

MD Buyline Member Hospital

Vendor: Medical Capital Vendor
Dealer:
Technology: CT Scanner - CT Simulation
Model: Model A

Requested By: Director of Radiology

Quote Number: 12345
Quote Date: 5/19/2009
Tracking #: 1008103

May 26, 2009

The Bottom Line

There are FDA actions related to this vendor and/or technology. Links directly to the FDA action are provided at the end of this analysis. There may also be analyst comments regarding the FDA action included. Please be sure to review this information.

| Equipment | List Price | Purchase Price | Overall Discount | Recommend | Identified Savings |
|----------------------------|----------------|----------------|------------------|-----------|--------------------|
| CT Scanner - CT Simulation | \$1,262,595.00 | \$800,282.00 | 36.62% | 40.47% | \$48,659.20 |

I have included the additional 6- month warranty as indicated on this quote.

Based on the discount information below I recommend negotiating to the 40.47% discount level.

The options are quoted list price to 32% off list price. Target all options to be discounted at the same negotiated discount as the base system, minimum 40.47%. You can also lock in the pricing to the same negotiated discount on future options you may purchase up to 24-months after the sale.

Considerations to be included at no charge:

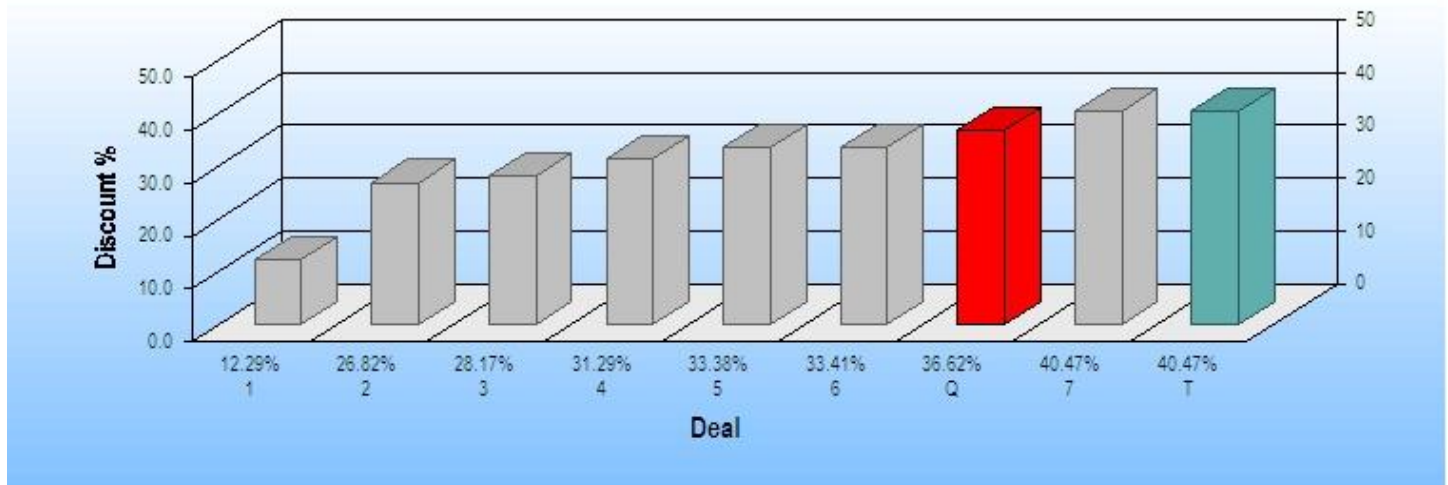
- Additional one-week applications training (\$5,000 - \$6,000)
- Tube during the warranty period (\$60,000)
- If applicable, interim mobile CT service (\$1,000 - \$2,500 per day, model specific)

I recommend negotiating a 4-5 year service contract at point of sale. Negotiating the service support contract with the purchase can lower your operating costs \$10,000 per year over a contract negotiated at warranty expiration. Negotiating after a system has already been purchased can significantly reduce your leverage. A multiple year service contract will provide additional value as these contracts are typically priced lower. With a multiple year contact, you will want to negotiate paying on a yearly basis. In addition, you will want the option to change contract levels depending on the performance of your system or renegotiate price depending on quality of service.

June 30th is the vendor's Q3 end and the best time to negotiate as they are trying to meet sales projections and close their books. Aggressive negotiations should afford you additional discounting.

With the upcoming 2009 conferences, new products and enhancements will be 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 MD Buyline'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 | \$1,482,086.00 | 12.29% | \$1,300,000.00 | 5/27/2008 | Model A | Payment terms are 10-80-10 Upon Complete Installation. Pricing contingent upon 5 -year POS service agreement. There is no stated reason for this discount. |
| 2 | \$1,135,387.00 | 26.82% | \$830,863.00 | 4/22/2009 | Model A | Payment terms are 0-90-10 Upon Complete Installation. Novation group discount applies. Includes additional shipping costs. |
| 3 | \$1,837,614.00 | 28.17% | \$1,320,000.00 | 6/5/2008 | Model A | Payment terms are 10-90-10 Upon Complete Installation. Trade in excluded. Novation group discount applies. Includes non-obsolescence upgrade; Requires 4-year POS service agreement; equipment removal and disposal of existing system; options at no charge and additional rigging costs. |
| 4 | \$1,316,307.00 | 31.29% | \$904,425.00 | 9/26/2008 | Model A | Payment terms are 10-80-10 Upon Complete Installation. Includes standard rigging and additional rigging costs. There is no stated reason for this discount. |

| Deal | List Price | Disc % | Quoted Price | Date | Model | Comments |
|------|----------------|--------|----------------|-----------|---------|--|
| 5 | \$1,219,586.00 | 33.38% | \$812,500.00 | 6/13/2008 | Model A | Payment terms are 10-80-10 Upon Complete Installation. Requires 5-year POS service contract. Includes additional rigging costs. |
| 6 | \$1,581,224.00 | 33.41% | \$1,052,886.00 | 8/15/2008 | Model A | Payment terms are 10-80-10 Upon Complete Installation. MedAssets group discount applies. Includes standard and additional rigging costs. |
| 7 | \$1,170,081.00 | 40.47% | \$696,539.00 | 2/20/2009 | Model A | Payment terms are 0-90-10 Upon Complete Installation. The following items are bundled: 6- imaging systems. Other group discount applies. An 18 month warranty is included. Includes standard and additional rigging costs. |

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