

Serco kicks off \$100 million capital investment program for Fiona Stanley Hospital

Patients at WA's new Fiona Stanley Hospital will benefit from a \$100m investment program for major medical equipment, launched this week with a briefing of local and international vendors in Perth.

Fiona Stanley Hospital will house some of the world's most advanced medical equipment when it opens in 2014, including major items such as CT scanners, MRI scanners, endoscopes and cutting edge imaging equipment. As part of the contract with WA Health, Facilities Manager Serco is coordinating the procurement and working closely with vendors of the world's top equipment to ensure patients at the new public hospital benefit from the very best.

Over the past few months, Fiona Stanley Hospital's team has been consulting with local clinicians, including from Fremantle and Royal Perth hospitals, to refine the specifications for the major medical equipment before starting the procurement process.

Joe Boyle, Serco's Director of Facilities Management for Fiona Stanley Hospital said:

"We are extremely keen to work with the top local and international medical equipment specialists to ensure the best possible solution for patients and clinicians when the new public hospital opens in 2014."

Brad Sebbes, WA Health's Executive Director for Fiona Stanley Hospital added:

"Work to procure all the major medical equipment is progressing rapidly and vendors have been briefed in preparation for the tenders being issued in late 2011 and early next year. It is important that we receive interest from all the top vendors from around the world to ensure that Fiona Stanley Hospital gets the best possible equipment at the most competitive price."

Serco's innovative managed equipment service will mean that the complex medical equipment in the hospital will always remain up to date, well maintained and state-of-the-art.

ENDS

For further information, contact **Serco**: +61 (0)2 9409 8700 / media@serco-ap.com.au

Media Release (continued)

About Serco

Serco is a FTSE 100 international service company, which combines commercial know-how with a deep public service ethos. We improve services by managing people, processes, technology and assets more effectively. Our strategic advice comes from hands-on experience. We advise policy makers, design innovative solutions, integrate systems and – most of all – deliver front-line services that make a positive difference to customers and communities.

Serco has been delivering mission critical public services for more than 40 years. We support governments, agencies and companies in 30 countries who seek a trusted partner with a solid track record of providing assured service excellence. Globally our 100,000 employees deliver operational, management and consulting expertise in health, technology, science, education, transport, defence, justice, immigration, aviation and business process outsourcing.

Our 7,000 people in the Asia Pacific business operate in Australia, Hong Kong and New Zealand. Our customers have the dual benefits of global scale and local autonomy. One of our strengths is that we live locally, think locally, act locally, and are supported globally.

Serco provides health services in partnership with the UK National Health Service (NHS) and other health and social care organisations in a range of primary and community settings. For example, for Fiona Stanley Hospital, Serco is drawing on its healthcare expertise from its work with Norfolk and Norwich University Hospitals NHS Foundation Trust, NHS Forth Valley Acute Hospital, Wishaw General Hospital, and Guys and St Thomas Hospital NHS Foundation Trust.

In Australia, Serco's non-clinical health experience includes management of the Australian Defence Force medical equipment fleet repair, maintenance and calibration, as well as the pharmaceuticals and medical consumables supply chain. Serco supports all major Australian Defence Force hospitals, larger area health facilities, Royal Australian ships, and approximately 450 other customers. Serco has held this contract for over 10 years.

In Western Australia, Serco also provides holistic primary healthcare, allied and non-clinical services to prisoners at Acacia Prison, the State's first prison to achieve an Australian General Practitioners Accreditation Licence. A recent report by the Office of the Inspector of Custodial Services concluded that Acacia presented the best prison health service in Western Australia. Serco also provides health services at Borallon Correctional Centre in Queensland.

More information can be found at www.serco-ap.com.au

Fiona Stanley Hospital managed equipment service

In July 2011, Serco Australia was awarded a 10 year contract to deliver non clinical services for Western Australia's new flagship hospital, Fiona Stanley Hospital. As part of that contract, Serco is responsible for procuring and maintaining all of the goods and services for the public hospital, including the major medical equipment. Serco has a sub-contract with Siemens for the managed equipment service.

1. Who is Serco working with to deliver its managed equipment service?

Serco is working with Siemens Ltd. Siemens provides cutting-edge technologies and has been creating and applying technology solutions in Australia and New Zealand for more than 135 years.

Siemens has a fifteen year contract to provide managed equipment services (MES). They will manage the multi-vendor procurement of the majority of the imaging and non-imaging equipment, the delivery, installation and commissioning of that equipment and other consultative services. They will also manage the provision of maintenance and the replacement of the equipment over the life of the contract.

2. What is a managed equipment service?

Managed equipment service (MES) is a flexible and specialised partnership with a private sector service provider to provide access to innovative medical technology and equipment. This is over a defined period, in this case 15 years, for a fixed annual fee.

MES manages all equipment concerns for the life of the contract including provision, purchase, installation and commissioning, user training, asset management, maintenance and ongoing replacement. This is done regardless of the manufacturer.

3. What will the partnership with Siemens actually deliver?

Siemens will deliver with Serco an MES, which is common practice in the UK public sector and considered to be world's best practice. This includes:

- procurement of all managed equipment services equipment, including the majority of complex medical equipment
- planning and management of the delivery, installation and testing of MES Equipment
- manage the provision of ongoing support and maintenance of MES Equipment
- biomedical and first response services
- clinical work flow technical consulting services
- management of legacy equipment
- coordination of user training
- single point vendor management.

Fiona Stanley Hospital managed equipment service

4. Has an MES been used in Australia before?

This is the first time that a hospital has engaged the full range of an MES in Australia. Managed equipment services are a common model in the UK public sector where they have demonstrated significant financial savings. They are increasingly being adopted in other countries such as Spain and The Netherlands.

5. What are the benefits of an MES?

The MES concept has been proven to deliver value for money and financial outcomes for hospitals in Europe. MES also provides stability in equipment replacement and maintains current technologies for better patient outcomes whilst enabling enhanced clinical efficiency.

Key benefits of an MES include:

- strategic approach to equipment and its lifecycle
- fixed budget
- offsetting the risk of equipment procurement, management and maintenance
- continuous advice on equipment usage and performance
- single point of contact for maintenance, fault management, installation, training, upgrades
- utilising the latest equipment and keeping pace with technological change
- rigorous maintenance schedules which keep equipment to optimum levels
- regular replacement plans which refresh devices before they fail
- equipment uptime guarantees
- challenging common practice in the marketplace to deliver global best practice.

6. How are clinicians involved in the process to procure MES equipment?

The production of the generic equipment specifications for Fiona Stanley Hospital's major medical equipment commenced in 2009 and a large number of clinicians worked closely with WA Health to develop those specifications.

Clinical user groups commenced in October 2011 and specifications for all major medical equipment have been reviewed and agreed with specialist clinicians. The involvement of clinical user groups is ongoing and clinicians will be involved in all relevant steps of the procurement process for the hospital's medical equipment, such as:

- equipment requirements and specification
- tender response evaluation and clinical site visits
- provision of recommendations.

Fiona Stanley Hospital managed equipment service

7. Who are Siemens?

Siemens has been creating and applying technology based solutions in Australia for more than 135 years from a portfolio of innovative solutions for water, energy, environment, healthcare, productivity, mobility, safety and security.

Siemens has worked extensively in WA in the past servicing WA Health. The company employs approximately 70 staff locally in the state.

Siemens was part of a consortium bid put forward by Serco when the WA Government called for expressions of interest for the delivery of non-clinical services for Fiona Stanley Hospital.

8. How will Siemens be managed by Serco?

Serco's team at Fiona Stanley Hospital includes a team of specialists who work closely with Siemens to oversee their role and help to procure and manage a service for Fiona Stanley Hospital that is effective, integrated and contributes to improved patient care.

Siemens will manage the performance of the medical equipment through an integrated performance management system which is reported through Serco to WA Health.

Serco will deliver efficiency and provides assurance to the State from its subcontractors. As Serco is managing the majority of service lines, it is beneficial for the State to have a single contract and a single point of contact for all facilities management services.

The purchase contract for all of the medical equipment in the hospital ultimately sits between Serco and the successful vendors.

Serco will integrate MES with its innovative systems into the state-of-the-art hospital from the start including utilisation of a single asset management system and helpdesk.

9. How will Serco and WA Health ensure probity around the MES process?

WA Health employs a team of probity advisors who will oversee the process and ensure that it is fair and equitable. WA Health, their probity advisors, Serco and Siemens will ensure:

- selection is vendor independent
- there are no lockout specifications
- a competitive request for quote (RFQ) process
- whole of life best value for WA Health
- the specifications are standards based, clinically focussed and output based.

Fiona Stanley Hospital managed equipment service

10. How does Siemens ensure separation between its MES division and its sales arm?

Siemens has a strict separation of responsibilities between its Strategic Procurement office personnel, the MES team and all Siemens employees responsible for submitting tender responses.

All Strategic Procurement personnel involved in the Fiona Stanley Hospital MES procurement are subject to confidentiality agreements. Serco, WA Health and WA Health's probity advisors provide probity oversight throughout the process.

The tender process incorporates a fully auditable sealed bid process using an approved electronic tendering tool, which is overseen by Serco, WA Health and its probity advisor.

WA Health makes the final decision on MES equipment choice deemed to provide the best product for Fiona Stanley Hospital following recommendations from clinical staff.

11. Which companies will have an opportunity to tender for the MES equipment at Fiona Stanley Hospital?

The Fiona Stanley Hospital team will welcome tender submissions from local, national and international medical equipment specialists to ensure that the new public hospital gets the best possible equipment for a competitive market.

12. How have the medical equipment specialists been kept informed about the process?

Senior staff from all vendors were contacted to explain about the process for the procurement of the major medical equipment for Fiona Stanley Hospital.

Medical equipment suppliers for major architecturally significant equipment were invited to a vendor briefing workshop in December 2011, prior to the request for quotes (RFQs) for major architecturally significant equipment being issued to the market. More than 40 people attended. This process will be repeated for non-architecturally significant equipment in due course.

An invitation to participate in the RFQ process will be posted on Tenders WA and will be open to all applicants with appropriate experience and expertise.

13. Will there be opportunities for WA small businesses to bid for work?

Yes. Serco is responsible for procuring over one million assets including of the furniture, fixtures and equipment in Fiona Stanley Hospital. Local businesses will be encouraged to bid for the work.