

# Casterton Memorial Hospital



## Collective Purchasing under HSV Contracts

## **Purpose**

This Policy describes the compliance to HealthShare Victoria (HSV) collective purchasing agreements and details the associated HSV requirements that Casterton Memorial Hospital will ensure that its staff abide by as part of any procurement activities.

Casterton Memorial Hospital will comply with:

- All the requirements of HSV's Purchasing Policy 5,
- HSV's collective agreements, supply chain conditions/specifications or approved Victorian Government SPC / SEPC to gain value for money through aggregated demand.

## **Target Audience**

This procedure applies to all staff at Casterton Memorial Hospital who have authorised/approved responsibility for undertaking procurement activities.

## **Policy & Procedure**

Casterton Memorial Hospital will:

- only purchase from a HSV collective agreement, arrangement, or supply chain, any good or service that has been sourced by HSV.
- comply with HSV collective agreements, supply chain conditions/specifications, and HSV approved SPC and SEPC opportunities, including reporting.
- be actively responsible and accountable for the establishment of internal processes and ongoing requirements of compliance with HSV collective agreements
- refrain from engaging in practices that may subvert HSV's function
- seek approval from HSV to on-sell, and report any on-selling approved arrangements to HSV annually.
- apply for an exemption from HSV collective agreements, supply chain arrangements, and HSV approved SPC and SEPC only in specific circumstances

Casterton Memorial Hospital will assist HSV in:

- identifying potential aggregation opportunities, including:
  - informing HSV if any spend analysis or complexity assessment indicates grounds for aggregating demand or benefits from HSV involvement; and
  - working with HSV to collect procurement data to assist in the identification process and to develop the HSV sourcing program.
- providing input into the development of business cases as requested;
- nominating participants in consultative and advisory groups, where appropriate, including executive, product or service reference groups or other advisory groups that will contribute toward:
  - development of specifications;
  - evaluation of bid responses and/or other negotiations with suppliers;
  - development of contract key performance indicators (KPIs) and a contract management plan;
  - an understanding of health service's resourcing, clinical and operational requirements to enable a successful transition to any HSV collective agreement;
  - ongoing management of the category to optimise contract utilisation and review supplier performance;

- acting as HSV's agent in conducting sourcing activities where mutually agreed upon; and
- establishing appropriate processes to ensure the security of all confidential and commercially sensitive information, in particular, supplier information.

### **Internal processes for compliance to HSV's Collective Agreements**

Casterton Memorial Hospital is responsible and accountable for:

- the day-to-day purchases under the HSV Collective Agreements
- resolving any local Service Level Agreement (SLA) or supplier performance issues that arise
- reporting as required on supplier performance to HSV
- working proactively with suppliers and HSV to transition within the designated timeframes to new HSV collective agreements
- communicating any requirements directly with suppliers by issuing a purchase order or similar
- establishing SLAs with supplier(s) (where required)
- monitoring the performance of suppliers
- meeting obligations under the agreements, in particular with respect to payment terms, communication with suppliers and maintaining the security of all confidential and commercially sensitive information as per the terms and conditions of the agreements
- immediately notify HSV of any significant breach of the agreement by a supplier that cannot be resolved successfully directly with the supplier.

### **Reporting any on-selling to HSV**

Casterton Memorial Hospital will:

- seek approval from HSV to on-sell, and report any on-selling approved arrangements to HSV annually
- demonstrate reporting annually, or as otherwise requested by HSV, details of all on-selling arrangements that relate to goods or services under a HSV collective agreement and supply chain.
- comply with the Victorian Department of Treasury and Finance's Competitive Neutrality Policy and other applicable legislation or policy where fees or charges are levied for on-selling goods or services.

### **Exemptions from HSV collective agreements**

Casterton Memorial Hospital may request, an exemption from purchasing from a HSV Collective Agreement under the following circumstances:

- where a current contract is in force in respect to the supply of particular goods and/or services at the time notification occurs that those goods and/or services are part of a Procurement Activity Plan (PAP);
- on clinical grounds; i.e. to ensure that patients will receive clinically appropriate treatment or care;
- for operational reasons; i.e. to ensure the effective administration; or
- where there is a significant negative impact on the viability of small or medium sized businesses, or local employment growth or retention.

The Chief Executive Officer (CEO) will submit an exemption application to HSV in accordance with the "Guide to Exemptions from HSV Collective Agreements". The exemption application will be accompanied by:

- a statement of the reasons, including reasonable evidence of any arrangement the mandated health service has in place that may impact the relevant HSV collective agreement, or otherwise any reasons effectively preventing it at law from complying
- any supporting documentation or other material which HSV believes is required to assist the making of a decision.

#### **References/legislation/supporting documents**

- Health Purchasing Victoria's Health Purchasing Policies (2023)
- Health Services Act (1988)
- Whole of Victorian Government – State Purchasing Contracts (SPC)
- Sole Entity Purchasing Contracts (SEPC)
- Guide to Exemptions from HSV Collective Agreements
- HSV's Procurement Activity Plan (PAP)

#### **Links to other related Casterton Memorial Hospital documents**

- Procurement Policy
- Procurement – Emergency Procurement Plan
- Procurement - Complaints Management
- Procurement - Contract Management
- Procurement - Supplier Engagement
- Procurement - Capability Development

#### **Committee Approval / Endorsement**

Name of Committee	Date of Endorsement
FRAC	June 2024