

# Medical & Scientific Equipment Suppliers Performance Evaluation Scheme

## Background Information to Contractors

### 1 Introduction

- 1.1 The aim of the Medical and Scientific Equipment Suppliers Performance Evaluation Scheme (PES) is to establish a systematic, objective and integrated system to monitor and regulate the performance of medical and scientific equipment supply and servicing contractors; and to ensure that they satisfactorily comply with their contractual obligations.
- 1.2 The PES Committee comprises representatives from Government Logistics Department (GLD), Electrical & Mechanical Services Department (EMSD), Department of Health (DH), Hospital Authority (HA) and Government Laboratory (GL).
- 1.3 All disciplinary actions decided by the PES Committee will be executed by GLD.

### 2 Operating Mechanism of the Scheme

- 2.1 The scheme is operated on a demerit point score system. All the unsatisfactory performance of the contractors is quantified by a corresponding demerit point score (refer to the Annex). Whenever a contractor's performance is unsatisfactory, a demerit point score will be added to his total accumulated score by EMSD. If the total accumulated score of a contractor exceeds 120 in 3 months and / or 250 in 12 months, a pre-penalty warning letter will be issued by GLD. In case the accumulated score of a contractor exceeds 150 in 3 months and / or 300 in 12 months, he will be requested to explain in front of the PES Committee; and a disciplinary action may be imposed on him if his explanation is considered not satisfactory.
- 2.2 The details of the PES system are described as follow :
  - a) Notification of Imposed Demerit Points to the Affected Contractors

Whenever a demerit point score is imposed on a contractor, the contractor will be notified by EMSD in writing and allowed 2 weeks for explanation and / or rectification of faults. Whereas in the cases concerning rectification of safety hazards, demerit points will be attributed to the contractor 2 months after notification. The demerit points will be automatically added by EMSD to the contractor a accumulated score if the explanation is found not acceptable or the fault is not rectified. More demerit points may be added by EMSD proportionally every month for up to a period of 3 months if the fault is still not being rectified.

b) Pre-penalty Warning Letter to Poorly Performed Contractors

- (i) If the accumulated demerit points of the contractor exceed an alert level (120 points in any 3-month period or 250 points in any 12-month period), a pre-penalty warning letter will be sent to the contractor demanding immediate improvement on his performance. The contractor will be given one month's time to improve his performance.
- (ii) If the contractor consistently fails to fulfill his contractual obligation and / or his performance severely deteriorated, even though his accumulated demerit points have not exceeded the alert levels as described in (i) above, a warning letter may be issued to the contractor concerned, if such action is considered necessary.

c) Meeting of PES Committee

The PES Committee will meet regularly to review the performance of contractors, and to consider imposing disciplinary action to those contractors whose accumulated demerit points exceed 150 points in any 3-month period and / or 300 points in any 12-month period; or to those contractors with very poor performance. The affected contractor will be invited to explain to the PES Committee Members about the causes of their unsatisfactory performance. The disciplinary action that might be imposed on a contractor is ranging from suspending him from tendering according to make, model, or all items of equipment for a period from 3 to 12 months, depending on the severity of cases.

2.3 The Demerit Point Score System

The details of the items of unsatisfactory performance and the corresponding demerit point score are listed in the Annex.

3. In case of enquiry, contractors may contact the Supplies Officer (Supplier Record) at Tel. no. 2231 5289 / Fax No. 2807 2764.

## **The Demerit Point Score System**

### 1. Introduction

- 1.1 There are five monitoring stages at which demerit points may be accorded:
  - (a) Acceptance and testing
  - (b) Clearance of outstanding item(s)
  - (c) Warranty service
  - (d) Safety hazard rectification
  - (e) Post warranty services
  
- 1.2 Different demerit points shall be attributed to contractors of unsatisfactory performance according to weightings and the relevant criteria in respect of the safety and functionality of equipment as well as the fulfilment of contractual obligations.
  
- 1.3 The attributed demerit points shall increase progressively if the performance of the contractor does not improve after the notification period has elapsed. The demerit points allotted in every case are cumulative and each individual allocation shall remain valid for one calendar year.
  
- 1.4 Penalties may be imposed by PES Committee if the demerit points of a contractor accumulated exceed the following limits.
  - (a) Long term monitoring measure :  
over 300 demerit points during any continuous period equalling one year.
  
  - (b) Intermediate measure :  
Over 150 demerit points during any continuous period equalling three months.

## 2. Demerit Point Score

### 2.1 Acceptance and Testing

2.1.1 Contractors shall ensure that the equipment delivered for acceptance are complete and in good condition. Contractors shall also submit the exact quantity of service and operation manuals complete with comprehensive information for the operation and maintenance of the equipment at the time of equipment delivery.

2.1.2 Whenever a demerit point score is imposed on a contractor, the contractor will be notified in writing by EMSD and be given 2 weeks for explanation and / or rectification of faults. The demerit points will be automatically added by EMSD to the contractors' accumulated score if the explanation is found not acceptable or the fault is not rectified.

<u>Item</u>	<u>Criteria</u>	<u>Demerit Point(s)</u>
No. 1	Failure of acceptance test with respect to the <u>safety</u> of equipment	15 (See Appendix A)
No. 2	Failure of acceptance test with respect to the <u>function</u> of equipment	15 (See Appendix A)
No. 3	Failure of acceptance test with respect to <u>physical</u> defect on equipment	10 (See Appendix A)
No. 4	<u>Change of equipment model</u> without prior agreement given by the Government and subsequently rejected	60
No. 5	Incomplete delivery of item(s) essential for the <u>safety</u> of equipment	15
No. 6	Incomplete delivery of item(s) essential for the <u>function</u> of equipment	15
No. 7	Incomplete delivery of <u>minor</u> item(s)	5
No. 8	No delivery of <u>operation manual</u>	5

No. 9	No delivery of <u>service manual</u>	10
No. 10	Incomplete delivery of essential information required for the <u>operation manual</u>	5
No. 11	Incomplete delivery of essential information required for the <u>service manual</u>	1-10 (See Appendix B)
No. 12	Unsatisfactory service training	1-10 (See Appendix C)
No. 13	Unsatisfactory <u>operation training</u>	1-10 (See Appendix C)

## 2.2 Clearance of Outstanding Items

2.2.1 Contractors shall deliver any outstanding items and rectify any non-compliances immediately after the notification given by the Government. Demerit points will be increased proportionally every month for a period of three months if the contractor does not improve his performance by fulfilling the aforesaid contractual requirements.

<u>Item</u>	<u>Criteria</u>	<u>Demerit Point(s) per month</u>
No. 14	Unsatisfactory rectification of non-compliance with respect to the <u>safety</u> of equipment	15 (See Appendix A)
No. 15	Unsatisfactory rectification of non-compliance with respect to the <u>function</u> of equipment	15 (See Appendix A)
No. 16	Unsatisfactory rectification of non-compliance with respect to <u>physical</u> defect on equipment	10 (See Appendix A)
No. 17	Incomplete delivery of outstanding item(s) essential for the <u>safety</u> of equipment	15
No. 18	Incomplete delivery of outstanding item(s) essential for the <u>function</u> of equipment	15
No. 19	Incomplete delivery of <u>minor</u> outstanding item(s)	5

No. 20	Incomplete delivery of outstanding <u>operation manual</u>	5
No. 21	Incomplete delivery of outstanding <u>service manual</u>	1-10 (See Item No. 11)
No. 22	Delay in the provision of <u>service training</u> or rectification of Item No. 12	1-10
No. 23	Delay in the provision of operation training or rectification of Item No. 13	1-10

## 2.3 Warranty Service Period

2.3.1 Contractors shall be responsible for the rectification of any outstanding defects by an agreed date and the undertaking of all necessary immediate corrective measures throughout the warranty period. Contractors shall also carry out regular preventive maintenance on equipment sold to the Government in accordance with the agreed maintenance schedule in the purchase order or contract.

2.3.2 Demerit points will be attributed to contractor two weeks after the notification and will be increased proportionally every month for a period of three months if the contractor does not improve his performance.

<u>Item</u>	<u>Criteria</u>	<u>Demerit Points per month</u>
No. 24	Delay in the rectification of equipment breakdown related to the <u>safety</u> of equipment	15
No. 25	Delay in the rectification of equipment related to its <u>function</u>	15
No. 26	Delay in the rectification of <u>minor</u> equipment defect(s)	10
No. 27	<u>Preventive maintenance not performed</u>	15
No. 28	<u>Delay in the preventive maintenance</u> from the agreed schedule	15

2.4 Safety Hazard Rectification

- 2.4.1 Contractors shall ensure that their products comply with current relevant safety standards and is obliged to immediately rectify any reported safety hazards, from both local and overseas sources, on the equipment sold to the Government.
- 2.4.2 The seriousness of reported incidents shall be classified according to the classification systems of the Food and Drugs Administration (FDA) of the United States of America and the National Health Services (NHS) of the United Kingdom, or equivalent.
- 2.4.3 Demerit points will be attributed to the contractor two months after the notification given by the Government and will be increased proportionally every month for a period of three months. However, the manufacturer may propose a schedule to rectify the safety hazard problem. Subject to the acceptance of the proposed schedule by the Government, the performance of the contractor will be monitored according to the constraints of such a schedule rather than the following tabulated timings.

<u>Item</u>	<u>Criteria</u>	<u>Demerit Points per month</u>
No. 30	Rectification of safety hazards classified as either <u>Class I</u> by FDA or <u>Hazard</u> by NHS	15
No. 31	Rectification of safety hazards classified as either <u>Class II</u> by FDA or <u>Safety Information Bulletin</u> by NHS	10
No. 32	Rectification of safety hazards classified as <u>Class III</u> by FDA	5

## 2.5 Post-warranty Services

- 2.5.1 Contractors should give full support to the provision of essential spares and special tools for the maintenance of their supplied products, even if they have not been contracted to perform maintenance services. Furthermore, contractors are wholly obliged to carry out all of the duties stipulated in maintenance contracts to which they are a party.
- 2.5.2 Demerit points will be attributed to the contractor two weeks after the notification. For items No. 33 and 34 the demerit points will be increased proportionally every month for a period of three months if the contractor does not improve his performance.

<u>Item</u>	<u>Criteria</u>	<u>Demerit Points per month</u>
No. 33	Delay in the delivery of subsequent <u>spares and tools</u>	10
No. 34	Delay in <u>response</u> to enquires	5
No. 35	Unsatisfactory <u>contract maintenance</u> performance	Maximum 25 points per quarter (see Appendix D)

# Demerit points shall be attributed to a per equipment/system basis. For minor equipment items such as resuscitators, the performance shall be assessed on a regional basis, namely HK, Kowloon, NTE and NTW.

Notes on the Demerit Point Score System

If the equipment failed the acceptance test and the contractor cannot rectify the defect(s) within 90 days from the date of notice, the Government has the right to have the said equipment returned. In case the equipment is returned to the contractor, 60 points shall be attributed to the contractor with the points already attributed over that period reduced to zero.

Assessment of Service Manual

When assessing the service (maintenance) manuals, reference should be made with respect to BS4308 Specification to be applied with electronic measuring apparatus.

<u>Assessment item</u>	<u>Scale</u>				
	<u>V. good</u>	<u>Good</u>	<u>Sat.</u>	<u>Unsat.</u>	<u>Poor</u>
Contents (relevant details including circuit diagrams, principle of operation, part list and assembly drawings)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 4
Applicability, (such information useful for maintenance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 4
Printing quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 1	<input type="checkbox"/> 2

Max. points 10

Assessment of Service and Operation Trainings

When assessing the service training, reference should be made to 'Appendix to Clause 10' in Terms of Tender (Supplement).

<u>Assessment item</u>	<u>Scale</u>				
	<u>V. good</u>	<u>Good</u>	<u>Sat.</u>	<u>Unsat.</u>	<u>Poor</u>
Material of training manual including notes, charts and circuit diagrams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2
Usefulness (the training should enhance participants' knowledge on maintenance and/or operation of the equipment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	3
Completeness (the training should be complete in a sense that the participants can gain a total overview of the system/equipment)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	3
Presentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				1	2

Max. points      10

Contract Maintenance

<u>Assessment item</u>	<u>Scale</u>	
	<u>Acceptable</u>	<u>Unacceptable</u>
Punctuality of preventive maintenance	<input type="checkbox"/>	<input type="checkbox"/> 5 always delayed
Quality of service report	<input type="checkbox"/>	<input type="checkbox"/> 5 not comprehensive
Corrective maintenance	<input type="checkbox"/>	<input type="checkbox"/> 5 due to insufficient technical support
Service charge	<input type="checkbox"/>	<input type="checkbox"/> 5 unreasonable
Quality of preventive maintenance (conducted according to schedule)	<input type="checkbox"/>	<input type="checkbox"/> 5 adverse comment from end-users, safety test not conducted etc

Max. points 25