

Novation's Competitive Contract Process

OVERVIEW

Novation's competitive contract process meets the contracting needs of nearly 23,000 VHA Inc. and University HealthSystem Consortium (UHC) member organizations and more than 15,000 Provista customers nationwide. Novation awards agreements to suppliers that provide the best-quality products and demonstrate broad-based clinical acceptability at the optimal total value to members.

The core of Novation's contracting philosophy is to use a high-integrity, competitive contract process that follows the principles of the ABA Model Procurement Code and involves participating member organizations to the greatest practical degree. VHA, UHC and Provista organizations have responded to this approach with high levels of support of the Novation portfolio.

MEMBER INPUT

The input Novation receives from members is the most important component of its competitive contract process. Whether through direct involvement in discipline-specific councils and task forces or through participation in market research studies, members play a role in shaping Novation's contracting decisions.

SUPPLIER PROPOSALS

Novation publicly posts all bid/proposal categories on our public Web site – www.novationco.com. Any potential supplier can register to receive a request for proposal by visiting this site.

AWARD SELECTION

Supplier proposals are assessed based on evaluation factors (qualitative and quantitative) agreed to by members during the competitive contract process. Contracts are awarded to supplier(s) whose proposal(s) provide the best overall value for member organizations.

GOVERNANCE

To ensure that its competitive contract process consistently adheres to the principles of the ABA Model Procurement Code, Novation has procurement oversight, which operates independently of the contracting business units.



PROCESS STEPS	DESCRIPTION
1. Identify Member Needs	<ul style="list-style-type: none"> ▶ Determine products and services within category ▶ Consult product cross-reference matrix for applicable products ▶ Obtain member council or task force input ▶ Review market information ▶ Conduct request for information (optional)
2. Confirm Source Selection	<ul style="list-style-type: none"> ▶ Determine approach for category <ul style="list-style-type: none"> ○ Competitive sealed proposal (in most cases) – price and other evaluation factors ○ Competitive sealed bidding – price is only evaluation factor ▶ Management periodically reviews source selection methodologies
3. Develop and Release Request for Proposal	<ul style="list-style-type: none"> ▶ Prepare: <ul style="list-style-type: none"> ○ Request for Proposal (RFP) instructions ○ Access requirements for supplier entry to the RFP ○ Minimum requirements for award consideration ○ Evaluation factors for award (qualitative) ○ Pricing matrix (quantitative) ○ Legal terms and conditions ▶ Perform member council or task force review of evaluation factors and minimum requirements ▶ Gain management approval to release RFP ▶ Provide RFP to potential suppliers
4. Eliminate Unacceptable Proposals	<ul style="list-style-type: none"> ▶ Review proposals and determine if potential suppliers: <ul style="list-style-type: none"> ○ Fail to conform to any minimum requirement ○ Impose conditions that modify RFP requirements, or ○ Are non-responsible
5. Evaluate Potentially Acceptable Proposals	<ul style="list-style-type: none"> ▶ Analyze potentially acceptable proposals based on evaluation factors
6. Optimize Proposals	<ul style="list-style-type: none"> ▶ Facilitate negotiations of potentially acceptable proposals ▶ Clarify and make enhancements to proposals as needed ▶ Agree to and document optimized proposal
7. Obtain Best and Final Offer	<ul style="list-style-type: none"> ▶ After negotiations, each potential supplier is given an opportunity to submit a Best and Final Offer (BAFO) ▶ If a supplier does not submit a BAFO or submits an offer less favorable than the optimized proposal, the supplier's optimized proposal will be used
8. Finalize Award	<ul style="list-style-type: none"> ▶ Conduct final evaluation of proposal ▶ Conduct final review with member council or task force (if required) ▶ Obtain appropriate signatures ▶ Notify awarded supplier(s) ▶ Notify non-awarded supplier(s)
9. Launch Agreement	<ul style="list-style-type: none"> ▶ Prepare launch materials ▶ Inform field staff and members of decision ▶ Provide field training as needed ▶ Distribute contract communications to field staff and members