



MOHAWK MEDBUY

An Introduction to MMC and Healthcare Procurement

Thank you for joining us today.

- Please ensure your microphone is muted.
- Submit questions via Chat Box or Raise Hand

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Director, Innovation & Value-Added Sourcing Mohawk Medbuy Corporation (MMC)

- Procurement leadership roles at MMC since 2009
- Currently: Innovation LaunchPad, Value Based Procurement, Government Relations, Supplier Engagement/Education, Special Projects...
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- Prior to MMC:
 - Purchasing Manager, St. Michael's Hospital, Toronto
 - Production & Purchasing Management, Ecolab Canada
- A memorandum of understanding (MOU) establishes a partnership between MMC and Synapse Life Sciences Consortium, where MMC will provide procurement and educational support services to Synapse.



What We'll Cover



Preliminary FAQs

1. About Mohawk Medbuy
2. Procurement 101: Key Terms
3. Value Based Procurement
4. Bonus Material
5. Q&A

FAQ #1

How do I become an “approved” supplier for Mohawk Medbuy member hospitals?

- Mohawk Medbuy does not recommend, choose, or maintain a list of vendors for our Member hospitals. We initiate and manage the sourcing process for our Members, and they make the final procurement decisions.
- We use product or service categories to publicly post what our hospitals require when contracts come up for renewal or if there is a new sourcing initiative. Vendors who respond to the posted RFX with successful proposals are awarded the business with a written contract. When the contract is approaching expiry and there is a continued requirement, the posting and award process is repeated.

FAQ #2

Do suppliers pay a fee to MMC for awarded business?

There are (mostly) no supplier fees:

- MMC is a not-for-profit organization
- Our Member hospitals (or customers) pay a fee to participate on our agreements and services, which covers our expenses & overhead.
- 100% of any contract incentives, such as rebates collected, are distributed back to participants in proportion to their spend where the rebate was earned.
- There are rare exceptions.

FAQ #3

Is proposing rebates mandatory?

No, rebates are **not mandatory but recommended**

- Rebates are helpful in encouraging hospitals to award you a higher portion of their business
- Value Adds and other incentives are also not mandatory.

About Mohawk Medbuy

A National, **Not-for-Profit**, Healthcare Based,
Shared Services Organization

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What We Do



Service Offerings



Supporting



Stepping Up Throughout the Pandemic

PPE Procurement



1+ Billion

Items for Ontario Gov't



\$55 Million

for MMC Members

Quality Assurance



820+ PPE Items
Vetted by
MMC Clinical Team

PPE Distribution to Regions



4,110+
Ship-to Points

Rapid Antigen Test Procurement



230 Million

for Ontario Government
& MMC Members

Importation Critical COVID Drugs



46,000

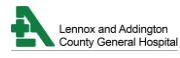
Vials of Propofol 1% secured
from US for Members



150,000+

Bags, vials & ampoules of
Magnesium Sulfate from US & UK
for Members

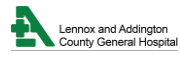
Our Membership Class A



Members
63

Hospitals
200+

Municipalities
4



Procurement 101

Definitions of Key Tendering Terms

2

Definitions

Tender:

Act of obtaining competitive bids/proposals from potential proponents (suppliers, providers, contractors). **RFX** is the generic term. A public tender is the procurement of goods, services, and works on behalf of a public authority such as a government entity (OPS/BPS), but not limited to the public sector.

Request for Information or Expression of Interest (RFI/RFEI):

Cannot be used to make an award of business. Primary purpose is to gather information from a broad base of potential suppliers to:

- Establish sector expectations
- Develop strategy
- Build a database
- Prepare for a competitive sourcing process

Request for Supplier Qualification (RFSQ):

Used to gather information from multiple companies to generate a pool of prospects. Eases the RFP review process by preemptively short-listing candidates that meet the desired qualifications. Followed by a second-stage, competitive sourcing process where only short-listed candidates participate.

Definitions (cont.)

Request for Quotation (RFQ):

Less formal tender, in which the customer knows exactly what they want, and the award is based principally on price/cost.

Request for Proposal (RFP):

Form of tender that provides a detailed specification of goods or services required by an organization. Award is based on several evaluation criteria in addition to price/cost.

Request For Solution (RFS):

Describes a technological / organizational situation and seeks a solution from potential suppliers. While it includes general requirements, an RFS is a more open and less prescriptive process than an RFP. Includes extensive dialogue with potential suppliers to facilitate innovation and determine the best solution. Used for Value-Based procurement strategies.

Innovative or Value-Based Procurement

The process of procuring value that matter to patients, as defined by a desired outcome or solution when considering the options delivered by innovative products or services.

-Markus



"This really is an innovative approach, but I'm afraid we can't consider it. It's never been done before."

How is VBP Different?

Objective is to achieve better broader based/holistic/integrated solutions.
Maximum value with lowest cost of ownership.

- Not a standard procurement process, can be time and effort intensive.
- Based on meeting outcomes rather than specifications.
- More collaborative process with suppliers including significant pre-contract dialogue to hone solutions.
- Accommodates the evaluation of multiple different alternatives.

Changing Mindsets

Traditional Procurement

- Focus on price
- Volume-based
- Fragmented, episodic
- Basket of goods
- Retrospective
- Transactional
- Average time commitment
- Suitable for low to high-spend procurements
- Considered the “norm”

Value-Based Procurement

- Focus on **value**
- **Outcomes**-based
- Integrated, **total cost**
- Holistic solution(s)
- Prospective
- Strategic
- Significant time commitment
- Suitable for complex, high-spend procurements
- Considered an “exception”

When to Use Value Based Procurement

1 | No Existing Solution

There is no existing solution to your requirements or the problem or its solution cannot be objectively defined (no specifications);

2 | Significant Modification

Existing solutions require significant modifications to work

3 | Alternative Solution Needed

Looking for an alternate approach, incumbent solutions do not work;

When to Use Value Based Procurement

1 | Complex Solution

Solution is complex and involves multiple stakeholders;

2 | High Value Procurement

Procurement will be high value, justifying the time and resources of an Innovative Procurement strategy;

3 | Early Supplier Collaboration

Very early collaboration and possibly partnership with suppliers will be required;

Value Based Procurement – in Practice

Use of Outcome-Based Specifications

- Translation of specific needs/challenges into desired outcomes
- Describe the functions or performance that a solution must achieve
- Allow for flexibility in determining how a need can be met (versus a prescription of exactly how it should be done)
- Permit multiple solutions to the challenges
- Encourage innovation – allow suppliers to propose new or transformative products & services

Value-Based Procurement In Practice

Translation of specific needs/challenges into outcome-based specification (OBS)

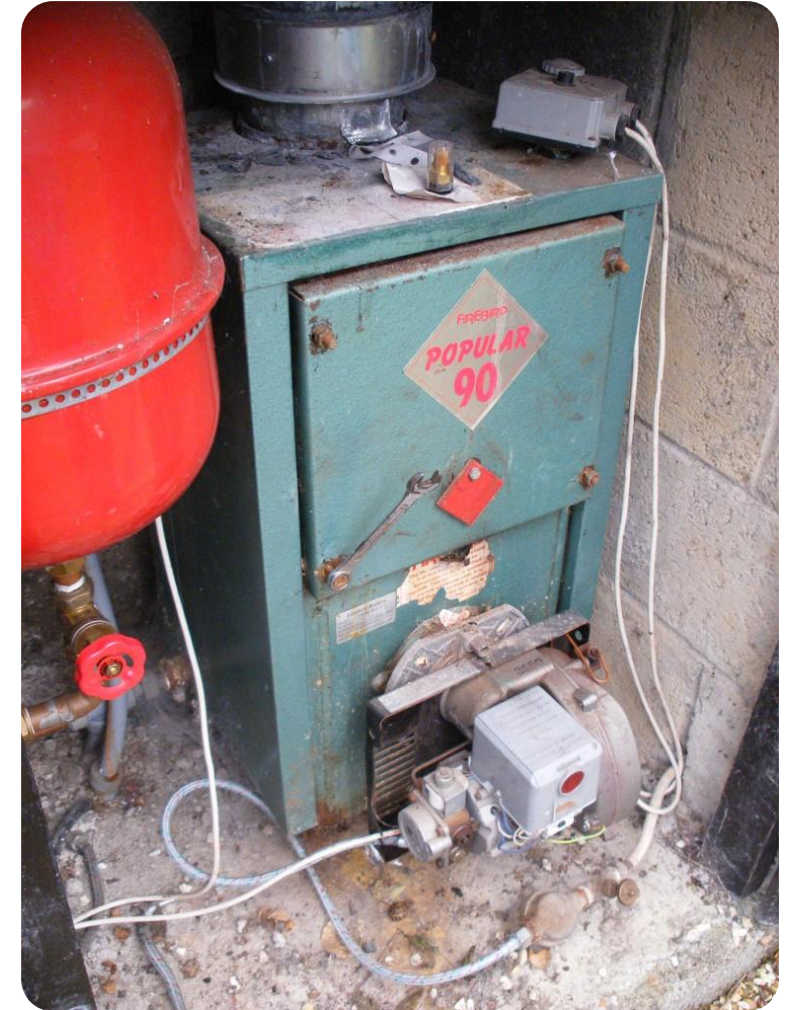
Example: Boiler Replacement

Typical RFP Specification:

Require replacement of an oil-fired boiler providing a heating capacity of 2,000,000 BTU

Outcome-Based Specification (OBS):

Require a new heating system for a two story, 10,000 square foot medical care unit that runs 24 hours daily and is concerned about energy consumption.



Value-Based Procurement In Practice

Example: Endoscopy

Typical RFP Specification:

Need a supplier to install 80 flexible endoscopes, including 4 video towers, for the Endoscopy dept.

Outcome-Based Specification (OPS):

Endoscopy dept's target is to complete 14 procedures / room / day. There are 250 procedure days annually, with 4 rooms working full shifts. About 12,500 patients are registered / year.

Proponents should include a Cost Per Procedure proposal, recommending the number & types of endoscopes, equipment, consumables & reprocessing time needed for the estimated patient volume



INNOVATION LAUNCHPAD



A unique platform to simplify trial & uptake of novel products & services

1

Vendor submits innovative product or service;

Reviewed by cross-functional MMC Team

2

Must provide **incremental** benefit over existing offerings for:

- Patient outcomes and experience
- Provider satisfaction
- Administrative efficiencies
- Population Health
- Environmental Impact

3

Successful products & services receive:

- MMC pricing agreement
- Listing in contract portal
- LaunchPad flyer
- Webinars

Bonus: MMC Opportunities

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MMC Tender Opportunities



MOHAWK MEDBUY

Current Opportunities

www.biddingo.com/medbuy



Biddingo.com

All opportunities posted on Biddingo

Subscription-based public procurement
website open to all registered suppliers

Contract Registry & RFP Schedule

<https://portal.mohawkmedbuy.ca/Public/Contracts/>

www.mohawkmedbuy.ca/vendors

RFx Creation & Evaluation Process



Proposal Submissions

RFx notification will be posted on Biddingo. All RFx documents will be hosted on Bonfire. Proposals are submitted electronically via Bonfire.



- **Responses to weighted criteria** to a proposal and other related documents
- No cost for suppliers to submit a bid through Bonfire
- For more information: www.gobonfire.com



- Notice of RFx opportunity with direction to Bonfire.
- Paid subscription required by supplier to obtain details & submit a bid through Biddingo
- For more information: www.biddingo.com

Questions & Discussion

