

md buyline Reagent Contract Analysis Example

MD Buyline Hospital Customer

Vendor: Medical Capital Vendor
Technology: Hematology Analyzer
Model: Model A

Requested By: Materials Manager

Quote Number: 12345
Quote Date: 7/7/2009
Tracking #: 1019401

August 10, 2009

The Bottom Line

Equipment	List Price	Purchase Price	Overall Discount	Recommend	Identified Savings
Hematology Analyzer	\$1,538,590.00	\$718,660.00	53.29%	61.61%	\$127,995.30

Analyst Comments:

The recommended discount of 61.61% is for a target price for the following:

Model A at \$70,460.00 ea
Model B at \$44,200.00 ea
Model C at \$80,580.00 ea
Model D at \$32,420.90 ea
Model E (1ea) at \$5,930.00 ea

These lower prices were seen with quotes much smaller than yours. The other items are priced competitively. You may want to negotiate the recommended pricing regardless of purchase, CPR or leasing options. I suggest you negotiate pricing before calculating the CPR, or reagent rental fees. You may want to address consumable and maintenance needs at time of purchase while you still have some leverage. Negotiating reagents and service support along with the purchase may provide additional savings to your facility over a contract negotiated at warranty expiration. We have seen business hour service for the Model A priced at \$14,951.54 per year and for the Model B at \$6,753.00 per year. This is an observed savings of \$11,451.00 over the 5 year term. Additionally you may be able to request that service be extended to 24 months on some or all of your equipment. Below are reagent pricing seen. With your volumes you may be able to negotiate lower reagent pricing for additional savings.

Part No.	PK	Price/Pack
123	PK	271.55
456	EA	\$78.65
789	EA	\$103.39
000	EA	\$287.45

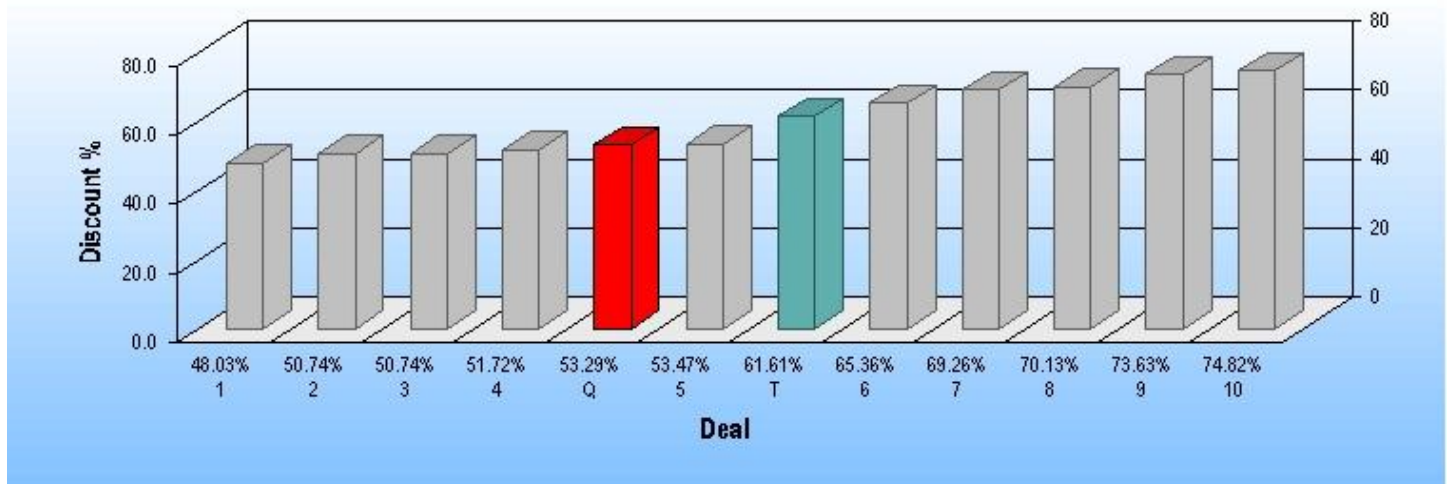
Financial Impact Calculators:

The data on the Financial Impact Calculators uses industry averages in calculating the Minimum Procedures Per Year, Consumable Cost Per Procedure, and Labor Cost Per Procedure. Reimbursement is based on the Centers for Medicare & Medicaid Services National Limit for the most commonly used CPT code for that instrument's test menu. Life Expectancy is based on the most current edition of the "Estimated Useful Lives of Depreciable Assets", published by the AHA. This guide is regarded by the industry as the generally accepted reference for these accounting standards in healthcare. Service Contract Cost Per Year is based on the average service cost as seen by MD Buyline or 8% of the instrument price. When available, your facility's values will be used.

Trade Show Information:

At the American Association of Clinical Chemistry (AACC) which took place the week of July 19, 2009, new products and enhancements were introduced. I recommend including the protective clause for New Models and Enhancements Prior to Delivery in your purchase order. I have included this protective clause at the conclusion of this pricing record for your review. Modify it to meet your specific requirements.

General Market Comparison Chart



The above graph represents the previous discounts or deals that are comparable to your quotation. There is also graphical representation of your current quoted deal (**Q**), and of MDB's recommended target discount (**T**) based on our database. If viewed/printed in color, quoted and target deals are shown in red and blue-green, respectively. The graph may show additional higher discounts that might be achievable under certain circumstances as explained in Bottom Line Comments. Below is a detailed explanation of each deal represented in the graphical analysis.

General Market Comparison Detail

Deal	List Price	Disc %	Quoted Price	Date	Model	Comments
1	\$873,800.00	48.03%	\$454,080.21	4/7/2009	Model A	Payment terms are Net 30 Days. This quote includes 2 model(s). Novation group discount applies. A 24 month warranty is included.
2	\$95,000.00	50.74%	\$46,800.00	1/2/2009	Model A	Amerinet contract pricing. Quotation by Dealer. Business Hour Service at \$7,000.
3	\$95,000.00	50.74%	\$46,800.00	10/31/2008	Model A	MedAssets group discount applies. Service at \$7,000/yr. 40test/day,
4	\$95,000.00	51.72%	\$45,864.00	7/20/2009	Model A	Payment terms are Net 30 Days. Other group discount applies. Service at \$7,480/yr.
5	\$95,000.00	53.47%	\$44,200.00	1/26/2009	Model A	Novation group discount applies. Business Hours Service at \$7,480.00/yr. 60mth reagent agreement, 6,500 tests/yr.
6	\$241,020.00	65.36%	\$83,500.00	9/15/2008	Model A	Payment terms are Net 30 Days. 60mth term.
7	\$497,040.00	69.26%	\$152,780.00	4/23/2009	Model A	Payment terms are Net 30 Days. Premier group discount applies. Service at \$15,000 per instrument. 2 Training seats per instrument. 60mth reagent agreement.
8	\$241,020.00	70.13%	\$72,000.00	3/24/2009	Model A	Payment terms are Net 30 Days. MedAssets group discount applies. 60mth reagent agreement. Service at \$15,900.00/yr.
9	\$478,750.00	73.63%	\$126,249.00	10/17/2008	Model A	Novation group discount applies.
10	\$257,500.00	74.82%	\$64,841.80	9/17/2008	Model A	Payment terms are Net 30 Days.