



Request for Information (RFI)  
For Proof of Concept

## Catalyst by Wellstar Overview

---

Catalyst by Wellstar is the first-of-its-kind global digital health and innovation center created and operated within a health system to holistically address healthcare disruption by harnessing problems, solutions, investments, and partnerships across industries.

Catalyst by Wellstar uses proven innovation approaches to explore, define, identify, assess, test, and implement new capabilities. This methodology accelerates the innovation lifecycle so that Wellstar Health System can realize the impact and value of emerging capabilities within a 90-day cycle.

## Client Overview

---

The Wellstar Consolidated Service Center (CSC) manages over \$1 billion in annual supply spend for Wellstar Health System. Wellstar is the largest health system in the state of Georgia, with facilities including 11 hospitals, 5 health parks, 13 Urgent Care Centers, and over 260 physician offices. The CSC is charged with the full supply distribution lifecycle and inventory management for the Wellstar facilities across the Atlanta metro area.

After an initial proof of concept (PoC), selected supplier(s) will have the opportunity to work directly with the CSC to develop a Minimum Viable Product of the proposed platform using proprietary data.

## Purpose

---

The purpose of this PoC request for information (RFI) is to solicit suppliers' approach, experience, and expertise for conducting an agile product development process that will result in a point-of-intake non-stock parcel receiving automation solution.

This PoC process will select qualified suppliers based on their demonstrated ability to partner with the CSC and Catalyst by Wellstar teams to build out the framework for the full supply chain lifecycle.

Upon successful demonstration of capabilities during this initial Proof of Concept process, selected suppliers will work directly with the Business Owners and Catalyst team to pilot their solution for six months, with a long-term business agreement in FY2023 pending successful pilot.

## Background

---

### Current Process & Pain Points

Much of Wellstar supply chain procurement is conducted through stock inventory delivered to the CSC via palletized LTL or FTL shipments and stored in the racks. However, a considerable number of non-stock shipments are delivered each day, both to the CSC and directly to facilities across the health system (approximately 200,000 purchase orders per year). These non-stock shipments are medical supplies typically shipped small parcel via commercial providers, most commonly FedEx and UPS. Today, only 34% of non-stock deliveries are made directly to the CSC, with the remaining 64% shipped directly to Wellstar facilities across the Atlanta metro area.

One of the primary failure points with the current process is when shipments are invoiced but not received (INR). There are various drivers of INR, including shipments delivered to facilities without personnel reconciling against the Wellstar enterprise resource planning (ERP) system. Another failure point: inconsistencies with commercial package delivery services, with packages sometimes getting “delivered” to a Wellstar facility at a time when it would be impossible to do so or “signed for” with either fabricated or forged signatures. INRs result in credit holds from vendors, which can delay critical shipments of medical supplies at inopportune times. These INR transactions also result in penalties and surcharges against Wellstar.

The overall primary objective is to move 98% of all non-stock shipments through the CSC, where these parcels can then be routed more efficiently to the various facilities. The Client estimates that this volume is approximately 600 packages per day flowing through the CSC, with an estimated 2,000 per day once all packages currently delivered direct to facilities other than the CSC are re-routed to the CSC, where they will be received into the ERP system, and routed to the final destination, consolidated with CSC stock item shipment.

For the CSC to manage 2,000 inbound small parcels per day requires a technological overhaul of current processes. Within the current workflow which has only 36% of all non-stock parcels delivered to the CSC (600 packages per day), the personnel requirement just for that volume is usually four people per day. The estimated personnel required to receive the target 98% of non-stock shipments with current-state technology is 12 employees per day, which is unfeasible due to both budgetary and labor constraints in the current market environment.

### Potential Workflow & Solutions

Catalyst and the Client are both open to a variety of different methods for automating all inbound parcel receipt. The primary requirements of any solution are the ability to automatically read parcel barcodes and interface directly with any potentially relevant data systems, specifically an

ERP and warehouse management system (WMS). These requirements are outlined in further detail below.

The critical data points that need to be captured from every incoming package:

- Purchase Order Number
- Tracking Number

For this pilot, Wellstar expects to implement a “trusted vendor” concept to manage the initial scale. The expectation is for the trusted vendor(s) to provide an 856 Advance Ship Notice (ASN) to Wellstar via existing electronic data interchange (EDI) pipelines. The 856 ASN is effectively a digital bill of lading, including the purchase order number, tracking number, and a list of items shipped. Vendors deliver the 856 ASN through existing GHX processes.

The proposed solution shall ingest the relevant 856 ASN data. Once a package is delivered to the CSC, the solution must be able to read the barcode for the relevant metadata, reconcile against the 856 ASN, and write receipt data into the WMS / ERP.

Catalyst and the Client are open to any solution that can automate small parcel receipt into the CSC. From options such as towers with high-fidelity camera for computer vision to carousel / conveyance systems and beyond, the Wellstar team welcomes any and all relevant solutions for solving this problem.

## Proof of Concept (PoC) Objectives

---

The business objectives for this PoC are as follows:

1. Identify and evaluate different technological solution approaches to determine the current technology maturity level of individual components and overall system capabilities.
2. Select supplier(s) based on ability to demonstrate that their approaches can provide a fully automated, high-capacity solution.
3. Determine the technical cost, schedule, and feasibility to develop and deploy a six-month pilot project.

## PoC Approach

---

- **Task:** Prove out and demonstrate a concept of utilizing technical capabilities to automatically intake and receive non-stock packages into the CSC environment.
- **End State:** An intelligent, automated system for automating the entire Wellstar non-stock program at the CSC with data integrations into all operationally critical systems.

## Key Performance Parameters

---

The following are the Key Performance Parameters (KPPs) that the solution should satisfy. Each KPP will either have a “(T)” to indicate a minimum threshold requirement or “(O)” to indicate a desired objective capability.

KPP #	TYPE	PARAMETER
1.0	T	<b>Automated Package Receipt</b>
1.01	T	Ability to scan barcodes regardless of package size or orientation
1.02	T	Ability to capture relevant package metadata (part/lot/exp, UOM, etc.)
1.03	O	Readers require no human intervention
1.04	O	Validate components inside the package
2.0	T	<b>EDI 856 ASN Integrations</b>
2.01	T	Read and store 856 ASN data until item receipt(s) reconciliation
2.02	T	Reconcile 856 ASN data against item(s) scanned by solution
3.0	T	<b>Agnostic Data Integrations</b>
3.02	T	Ability to integrate into Enterprise Resource Planning (ERP) system
3.03	T	Ability to integrate into Warehouse Management System (WMS)
3.04	T	Write receipt data into system(s) with required traceability information.
3.05	T	Write product bin locations according to Wellstar SOPs / Wis.
3.06	T	Write and update product units of measure to Wellstar SOPs as necessary.
3.07	T	Ability to reconcile inventory data as required.
4.0	T	<b>Data Security</b>
4.01	T	Networking meets Wellstar info security requirements.
4.02	O	Platform sits on separate network infrastructure.

## Proof of Concept (PoC) Scope

---

The goal of the PoC process is to rapidly demonstrate supplier capabilities and subsequently develop an initial working solution so that the potential capabilities and cost of the proposed design can be evaluated in a timely and cost-effective manner.

The PoC is desired to produce / select a solution for deployment. However, it is understood that additional R&D effort may be required using an iterative approach to develop a final solution that fully satisfies all the performance capabilities.

Selected supplier(s) will be invited to perform proof of concepts, demos, and site visits to demonstrate their ability to meet the technical requirements of the project.

This PoC will specifically cover the receiving intake of data and packages from one “trusted” vendor across multiple commodities.

## Out of Scope

---

The following requirements are out of scope for this PoC and may be within scope of follow-on engagements:

1. Within the PoC / demo environment, there will be no integration or implementation directly into the Client’s existing data systems. The intention of the PoC is for vendors to demonstrate the capabilities of their solutions.
2. There will be no implementation past the receiving dock for the PoC.
3. This PoC is only for the management of non-stock small package shipments to the CSC.

## Post Proof of Concept (PoC) Plan

---

The goal of the PoC process is to rapidly develop and demonstrate an initial working prototype solution so that the potential capabilities and costs of the proposed design can be evaluated in a timely and cost-effective manner.

The ability to automatically scan and receive packages with minimal human intervention and write that data to an ERP is essential to the solution.

The final selected supplier after the PoC phase will conduct a six-month pilot with the Client to demonstrate long-term feasibility before fully scaling up.

## RFI Response

---

**Vendors shall submit their response to this RFI by the deadline of April 30, 2022.** The response should include but is not limited to the following information:

- **Collaboration**: The willingness to sign a mutual non-disclosure agreement (NDA) before any further discussions begin.
- **Technical Capabilities**: A report on the solution's ability to provide end-to-end asset management for the medical devices in question, including a high-level description of current capacity as well as the plan for future innovation for the solution.
- **Cost**: RFI response should include a description of the cost to conduct a PoC to fully demonstrate the capacity of the solution to meet the Client requirements.
- **Schedule**: Describe how the supplier has developed, integrated, and/or deployed technology to solve other problems that are similar in nature and provide an estimated timeline for this project.
- **Past Performance**: Experience in delivering any relevant technological solutions.

**All responses and questions should be directed to [catalyst@wellstar.org](mailto:catalyst@wellstar.org).**

## Timeline

---

To manage all stakeholder's time, will not accept any calls while responses are being collected. Any questions submitted will be disclosed to all participants during response times.

Catalyst reserves the right to adjust the timeline as needed.

- **April 22**: Catalyst to hold a closed webinar to answer questions submitted by prospective vendors with reference document posted afterwards for all vendors.
  - **April 30**: Vendors submit final RFI proposal / response.
  - **May 14**: Wellstar to select finalists for proofs of concept demonstration.
  - **May 31 – June 3**: Proofs of concept / demonstrations conducted.
  - **June 10**: Wellstar to select pilot vendor.
  - **June 13**: Begin initial background work for pilot implementation.
- 
-

## Intellectual Property (IP)

---

All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how and other confidential information, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "Intellectual Property Rights") in and to all products, documents, work product and other materials are owned by Wellstar. The vendor will not acquire any ownership interest in any of the Intellectual Property Rights.

## Frequently Asked Questions (FAQs)

---

### 1. What is a Proof of Concept (PoC)?

- a. A PoC is a demonstration of a vendor's capabilities to solve a real-world enterprise problem. A typical PoC will last one day. It is a great opportunity to showcase products or services with a "real" customer.

### 2. How does the vendor selection process work?

- a. Catalyst conducts a discovery process with due diligence to scope the capabilities that its customer seeks.
- b. Catalyst identifies vendors with products and/or services that address the customer's needs. During this step, the Catalyst team will work directly with potential vendors.
- c. Based on feedback from the Client, Catalyst will short-list those vendors and schedule conference calls to review customer requirements in anticipation of a vendor proposal. Catalyst typically selects up to four vendors from this list to conduct a PoC for the customer.
- d. If the customer decides to move to a pilot stage, or to procurement, the customer will work directly with the vendor(s) it selects, unless the Client authorizes Catalyst to continue in a project management or similar role.

### 3. Will the vendor work with the enterprise customer?

- a. If Catalyst selects a vendor to participate in a PoC, the vendor's representatives will work with the Client directly. During the demonstration, vendor participation should be limited to those personnel necessary to support demonstration, a presenter/spokesperson, and no more than one company executive or salesperson. This is a great opportunity to understand the enterprise context, demonstrate capabilities, and develop a business relationship.

### 4. Who will provide the Nondisclosure agreement (NDA)?



- a. Wellstar will send over a mutual NDA for signature once a response to this RFI is collected via Adobe Sign
  - b. The inability to comply or execute the NDA in a reasonable timeframe will result in a dismissal of the vendor from the selection process
- 5. Where should any additional questions about the PoC process or this RFI be directed?**
- a. The Catalyst by Wellstar team can be reached via email at [catalyst@wellstar.org](mailto:catalyst@wellstar.org).