

MONASH HEALTH SUPPLIER ENGAGEMENT PLAN

Providing guidance and support in relation to procurement activities

Document History

Document Location

This document is only valid from the day it was printed and approved. The electronic copy of this document will be stored in prompt.

Revision History

Version	Revision Date	Summary of Changes	Prepared By	Approved By
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Distribution

This document has been distributed to:

Name	Title	Date of Issue	Version
Peter Holt	Commercial Contracts Manager	24/6/2015	V1.0
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John Fitzgerald	Director, Procurement & Supply Chain	11/7/2015	V1.0
John Sutherland	Chief Procurement Officer	11/7/2015	V1.0

Related Documents

Other internal and external documents relevant to this document:

Title	Person Responsible	Date of Issue	Version
Financial Management Policy	Chief Financial Officer	February 2015	9.0
Purchasing Policy	Director, Procurement & Supply Chain	April 2015	13.0
Contract Management Strategy	Head of Financial & Business Improvement and Procurement	July 2015	1.0
Capability Plan (coming soon)			
Procurement Complaints Management	Head of Financial & Business Improvement and Procurement	July 2015	1.0
Invitation to Supply	Chief Procurement Officer	June 2015	1.0
Procurement Plan (coming soon)			1.0

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Purpose

Monash Health is committed to partnering strategically with our supplier base. The purpose of this document is to establish a plan for enhancing Monash Health's relationships with suppliers to improve procurement outcomes.

Scope

This Supplier Engagement Plan (SEP) documents the processes, systems and communication approaches Monash Health will use to ensure the highest levels of trust and accountability in all dealings with its suppliers, and those contracted to deliver goods and services.

Supplier Engagement Objectives

The objectives of this plan are to:

- improve transparency of procurement-related processes
- detail the actions, processes and activities to map engagement with suppliers
- make information on Monash Health's procurement processes and key activities easily accessible to suppliers
- encourage participation of Small / Medium Enterprises (SMEs) and Not for Profit (NFP) organisations in procurement for health services
- adopt new ways to engage with suppliers, for example: procedures for encouraging/managing innovation and market-based solutions
- inform Monash Health's existing suppliers about the intent and opportunities of the procurement reform
- provide consistent messaging to suppliers
- maintain good supplier relationships to improve contract performance and encourage ongoing efforts to seek improvements and to drive better value for money
- ensure all supplier engagement activities uphold the principles of probity, confidentiality and security

Monash Health Expectations of Suppliers

Monash Health engages with suppliers for the express purpose of deriving value for money for Monash Health. Monash Health expects that suppliers will collaborate with Monash Health to foster strategic partnerships that drive innovation and support excellence in care provision.

Suppliers are expected to:

- conduct business with Monash Health in a fair, open and transparent manner
- inform themselves of Monash Health policies regarding (but not limited to) Procurement, Safety, Conflict of Interest and Procurement Complaints Management – these are accessible via the Monash Health [Suppliers Webpage](#).
- Demonstrate compliance with the requirements of health purchasing policies issued by Health Purchasing Victoria and all relevant Monash Health policies– these are accessible via the Monash Health [Suppliers Webpage](#).
- Provide full lifecycle support
- Implement continual business improvements and innovative solutions
- Proactively conduct risk assessments, analyse gaps and provide recommendations to Monash Health.

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Current landscape at Monash Health

Monash Health is Victoria's largest health service, and is located across south eastern Melbourne. Our vision is to provide better health for our community as a leader in our field. We are unique in providing in one organisation primary, secondary and tertiary health services as well as university affiliated international research and teaching facilities.

We are a member of the Monash Health Translation Precinct with Monash University and the Hudson Institute. We are also in partnership with other leading educational institutions such as Deakin and LaTrobe Universities.

We offer quality health care across the entire lifespan from pre-birth to palliative care, for all groups and stages of life, from prevention, early intervention and primary care to highly complex acute, aged, residential and mental health services.

Over 14,000 staff work at more than 46 sites including the major hospital facilities of Monash Medical Centre Clayton, Moorabbin Hospital, Dandenong Hospital, Casey Hospital, the Kingston Centre and Cranbourne Integrated Community Care Centre, as well as our extensive community health facilities throughout the region.

In 2013-2014 our hospitals admitted over 221,000 hospital patients, handled more than 193,000 emergency presentations and delivered more than 9,300 babies.

The Monash Health Strategic Framework focusses on four pillars to help us achieve our purpose of delivering quality, patient-centered health care and services that meet the needs of our diverse community. These are:

1. We put our patients first
2. We drive innovation
3. We partner strategically for outstanding outcomes
4. We lead sustainable healthcare

Monash Health has a procurement and supply office and warehouse based at Monash Medical Centre Clayton. Additionally there are Approved Purchasing Units for Engineering, Food Services, Information Technology, Capital Planning, Pharmacy, Health Technology and Jessie McPherson Private Hospital. We partner with Health Purchasing Victoria (HPV) to leverage state-wide best buy/collective purchasing arrangements and participate on a number of HPV reference and advisory committees.

By June 2016 Monash Health will comply with the Health Purchasing Policies issued by Health Purchasing Victoria. . Monash Health will align its policies and procedures to the procurement governance framework to manage an efficient and effective procurement function. Monash Health is committed to its transparent and ethical approach based on an analysis of risk and complexity to all procurement opportunities.

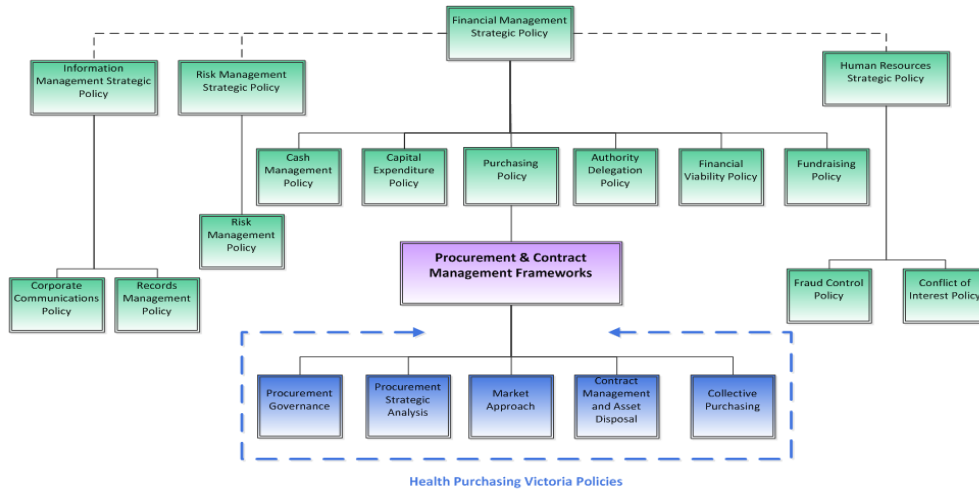
As we transition to the new purchasing policies, Monash Health is also modernising its medical records management infrastructure and at Monash Medical Centre Clayton, major builds are currently underway for a dedicated translational research precinct and the Monash Children's Hospital.

Suppliers interested in working with Monash Health should refer to the Monash Health Procurement Plan (this can be found on the Monash Health [Suppliers Webpage](#)).

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The image below demonstrates how the HPV Health Purchasing Policies interface with the Monash Health policy framework:



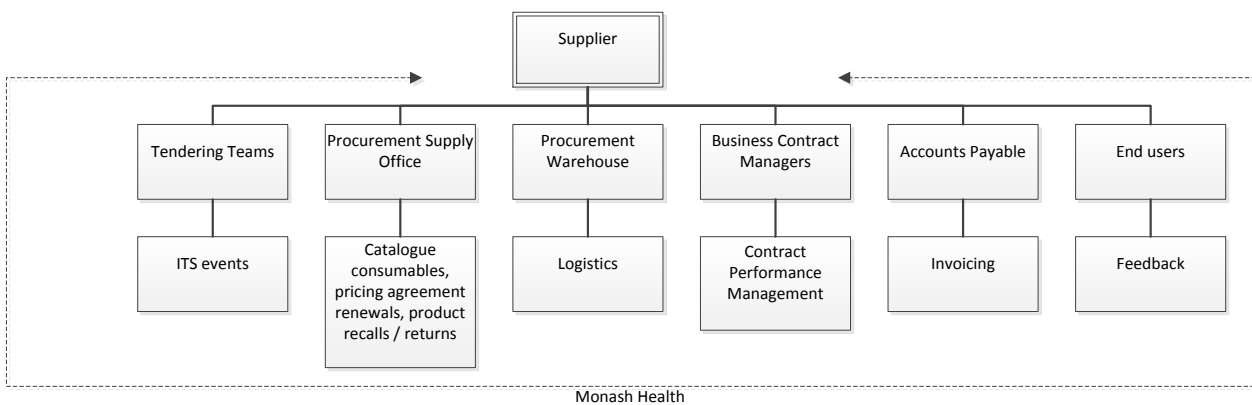
Supplier Engagement Plan

Generic information services for suppliers

The Monash Health [Suppliers Webpage](#) is the primary portal for access to information for suppliers. This provides:

- Links to relevant Monash Health policies, procedures and forms
- Generic content relevant to suppliers
- A summary Procurement Activity Plan (first published Plan will be on the site by June 2016)

Suppliers working in partnership with Monash Health will have touchpoints with multiple departments via the relationship shown below:



Informing suppliers of forward supply opportunities

Monash Health will maintain a forward procurement plan which will be publicly available on the Monash Health website. This plan will include details of the categories/procurements planned, the proposed market approach and proposed timing (when known), and details for the relevant contact person. This procurement plan will be updated at regular intervals.

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Informing suppliers of actual supply opportunities

Monash Health use TendersVic to manage all Invitation to Supply events. We recommend suppliers register with TendersVic. Go to <https://www.tenders.vic.gov.au> to register.

Where to go for other business support advice?

The Monash Health [Suppliers webpage](#) hosts links to other available resources to support suppliers accessing other health sector information such as:

- Industry Capability Network website http://www.icn.org.au/vic_home
- GS1net website (National Product Catalogue) <http://www.gs1au.org/index.asp>
- National eHealth Transition Authority (NEHTA) website <http://www.nehta.gov.au/>
- Health Purchasing Victoria <https://www.hpv.org.au/>
- TendersVic <https://www.tenders.vic.gov.au>
- iProLive <http://www.iprolive.com/>

Managing supplier relationships during the procurement process

Market engagement activities undertaken in the procurement process will be scaled to suit the complexity of each procurement project. Supplier engagement may include a combination of any of the following:

- a Request for information (RFI) undertaken prior to development of the sourcing strategy in order to better understand the market (including request for quotes and budgetary pricing)
- a supplier briefing prior to the finalisation of the market approach with specific feedback sought on a draft Statement of Requirements (SoR)
- seeking Expressions of Interest (EOI) where the capability of the market to supply the requirement is not fully understood
- issuing Invitations to Supply (RFX) via TendersVic or advertised in the Tenders section of the Herald Sun newspaper
- questions will be answered during an Invitation to Supply via TendersVic and answers distributed to all respondents
- Notification to all respondents (both successful and non successful) of the outcomes of a procurement activity
- All suppliers will be encouraged to accept the offer of a debriefing session at the conclusion of all procurement activities.
- Conducting surveys of suppliers to gauge perceptions / performance of the tender process

All communications pertaining to an Invitation to Supply between suppliers and Monash Health /will be coordinated via the nominated contact person in the request documentation

Monitoring contract performance

Effective contract management is about developing a relationship with the Contractor, communicating well, making decisions in a timely and consistent manner, acting reasonably and being proactive and responsible in resolving issues.

The designated Monash Health Business Contract Manager will meet regularly with suppliers and maintain communication on a regular basis in accordance with the terms and conditions of the Contract to understand how an agreement is operating by measuring performance against agreed KPIs and discussing opportunities for improvement prior to returning to the market. The Contractor may be contacted to examine opportunities for improvement prior to returning to the market.

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- communication may be undertaken by other Monash Health personnel within the various divisions or purchasing areas, including quality manager, finance officer or procurement personnel.
- Agreed actions and outcomes will be documented. All documentation and records should be placed on file for future reference and / or audit reports.

It is essential that both parties to the Contract understands their responsibilities and meet their obligations in accordance with the Contract and any associated contract management plans or process maps and act within those limits. This includes understanding the remedies, dispute resolution mechanisms, performance tools and complaint procedures applicable to the Contract.

Management of complaints

Monash Health has a framework for managing and resolving complaints. All ITS documentation includes a clause on complaints management. In the first instance, suppliers are encouraged to contact the Monash Health Procurement Director to discuss issues experienced during a sourcing event.

Further details of Monash Health's Procurement Complaints Management process may be viewed [here](#).

Indicative Supplier Management Processes

Monash Health believes the best supplier relationship involves close and frequent collaboration between the parties. Relationship management will be tailored to suit individual circumstances.

Monash Health has designed a supplier relationship management program based on the categorisation of procurement activities into complexity quadrants, as per the table below.

Complexity Quadrant	Suggested Agenda	Recommended Frequency of meetings	Report Format
Strategic	SLA & KPI Metrics Pricing Catalogue update Issues/Escalations Customer Feedback	Quarterly for first 12 months and thereafter 6 – 12monthly	Tailored supplier scorecard performance against KPI's
Focussed	SLA Metrics Pricing Catalogue update Issues/Escalations Customer Feedback	Quarterly for first 12 months and thereafter 6 – 12monthly	Tailored supplier scorecard performance against KPI's
Leveraged	DIFOT Pricing Customer Feedback	Annual review of pricing agreements	System generated statistics
Transactional	DIFOT Pricing Customer Feedback	Annual review of pricing agreements	System generated statistics

Information for suppliers about the procurement reform

Suppliers may inform themselves of the HPV policy reforms by

- monitoring the HPV website <https://www.hpv.org.au/>
- subscribing to the HPV newsletter
- monitoring the Monash Health Supplier Website <http://www.monashhealth.org/page/Suppliers>

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Informing staff about changes to supplier engagement

Monash Health is undertaking a project to implement the new Health Purchasing Policies. This will include training for relevant staff and executives and the periodic publication of status updates. Insert website page link

Supplier Engagement Performance Monitoring

Monash Health's purchasing activities are monitored by the Procurement and Supply Chain Steering Committee with representation from Senior Management. This Committee monitors Monash Health's performance against this plan.

Implementation and Management of the Supplier Engagement Plan

Implementation and management of this plan is the responsibility of the CPO (Chief Procurement Officer), the Director of Procurement and all Monash Health staff involved in procurement for process improvement. We expect the implementation will be completed by June 2016.