**Negotiation for Health Briefings**

Note that these briefings reflect different viewpoints so please only let each role playing participant see one briefing note. It is up to them to exchange information and concerns and arrive at an agreement that meets everyone’s needs. This exercise takes about 1 ½ to 2 ½ hours there is no right answer but some will arrive at better resolutions. Those not directly role playing should take on the role of observers they may see all the briefing notes.

**Negotiation for Health: Regional Director of PH**

As director of Public Health for the Zim Region you have been instructed to modernise the PH Laboratory Services.  You cannot find a way of raising the investment required for this except by contracting out the services.

You have gone through a tendering process and selected Zim University Hospital Laboratory (ZUHL) as the bidder most likely to provide the services at a cost less than that your current in-house service with faster response times and higher quality. It was also slightly cheaper than a bid by an international company.

You have accepted their financial and technical bid based on preliminary estimates of the volume of testing that will be required and an assumption included in the specification that samples would be delivered to the laboratory by 2pm each day.  However, it now appears that you will not be able to arrange delivery until the following morning. You require a six hour process time for urgent tests.

At the same time you have been reviewing the sampling and testing regime for water and food safety programmes.  This has led you to reduce the level of water quality testing by 10% but increase the level of food sampling and testing by 10%.  You are aware that laboratory tests for food samples are four times as expensive as water quality testing, but you have very little additional funding.

You told both ZUHL and the international company of these changes in contract terms the international company said they would have no problems with the changes but ZUHL said it presented major problems and asked for a meeting.

The Minister of Health has told you that getting laboratory services modernised is essential and that only by contracting out will you be able to achieve this.  If you do not find a solution to this you are likely to be replaced.

You understand that if the contract does not go to Zim University Hospital it would be very difficult for them to renew their services as it is only by combining services that they will be able to raise the finances required for a new laboratory with all the equipment required for both the hospital and PH testing.

The second placed bidder is an international company that proposes to develop a new site and invest in new equipment, it would greatly reduce staff numbers and is also likely to compete to provide hospital laboratory services.

You plan that the money raised by the sale of premises vacated by the PH laboratories will make it possible to modernise other aspects of PH services. These premises include one large laboratory in the grounds of Zim University Hospital.

**Negotiation for Health: Finance Director PH**

You proposed the policy of contracting out PH Laboratory Services, largely because you could not persuade the director of laboratory services to make efficiency savings, by reducing staff and duplication of services.  Without improved efficiency it was impossible to raise funds for reinvestment in premises and equipment.

You are aware that accepting the ZUHL bid is a sort of compromise aimed at saving as many jobs as possible, personally you would have preferred the bid from the international company which was only 10% more expensive.

You are forbidden by law from revealing the bid of other contractors, however, if ZUHL becomes more expensive you will have to revert to the international company bid and you can indicate this. Of course the ZUHL team may think you are bluffing.

The change in test volumes and timings are a legitimate change in the specification since the original figures in the specification drawn up by your department include provision for possible changes in these details.

Local laboratories each have a manager and assistant and management at this level is excellent, however, it is also clear that the current overhead cost in laboratory services is excessive and is one cause for the high costs.

Everyone is aware of the additional income from contracts with the private sector, these contracts need to be priced at the same level as public sector contracts, as technically it will be illegal to sell services to the public sector at higher prices than applied to the private sector.

The budget for this year is now entirely committed and you do not see any possibility of increasing funding for laboratory services.

**Negotiation for Health: PH Laboratory Director**

You disagree with the policy of contracting out PH Laboratory Services.

You have been promised a post as director when the service is transferred to Zim University Hospital Laboratory (ZUHL) and you will lose your job if the contract goes to the international company who are second placed.

You do not believe that ZUHL can maintain quality standards without the transfer of staff to key senior positions, as you believe the skills required to manage and run PH laboratories are quite different from those needed in hospital laboratories.

You have made a commitment to staff that their jobs are safe as a result of this change, this was supported by the Regional Director of Public Health, who said it was a basic principle to care for staff.  You are aware that it would also create a lot of political embarrassment if jobs were lost and this could hold up the project.

The new Minister of Health has been a friend of your family for many years and you are confident she will support you.  You would have the support of staff if you asked them not to cooperate with a policy you believe would harm services.

You are also aware that a lot of retraining will be required to modernise services.

Currently PH laboratory services are provided from 10 small local laboratories and one large laboratory, which happens to be in the grounds of Zim University Hospital but is not in any way controlled by them.

You had hoped to raise funds to modernise and centralise the PH laboratory but this proved impossible your cost projections are 25% higher than the tenders.

PH laboratories also obtain funding from contracts with the private sector this is because they sell services at the marginal cost of tests.  This additional source of funding has not been accounted for in the contracts.

The change in the number of tests has arisen from a review of health risks, previous test volumes were determined by the capacity of the laboratories.

The reason for the change in time of delivering samples to the laboratory is because the van used to collect and deliver cannot get round all the local PH offices in time for an afternoon delivery.

The reason for the six hour time limit for processing samples is that in a small number of cases food premises sample analysis will lead to prosecution the time from sampling to processing must be less than 24 hours in total.

**Negotiation for Health: Director Zim University Hospital**

You are the Director of Zim University Hospital a large 800 bed hospital with links to Zim University Medical School for teaching and research.  Your hospital has faced large scale changes over the past ten years, it is short of money and staff, (particularly good managers), and its buildings and equipment require renewal, (particularly the laboratories)

You see the chance to operate Public Health laboratory services as a major opportunity to reinvest in new buildings and equipment and to bring in a stronger management team for laboratory services.  You are also anxious to avoid a private sector competitor who could “cherry pick” the most profitable laboratory services both from PH and from other laboratory services.

You asked your directors of Finance and Laboratory Services to make every effort to put in a bid to win this contract but with safeguards to ensure ZUHL will not lose money on the contract.

You are disappointed to hear from your directors that the last minute changes put forward by the Public Health Department will put the whole contract in jeopardy.

Your first reaction is to insist you won the contract on the terms put forward in the specification and that you will proceed on this basis and negotiate any change in terms next year.

**Negotiation for Health: Director ZUH Laboratories**

You are the Director of Zim University Hospital Laboratories operating a full range of pathology, microbiology, haematology, chemistry, cytology and endocrinology. Your laboratories also act as national reference laboratories for certain specialised fields.

However, you have to admit that in recent years the reputation of the laboratories has declined and you have found it difficult to recruit good staff at management and technician levels. This is partly due to the poor state of buildings and equipment.

You welcome the opportunity to operate PH laboratory services as income from this source and in particular private income sources will enable you to raise financing to renew your laboratory buildings and equipment.

The opportunity to take on staff from the current PH laboratories will also be useful but there will be problems, while you have some management positions open you cannot absorb the ten Assistant Directors from local PH laboratories, though they would be welcome as technical staff.

There are also great differences in management and technical operations between PH and hospital laboratories and a lot of retraining would be required.

The recent changes to the specification, which mean that samples will not be delivered each afternoon but on the following morning, make the plan you had to operate the laboratories impossible. Basically you had planned to log in samples using common intake procedures and computer systems but most hospital test requests are logged and batched late morning after teaching rounds and the afternoon tends to be less busy except for urgent samples for which there are separate procedures. Changing the delivery time of PH samples means that two separate intake teams will be required and makes it much more difficult to share and train technical staff. You planned to operate an afternoon shift to make this easier.

You would have been happy to see the current Director of PH Laboratories transfer to head up the department at ZUHL on condition that there was cooperation on the staffing and operation of the new laboratory. You certainly do not see this as any part of a deal for the contract. On the basis of the current last minute changes perhaps it would be better to find another director for your new services.

**Negotiation for Health: Finance Director ZUH**

As Director of Finance your team led the preparation of the bid for the contract to provide PH laboratory services for the region.

You were asked to try as hard as possible to win the contract but to make sure ZUH would not lose money.

The contract is very tight and you will need to improve the efficiency of the operation if it is to be viable. This means reducing staffing and overhead levels. You hope to get agreement to this from whoever will be the new director of PH laboratories within ZUHL.

If you make staff redundant in the course of taking over the contract funding will be provided from central government to provide some compensation to staff, however, this is likely to create political problems and delays.

The change in test volumes now proposed will increase costs by 7% and the change in the timing of the operation will at a rough estimate increase costs by a further 7%. You therefore hope to increase your contract price by 15% to reflect the change in specification.

**Negotiation for Health: Observers**

This exercise is as much about negotiation within teams as it is between teams. You should look through the whole of the briefing pack and you will see some obvious points of positional power and points of common interest. Tick items each time they are referred to. In reporting back try to answer the following:

Are the teams well managed is it clear who is chairing the meeting?

How well does each team develop its own agenda, do they get organized?

How well does the team exchange information, do they listen to each other?

Do they understand the issues and options, do they arrive at a common position?

How well do they plan their time do they have a plan for the negotiation process?

Do they negotiate on position or principle, or do you see a mix of these factors?

If the negotiate from principle, what are these principals?

Are the public considered at all or is this all about PH staff interests?

What about the “international company” are their rights respected?