

# Pay per Use Framework Agreement for the supply of Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) scanners for Italian Public Hospitals

The first edition of an innovative approach to the use of Computed Tomography and Magnetic Resonance Imaging scanners - included the related services as well as optional services and

In February 2018 Consip carried out a public procurement procedure for the acquisition of Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) scanners for Italian Public Hospital.

The main aim of the procedure was to procure state-of-the-art medical imaging equipment at centralised level in order to facilitate the renewal and the modernisation of public Hospitals' equipment thus improving the quality of the healthcare services provided.

This single supplier framework agreement was the first of its kind. It allowed Italian Public Hospitals located in different Regions of the country to acquire MRI and CT scanners – as well as the related services and the eventual optional services and devices provided for in the tender documentation - through a pay-per-use contract model awarded at a competitive price.

The procurement procedure, as well as the ordering phase, were entirely dematerialised by using the e-procurement platform managed by Consip<sup>1</sup>.

## Pre-award phase of the procurement procedure

During the pre-award phase of the procedure, both the market and scientific societies were consulted.

In 2017, a prior market consultation was published on the corporate website<sup>2</sup>. This consultation allowed Consip to study the market and to prepare the market as well, informing it on future initiatives by advertising the qualitative and technical characteristics of the goods and services to be procured.

#### Award phase of the procurement procedure

At the beginning of 2018 Consip published an open tender procurement procedure to award the

<sup>&</sup>lt;sup>1</sup> www.acquistinretepa.it

https://www.consip.it/bandi-di-gara/consultazioni-del-mercato/consultazioni-del-mercato-2017



single supplier framework agreement of the **estimated value of 28.176.417,60 €.** The submission of the bids as well as the evaluation process were performed online, on the e-procurement platform *Acquisti in Rete*.

The framework agreement was divided into **two lots**, one for the procurement of **15 CT scanners** and the other for the procurement of **10 MRI scanners**.

The single supplier framework agreement was awarded according to the most economically advantageous tender (MEAT) award criteria where 70 points where dedicated to the technical offer and 30 points to the economic offer.

With regard to the **technical evaluation criteria**, three subsets of criteria were set specifically for each lot with regard to:

- 1. ameliorative technical specifications of the offer;
- 2. functional characteristics;
- 3. quality of CT and MRI images.

Tender documents specified the weight of each criteria as well as the type (on/off, quantitative, discretional criteria).

With regard to the **economic offer**, a coefficient was calculated according to the discount offered by the economic operator as specified in the formula provided for in the tender documentation. Such discount was related to two aspects of the economic offer:

- A. the **monthly fees** offered by the economic operator to rent the equipment and other optional devices;
- B. the fee related to the **exams which exceed the productivity level** chosen by the contracting authority.

The **key elements of the procurement procedure** related to the implementation of innovative solutions for Italian hospitals were:

- to convert capital expenses into operating expenses based on the real use of the medical devices. The higher the use of the device, the lower the rate per scan, hence hospitals were incentivized to maximize the use
- the maximization of the use of the device is also encouraged by the possibility to share the equipment among different hospitals or different departments of the same hospitals
- the supplier is encouraged to have well maintained and performing medical



equipment as fees depend on the actual use of the medical devices

 The contractual fee is calculated according to the duration of the contract and the productivity level chosen by the Hospital, this fee determines the saving objectives of the Hospital

### The winning bids

Both lots of the single supplier framework agreement were awarded by the end of 2018 to economic operators whose offer represented the state-of-the-art technologies for CT and MRI scanners. The overall award price awarded for this framework agreement was 17.547.489,60 €.

As specified in the tender documents, the overall duration of the awarded framework agreement was 12 months. Public contracting authorities could issue direct orders within the framework agreement directly on the e-procurement platform, signing either a 5 or 7 years contract and choosing among 3 different productivity levels which are related to the number of exams performed per year.

Both lots of this single supplier framework agreement were entirely used in a very short timeframe, including extensions allowed to the contract, and no Computed Tomography (CT) or Magnetic Resonance Imaging (MRI) scanner remained unordered. This shows the trust put into this innovative contract model by Hospital administrators and physicians, which are the end users of the device.

In addition, more than 60% of the total amount of the orders included the disposal of obsolete equipment. The disposal of obsolete medical devices was performed in accordance with National and EU rules and regulations such as the Law on the tracing of waste and the Directive 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE).

Therefore, it can be argued that this procurement procedure allowed Hospitals to renovate the medical equipment used to offer better public healthcare services.

### Lessons learned

The first edition of this kind of pay per use single supplier framework agreement allowed Consip to test the market as well as the response of the Hospitals on the use of this innovative contract model for the procurement of Computed Tomography and Magnetic Resonance Imaging scanners.



In the second edition of the framework agreement, Consip has implemented **circular economy principles** to the procurement procedure allowing the winning bidder to re-use the medical equipment disposed by Hospitals.

The second edition of this framework agreement procedure, which is still in the phase of the award-procedure<sup>3</sup>, implements circular economy principles related to the **reuse of the medical equipment unused by Hospitals**. Tender documents provide incentives both for the contracting entity and the supplier.

In fact, the Hospital can decide to **donate** to non-profit organizations the unused medical equipment or to allow the economic operator to **collect** it and reuse it. In any case, the free-of-charge **disposal** of obsolete medical devices according to National and EU regulations is still provided for in the tender documentation and it is an option that can be chosen by the contracting entity when signing the contract with the supplier.

In case the Hospital decides to allow the supplier to collect the unused medical devices, it will receive either a 4% to 1% **discount** on the price of the ordered device according to the age of the collected device.

On the other hand, according to the **circular economy principles**, since the supplier becomes the owner of the collected equipment, it will be able to:

- reuse parts and components in good conditions (e.g CT x-ray tube) or not subject to attrition (e.g. MRI magnet);
- revamp the equipment to sell it into the refurbished medical devices market;
- donate the equipment to non-profit organizations.

In a context of limited economical resources, pay-per-use can be considered and innovative contract model that gives public Hospitals the possibility to share the risk of the procurement of medical devices with the supplier and collect more information on the use of medical equipment.

<sup>&</sup>lt;sup>3</sup> https://www.consip.it/bandi-di-gara/gare-e-avvisi/aq-tomografi-computerizzati-tc-ed2



This **innovative contract model** for Italian public Hospitals can be considered an example of **sustainable procurement** for several aspects:

- it allows for the **reuse** of medical equipment or for its **donation** to non-profit organizations to **ensure that the use of natural resources is done rationally**
- it makes sure that the **disposal** of the unusable equipment is made in a way that **the quality of the environment and human health are preserved and protected**
- it encourages the correct and efficient use of medical equipment and facilitates the renewal of medical imaging equipment thus improving the quality of healthcare services provided by public Hospitals to local communities

Final observations can be made with regard to the involvement of relevant stakeholders as it is important to capitalize the scientific know-how as well as the experience of end users (physicians, nurses, radiology technicians, administrative health staff) when assessing the procurement needs. This may become one of the key aspect for the success of the procurement procedure, especially at centralized level.

Tender documents and information related to the procurement procedure are **published on Consip website** at the following webpage: <a href="https://www.consip.it/bandi-di-gara/gare-e-avvisi/gara-pay-per-use-tc-rm">https://www.consip.it/bandi-di-gara/gare-e-avvisi/gara-pay-per-use-tc-rm</a>

Link to the e-procurement platform Acquisti in Rete:

https://www.acquistinretepa.it/opencms/opencms/scheda\_iniziativa.html?idIniziativa=c779 9f6ce5bb6be1