

LCB-HEALTHCARE

Procuring better building solutions

EcoQUIP

Delivering Efficiency, Quality and Sustainability in Healthcare

Innovation Procurement

Delivering Efficiency, Quality and Sustainability in Healthcare

~~Gaynor Whyles~~ **APOLOGIES**

Angus Hunter

LCB-HEALTHCARE / EcoQUIP Projects



LCB-HEALTHCARE

Procuring better building solutions

2009 – 2012

www.lowcarbon-healthcare.eu

- European Public Procurement Network
- Low carbon health care facilities
- Pilot projects with real hospitals in four countries
- Communicate lessons to the wider healthcare community
- Two main approaches
 - Innovation Procurement actions to achieve better, lower carbon, more sustainable outcomes (England, Netherlands, Poland)
 - Front End Planning for energy efficient, low carbon healthcare infrastructure through shared data and knowledge (Norway)

What is Innovation procurement?

Innovation procurement is a way of buying goods and services in a way that stimulates the supply chain to invest in developing better and more innovative solutions to meet the unmet needs of an organisation.

Challenging times.....

- ever more demanding environmental targets
- increasing cost of energy and carbon
- drive for efficiency savings
- changes in healthcare delivery
- patient expectations and an aging population



Challenging times need an innovative response

- **Innovation** is the key to some of the biggest challenges facing society: global warming, sustainable development, financial pressures, demographic change
- **The healthcare sector** needs to be more effective in stimulating and buying innovative goods and services.



But current procurement practice tends to stifle innovation

- Detailed specifications
- Lack of communication between suppliers and customers
- Use of third party consultants to delegate the decision (favours the status quo)
- Lack of ambition

If there was a demand, we would invest to supply greener products

THE BUYER SUPPLIER PARADOX

If there were suitable and cost effective low-carbon alternatives available, we would buy them

There is a common 'catch-22' that hampers the commercialisation of low-carbon technologies

Courtesy of Heath Care Without Harm

Successful innovation needs **suppliers** to:

- have an **clear** understanding of unmet needs
- sufficient **incentive** and **time** to innovate

What we suppliers need is information on our customers needs today, and even more helpfully their future needs. We can then plan and manage our supply chain so we are ready to respond”.

Peter Jones, Director of Design, Skanska

The Rotherham NHS Foundation Trust, England

Ultra Efficient Lighting for Future Wards



“What we want is a step change in patient experience and energy efficiency”

The IMI Ward - Design Benefits

- Personal space and privacy
- Increased storage
- Bio-dynamic lighting
- Intuitive icon lighting control
- Modular and flexible solutions

The IMI Ward - Construction Benefits

- Off-site fabrication
- Factory made quality
- Quick Installation
- Same cost as traditional
- Fewer suppliers and trades to coordinate

The IMI Ward - Operational Benefits

- Reduced patient anxiety
- Local linen storage
- Easy to clean and maintain
- Reduced energy consumption / cost
- Reduced maintenance time / cost



OUTCOMES

- Same cost as a traditional refurbishment
- On-site construction time reduced
- Energy consumption saving of 30% or more than €5,000 per 40 beds over 10 years.
- Maintenance Saving of 80% or more than €12,000 per 40 beds over 10 years.
- Future ready for LED and organic LED lighting

“From the start we said that the solution had to be cost effective and affordable. The outcome shows that better and more sustainable does not have to cost more”

Steph Holmes, Head of Procurement



**Nottingham University Hospitals NHS
Trust, England**

Integrated Ultra Low Carbon Energy Solution

“We want to reverse the trend
of year on year increases in
energy consumption and start
the journey towards reducing
our carbon footprint by 80%
before 2050”

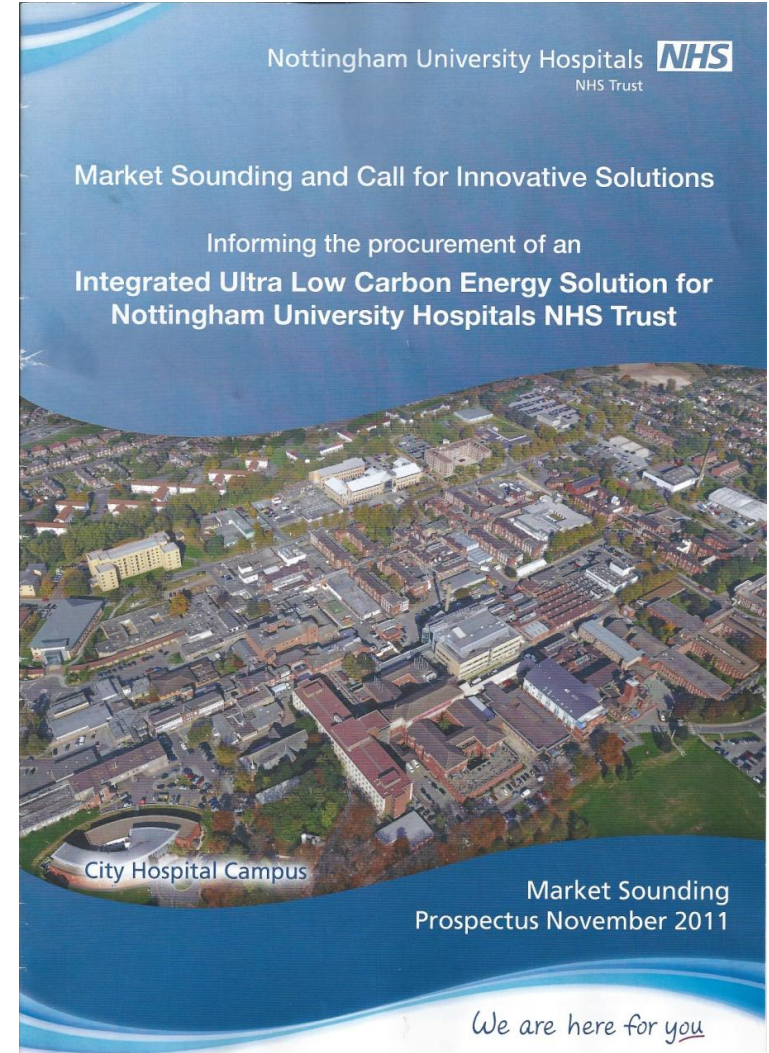
“We need a
solution that is
flexible and can
adapt to changes
in demand and
configuration of
the estate”



Overwhelming Response to Market Sounding Action

- 120 suppliers attended site visit
- 65 detailed responses to market sounding
- Variety of innovation technical & financial options emerged
- Consortia forming

Now developing business case and pro-innovation procurement strategy



Erasmus MC, Rotterdam, Netherlands

Sustainable bed cleaning facility

“We want a sustainable and low carbon means to clean 70,000 beds and mattresses every year”



SCHOONMAAK
JOURNAAL

Ziekenhuis zoekt nieuwe
wasmethode voor matrassen

Another overwhelming response from potential suppliers

- Outcome based specification
 - 65 suppliers and stakeholders at a facilitated market meeting day
 - Wider demand (other hospitals joined in)
 - Event sparked some interesting cross supply chain collaboration
-
- Competitive Dialogue in progress
 - Some exciting proposals emergingwatch this space!!!!



Rawicz Hospital, Poland

Hospital Uniforms

“We want to test the value of innovation procurement methods on a small project ahead of a major refurbishment”

“The nurses uniform contract is up for renewal in 2012 and we would like to have user friendly, sustainable, low carbon uniforms”



Another innovative solution

- Started by asking the nurses (novel)
- Outcome based specification
- Whole life costing (1st time)
- Invited other hospitals to join to demonstrate critical mass of demand
- Competitive dialogue and user testing of alternatives

Public procurement launched August 12

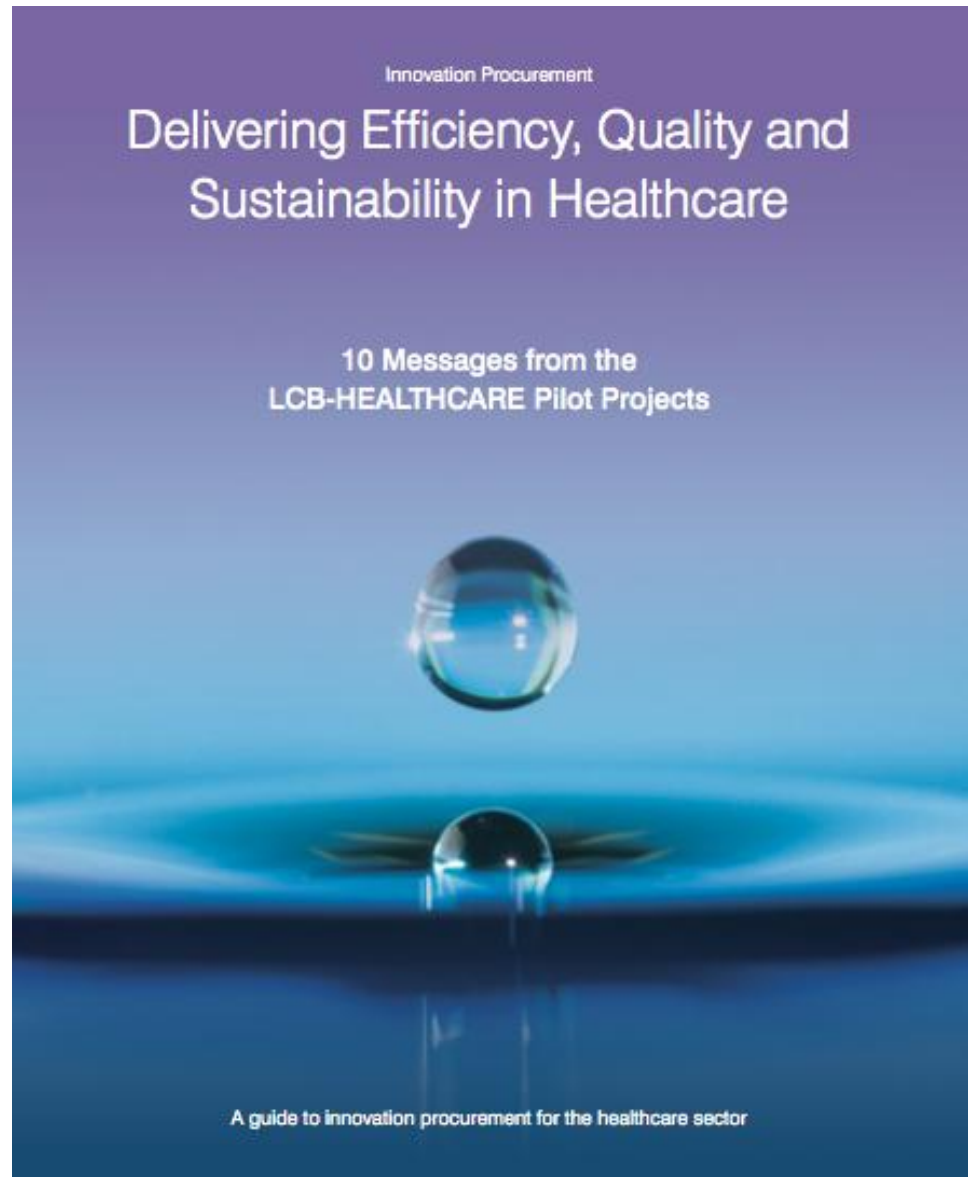
- Bidder with lowest life cycle costs won
- Lowest price tender was last



Coming soon

- ‘Good Practice Guide’
- Case studies
- Learning materials
- Joint “call to dialogue” on healthcare ventilation

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EcoQUIP

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2012 – 2016

www.ecoquip.eu

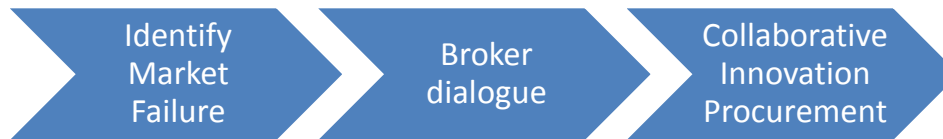
EcoQUIP BUILDS ON LCB-HEALTHCARE

- more innovation procurement (follow the leaders)
- increase collaboration in innovation procurement (joint actions)
- associates programme, network, peer learning (develop leaders)

MORE AMBITIOUS

- Multilateral European procurement actions (beyond unilateral, national actions)
- New ways to resolve the buyer supplier paradox
- Not just facilities (also transport, supply chain)
- Aim to achieve triple outcomes
 - Healthcare quality & efficiency,
 - Environmentally friendly (not just low carbon)

The EcoQUIP cycle of activity



- **Identify market failure**
- **Facilitate dialogue between buyers and solution providers**
- **Encourage customers to be more demanding**
- **Communicate credible, aggregated demand**
- **Stimulate investment in innovative, new solutions**
- **Deliver more efficient and effective healthcare services with less environmental impact**



Pilot Project No 1

HEALTHCARE VENTILATION SYSTEMS

What we need is quality rather than quantity of ventilation in healthcare facilities.

What have we done

Workshop with hospitals and experts (June 2012)

- Confirmed unmet need and highlighted main objections
- Modernisation projects should be the main target for innovation procurement actions

“We should be using major modernisation projects to transform hospital ventilation systems”

What next

Invite potential buyers and potential solution providers to express interest (Call to dialogue) – November 2013

Organise Innovation Procurement Foresight workshop (buyers, suppliers, innovation community) – Spring 2013

Encourage clustering of buyers (joint statements of intent to buy innovative solutions) – Summer 2013

**Role for
Architects as
enablers?**

Pilot Project No 1

HEALTHCARE VENTILATION SYSTEMS

Closing Questions

1. Can you signpost potential future buyers of hospital modernisation projects that might be interested in procuring innovative healthcare ventilation solutions and/or
2. Can you signpost potential suppliers of innovative healthcare ventilation systems (better, cheaper, lower carbon)

If so, then contact me at angus.hunter@optimat.co.uk as these two groups are our main targets for the Innovation Procurement Foresight workshop in Spring 2013