

ISLHD Procurement & Supply Chain

Sourcing and Contracts

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ISLHD Procurement & Supply Chain Sourcing & Contracts

Strategic Procurement

Better Value Together



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INTERACTIVE PDF

This tool has been developed as a user-friendly way to provide readily accessible information in relation to Sourcing & Contracts for ISLHD Strategic Procurement.

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ISLHD Procurement & Supply Chain Sourcing and Contracts Process Flow Diagram



Sourcing and Contracts
Process Flow



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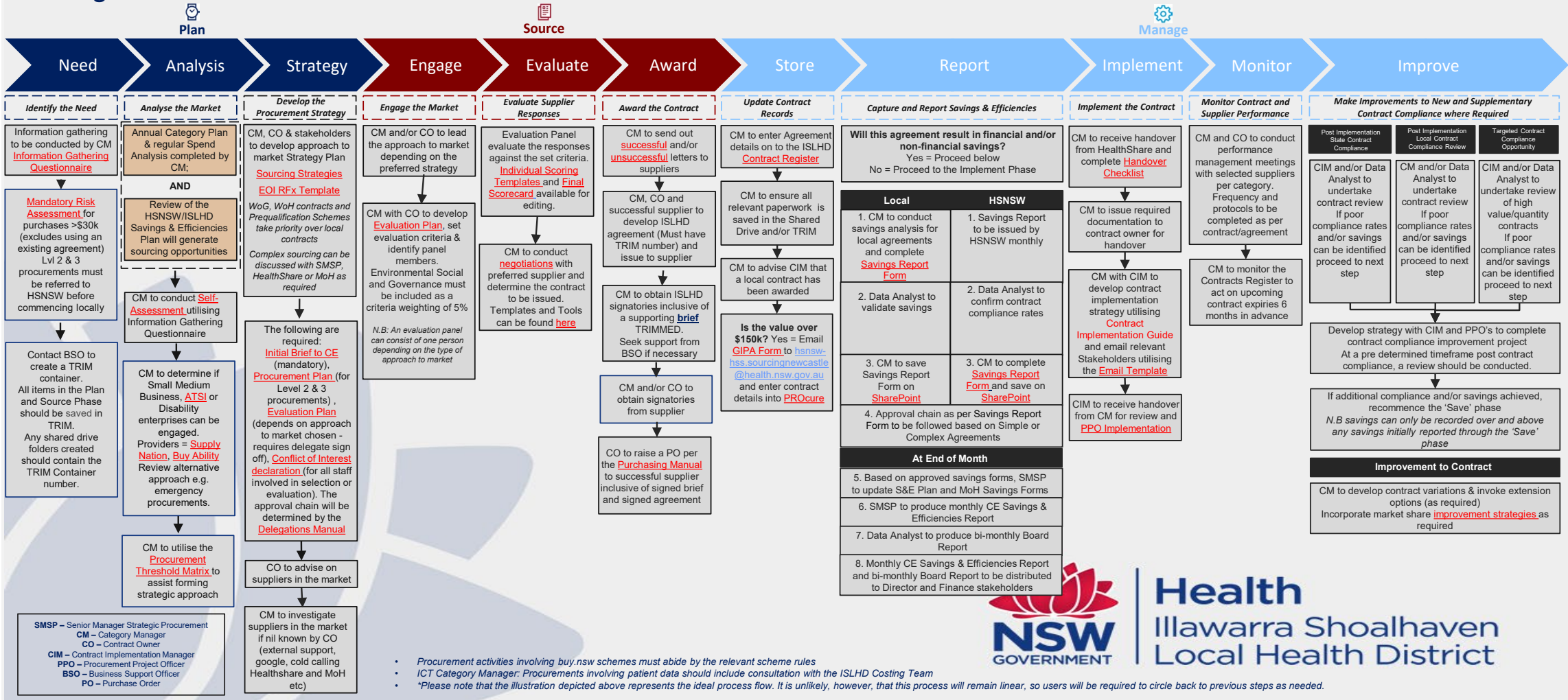
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ISLHD Procurement & Supply Chain Sourcing and Contracts Process Flow



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Information Gathering Questionnaire

I NEED TO:

Obtain
Quotes/Approach
The Market

Renew/Extend An
Agreement

Know If I'm Paying
The Right Price

Know If There Is A
Pre-Qualification Scheme;
Government, State or Local
Contract Available

Discuss A
Goods/Suppliers
Performance Or Find An
Alternative Provider



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Information Gathering Questionnaire

Obtain Quotes/Approach The Market

1. What do you want to buy (describe service/product)?

- Free Text

2. Please choose the category that best suits this request

- List all the categories
- Not sure
- If Medical Equipment is selected additional questions required
 - What is the total cost including warranty, maintenance and servicing of the expected life of the equipment
 - Does the device need to be networked if so, contact ICT for connectivity to the network system and
 - if it does store data in the cloud, the repository will need to undergo cybersecurity and penetration testing

3. Do you have financial approval?

- Yes – attach evidence
- No - Do not proceed. Please seek approval first
- Options: *ARRP, MWE, Grant, SP&T, Budget, Self funding (brief),*

4. What is the estimated annual spend (incl GST)?

- Free text
- >\$250k
- >\$30k
- <\$30k
- Don't know - Do not proceed. Please investigate first.

5. What is the proposed contract term?

- 1, 2, 3, 4, 5 years,
- Extension options 1,2 years
- Don't know
- N/A - one-off purchase
- Tier Level automatically added based on estimated value x contract term.

6. What is the proposed commencement date?

- Enter the Date
- N/A

7. Is there an existing arrangement/service provider or is this a new request?

- Yes
 - a). Provide details, contract expiry date, TRIM (Content Manager) number, attach contract
 - b). How has the supplier(s) performed during the current arrangement?
List of options. Very well, average, poorly
 - c). Do you want to extend or renew the existing arrangement?
- No

8. Please list all known suppliers of the good/service you wish to procure

- Free Text

9. Has a Business Case/ Briefing Note been completed?

- Yes – please attach
- No

10. Is there a Whole of Government contract, Whole of Health contract or Pre-Qualification Scheme in place for this requirement?

- Yes – describe with scheme number or contract number
- No
- Not sure

11. Are you aware if the products / services are available on a 'Local Contract' conducted by another Local Health District?

- Yes – please elaborate
- No – could there be an opportunity to include another LHD in this activity?

12. What potential risks are there if the good/service is not sourced?

- Political
- Clinical
- Social
- Environmental
- Financial
- Reputational
- Workforce
- Media
- Staff Health, Welfare and Safety
- Other > describe

13. Please provide any other information, detail, scope or objectives related to the request

14. Is there any further information or comment(s) that need to be considered?



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Information Gathering Questionnaire

Review/Extend An Agreement

1. What do you want to buy (describe service/product)?

- Free Text

2. Please choose the category that best suits this request

- List all the categories
- Not sure

3. Do you have financial approval?

- Yes - attach evidence
- No - Do not proceed. Please seek approval first

4. What is the estimated annual spend (incl GST)?

- Free text
- >\$250k
- >\$30k
- <\$30k
- Don't know - Do not proceed. Please investigate first.

5. What is the proposed contract term?

- 1, 2, 3, 4, 5 years,
- Extension options 1,2 years
- Don't know
- N/A - one-off purchase
- Tier Level automatically added based on estimated value x contract term.

6. What is the proposed commencement date?

- Enter the Date
- N/A

7. Is there an existing arrangement/service provider or is this a new request?

- Yes
 - a). Provide details, contract expiry date, TRIM (Content Manager) number, attach contract
 - b). How has the supplier(s) performed during the current arrangement?
List of options. Very well, average, poorly
- No

8. Please list all known suppliers of the good/service you wish to procure

- Free Text

9. Has a Business Case/ Briefing Note been completed?

- Yes - please attach
- No

10. Is there a Whole of Government contract, Whole of Health contract or Pre-Qualification Scheme in place for this requirement?

- Yes – describe with scheme number or contract number
- No
- Not sure

11. Are you aware if the products / services are available on a 'Local Contract' conducted by another Local Health District?

- Yes - please elaborate
- No - could there be an opportunity to include another LHD in this activity?
-

12. What potential risks are there if the good/service is not sourced?

- Political
- Clinical
- Social
- Environmental
- Financial
- Reputational
- Workforce
- Media
- Staff Health, Welfare and Safety
- Other > describe

13. Please provide any other information, detail, scope or objectives related to the request

14. Is there any further information or comment(s) that need to be considered?



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Information Gathering Questionnaire

Know If I'm Paying The Right Price

1. What are you purchasing (describe service/product)?

- Free Text

2. Please choose the category that best suits this request

- List all the categories
- Not sure

3. Please provide the HIMF number (where applicable)

- Free Text
- Option – Not known

4. What potential risks are there if the good/service is not sourced?

- Political
- Clinical
- Social
- Environmental
- Financial
- Reputational
- Workforce
- Media
- Staff Health, Welfare and Safety
- Other > describe

5. Please provide any other information, detail, scope or objectives related to the request

6. Is there any further information or comment(s) that need to be considered?



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Information Gathering Questionnaire

Know If There Is A Pre-Qualification Scheme; Government, State or Local Contract Available

1. What do you want to buy (describe service/product/supplier)?

- Free Text

2. Please choose the category that best suits this request

- List all the categories
- Not sure

3. Do you have financial approval?

- Yes – attach evidence
- No - Do not proceed. Please seek approval first

4. What is the estimated annual spend (incl GST)?

- Free text
- >\$250k
- >\$30k
- <\$30k
- Don't know - Do not proceed. Please investigate first.

5. What is the proposed contract term?

- 1, 2, 3, 4, 5 years,
- Extension options 1,2 years
- Don't know
- N/A - one off purchase
Tier Level automatically added based on estimated value x contract term.

6. What is the proposed commencement date?

- Enter the Date
- N/A

7. Is there an existing arrangement/service provider or is this a new request?

- Yes
 - a). Provide agreements details, supplier name, contract expiry date, TRIM (Content Manager) number, attach contract
 - b). How has the supplier(s) performed during the current arrangement?
List of options. Very well, average, poorly
 - c). Do you want to extend or renew the existing arrangement?
- No

8. Please list all known suppliers of the good/service you wish to procure?

- Free Text

9. Has a Business Case/Briefing Note been completed?

- Yes – Please attach
- No

10. What potential risks are there if the good/service is not sourced?

- Political
- Clinical
- Social
- Environmental
- Financial
- Reputational
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- Media
- Staff Health, Welfare and Safety
- Other > describe

11. Please provide any other information, detail, scope or objectives related to the request

12. Is there any further information or comment(s) that need to be considered?



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Information Gathering Questionnaire

Discuss A Goods/Suppliers Performance Or Find An Alternative Provider

1. What do you want to buy (describe service/product)?

- Free Text

2. Please choose the category that best suits this request

- List all the categories
- Not sure

3. Is there an existing arrangement/service provider or is this a new request?

- Yes
 - a). Provide details, contract expiry date, TRIM (Content Manager) number, attach contract
 - b). How has the supplier(s) performed during the current arrangement?
List of options. Very well, average, poorly
 - c). Do you want to extend or renew the existing arrangement? Yes/No
- No

4. Please provide any other information, detail, scope or objectives related to the request

5. Is there any further information or comment(s) that need to be considered?



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Category Manager Self-Assessment

1. Are there any additional requirements for the scope that need to be noted?
2. What are the objectives of the project?
3. What are the proposed KPI's?
4. What are the proposed reporting requirements?
5. Who will be the contract owner/point of contact?
6. Who are the stakeholders that need to be involved?
 - If there is considerable Tier 2 involvement or Tier 2 taking point on the activity consider liaising with SMSP and/or Director for brainstorming
7. What is the value of the sourcing activity?
 - Undertake a spend analysis (see QRG) / review category dashboard.
8. What is the proposed procurement method – *direct engagement, RFQ, RFT, etc.*?
 - Review the Procurement Thresholds based on the value (add link)
9. Is the source of funding justification satisfactory?
 - Has the Executive Director Finance approved?
 - MWE, ARRP
 - Is there a confirmed grant?
 - Is there cost centre manager support?
10. What is the Supply Market Situation?
 - Limited suppliers = potential for direct to market. Even if this is over \$250k despite value – requires further discussion
 - Recommend liaising with HSNWS Local Tenders Contracting Team
 - If the supplier is listed/not listed on a government contract it, could be worth liaising with the MoH Manager relevant to that category

11. Are the products/services available on a 'Local Contract' conducted by another Local Health District?

- An option to consider for local initiatives where the
- Recommended to use the Contract Networking Group Teams Chat to seek feedback. Piggyback options may be available
- Review the Local Contract Register
- HealthShare contact list

12. Are there any potential savings that may result from this procurement?

13. Where does this activity sit within your current workload and priority?

- Does this match the requestor's urgency?
- Manage stakeholder expectations

14. Does this initiative present as a small and medium business enterprise opportunity?

- This is supported by Procurement Policy thus reducing the requirement to undertake additional procurement steps
- Local initiatives present as the greatest opportunity to utilise this option

15. Does this initiative present as an opportunity to utilise Aboriginal and/or Indigenous businesses?

- This is supported by Procurement Policy thus reducing the requirement to undertake additional procurement steps
- Provide website links and contacts to explore options
- Local initiatives present as the greatest opportunity to utilise this option

16. Is a risk assessment required?



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Sourcing Strategies

Expression of Interest (EOI)	Request for Information (RFI)	Request for Quote (RFQ)	Request for Proposal (RFP)	Request for Tender (RFT)
<p>A formal notice to potential suppliers that a prospective buyer is planning to acquire goods or services.</p> <p>It is an invitation to interested suppliers to register their interest.</p> <p>It can be used as a tool to assess the level of competition in the supply market or to stimulate competition where a supply market may not currently exist.</p> <p>It is usually part of a multistage procurement process.</p>	<p>An organised and formal request for the information necessary to complete a purchase or fulfil a contract.</p> <p>It is used by Procurement teams to capture information from different suppliers prior to formally sourcing products or services.</p> <p>The next phase in the procurement process usually involves either a RFQ or RFP.</p>	<p>A competitive bid document that details a buyer's requirements and asks vendors to respond to pricing and payment.</p> <p>Also known as a Request for Bid (RFB).</p>	<p>An open request for bids from suppliers to complete a new project or service.</p> <p>It is designed to stimulate competition and encourage a variety of alternative proposals to be considered as a solution by project planners.</p> <p>It must describe and define the project/service in enough detail to attract viable responses.</p>	<p>A formal and structured invitation to suppliers to submit a competitive bid to supply a product or service.</p> <p>It often requires a response to a series of documents.</p> <p>It can be open or selective.</p> <p>It is used for high value high risk activities.</p>



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Implementation Of A Whole Of Health Contract

With Market Share Commitments

Without Market Share Commitments

HealthShare notify LHD new contract has been awarded and provide LHD with implementation pack

Review latest spend data vs implementation pack. Analyst to also review/run calculations if data is old

Discuss contract implementation strategy with Contract Implementation Manager

Schedule implementation session with key contract users

Send contract users a follow up email with HealthShare contract user guide, product & pricing schedule, market share and supplier details

HealthShare to provide the market share letters per recommendations (if relevant)

Review market share recommendations against data and seek approval from key contract users and head of department

If market share award is issued, prepare a briefing note for P&SC Director to review & sign off

P&SC Director to sign market share letters

Send the market share letters out to suppliers and notify contract users, HealthShare category manager. Send out "local buyers guide" to support

PPO to meet with purchasers routinely to track and increase compliance



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Improving/Optimising a Whole of Health Contract

With Market Share Commitments

HealthShare to load latest quarterly data into dashboard or send excel (depending on the category)

Review spend data against market share commitments, quarterly. Align with Analyst. Note: data is available 8 weeks post the quarter

Create a PPT summary of local status outlining where commitments are being met/not being met

Schedule a session with key contract users to discuss the insights / actions. Clinicians to provide rationale for any gaps/supporting documentation

Depending on the rationale, analyse missed savings efficiencies with market share adjustments. Send to key contract users to seek approval including finance

If adjustments to be made, prepare briefing document and market share letters for approval

P&SC Director to review and approve

Send the market share letters out to suppliers and notify contract users, HS category manager

Update and send out local buyers guide to support

Meet with contract purchasers to implement and increase compliance

PPO to meet with purchasers routinely to track and increase compliance

Without Market Share Commitments

Review spend data/dashboard, quarterly (depending on what data is available for the category) Align with Analyst

Create a PPT summary outlining key insights: missed savings, areas of low compliance, areas for potential value to be gained (switching brands etc)

Agree on actions / changes for the upcoming quarter. Follow up with email outlining agreement





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PPO Contract Implementation Checklist

Contract Number:

Contract Name:

Action	Tick
1. Attendance in initial HealthShare LHD Information (Optional)	<input type="checkbox"/>
2. Attendance in initial Q&A session (Optional)	<input type="checkbox"/>
3. Inclusion in engagement between ISLHD stakeholders and Category Manager (email inclusion and presentation attendance where applicable)	<input type="checkbox"/>
4. Meeting with Category Manager to summarise contract changes, review data, identification of key risks and issues	<input type="checkbox"/>
5. Meet with Category Manager and/or Data Analyst to identify orderers, priority areas and compliance rates	<input type="checkbox"/>
6. Develop Implementation Plan	<input type="checkbox"/>
7. Arrange individual meets with key stakeholders (confirm all ordering staff): <ul style="list-style-type: none"> • Ensure ordering staff have access to updated contract information • Discuss changes to contract • Discuss impact to individual stakeholder • Support updates to favourites/manual lists • Ensure ordering staff are aware of how to utilise the pricing schedule spreadsheet • Field any queries • Follow up scheduled 	<input type="checkbox"/>
8. Run a compliance report 3 months post implementation – return to Step 5 if warranted	<input type="checkbox"/>
9. Advise Category Manager and Contract Implementation Manager of completion and provide this checklist	<input type="checkbox"/>

Comments

Key Stakeholders

Name	Position Title	Department	Date Visited

Completion of Checklist

PPO:

Signature:

Date:



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Category Manager Implementation – Stakeholder Email Template

PROCUREMENT

CONTRACT COMPLIANCE UPDATE



Context - As new contracts from HealthShare go live, we have an opportunity to review current products being ordered, their pricing and whether they are on contract. This will assist with determining whether substitute products could be incorporated in your area whilst maintaining high level patient care.

Benefits Such As - Reducing the time spent on ordering by reducing Free Text Ordering, reducing the need for you to action price variances, ensuring you are being charged the correct price and increasing contract compliance.

What We Will Do - When a contract is updated we will be sending out an email to the relevant areas updating them on the changes below.

- New products
- Products removed
- Price increases
- Price decreases
- Actions for the requestors

The PPO's will assist the teams when a contract is refreshed and ongoing to ensure we are reaching the highest percentage of compliant orders. Scheduled 6 month reviews of the compliance will be conducted to track the progress of the teams.

What You Can Do? - Work with the PPO's by reviewing and updating the below.

- Replace free text with like for like on contract HIMFD products.
- Replace off contract products with on contract products (Seek clinical approval).
- Using HIMF numbers on orders.
- Updating Favourites List
- Regular updating of Scanners
- Regular reviews/updates of manual spreadsheets/cards

PPO Areas of Responsibility

NIHG –
SHG –
SIHG –
ICMHPIP -

For any further questions please email the Procurement email below!

ISLHD-Procurement-StrategicSourcing@health.nsw.gov.au



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Roles & Responsibilities

JOB OWNER/S

The person/s responsible for direct supervision and day-to-day engagement of the Supplier. The Job Owner/s is typically closely involved with the physical execution of work by the Supplier and/or the product usage. They should be actively communicating with the Supplier.

Job owners/s exist informally where roles or people on site have an obvious link to the use of a product.

For particularly large or complex contracts, this role may be formally appointed and/or one Job Owner may be given dual responsibility of Contract Owner.

The Job Owners/s should attempt to resolve operational issues in the first instance with the Supplier directly. Ongoing issues with Supplier performance should be escalated to the Contract Owner for use in the performance review meetings.

CONTRACT OWNER

The person accountable for initiation, deployment and performance management of the contract for their operation/function. They work closely with the Category Manager developing the Procurement Plan, approach to market and creation of the contract.

Contract Owners are responsible for identifying the need for a contract, assisting Procurement with its creation, managing it once it has been put in place and arranging for close-out when it nears completion. The Contract Owner would attend performance meetings where required and escalate ongoing performance issues to the Category Manager where unresolved failure to meet contract requirements has been identified.

Contract Owners are typically closely aligned to the work being completed during operation and generally considered a subject matter expert.

The Contract Owner is also responsible for coaching the Job Owner/s roles in delivering their requirements. In the case of smaller, less complex contracts, the Contract Owner may perform both functions.

CATEGORY MANAGER

A member of the Procurement team who is responsible to manage a specific Category of Spend and understands the market, cost drivers and suppliers within the Category. Oversees the Category Strategy from a Sourcing perspective throughout the Region and is responsible for managing Strategic Contracts

The Category Manager is a contracting professional who leads the strategy, development and creation of large or complex contracts within ISLHD. They do this using the technical and expert knowledge of the Contract Owner and Job. Owner/s in order to better identify opportunities, negotiate deals and deliver contracts that suit the needs of the business.

The Category Manager is a key point of contact for Contract Owners during the contract creation process, from contract request to contract generation. It has a key role in coaching and developing the commercial skills of Contract Owners where deemed beneficial.



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