GUIDELINE FOR MANAGING SERVICE VENDORS

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Preamble

This document provides an overview of how to manage service vendors.

Qualifications

Healthcare organizations increasingly use vendors, namely Original Equipment Manufacturers (OEMs) and Independent Service Organizations (ISOs), to manage their complete or partial inventory of medical equipment. It is important that healthcare organizations manage their vendors effectively to contain costs and ensure regulatory compliance for their medical equipment programs. In order to maintain an optimal relationship, the terms and conditions of the contract should be clearly delineated at the procurement stage of new equipment or at the start of a service contract.

Increasingly these days, the medical equipment is becoming more reliable and less likely to fail; therefore, manufacturers require less preventive maintenance on medical equipment. The regulatory and accrediting organizations have recognized the increased reliability of medical equipment and have relaxed the requirements for preventive maintenance.

Guidelines

1. Clinical engineer must be active participant in the technology management process. He/she must be actively involved in the vendor selection process and must evaluate the vendors and establish a relationship with the vendor.
2. The in-house clinical engineering department or other department (facilities or materials management) should have overall management responsibility of outside service vendors (OEMs and/or ISOs).
3. The purchase agreements with vendors must be in writing and should require/include operator/service documentation, warranty service/period, software updates, specialized test equipment, diagnostic software, operator training and other considerations.
4. Vendor service management requires periodic monitoring of vendor service costs and reporting to the appropriate clinical departments and senior management. Monitoring would include reviewing vendor service reports/invoices and maintenance histories to determine downtime/uptime, cost of time and materials repairs, actual vs. budgeted expenses.
5. “Lock-in” contracts should be avoided (i.e. those that cannot be canceled without substantial penalty.
6. Vendors should be required to submit written service reports for any work performed.
7. The training records must be audited periodically to make sure vendor staff is compliant with various requirements and is competent to do their job.

8. Vendor cost and work should be incorporated into cost reporting and QA reporting (e.g. downtime, PM completion rates).

The following are not Clinical Engineering-specific:

9. Review the insurance requirements for vendors who work on-site (liability, workers compensation, etc.).
10. Require the contractors to do a background check on their employees (criminal background check, not financial).
11. Some vendors may need orientation that includes fire safety and other safety issues.
12. Require that the vendor checks-in on each visit so that they get a temporary visitor badge and the facility knows that they are on the premises. For frequent vendors or vendors working on-site a vendor badge should be arranged. All ID, keys, badges etc should be person-specific.

References

1. Clinical Engineering Improvement Tools, Emanuel Furst & William McKinney (1997), ASHE.
2. Joseph F. Dyro, Vendor and Service Management, Clinical Engineering Handbook (2004)
3. ECRI, Health Technology, Winter 1989, Special Report on Managing Service Contracts.

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