

The procurement of non clinical goods and services in the health sector: a principles-based approach

Approved February 2015

Background

1. The supply of non clinical goods and services in the health sector is critical to the delivery of health care services. Clearly, it is important to ensure that all non clinical goods and services that are purchased are fit for purpose and meet quality requirements. In addition, patient care must not be compromised.
2. Prudent management of the procurement process for non clinical goods and services can ensure that the maximum resources are available for patient care and other activities to improve the health, wellbeing and independence of New Zealanders. While procurement has traditionally focused on value for money, safety and quality are of paramount importance. Broader considerations that integrate social and environmental considerations into the procurement process are also important.¹
3. Decisions about the allocation of health care resources are not solely the responsibility of the government or its designated agencies. All those affected by resource allocation decisions, especially communities and the health practitioners that serve them, should be involved in the decision making process. Nevertheless, DHBs have a number of statutory obligations under clause 22(1) of the Public Health and Disability Act 2000 that are relevant to procurement activities. These obligations include the following:
 - to improve, promote, and protect the health of people and communities;
 - to seek the optimum arrangement for the most effective and efficient delivery of health services in order to meet local, regional, and national needs;
 - to reduce health disparities by improving health outcomes for Maori and other population groups;
 - to reduce, with a view to eliminating, health outcome disparities between various population groups within New Zealand by developing and implementing, in consultation with the groups concerned, services and programmes designed to raise their health outcomes to those of other New Zealanders;
 - to exhibit a sense of social responsibility by having regard to the interests of the people to whom it provides, or for whom it arranges the provision of, services;
 - to foster community participation in health improvement, and in planning for the provision of services and for significant changes to the provision of services;
 - to uphold the ethical and quality standards commonly expected of providers of services and of public sector organisations;
 - to exhibit a sense of environmental responsibility by having regard to the environmental implications of its operations.

Key Principles

To ensure good procurement practice leading to optimal purchasing decisions in the health sector, the NZMA recommends adherence to the following principles:

- i) **Evidence based:** Where possible, the decision making process should incorporate relevant empirical evidence. All significant procurement decisions, particularly those involving a major change from current practice and systems, should also be reviewed and evaluated post implementation.
- ii) **Safety and quality:** Patient safety and quality of care must be maintained or improved. Clinical outcomes must have at least the same weighting as financial outcomes in the decision-making process.
- iii) **Inclusivity and expertise:** All interested parties, particularly the end user, must be identified and be able to participate in the decision-making process. Specific effort must be made to engage with clinicians who will be affected by the decision or who have patients affected by the decision.
- iv) **Transparency, accountability and procedural fairness:** The process should be open to scrutiny and decision makers must be accountable for the decisions they make and the processes they use to make those decisions. The process used should be fair to all those involved in, or affected by, the decision, and there should be a means by which those who are dissatisfied can challenge the decision.
- v) **Community, social and environmental responsibility (sustainable procurement):** Decisions around procurement should include broader considerations such as environmental impact, including carbon emissions, equity, and impact on the local and wider community.

References

1. UN Procurement Practitioner's Handbook. September 2012. 4.5 Sustainable Procurement. Available from <https://www.ungm.org/Areas/Public/pph/ch04s05.html>