

Suggested Guidelines for Procurement of Radiological Equipments

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After having gone through the long years of study in the field of medicine and then becoming a specialist practitioner of radiology hardly any time is left to learn the economics of practice of radiology for the young generation radiologist. With government jobs drying up there is no alternative other than joining a corporate hospital/ diagnostic center or starting/establishing your own practice. Not knowing the nitty gritty of today's world of economics one often makes mistakes which cost him dearly. I sincerely wish sooner or later some training or knowledge of *economics* be also included in the medical curriculum if we have to help young medical fraternity in establishing themselves in the practice to serve the society efficiently without falling into the trap of debt or land in malpractices to earn quick money. Practice of radiology is capital intensive and needs lot of inputs, considerations and deliberations before making firm decisions. Following are some of the guidelines and ideas put forward for considerations by any radiologist going in for starting his own practice. These are by means last words on the subject guidance should also be sought from the senior members of the fraternity having long experience in running their practice.

1. Plan your budget & financial support required for you project.
2. Plan your requirement of equipments in the light of budget & financial support available.
3. Keeping in view of budget and financial support prioritize procurement of the equipment i.e. X-ray machine, Ultrasound machine, Color Doppler, CT scanner, MRI, PET CT etc.
4. Find out the various vendors and manufactures of the equipments you have planned. Contact them individually and evaluate technical specifications of their equipment in the light of your requirement.
5. Compare various equipments with respect their functionality, scalability and price.
6. Find our installation base of various vendors and manufactures in your city, state, country and worldwide.
7. Find our form various users performance of the equipments and standards of after sales service by various vendors in your city and professional circle.
8. Analyze information obtained on the points mentioned above and reach to a logical conclusion in selection of type and brand of the equipments.
9. Negotiate with the vendor selected for the supply of the required equipments to obtain least possible price knowing huge profit margins.

10. Specifically discuss period of guarantee/warranty of the equipment selected with the vendors and consider the cost of equipment for the extended warranty/guarantee period and possibility of standby support. Freeze the terms of the annual maintenance contract/comprehensive maintenance for 7-10 years (lifetime of the machine).
11. Include the clause of 98% uptime warranty/guarantee of the equipment with penalty clause of extending guarantee/warranty period by double the down time. Optionally a per diem financial penalty clause should also be included in the contract.
12. Penalty clause as mentioned in point 11 should be included for the period of AMC/CMC also after the expiry of guarantee/warranty period.
13. If possible try to find out cost of important spare parts at the time of purchase and freeze their prices. Also find out cost of consumable items and their separate guarantee/warranty (like CT tube/helium) and price.
14. Sign a legal contract with the vendor for the supply and maintenance of the equipment selected.
15. Insuring the equipment for break downs should also be considered as it protects against heavy financial losses in the event of major break downs.
16. Ensure appropriate power supply/UPS as per the requirement of the equipment to avoid any damage arising out of improper power supply and leading to dispute with the vendor/manufacture.
17. Carefully study the terms and conditions of the offer made by the vendor/manufactures and get it ratified by lawyer/expert in financial deals.
18. Find out appropriate working atmosphere for the equipment from the vendor/manufactures and ensure the same for proper functioning of the equipments to avoid break downs and consequently disputes with the vendors.
19. In the unfortunate event of any dispute not settled with the vendor, refer the matter for redressal of the dispute to the Zonal representative of the Health Care Committee of the IRIA and also to the Secretary General of IRIA. Matter may also be referred to the office bearers of the state branch of IRIA.
20. In case of purchase of refurbished or pre-owned equipment it is advisable to use the services of major manufactures only as only they can issue type approval for the machine which is necessary for AERB clearance. Confirm in writing from the vendors that they will ensure AERB approval of the installation area & type approval of the radiological equipments.
21. Ensure that you have PNDT Registration before purchase of Ultrasound machine. Sell your used Ultrasound machine only to a licensed vendor after property informing Appropriate authority under the PNDT Act. Ensure that your new machine details including machine number is to be intimated to appropriate authority. Names, degrees and MCI registration of the radiologist/sonologist is also required to be given to the Appropriate authority. Any change of these persons is also to be intimated within stipulated time as per various amendments of the act. All records of Antenatal

ultrasound examinations should be maintained properly to avoid any harassment by the concerned authorities.

22. All radiological equipments should be serviced by only OEM (Original Equipment Manufacturer) authorized service engineers or you stand to lose the guarantee/warranty and type approval of your equipments.
23. Make sure your room sizes are in accordance the AERB specifications and guidelines.
24. Purchase equipments from reputed OEM vendors only. Understand the risks of purchasing from a vendor who is not a member of CII (Confederation of Indian Industry). CII can take action against defaulting manufacturer if he is a member of CII in case of a dispute.
25. Understand the risks of not purchasing a comprehensive maintenance contract for service. When evaluating a machine ask the vendor to specify typical annual costs of helium/power units/tube life/commonly used spares etc.
26. In case you do not understand the technicalities take help of appropriate professionals for technical evaluation. Whenever purchasing a machine with multiple optional sequences or coils or probes ask the vendor to specify the sequences and coils and probes which are provided with the machine and also to draw up a list of those not opted by you. Freeze a price of these items in case you wish to purchase these in future.
27. Always ask the vendor for an extended warranty and the cost implication of this should be acceptable to you.
28. When arranging for finances ask the company if they have a deferred payment / leasing plan. For expensive equipment a leasing plan is convenient as it is inclusive of CMC charges.
29. When purchasing equipment always have a budget in mind and allocate your resources judiciously. Draw up a business plan and get a good idea about the expected number of patients to break-even on your investment and running costs. Always take a loan or arrange for adequate working capital to run your center for at least 6 months to 1 year as this is a minimum gestation period for the radiology business.
30. Before finalizing a deal always ask other experienced radiology colleagues for their opinion on technical selection, performance of the machine (from previous users), frequently encountered service problems and service record of the machine and the manufacturer.
31. If you purchase the machine from a vendor with dubious reputation, or a “cheap machine or a pre-owned machine not from the OEM, or do not get your machine insured or with AMC/CMC then be prepared for the consequences. It may not be possible for the IRIA Trade Committee to follow up such cases with vendor of such equipment. Wherever possible purchase equipment new or pre-owned only from OEM registered with CII. Rest assured that all these companies have a reputation to maintain and you have a trouble free time in your business.