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INDUSTRY RESPONSE

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Siemens supports AXrEM's call for clear use of Framework Agreements

AXrEM, the Association of Healthcare Technology Providers for Imaging, Radiotherapy & Care, which represents all major medical imaging manufacturers active in the UK, recently published a statement highlighting its concern about the potential impact of inappropriate deployment of Framework Agreements. These are an alternative procurement channel to full EU procurement competition. Siemens Healthcare today announced its support of AXrEM's concerns and added to its calls for a transparent and competitive market landscape.

AXrEM has identified growing evidence that some frameworks are operated with limited engagement from the supplier or purchasing community, and have not been established with clarity of scope.

A recent example for concern includes a Framework for Maintenance of Medical Equipment where only two suppliers were appointed. In this specific case, no Original Equipment Manufacturers (OEMs) were successfully engaged, believed to be due to the lack of transparency and manner in which the opportunity was advertised.

Peter Harrison, Managing Director UK at Siemens Healthcare states, "Framework operators typically seek to leverage scale economies and bulk purchasing power to secure the lowest cost to buyers. We absolutely support competition, but scale economy and buying power are clearly diluted if there are too many frameworks with overlapping scope."

Peter Harrison continues, "We are concerned that certain private entities or NHS organisations seek to establish frameworks with an unclear mandate, typically

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evidenced by an open-ended list of framework participants on the buy side. If established with limited supply side engagement, there is a danger they fail to leverage competition when offering a procurement channel to buyers."

"We believe it is important that buyers have access to the competitive medical imaging landscape. The danger is that Trusts perceive that by using a framework they have fulfilled obligations to entertain a range of competitive offerings," Peter Harrison concludes. "Clearly, healthcare providers need to ensure that any procurement is compliant and that they are trading through a legitimate framework that ensures provision of a range of competitive offerings. Beyond restricted choice, the ultimate risk is that contracts awarded under such frameworks are subjected to procurement challenge."

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Picture caption:

Peter Harrison, Managing Director UK, voices Siemens Healthcare's support of AXrEM's concerns regarding the fair use of framework agreements in the UK.

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