

Case study

Innovative procurement for a sustainable solution; cleaning beds: Erasmus University Medical Centre, The Netherlands

The project

Erasmus University Medical Centre (Erasmus MC) is renewing its bed washing facility to provide enough clean and disinfected beds for its daily operational needs. This currently exceeds 70,000 beds per annum and is expected to increase. The existing machine is labour intensive and uses a large volume of water and energy to operate.

In brief, it is expensive and out of step with the hospital's sustainability policies and objectives. The current machine is nearing the end of its life and needs to be replaced in summer 2013. This gives the hospital time and opportunity to explore the possibility of procuring a more efficient, more effective and sustainable solution.

Background

Erasmus MC has a strategic ambition to be a green and low carbon hospital and to decrease the total amount of energy used. As one of the partners of a multi-year action plan for all academic hospitals in the Netherlands, a 20% reduction in energy use is sought by 2020. The project is a first attempt to curb the use of energy and limit the carbon footprint by using procurement as a method. It is also the first time that the procurement team have adopted innovation procurement methods.

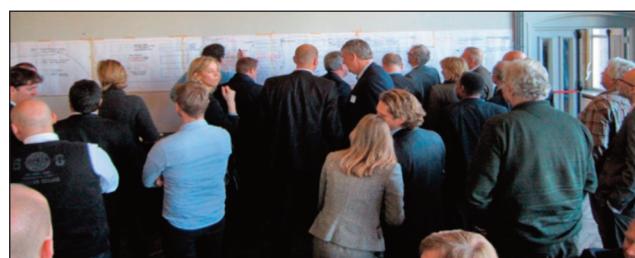
Adopting a pro-innovation approach

This project is driven by the policy of energy and cost saving, efficiency, reducing water use and wastewater discharge, to create a more efficient and effective way of dealing with soiled beds to support the day-to-day operations of Erasmus MC. The project team set out to find better solutions than currently exist. Using innovation procurement approaches that had been successfully tried out in the UK, they encouraged innovation and new approaches from across the supply chain.

A project team, assembled from various departments in Erasmus MC, wanted to allow time for suppliers to come up with new ideas and build consortia so they began the project much earlier than they would normally in a (European) procurement process. The joint procurement and operations project team defined both the characteristics of the current process (including the current carbon footprint of the process) and the required outcomes that they are looking for. A total cost of ownership (TCO) model of the current process was created using a financial TCO-model that had been successfully verified and tested in another procurement project. It is also the first time that the procurement team have adopted innovation procurement methods.

Communicating with the market

A market consultation plan was developed and the project team began the market sounding exercise in September 2011. A short survey was carried out which confirmed supply chain interest in the market consultation and the procurement opportunity. The project team also explored the 'wider market demand' for the solution and they identified that there were at least 6 other hospitals in the Netherlands that were interested in the outcomes of the consultation. The market consultation phase concluded at the end of 2011 and was followed by a market meeting day in January 2012.



"We are certain that each one of you, can deliver a (good enough) solution; however; we feel that the combined potential of all of you present here today could really amaze us with your ideas for our challenge."

Joram Nauta LCB-HEALTHCARE Pilot Project Coordinator
at the market meeting day in January 2012

Communicating with the market

The goal of the 'market meeting day' was to discuss in detail the challenge: how to efficiently clean beds in a sustainable way in the context of Erasmus MC. A large number of market parties from a wide range of backgrounds (around 60 persons) attended, as well as stakeholders and several other healthcare organisations.

The day focused on:

- providing parties with more insight in the challenge set by Erasmus MC.
- demonstrating the commitment of Erasmus MC to buy innovative solutions.
- demonstrating that there is a wider future market for innovative solutions (through the attendance of other healthcare parties).
- helping market parties find potential partners for developing better and more innovative solutions.
- discussing how Erasmus MC should organise the procurement process (e.g. tender procedure and awarding of contract) to enhance the chances for a successful outcome.

The market meeting day gave the Erasmus MC project team confidence that there was both interest and capabilities in the supply chain to deliver the specified outcomes.

"Market sounding was new to us, but gave us the opportunity to test and influence the market and highlight issues that the supply chain may not be aware of. For example, we tried completely new industrial sectors that have no track record in health care. They responded enthusiastically to our challenge!"

Jeroen Veenendaal

Strategic Procurement Officer, Erasmus MC

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Find out more about these and other innovation procurement initiatives at::

<http://lowcarbon-healthcare.eu> email: info@lowcarbon-healthcare.eu

Procurement phase

On the basis of the information from the market engagement phase, Erasmus MC developed a pro-innovation procurement strategy and established three award criteria for the new bed cleaning facility:

1. Total Cost of Ownership/Service,
2. Carbon Footprint, and
3. Fit with strategy of Erasmus MC organization.

This is a radical change from normal procurement practice. By making carbon footprint an award criteria Erasmus MC sent a strong signal to the market that suppliers have an important role to play in reducing embedded carbon, both in their products and their supply chain.

Following evaluation of the Pre-Qualification Questionnaire eight parties or consortia were invited to present their initial ideas and thoughts during the first round of the competitive dialogue in the summer of 2012. At this moment the competitive dialogue is still underway and many innovative ideas and concepts are being offered to deliver the required outcomes. The project team aims to complete the procurement procedure in 2012.

Key Features

- Cross-departmental team
- High level management support
- Peer Learning Exchanges
- Outcome based specification
- Total cost of ownership model
- Baseline carbon footprint
- Potential wider market identified
- Market communication
- Market meeting day
- Pro-innovation procurement strategy