interests such as sporting, social, cultural or work related activities as well as family and other relationships.

As with the pecuniary interest, this should be disclosed to be assessed and appropriately managed to avoid any perception of bias.

### **Other Offer Process Matters**

#### **Process Management of Intellectual Property**

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The term '**Intellectual Property**' refers to ideas, information or material which has been produced as a result of intellectual effort and is protected by law, like confidential information, technical and professional publications, copyright, trademarks, patents, plant variety rights and designs.

Intellectual Property commonly encountered in the offer process includes:

- Designs, drawings etc relating to the construction of assets and infrastructure;
- Technology associated with the delivery of the service; and
- Operational processes for delivery of services and outputs.

Offerers may be of the view that their offer document contains ideas, concepts, proposals, operational processes, designs etc that includes a significant amount of intellectual property and will expect the Government to take all reasonable commercial and legal steps to protect its Intellectual Property.

Accordingly, the Government is sensitive to this and will treat the information disclosed as confidential where such information is likely to possess commercial value in the market place. This is to protect the offerer's ability to compete effectively.

While the Government is sensitive to this issue, it is the responsibility of the offerer to identify specific Intellectual Property contained within the bid/offer it wishes to protect and this should be protected and maintained by the members and the Government.

As a general rule, the Intellectual Property that arises from the contractual arrangement is invariably sought to be owned by the Government under the service level agreement. If not, a royalty free, perpetual, transferable licence is usually sought by the government to use the Offerer's Intellectual Property.

Legal advice should be sought on issues of Intellectual Property that arise from the offer process.

### **Dealing with Probity Issues during the Offer Process**

Unanticipated probity issues can arise during the offer process and this may include:

- A member seeks to influence the outcome;
- A member not observing the processes and guidelines;
- Information is provided to one offerer and not given to the others;
- A offerer obtaining information unofficially that provides an unfair advantage;
- A offerer seeking to influence a member;
- The criteria for evaluation not applied;
- Other evaluation criteria are applied;
- A member accepts gifts or hospitality from a offerer; and
- Government officials outside of the offer process seek to influence a member of the offer outcome.

Should this occur, immediate attention should be drawn to the officer managing the Offer process in Health Service Procurement & Logistics who will seek legal advice on the potential breach and consider options to resolve the probity breach.

The member involved should document the issues, record who was consulted and how it was resolved.

Probity breaches can occur even due to members best efforts to maintain strict probity requirements. Where breaches occur, the officer managing the Offer process should be immediately notified and legal advice will be sought on the best way to address the breach. In general, all communications should be suspended until all options to address the breach are assessed and resolved.

A probity breach is not necessarily fatal to the offer process, provided that the probity breach is dealt with properly; it is usually possible to continue with the offer process.

### **Possible Outcomes if Probity is not observed?**

- Political unrest;
- Loss of community confidence/embarrassment;
- Referral to the Ethical Standards Unit and an investigation by the Crime & Misconduct Commission;
- Dismissal, scrutiny, criminal charges; and
- Litigation.

Finally ensure probity is at the front of your mind and not as an after thought.

**BPAC DEED OF ACKNOWLEDGMENT OF OBLIGATIONS**

By this Deed dated the ..... day of .....20.....

I, ..... from .....  
(NAME) (HOSPITAL/FACILITY)

acknowledge and agree to the following conditions to be involved in the 2010/12 Bulk Purchase Program for

.....  
(PURCHASE CATEGORY)

**CONFIDENTIALITY OBLIGATIONS:**

- In the course of performing the services under the terms of my employment with Queensland Health, I have agreed to evaluate offers for health technology equipment and I will be exposed to information which is confidential in nature.
- The improper use or disclosure of that information could jeopardise or invalidate the evaluation process and may severely damage Queensland Health’s ability to perform its governmental/statutory functions.
- I am aware of my obligations under the legislation which governs my employment (*Public Service Act 1996* (Qld) or *Health Services Act 1991* (Qld)), Queensland Health Code of Conduct and other relevant legislation (*Public Sector Ethics Act 1994* (Qld) and *Criminal Justice Act 1989* (Qld)) and I agree to take all reasonable steps to ensure Queensland Health’s confidential information is kept confidential while performing these services diligently, with honesty and impartiality and without any conflict of interest.
- I am aware that under the *Criminal Justice Act 1989* (Qld), disclosure of confidential information is Official Misconduct and as such I could be liable to criminal prosecution and imprisonment if found guilty in a court of law.

**PROBITY:**

- I declare that I have read the probity induction and acknowledge and agree to adhere to these principles during my involvement in the evaluation process.

**CONFLICT OF INTEREST:**

- I warrant that before signing this Deed, **I have disclosed below** all the past, current and anticipated interests whether pecuniary or non-pecuniary which may conflict with my impartial involvement in the evaluation process.
- I acknowledge and agree that during the course of the evaluation process I shall not engage in any activity or obtain any pecuniary or non-pecuniary interest that will be likely to conflict with my impartiality in respect of the evaluation process. In the event that such an activity or interest arises, I shall immediately make full disclose to Queensland Health.
- Should any conflict appear to compromise me, I agree to abstain from any related decision or other action deemed appropriate by Queensland Health.

**DECLARATION OF CONFLICT OF INTEREST**

**I declare that the following are all the past, current and anticipated interests which may conflict with my impartial involvement in the evaluation process. If none, write “NONE”.**

.....  
.....  
.....

(If space is insufficient include details on an attached and write above “DETAILS ON ATTACHMENT”)

Signed: .....	Witnessed:.....
Name: .....	Name: .....
Date: .....	Date: .....

