



Medical Equipment Procurement Policy

1. Background

Effective procurement of medical equipment is critical to support the delivery of clinical services. Inadequate planning and consultation can lead to the purchase of sub optimal equipment that is not fit for purpose and may not comply with relevant Australian/ International safety standards. It may also pose patient or staff safety risks. Inadequate clarification of full whole of life costs poses financial risks. This may include unbudgeted building works or unregulated consumable pricing.

The purpose of this policy is to describe the actions required to minimise these risks specific to medical equipment procurement. This policy is to be used in conjunction with the relevant procurement policies issued by the State Supply Commission and Director General.

2. Policy Statement

All medical equipment procurements must be in accordance with Procurement and Contract Management Policy MP 0003/16.

Prior to progressing to the open market, staff must first consider whether their requirements can be met by purchasing under an existing procurement arrangement. There are numerous medical equipment Whole-of-Health contracts that allow a “pick and buy”. These purchasing rules take precedence over the minimum competitive requirements.

If approaching the open market to purchase equipment the estimated contract value must be calculated to identify the minimum competitive process and include the following costs.

- Cost of equipment and any required accessories
- Any required building works
- Any required removal and disposal of existing equipment
- Delivery and commissioning
- Ongoing purchasing requirements for accessories and consumables based on the anticipated useful life of the equipment.
- Comprehensive or preventative maintenance based on the anticipated useful life of the equipment.
- Education both initial and ongoing based on the anticipated useful life of the equipment.
- Any potential additional capital purchases that may be required in the future

GST must be added and an allowance made for potential price increases or indexation. Accurate calculation of the estimated contract value is essential to ensure the compliance with the policy minimum competitive requirements (summarised in table below) and required budget approved in accordance with the authorisation schedule.

Total Estimated Contract Value	Minimum Competitive Process Requirements
< \$50,000	Determine the most appropriate procurement method including direct sourcing or verbal or written quotations based on assessment of the nature of the market, complexity and risk, and process efficiency.
\$50,000 - \$250,000	Seek competitive written quotes.
> \$250,000	Advertise an open tender through a public advertisement

The following requirements are to be considered during medical equipment procurement planning:

- Definition specifications and required functionality to support clinical care.
- Identification of educational requirements and delivery methods for both users and maintenance staff over the contract term.
- Clarification of maintenance requirements, preventative, comprehensive (preventative plus breakdowns) or fee for service.
- Clarification of potential providers of maintenance, in-house, equipment provider or third party.
- Clarification of consumables and if these are equipment specific or generic and can be sourced from an alternative contract.
- Consider aggregation opportunities as may reduce duplication of procurement processes and achieve more competitive pricing.
- Consider and assess potential clinical, operational and financial efficiencies that standardisation may achieve.
- Undertake market research to see potential for alternatives other than outright capital purchase such as consumable based acquisitions, leasing or rental.
- Consider the following disposal options and the impacts of equipment being replaced:
 - requirement for decommissioning and removal
 - potential for trade in
 - potential for sale
 - potential transfer to another site
 - disposal
 - retention for spare parts
 - retention for back up or loan stock.

The following requirements are to be considered during medical equipment contract formation:

- A client reference group of relevant stakeholders is to be established to evaluate offers. This may include non-voting technical advisors in addition to the voting members. Representation from the following may be required.
 - clinicians
 - biomedical engineering
 - information technology
 - infection control
 - occupational safety and health

- supply teams
- facilities management
- learning and development
- procurement and contract management
- business managers.
- The evaluation process must be robust to ensure fitness for purpose outcome and may require product demonstration or trial
- The pricing analysis must include all components based on whole of life costs to ensure a best value for money outcome is achieved

The following requirements are to be considered during medical equipment contract management.

- Review requirement for consumables or accessories that may need to be held as inventory
- Ensure that contract management activates focus on continuity of clinical services. This may include the development of key performance indicators relating to product supply continuity, 'up time' of equipment, frequency of breakdowns and education for staff.

3. Roles and Responsibilities

Consultation with the following teams must be considered f when undertaking procurement and contract management activities for medical equipment.

Teams	Responsibilities
Procurement and Contract Management Directorate	Providing advice and support in relation to medical equipment procurement. Undertaking procurement of medical equipment funded by the Medical Equipment Replacement Program (MERP)
Clinical staff	Development of specifications/ requirements and participate with procurement process
Biomedical Engineering	Development of specifications/ requirements and participate with procurement process
Supply teams	Development of specifications/ requirements and participate with procurement process Oversee inventory transition
Regional Finance Managers	Ensuring that accounting requirements for asset addition, transfer or disposal are undertaken in accordance with the WA Health Financial Management Manual
Regional procurement and contract managers	Participate with procurement process and ensure arrangements for contract management are established

4. Compliance

Failure to comply with this policy may constitute a breach of the WA Health Code of Conduct (Code). The Code is part of the [Integrity Policy Framework](#) issued pursuant to section 26 of the [Health Services Act 2016](#) (WA) and is binding on all WACHS staff which for this purpose includes trainees, students, volunteers, researchers, contractors for service (including all visiting health professionals and agency staff) and persons delivering training or education within WACHS.

WACHS staff are reminded that compliance with all policies is mandatory.

5. Records Management

All WACHS corporate records must be stored in the approved Electronic Documents and Records Management System in line with the [Records Management Policy](#).

Procurements and Contracts established via the open market must be recorded in the Procurement Development and Management System PDMS as per health policy. When purchasing under an existing procurement arrangement the buying rules take precedence and may not require entry in PDMS.

[Procurement Development and Management System \(PDMS\) Policy](#)

6. Evaluation

Evaluation of this policy is to be carried out by the Director Procurement and Contract Management.

7. Standards

[National Safety and Quality Health Service Standards](#) – 1.1

8. Legislation

Public Sector Management Act 1994
WA State Records Act 2000
State Supply Commission Act 1991

9. References

[State Supply Commission Policy](#)

[Department of finance templates](#)

[Whole of health contracts](#)

[OCPO intranet](#)

[PCMD intranet](#)

[Authorisation schedule](#)

10. Related Policy Documents

[Management of Medical Equipment Policy](#)

11. Related WA Health System Policies

[MP 0003/16 Procurement and Contract Management Policy](#)

[MP 0004/16 Procurement Development and Management System \(PDMS\) Policy](#)

[WA Health Financial Management Manual](#)

12. Policy Framework

[Procurement](#)

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