



European wide Innovation
Procurement in Health and Care

INTERNATIONAL ROUNDTABLE

What are the opportunities and challenges of cross-border joint procurement?

The experience of procurers

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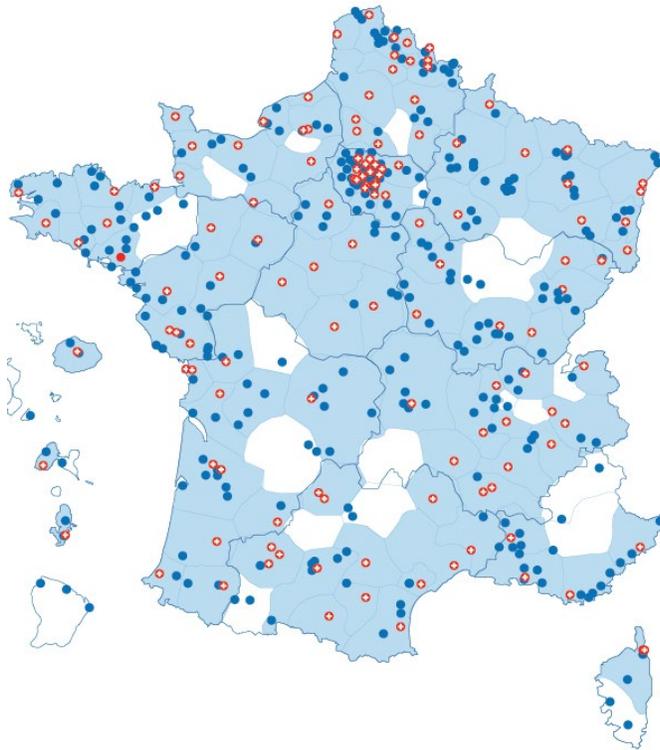
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GIP RESAH: PRESENTATION

Public Group Purchasing Organisation (GPO) acting at the French national level for the professionalisation and grouping of hospital public procurement.

Employees: 160+ – Operating budget 2019: 20 m€



GIP Resah it's...

589 members, including:

- 126 Regional hospital groups
- 31 University hospitals
- 43 Private non for profit hospitals (ESPIC)
- 124 Nursing homes (or group of)
- The Public Health National Agency
- The Army Healthcare Service
- 14 Fire and Assistance regional services (SDIS)
- The Care Service Foundation
- 16 Social action communal or inter-communal centers
- ...

Group procurement total amount realised in 2019: **1+ billion €**

GIP RESAH: OUR EXPERTISES

Multiple expertises and services proposed in the healthcare public procurement field.

resah
centrale d'achat

resah
formation

resah
éditions

resah
conseil

resah
innovation

resah
solutions
informatiques

GIP RESAH: AN ACTIVE AND DIVERSIFIED INTERNATIONAL ACTIVITY

GIP Resah is also very active at European and International level. Involved in different kind cooperation, our objective is to be connected with foreign healthcare and innovation ecosystems to work together for the excellence of the European Healthcare system.



Innovative projects, supported and financed by the European Commission



*An alliance of public and non-profit Group Procurement Organisations which aims to pool expertise, leverage performance and provide its members with a strategic position in the European healthcare procurement market.
Founded in 2012.*

<http://www.ehppa.com/>



**GROUP PURCHASING ORGANIZATIONS
SPECIAL INTEREST GROUP**

A platform for open dialogue at the international level between Group Purchasing Organizations (GPOs), healthcare decision makers and industry

And many others international cooperation and partnerships

CROSS-BORDER JOINT PROCUREMENT: OUR EXPERIENCES

Objective

To launch the 1st European cross-border joint tender in the healthcare sector between CPBs. The procurement objective was to detect and buy innovative solutions in the Active and Healthy Ageing field, from European SMEs.

The contracts had to be accessible to any public or private non-profit healthcare organisations in Europe.

Target: 2.5 M€ procurement.

Buyers Group

FRANCE: GIP Resah (Lead procurer)

UK: NHS Commercial Solutions

LUXEMBOURG: FHL

ITALY: SCR Piemonte

BELGIUM: Mercurhosp

EUROPE: EHPPA

Key information

- ❖ 5 lots: Lot 1: Fall detection and alert system / Lot 2: Treadmill for rehabilitation and analysis of walking disorders / Lot 3: Walking course for preventing falls and maintaining independence / Lot 4: Bed thermoregulation system / Lot 5: Chair enabling users to maintain independence and reducing effort for aides.
- ❖ Tender documents available in French, Italian and English.
- ❖ Offers could be submitted in French, Italian or English.
- ❖ Each legal national specificities took into consideration.
- ❖ Open procedure based on the «most economically advantageous tender».

HAPPI PROJECT (PPI): STATISTICS

Number of HAPPI Tender Documents downloaded

Countries	Number of downloads
 Austria	2
 Denmark	2
 Finland	1
 France	37
 Greece	2
 Ireland	1
 Israel	1
 Italy	5
 Netherlands	2
 Spain	3
Total général	56

Number of Bids received per country

Countries/Companies	Number of bids
France	6
ALTER ECO SANTE	1
BURO+, BUREAU SYSTÈME SA	1
C2S (Cash Security System)	1
Link Care Services	1
NeoTec-Vision	1
ORME	1
Netherlands	1
Forcelink B.V.	1
Total général	7

Number of Bids received per lot

Lots/Companies	Number of bids
Lot 3: Walking course for preventing falls and maintaining independence	1
ALTER ECO SANTE	1
Lot 1: Fall detection and alert system	4
C2S (Cash Security System)	1
Link Care Services	1
NeoTec-Vision	1
ORME	1
Lot 2: Treadmill for rehabilitation and analysis of walking disorders	1
Forcelink B.V.	1
Lot 5: Chair enabling users to maintain independence and reducing effort for aides	1
BURO+, BUREAU SYSTÈME SA	1
Total général	7

PROJECT PROCUREMENT RESULTS (2016)

SOLUTION	CONTRACTS SIGNED	TOTAL AMOUNT (€) (Without VAT)
<p>LOT 1</p> <p>-</p> <p>Fall detection and alert system</p> <p>VAC by C2S</p>	<ul style="list-style-type: none"> 🇫🇷 <u>France</u>: 2 contracts // 10 organisations 🇧🇪 <u>Belgium</u>: 1 contract // 1 organisation <p><i>Total beneficiaries Lot 1: 11 healthcare organisations</i></p>	73 390 €
<p>LOT 2</p> <p>-</p> <p>Treadmill for rehabilitation and analysis of walking disorders</p> <p>C-MILL by FORCELINK</p>	<ul style="list-style-type: none"> 🇳🇱 <u>Netherlands</u>: 1 contract // 1 organisation 🇱🇺 <u>Luxembourg</u>: 1 contract // 1 organisation 🇧🇪 <u>Belgium</u>: 1 contract // 1 organisation <p><i>Total beneficiaries Lot 2: 3 healthcare organisations</i></p>	156 000 €
<p>LOT 3</p> <p>-</p> <p>Walking course for preventing falls and maintaining independence</p> <p>DM3 by AlterEcoSante</p>	<ul style="list-style-type: none"> 🇫🇷 <u>France</u>: 1 contract // 1 organisation 🇱🇺 <u>Luxembourg</u>: 2 contracts // 2 organisations 🇮🇹 <u>Italy</u>: 1 contract // 3 organisations <p><i>Total beneficiaries Lot 3: 6 healthcare organisations</i></p>	15 102 €
TOTAL	Total beneficiaries: 20 healthcare organisations	244 492 €

HAPPI PROJECT (PPI): LESSONS LEARNT

POSITIVE

- ❖ Possibility to exchange best procurement practises among different Member States.
- ❖ Discover and understand the difference between each national regulations.
- ❖ Share the risk.
- ❖ Build strong relation for future collaborations: creation of the EHPPA association.

NEGATIVE

- ❖ Language barrier is a real issue, this add lot of complexity to the tender, both for public procurers and suppliers.
- ❖ Different legal systems and cultures: different implementation of the EU Directive and different legal frameworks for the execution of public contract (not covered by the Directives).
- ❖ Almost impossible to have the exact same need between the different procurers. Necessity to do concession and so to not buy what is really needed by the end users.
- ❖ Very complex evaluation process to be defined and coordinated. Distance between the partners is also an issue.
- ❖ Cross border joint procurement and innovation (= SMEs) is not compatible: Too big market for SMEs. Impossible to be scalable in a very short period of time.
- ❖ Contract execution phase is too hard to manage for an SME: necessity to deliver the solution in any European country (solution should be translated etc...).

JOINT TENDER BETWEEN FRANCE & ITALY (EHPPA) – 2019

Objective

To launch a cross border joint tender between two CPBs SCR Piemonte (It) and Resah (Fr), under the umbrella of the EHPPA association (Eu), to purchase a very basic solution: Paper.

The objective of this joint tender was to see if it can generate added value compared to two national individual tenders.

Buyers Group

FRANCE: GIP Resah

ITALY: SCR Piemonte

EUROPE: EHPPA (Coordinator and lead procurer)

Key information

- ❖ 2 lots: one for France and 1 for the Piemonte region (Italy).
- ❖ Agreement signed pursuant to art. 39.4 of Directive 2014/24/EU.
- ❖ Tender published in Italian and in French by EHPPA.
- ❖ Offers accepted in Italian or in French.
- ❖ EHPPA has been responsible of the procedure, from its initial stage until the applicable standstill period.
- ❖ Open procedure based on the «most economically advantageous tender».

JOINT TENDER BETWEEN FRANCE & ITALY (EHPPA): RESULTS & LESSONS LEARNT

Same results as a normal tender: same products, same prices, same suppliers.
No Italian company had bid the French lot, no French company had bid the Italian lots.

POSITIVE

- ❖ Possibility to exchange best procurement practises among different Member States.
- ❖ Possibility of knowledge of different interpretations of the Directive across different Member States.
- ❖ The innovative aspects of the tender format (group procurement between 2 different GPO). Interesting to think about the legal structure.

NEGATIVE

- ❖ No joint or common definition of the need. At the end, each procurer has defined its own tender documents separately which have been added to different lots.
- ❖ Some difficulties in the communication sometimes due to different practices for the tender execution.
- ❖ Different languages: this only brings complexity, additional time and can generate misunderstanding from the suppliers side.
- ❖ No real benefit in term of tender results: same product, same suppliers, same prices as if we would have done a classic national tender.

Objective

Enable access to Resah's contract for the Belgium hospitals working with the local CPB Mercurhosp (French part of Belgium). The objective was to obtain better price on MRI and scanner products for Belgium hospitals, using the volume power, than if Mercurhosp had launched its own tender.

Buyers Group

FRANCE: GIP Resah (Lead procurer)

BELGIUM: Mercurhosp

Key information

- ❖ Belgian lot was in « Facultative offer », no obligation for the suppliers to submit an offer.
- ❖ Tender entirely in French.
- ❖ Open procedure based on the «most economically advantageous tender».

JOINT TENDER BETWEEN FRANCE & BELGIUM : RESULTS & LESSONS LEARNT

No offer received for the Belgian lot.

Main reason gave by the suppliers: *“We have local distributors in each country and as each project/country is different, it is too difficult to estimate and define the right offer/price.”*

POSITIVE

- ❖ Collaborative project with our Belgian colleague: learn from each other.
- ❖ Stimulate the market and show that European public procurers start working together and are not isolated anymore.

NEGATIVE

- ❖ No offer received for the Belgian facultative lot.
- ❖ Suppliers are not ready for the moment. Still applying their old pricing policies.

CROSS-BORDER JOINT PROCUREMENT: 5 LESSONS LEARNT & CONCLUSION

1.

LANGUAGE DIFFERENCE IS A REAL BARRIER

Doing cross-border joint procurement between 2 (or more) public procurers using a different language very, very difficult.

This require lot of ressources (financial and human) to overcome this difficulty: translation of the tender documents, translation of the offers, translation of the contract(s). This imply to have public procurers and legal experts speaking English. This extend the duration of the whole process (need definition, tender design, evaluation process, awarding process etc...).

2.

DIFFERENCES BETWEEN NATIONAL LAWS

Even if the European Directive 2014/24/EU had the objective to harmonize the different national public procurement laws, the member states had not the obligation to transpose all the rules in their national law. For this reasons, there are still many differences between the European countries.

Important work to do in order to take in consideration the legal differences in the tender documents and to plan the contract execution phase.

3.

(IMPORTANT) ADDITIONAL RESOURCES ARE REQUIRED

Doing a cross-border joint procurement require additional resources compared to an individual local/national tender.

Additional human resources (time) are required for: common need definition, conduct and participate to several joint meeting, legal research and harmonization, during the tendering phase to answer the different questions received from suppliers, the evaluation phase, the evaluation phase etc...

Additional financial resources are required for: translation costs, communication tasks etc...

For this reason, it is crucial to estimate the potential added value of doing a joint tender and compare it to the amount of additional resources to take the decision.

4.

CONTEXT AND LOCAL NEEDS

Except if you plan a cross-border joint tender between only 2 organisations that have a very similar structure, it is almost impossible to have the exact same needs between the buyers group. Therefore, concessions are necessary from one part or another and the solutions that will be selected will not perfectly address the end users' need (= no satisfaction = no procurement at the end).

5.

ENDANGERING COMPETITION

Large public tender can have a bad effect on European economy: There is a risk of creating a too large demand volume only to be delivered by a limited number of suppliers.

Possibly even leading to single supplier awarding impacting negatively on the viability, growth and jobs of the others in the market.

In addition, this limit access to SMEs to public tender as SMEs acting locally (not an European level) cannot participate in large scale tenders. This is opposite of the current European Commission policy.

WHAT ALTERNATIVE TO CROSS-BORDER JOINT PROCUREMENT?

Cross-border collaboration between European public procurers is key if we want to generate more benefits for end-users through public procurements.

We saw that the most difficult part during a cross-border joint procurement is the tendering phase: tender document design, evaluation phase, award process etc...

The alternative to cross-border joint procurement is to do a **cross-border collaborative procurement**, which means collaboration between two or more public procurers with similar needs and structure during the preparation phase (market analysis, definition of the procurement strategy etc...). After an effective collaboration, exchange of knowledges, exchange of procurement good practices etc., each public procurer launch its own individual tender, taking in consideration its own national specificities.

For a complete collaboration, the public procurers can exchange again at the end of the tendering process to share their results and main lessons learnt.

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