

Supply Chain Enhancement Initiative Project

January 2010 Report

Canterbury

District Health Board

Te Poari Hauora o Waitaha

Purpose

The SCEI Project aims to enhance the Canterbury DHB's supply arrangements in the expectation that doing so will reduce the total costs of the supply chain and thereby deliver savings that may be applied to clinical services.

Key Deliverables

Systems and Processes (focus on way we work)



Learning and Growth



Financial (focus on savings)



Customer focus/services



Progress Update

The Supply Chain Enhancement Initiative (SCEI) project has focussed on cost savings and professionalising the staff and processes with quite some success in all disciplines. Positive progress is being made across a range of SCEI projects.

Accumulated procurement savings for the financial year to date are \$9.71M using the new savings methodology previously referred to.

During a mid-year review by Audit NZ in February 2010 there was ongoing positive support for CDHB's activity, including developing and rolling out the procurement toolkit and formally reviewing the CDHB's procurement policy.

National Activity

There is considerable ongoing national activity related to procurement and the supply chain including DHBNZ, Ministry of Economic Development, South Island Procurement Group, Shared Services Establishment Board (SSEB) and Pharmac.

Canterbury DHB has been proactive in meeting with the SSEB to update them on activity in our DHB and opportunities throughout the South Island.

Progress Update contd.

Allocation of Purchase Order Numbers

Local creation of Purchase Orders for services is taking place within Laboratories, Ashburton, Community and Public Health, directly into Oracle for services. All goods for the organisation and service requisitions will be converted from approved i-Proc requisitions by the centralised Purchasing team. The next step for the project is the "virtual" centralisation of reporting for the remote purchasing locations into the Supply Department. Informal relationships are being built with these "decentralised" buyers. The large project group continues to meet fortnightly to drive this important business change. The Finance team is working with Divisional Accountants and the Supply Chain team to refine technical solutions. Steady progress is being made.

Consumables Procurement

The CDHB procurement team continues to make good gains across a wide range of projects. A 0.6FTE procurement analyst staff member whose salary is paid for by DHBNZ has commenced work.

Item Catalogue

The increase in products on the Oracle catalogue has resulted in a marked reduction in the requisitions for goods without a product code. Requisitioners are now searching the catalogue for products and contacting the Purchasing team for item codes. The target of 80% of all electronic purchasing through the Supply Chain Department for catalogued items has been achieved. The focus on item cataloguing will be maintained on a day to day basis and this project is now being wound up.

Clinical Inventory Replenishment

This project has been very successful in driving improved supply chain processes within the Women's & Children's Health Division (Birthing Suite, Maternity and Neonatal Intensive Care). A business case has been developed to continue this pilot initiative in CDHB.

Product Evaluation Committee

A draft policy for Product Evaluation and Approval has been developed and is to be reviewed by the committee. The interim committee has been superseded by the substantive committee which meets in early March.

Oracle 12 Release

A project plan for Oracle Release 12 for supply chain related activities is being developed. This will integrate closely with the Finance team's implementation plan and project management. This will have a significant impact on standardising processes.

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