



Health Purchasing Victoria

**Electronic Tender and Evaluation Case
Study**

TenderMax™

Introduction

Health Purchasing Victoria (HPV) established in July 2001, commenced operation with no formal Request for Tender (RFT) or Contract documentation. HPV was established with a core staff of 6 utilising the resources of Victorian Public Hospital Supply Departments to run tenders and manage contracts for the state of Victoria

HPV identified the need to conduct the tendering and contracting component of its 8 key objectives in a more resource efficient manner that also allowed for an open and fair environment in line with the Victorian Governments requirement for open and transparent Government.

To this end, HPV investigated a number of electronic tendering solutions and in consultation with firstly NSW Department of Commerce, Peak Purchasing Council (PPC) and subsequently Queensland's Department of Health Purchasing and Logistics, who all settled on the TenderMax™ software sold by DecisionMax Pty Ltd for the purpose of a pilot.

This approach allowed for a uniformity on the east coast of Australia in electronic tendering within the Health market place.

HPV looked for an electronic tendering solution that,

- would provide a more structured approach to tendering and evaluation,
- would avail itself to the work being done as part of the Standard Contract, Tender and Conditions Working Group (SCT&C WG),
- provided the opportunity to provide a tenderer with a more detailed debrief,
- would provide substantial and efficient time management,
- would avail itself to open decision and fair decision making, and
- would provide a electronic solution for the evaluation of consumable products that are normally tendered in a matrix of solutions

I. Commencement and Implementation

Taking into consideration the NSW and QLD pilots, HPV decided on a commodity that leaned itself to the usual type of Health tender (consumables), thus ensuring at the end of the Victorian, NSW and Queensland trials TenderMax™ would have been piloted in what could be considered a full range of health models.

HPV commenced its pilot trial of TenderMax™ with the selection of a product commodity that availed itself to a complex pricing and award scenario. To this end Sterilisation Consumables were selected.

A three-day training session was conducted at HPV with both HPV staff and the Tender Manager involved.

The process of converting the HPV standard RFT commenced in February 2003.

To ensure maximum security, HPV utilised the DMax Lite version and not HTML.

A detailed industry briefing was conducted in late February where suppliers were walked through the Tender and in particular the TenderMax™ component providing them with an overview and detailing how to,

- install and open,
- to complete, and
- to submit.

The tender was released and closed on time. HPV received a total of 23 submissions, 22 using DMax Lite and one in a printed¹ form.

II. Systems / Network Infrastructure Considerations

HPV configuration for TenderMax™ on its network was in line with HPV standard tendering and Contracting environment, which is non-networked to ensure maximum security until a secure network environment can be assured. This subsequently meant that graders were required to relocate at the HPV office at Caulfield to conduct the evaluation.

Although HPV took this position for its configuration of the pilot tender, TenderMax™ training and testing was completed in a fully networked configuration. HPV's intention would be where available to allow full network compatibility. It must also be noted that the current Victorian Hospital/health I.T platform is not standardised, networked or compatible.

III. Assessment of Achievements/Outcomes

The HPV objectives for TenderMax were

- To convert HPV's standard RFT for use in TenderMax™
- That all associated documentation be available via TenderMax™
- That it be available for downloading via VGPB website
- Tenderers to be able submit via CD or Paper (manual version)
- For HPV to evaluate efficiently and effectively,
 - Base prices
 - "What if" price variables
 - Deals and or bundle offers
 - Risk Management assessment

TenderMax™ achieved all of HPV's objectives with the following outcomes,

- Improved turnaround of tender,
- Standardised evaluation of all submissions,
- Greater transparency,
- Major improvements in tenders debriefing details, and
- Critical analysis of questions and associated weightings

Possible Improvement to TenderMax™ were identified as further automation and enhancements of,

- Auto saving
- Financial summary
- File back ups
- Installation
- Printing
- Prompts for tender close and check list

IV. Problems Encountered at the following Stages

¹ Printed submission for was due to religious beliefs thus preventing the use of computers.
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Updated 2/02/2004
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- Software Acquisition Supplier– Nil
- Software Installation HPV – Nil
- Software Installation Supplier – Minimal. Issues were on obtaining internal company IT support to install on networks and were not DMax Lite related
- Creation of RFT Templates – Utilising the early version of the SCT&C WG, RFT HPV identified the need for a number of changes to the format and wording of question, however this was not seen as an inhibitor but rather further enhancement and development of the SCT&C WG, RFT document.
- Tender Release/Publication – Nil
- Preparation of tender files for evaluation – Although all files were collectively together initial understanding of their location and availability to print was not clear. It should also be noted that in-conjunction with TenderMax™ and greater familiarity with the product this will be less of an issue.

V. Benefits Realised

- HPV realised a significant saving in time to consolidate submissions (normally up to two weeks), HPV was able to obtain a base line consolidation and evaluation of 80% of the tender within 30 minutes,
- Near elimination of paper submission (see footnote ¹),
- Improved awareness of tendered offers,
- Provided for greatly improved benchmarking,
- Provided the ability to deliver detailed supplier debriefings,
- Allowed for improved decision making and audit trails,
- Raised awareness of critical analysis of requirement of associated weightings, and
- Greater focus on questions.

VI. Benefits foreseen

- Improved analysis of submission
- Greater standardisation of RFT's
- Improved management of evaluation
- Greater Transparency of evaluation
- Improved utilisation of resources
- Standardised templates for all health users, of TenderMax
- Standardised electronic tendering platform for suppliers

VII. Project Cost Analysis to date

HPV's project cost to date include the purchase of

- 1 x TenderMax Pro licence
- 1 x DMax Lite licence
- 3 x 1 Days training modules

VIII. Next Steps

HPV's next steps are to finalise the signoff of the Pilot and TenderMax™, from there we will review the HPV Tender program to,

- Ascertain the best fit of Tender Schedule to Tender Solution
- Best fit application of TenderMax™
- Revision of the "SCT&C WG" RFT for use in-conjunction with TenderMax™
- Standardisation of best practice approach by Health Tendering authorities (QLD Health, NSW Department of Commerce, Health and PPC, and other states) e-tender concepts

- Utilisation of standard Templates based of tender models.

HPV believes that the strength of partnering developed between New South Wales, Queensland and Victoria provides the platform to develop and grow e tendering, and benefits not only the individual states but also our suppliers by providing the common Best Practice approach to Tendering and Contracts.