

20 December 2001

Dear Supplier

INVITATION TO TENDER – SOLE SUBSIDISED SUPPLY OF PHARMACEUTICALS

PHARMAC invites tenders for the sole subsidised supply of certain pharmaceuticals in New Zealand.

This invitation to tender incorporates the following schedules:

- (a) Schedule 1 sets out the definitions used in this invitation;
- (b) Schedule 2 specifies the pharmaceuticals for which you may submit a tender bid;
- (c) Schedule 3 describes the process PHARMAC intends to follow in relation to this tender, and provides instructions on how to submit a tender bid;
- (d) Schedule 4 sets out the forms you must use if you wish to submit a tender bid;
- (e) Schedule 5 sets out the terms that will apply if your tender bid is accepted;
- (f) Schedule 6 sets out the additional terms that will apply if your accepted tender bid includes a foreign exchange bid; and
- (g) Schedule 7 sets out the terms that will apply if PHARMAC accepts your bid for back-up supply.

If you wish to submit a tender bid, you must submit it to PHARMAC no later than 5.00 pm (New Zealand time) on Monday, 4 March 2002.

If you have any inquiries about this invitation you should contact Matthew Perkins or Sarah Schmitt at PHARMAC.

We look forward to receiving your tender.

Yours sincerely

Wayne McNee
Chief Executive

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Schedule 1: Definitions and interpretation

1. Definitions

In this Invitation:

Aggregated Tender Bid means a Tender Bid that is specified to be an Aggregated Tender Bid and that includes more than one Tender Item of the same Chemical Entity that PHARMAC is to consider in aggregate;

Agreement means Schedule Five and includes, to the extent applicable, the other Schedules comprising the Invitation;

Alternative Pharmaceutical means an alternative brand of the Pharmaceutical that PHARMAC considers at its sole discretion to be an acceptable substitute for a Pharmaceutical;

Back-up Supply Bid means a bid for Back-up Supply Status for a particular Tender Item;

Back-up Supply Status means the status of being the back-up supplier of a particular Tender Item in the event that Sole Supply Status for that Tender Item is suspended under **clause 2.4** of Schedule Five;

Back-up Supply Submission Form means the form on which you must submit your Back-up Supply Bid, and which is attached to the Offer Letter, as set out in Schedule Four;

Base Exchange Rate means the average of the Reserve Bank Quote over 10 consecutive trading days ending:

- (a) in the case of an unconditional acceptance of your Tender Bid, 15 days prior to the date that PHARMAC's board of directors (or chief executive, where applicable) determines to accept your Tender Bid; or
- (b) in the case of acceptance of your Tender Bid being conditional on you obtaining market approval for the Pharmaceutical, on the date on which such market approval is notified in the New Zealand Gazette;

Base Price means, where your Foreign Exchange Bid has been accepted, the price ex-manufacturer (exclusive of GST) for the Pharmaceutical, as calculated and notified to you by PHARMAC in accordance with **clause 2?** of Schedule Six;

Calculated Price is as defined in **clause 2** of Schedule Six;

Chemical Entity means any pharmaceutical that contains, and is described generically according to, the relevant active ingredient specified in Schedule Two;

Confidential Information means all information exchanged between us under this Invitation or in relation to your Tender Bid, including during all negotiations relating to your Tender Bid;

Consents means all consents, permits, licences and authorisations, whether statutory or otherwise, required for the supply of the Tender Item in New Zealand (including Ministry of Health market approval);

Crown Direction means any ministerial direction given to PHARMAC under section 65 of the New Zealand Public Health and Disability Act 2000;

Date of an Exchange Rate Price Review means 30 June 2003 and 30 June 2004.

Deadline means 5:00 pm, Monday, 4 March 2002 (New Zealand time);

District Health Board (or DHB) has the same meaning as in the New Zealand Public Health and Disability Act 2000;

End Date means the last day of the Sole Supply Period, being 30 June 2005;

Evaluation Committee means a committee established by PHARMAC to evaluate Tender Bids;

Exchange Rate Average means the average of the Reserve Bank Quote, over the period:

- (a) for the first Exchange Rate Price Review, from the date on which the Base Exchange Rate is determined until the first occurring 30 June after that date; and
- (b) for any subsequent Exchange Rate Price Review, from the date on which the last Exchange Rate Price Review occurred until the date of the next Exchange Rate Price Review;

Exchange Rate Price Review means the review of the Base Price or the Reviewed Price, as applicable, in accordance with **clause 3** of Schedule Six;

First Transition Period means the period of three calendar months beginning on the first day of the month following the date on which PHARMAC notifies the market that a Tender has been accepted for a Tender Item (or such longer period as PHARMAC determines under **clause 1.2** of Schedule Three);

Foreign Exchange Bid means a Tender Bid that specifies a price in a Permitted Currency;

Funder means the body or bodies responsible, pursuant to the New Zealand Public Health and Disability Act 2000, for the funding of pharmaceuticals listed on the Pharmaceutical Schedule (which may be one or more District Health Boards and/or the Ministry of Health) and their successors;

IMM means interchangeable multi-source medicine, as defined by the New Zealand Medicines and Medical Devices Safety Authority (**Medsafe**);

Initial Period is as defined in **clause 5** of Schedule Six;

Invitation means this invitation to tender and includes the cover letter and each of the Schedules;

Offer Letter means the letter of offer to which your Tender Submission Form(s) and/or Back-up Supply Submission Form(s) must be attached, in the form set out in Schedule Four;

OPPs means PHARMAC's then current Operating Policies and Procedures;

Permitted Currency means either United States dollars, the euro, pounds sterling, Australian dollars or Japanese yen;

Pharmaceutical means the relevant Tender Item for which you have submitted, and PHARMAC has accepted, a Tender Bid;

Potential Out-of-Stock Event means:

- (a) your stock of the Pharmaceutical falls below one-sixth of the Unit Volume;
- (b) your stock of the Pharmaceutical falls below two-thirds of your most recent three months' total Unit sales of the Tender Item; or
- (c) your forecast of sales demand in respect of the next two-month period is greater than your stock of the Pharmaceutical;

Price means the price ex-manufacturer (exclusive of GST) at which the Pharmaceutical is to be supplied, or made available for supply, by you to wholesalers and other such distributors, and at which the Pharmaceutical is to be subsidised by the Funder, being either:

- (a) the price specified in your successful Tender Submission Form or Back-up Supply Submission Form (as applicable), unless there has been a subsequent price change in accordance with the terms of the Invitation, in which case the Price will be the price notified to you by PHARMAC upon acceptance of your Tender Bid; or
- (b) in the case of a Foreign Exchange Bid, a price determined and notified in accordance with Schedule Six;

PTAC means the Pharmacology and Therapeutics Advisory Committee;

Reserve Bank Quote means the exchange rate between New Zealand dollars and the Permitted Currency in which you made the Foreign Exchange Bid, being the mid rate of the buy and sell quotes for that exchange rate quoted by the Reserve Bank of New Zealand on the days on which the New Zealand dollar and the Permitted Currency are traded, expressed as the value of one New Zealand dollar in Permitted Currency units (e.g. NZ\$1.00 = US\$0.43);

Reviewed Price is as defined in **clause 4** of Schedule Six;

Risk Sharing Percentage means, in respect of each Tender Item for which you submit a Foreign Exchange Bid, the percentage value of the exchange rate risk (between 1% and 100%) that you agree to share with PHARMAC for that Tender Item. For example, if you specify an 80% Risk Sharing Percentage, you agree that 80% of the price at which you supply the Tender Item may change in response to foreign exchange movement and 20% of the price will not change, in accordance with the terms in Schedule Six;

Second Transition Period means the period of three calendar months beginning on the day after the expiry of the First Transition Period (or such longer period as PHARMAC determines under **clause 1.2** of Schedule Three);

Sole Supply Period means the period beginning on the day after the expiry of the Second Transition Period and ending on 30 June 2005;

Sole Supply Status means the status of being the sole subsidised supplier of the particular Tender Item (i.e. the sole brand of the Tender Item listed on the Pharmaceutical Schedule) for the Sole Supply Period;

Tender Bid means the Offer Letter together with the Tender Submission Form submitted for a particular Tender Item;

Tender Item means the form and strength of a Chemical Entity (or entities, if applicable) for which you may submit a Tender Bid (and in the case of combined oral contraceptives includes the pack size of that Chemical Entity, e.g. Norethisterone with Mestranol 21 pack is a separate Tender Item from Norethisterone with Mestranol 28 pack);

Tender Submission Form means the form on which you must submit your bid for each Tender Item and which is attached to the Offer Letter, as set out in Schedule Four;

Third Transition Period means the period of three months beginning on the day after the expiry of the Sole Supply Period;

Transition Periods collectively refers to the First, Second and Third Transition Periods;

Unit means an individual unit of a Tender Item (e.g. tablet, 1ml of an oral liquid, ampoule, syringe);

Unit Subsidy means the subsidy specified for that Tender Item in the Pharmaceutical Schedule, divided by the number of Units in the pack specified in the Pharmaceutical Schedule as being the subsidised pack size for that Tender Item (and where that Tender Item is not listed on the Pharmaceutical Schedule, the subsidy and pack size specified in the most recent issue of the Pharmaceutical Schedule published prior to that Tender Item being delisted); and

Unit Volume means the approximate number of Units of the Tender Item subsidised by PHARMAC, and claimed for by community pharmacies, in one year, as specified in Schedule Two.

2. Interpretation

In the construction of this Invitation, unless the context otherwise requires:

- (a) a reference to a clause or a Schedule is a reference to a clause of, or a Schedule to, this Invitation;
- (b) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after the date of this Agreement);
- (c) the singular includes the plural and vice versa;
- (d) the word person includes an individual, a body corporate, an association of persons (whether corporate or not), a trust, a state and an agency of state, in each case, whether or not having a separate legal personality;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes, (including, but not limited to, persons taking by novation) and permitted assignees;
- (f) words importing one gender include the other genders; and
- (g) headings in this Agreement are for convenience only and have no legal effect.

Schedule 2: Products to be tendered

1. Information about Tender Items

1.1 List of Tender Items

This Schedule sets out the Tender Items and information about the Tender Items. While PHARMAC has taken all reasonable care in preparing the information contained in this Schedule, it accepts no liability for any errors or omissions in the information.

1.2 Patents

- (a) Where possible, PHARMAC has identified Tender Items that it understands may be the subject of a patent that it believes is due to expire after 4 March 2002.
- (b) Where PHARMAC has been advised of the existence of a process patent prior to sending out this Invitation, it has shown this in the attached list by the use of a + symbol.
- (c) However, PHARMAC makes no representation as to the patent status of the Tender Items and accepts no liability for any patent infringement that might occur as a result of this tender process or PHARMAC's acceptance of a Tender Bid, including infringement of process patents.

1.3 Unit Volume and market value figures

- (a) Except where indicated otherwise the Unit Volume figures are based on the year ending 31 August 2001.
- (b) Market value figures are expressed as the number of Units subsidised in the year ending 31 August 2001, multiplied by the Unit Subsidy as at 1 December 2001.
- (c) The figures referred to in paragraphs (a) and (b):
 - (i) are approximate and indicative only. PHARMAC makes no representation as to the accuracy of these figures or as to the level of sales or likely sales of any Tender Item. In particular, if these figures change at any time during the period from PHARMAC's pre-tender consultation until decisions have been made about the acceptance of Tender Bids for all Tender Items, PHARMAC is not obliged to notify you of any such change; and
 - (ii) do not include DHB volumes.

1.4 Subsidies

- (a) The level at which each Tender Item is specified in the attached list as being subsidised per Unit is as at 1 December 2001.
- (b) Subsidies of Tender Items may change before a Tender Bid is accepted.
- (c) Where a * symbol is indicated next to the Unit Subsidy, there is no fully funded product available for that Tender Item as at 1 December 2001.

1.5 **Special terms**

Where there are any special terms relating to a particular Tender Item, those terms are indicated in the column entitled "Comments" in the list.

1.6 **Tender Items subject to sole/preferred supply arrangements**

Where a Tender Item is underlined, that item is subject to a sole or preferred supply contract as at the date of this Invitation. Accordingly, the subsidy for those items is fixed until 30 June 2002 (unless otherwise indicated) and, for items that are the subject of a sole supply contract, the listing of a new brand could only occur after that date.

1.7 **Current restrictions**

Where a # symbol is indicated, that Tender Item is subject to restrictions or special criteria as specified in the Pharmaceutical Schedule.

1.8 **Back-up supply**

Where a ^ symbol is indicated, you may submit a Back-up Supply Bid in accordance with **clause 8.1** of Schedule Three.

1.9 **IMM status**

Where a ✓ symbol is indicated, your brand of the relevant Chemical Entity for which you submit a bid must have IMM status.

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
ALIMENTARY TRACT AND METABOLISM				
Antacids and Antiflatulants				
Antacids and Reflux Barrier Agents				
Alginic Acid				
Sodium alginate 225mg and magnesium alginate 87.5mg per sachet	1,590,692	\$0.1500	\$238,604	
Tab 500 mg with magnesium trisil 25 mg, aluminium hydroxide gel, dried 100 mg, and sodium bicarbonate 170 mg - peppermint flavour	1,383,003	\$0.0300	\$41,490	*
Calcium Carbonate				
Tab 420 mg and aminoacetic acid 180 mg with or without dimethicone 21 mg	2,983,642	\$0.0300	\$89,509	
Polysiloxane				
Tab aluminium hydroxide 250 mg with magnesium trisil 120 mg, magnesium hydroxide 120 mg and polysiloxane 10 mg	65,111	\$0.0300	\$1,953	*
Simethicone				
Oral liq aluminium hydroxide 200 mg with magnesium hydroxide 200 mg and activated simethicone 20 mg per 5 ml	26,044,589	\$0.0030	\$78,134	*
Tab aluminium hydroxide 200 mg with magnesium hydroxide 200 mg and activated simethicone 20 mg	1,025,163	\$0.0150	\$15,377	*
Sodium Alginate				
Oral liq 500 mg with sodium bicarbonate 267 mg per 10 ml	13,192,303	\$0.0030	\$39,577	*
Phosphate Bindng Agents				
Aluminium Hydroxide				
Tab 600 mg	358,049	\$0.1256	\$44,971	
Antidiarrhoeals				
Agents Which Reduce Motility				
Codeine Phosphate				
Tab 15 mg	1,032,233	\$0.0760	\$78,450	
Tab 30 mg	5,685,132	\$0.1060	\$602,624	
Tab 60 mg	723,993	\$0.2010	\$145,523	*
Diphenoxylate Hydrochloride with Atropine Sulphate				
Tab 2.5 mg with atropine sulphate 25 mcg	685,828	\$0.0668	\$45,813	
Rectal and Colonic Anti-inflammatories				
Hydrocortisone Acetate				
Rectal foam 10 %, CFC-free	171,259	\$0.9033	\$154,701	Subsidy per 21.1g OP Pack.
Olsalazine				
Cap 250 mg	273,958	\$0.4500	\$123,281	#
Tab 500 mg	212,616	\$0.8550	\$181,787	#
Prednisolone Sodium Phosphate				
Enema 20 mg 100 ml	45,336	\$2.4757	\$112,239	
Sulphasalazine				
Enema 3 g per 100 ml	506	\$5.3429	\$2,703	#
Suppos 500 mg	4,086	\$0.6990	\$2,856	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
ALIMENTARY TRACT AND METABOLISM				
Sulphasalazine				
<u>Tab 500 mg</u>	404,192	\$0.1110	\$44,865	
<u>Tab EC 500 mg</u>	5,526,337	\$0.1242	\$686,371	
Antihaemorrhoidals				
Rectal Sclerosants				
Oily Phenol				
Inj 5%, 5 ml	873	\$14.3420	\$12,521	
Soothing Agents				
Zinc Oxide				
Oint zinc oxide with balsam peru	62,450	\$0.0900	\$5,621	*
Suppos zinc oxide with balsam peru	33,103	\$0.3725	\$12,331	*
Antispasmodics and Other Agents Altering Gut Motility				
Antispasmodics and Other Agents Altering Gut Motility				
Atropine Sulphate				
Inj 1200 mcg 1 ml	3,623	\$0.6860	\$2,485	Currently available on PSO
Inj 400 mcg 1 ml	1,228	\$0.6960	\$855	Currently available on PSO
Inj 600 mcg 1 ml	65,393	\$0.5680	\$37,143	Currently available on PSO
Cisapride				
Oral liq 1 mg per ml	935,112	\$0.0963	\$90,051	# √
Tab 10 mg	1,079,314	\$0.4000	\$431,726	# √
Tab 5 mg	437,072	\$0.2500	\$109,268	# √
Dicyclomine Hydrochloride				
Tab 10 mg	439,101	\$0.0481	\$21,121	Currently available on PSO
Tab long-acting 40 mg	348,593	\$0.1300	\$45,317	
Hyoscine N-Butylbromide				
Inj 20 mg 1 ml	43,437	\$1.2300	\$53,428	Currently available on PSO
Tab 10 mg	1,290,592	\$0.0683	\$88,147	*
Mebeverine Hydrochloride				
Tab 135 mg	920,532	\$0.1191	\$109,645	* #
Anti-ulcerants				
Antisecretory and Cytoprotective				
Misoprostol				
Tab 200 mcg	310,828	\$0.4392	\$136,505	#
H2 Antagonists				
Ranitidine Hydrochloride				
Inj 25 mg per ml, 2 ml	2,159	\$1.7500	\$3,778	
Oral liq 150 mg per 10 ml	739,644	\$0.0668	\$49,408	#
Tab 150 mg	15,316,692	\$0.0583	\$892,963	
Tab 300 mg	3,803,008	\$0.2000	\$760,602	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
ALIMENTARY TRACT AND METABOLISM					
Site Protective Agents					
Sucralfate Tab 1 g	128,475	\$0.2958	\$38,007	*	
Tripotassium Dicitratobismuthate Tab 120 mg	112,774	\$0.3393	\$38,263		
Diabetes					
Hyperglycaemic Agents					
Glucagon Hydrochloride Inj 1 mg syringe kit	10,501	\$27.0000	\$283,527	^ #	Currently available on PSO
Oral Hypoglycaemic Agents					
Glibenclamide <u>Tab 2.5 mg</u>	512,123	\$0.0220	\$11,267	√	
<u>Tab 5 mg</u>	2,568,318	\$0.0275	\$70,629	√	
Gliclazide Tab 80 mg	12,195,826	\$0.1576	\$1,922,062	√	
Glipizide <u>Tab 5 mg</u>	10,408,525	\$0.0610	\$634,920	√	
Tolbutamide Tab 500 mg	353,675	\$0.0678	\$23,993	√	
Laxatives					
Bulk-forming Agents					
Mucilaginous Laxatives Dry	44,396,100	\$0.0176	\$781,371		Units in g. A number of different OP packs are subsidised.
Sachets 7 g	7,941	\$0.1233	\$979	*	
Sugar Free	5,700,750	\$0.0176	\$100,333		Units in g. A number of different OP packs are subsidised.
Mucilaginous Laxatives with Stimulants Dry	11,141,050	\$0.0176	\$196,082	*	Units in g. A number of different OP packs are subsidised.
Sachets 7 g	5,815	\$0.1233	\$717	*	
Faecal Softeners					
Docusate Sodium Enema conc 18%	4,100	\$0.0446	\$183	*	
Oral drops 10%	222,630	\$0.1100	\$24,489	*	
Tab 120 mg	978,857	\$0.0395	\$38,665	*	
Tab 50 mg	300,330	\$0.0322	\$9,671	*	
Docusate Sodium with Bisacodyl Suppos 100 mg with bisacodyl 10 mg	6,933	\$0.4400	\$3,051	*	
Paraffin Liquid And Phenolphthalein Emulsion BP 1980	267,865	\$0.0107	\$2,866	*	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
ALIMENTARY TRACT AND METABOLISM				
Osmotic Laxatives				
Magnesium Hydroxide Tab	138,921	\$0.1410	\$19,584	#
Sodium Acid Phosphate Enema 16% with sodium phosphate 8%	27,283	\$2.5000	\$68,208	*
Sodium Citrate with Sodium Lauryl Sulphoacetate <u>Enema 90 mg with sodium lauryl sulphoacetate 9 mg per ml. 5 ml</u>	335,940	\$0.6842	\$229,850	
Stimulant Laxatives				
Bisacodyl Suppos 5 mg	12,963	\$0.3917	\$5,077	*
Tab 5 mg	1,347,455	\$0.0441	\$59,423	
Senna Tab standardised	1,649,088	\$0.0217	\$35,785	*
Minerals				
Calcium				
Calcium Gluconate Inj 10%, 10 ml	542	\$1.9900	\$1,079	*
Calcium Lactate-Gluconate Tab 1 g	2,342,157	\$0.3507	\$821,315	
Fluoride				
Sodium Fluoride Tab 1.1 mg	21,432	\$0.0300	\$643	
Magnesium				
Magnesium Sulphate Inj 49.3%	3,339	\$3.2280	\$10,778	
Zinc				
Zinc sulphate Cap 220 mg	298,546	\$0.0556	\$16,599	*
Mouth and Throat				
Agents Used in Mouth Ulceration				
Benzydamine Hydrochloride Soln 0.15%	461,585	\$0.0180	\$8,309	* #
Chlorhexidine Mouthwash 0.2%	948,200	\$0.0138	\$13,085	
Choline Salicylate with Cetalkonium Chloride Adhesive gel 8.7% with cetalkonium chloride 0.01%	125,790	\$0.1373	\$17,275	*
Sodium Carboxymethylcellulose With pectin and gelatin paste	15,991	\$0.2726	\$4,360	
With pectin and gelatin powder	728	\$0.3029	\$220	*
Triamcinolone Acetonide 0.1% in Dental Paste USP	47,265	\$0.9800	\$46,320	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
ALIMENTARY TRACT AND METABOLISM				
Oropharyngeal Anti-infectives				
Amphotericin B Lozenges 10 mg	187,689	\$0.2255	\$42,324	*
Nystatin Oral liq 100,000 u per ml	987,432	\$0.2042	\$201,600	
Pastilles 100,000 u	359,576	\$0.2250	\$80,905	*
Other Oral Agents				
Mouthwash Solution Tab	42,846	\$0.0285	\$1,221	*
Thymol Glycerin Compound, BPC	541,435	\$0.0146	\$7,905	*
Vitamins				
Vitamin A				
Vitamin A with Vitamin D Cap 4500 iu with Vitamin D 450 iu	423,569	\$0.0289	\$12,241	*
Vitamin A with Vitamins D and C Soln 1000 u with Vitamin D 400 u and ascorbic acid 30 mg per 10 drops	120,640	\$0.4380	\$52,840	* ^
Vitamin B Group				
Pyridoxine Hydrochloride Tab 100 mg	351,590	\$0.0538	\$18,916	* #
Tab 25 mg	239,533	\$0.0340	\$8,144	#
Tab 50 mg	806,844	\$0.0252	\$20,332	* #
Thiamine Hydrochloride Tab 10 mg	16,362	\$0.0336	\$550	*
Tab 25 mg	44,662	\$0.0385	\$1,719	*
Tab 50 mg	716,811	\$0.0418	\$29,963	*
Vitamin D				
Alfacalcidol Cap 0.25 mcg	143,340	\$0.2632	\$37,727	#
Cap 1 mcg	31,069	\$0.8798	\$27,335	#
Oral drops 2 mcg per ml	7,000	\$3.0340	\$21,238	#
Calciferol Tab 50,000 iu	45,235	\$1.0542	\$47,687	#
Calcitriol Cap 0.25 mcg	5,820,668	\$0.5263	\$3,063,418	#
Cap 0.5 mcg	525,762	\$0.8798	\$462,565	#
Oral liq 1 mcg per ml	1,410	\$3.9400	\$5,555	#
Vitamin E				
Alpha Tocopheryl Acetate Water solubilised soln 156 iu/ml, with calibrated dropper	37,700	\$0.2700	\$10,179	#

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
BLOOD AND BLOOD FORMING ORGANS					
Antianaemics					
Iron Therapy					
Ferrous Gluconate					
Oral liq 300 mg per 5 ml	3,581,081	\$0.0437	\$156,493	^	
Tab 300 mg	4,436	\$0.0000	\$0		No product currently subsidised
Ferrous Sulphate					
Tab long-acting 325 mg	5,386,015	\$0.0337	\$181,686	*	
Ferrous Sulphate with Folic Acid					
Tab long-acting 325 mg with folic acid 350 mcg	818,865	\$0.0601	\$49,241	*	
Iron Polymaltose					
Inj 50 mg per ml 2 ml	16,433	\$7.7940	\$128,079		
Megaloblastic					
Folic Acid					
Inj 15 mg per ml 1 ml	97	\$2.2000	\$213	* ^	
Oral liq 50 mcg per ml	11,000	\$0.7400	\$8,140	#	
Hydroxocobalamin					
Inj 1 mg per ml, 1 ml	116,549	\$0.9333	\$108,779	* ^	
Antifibrinolytics, Haemostatics and Local Sclerosants					
Antifibrinolytics, Haemostatics and Local Sclerosants					
Aprotinin					
Inj 10,000 mcg per ml 50 ml	46	\$63.6000	\$2,926	#	
Sodium Tetradecyl Sulphate					
Inj 0.5% 2 ml	8	\$4.6400	\$37	*	
Inj 1% 2 ml	63	\$5.0000	\$315	*	
Inj 3% 2 ml	65	\$5.7000	\$371	*	
Vitamin K					
Menadione Sodium Bisulphite					
Tab 10 mg	104,255	\$0.0475	\$4,952	^	
Phytomenadione					
Inj 10 mg per ml, 1 ml	1,581	\$1.8420	\$2,912		Currently available on PSO
Inj 2 mg per 0.2 ml	6,106	\$1.6000	\$9,770		Currently available on PSO
Tab 10 mg	11,551	\$0.5600	\$6,469		
Antithrombotic Agents					
Antiplatelet Agents					
Aspirin					
Tab 300 mg	934,310	\$0.0216	\$20,181		Currently available on PSO
Tab, soluble 300 mg	13,166,367	\$0.0216	\$284,394	*	
Dipyridamole					
Cap long-acting 150 mg	4,313,954	\$0.0130	\$56,081	* #	Tab and cap tendered as one line item.
Tab 25 mg	210,175	\$0.0021	\$441	* #	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
BLOOD AND BLOOD FORMING ORGANS					
Dipyridamole Tab long-acting 150 mg	192,221	\$0.0130	\$2,499	* #	Tab and cap tendered as one line item.
Heparin and Antagonist Preparations					
Heparin Sodium					
Inj 1,000 iu per ml, 35 ml	2,402	\$7.2500	\$17,415	^	
Inj 1,000 iu per ml, 5 ml	7,332	\$1.3360	\$9,796	^	
Inj 25,000 iu per ml, 0.2 ml	7,109	\$1.5000	\$10,664	^ #	
Inj 25,000 iu per ml, 5 ml	387	\$11.7280	\$4,539	* ^ #	
Inj 5,000 iu per ml, 1 ml	24,937	\$1.9200	\$47,879	^	
Inj 5,000 iu per ml, 5 ml	10,395	\$2.7730	\$28,825	^	
Heparinised Saline					
Inj 10 iu per ml, 5ml	21,233	\$0.4600	\$9,767		
Inj 100 iu per ml, 5 ml	2,322	\$1.9300	\$4,481		
Protamine Sulphate					
Inj 10 mg per ml, 5 ml	11,122	\$2.2400	\$24,913	*	
Fluids and Electrolytes					
Intravenous Administration					
Dextrose					
Inj 50%, 10 ml	5,590	\$1.0560	\$5,903	* ^	Currently available on PSO
Potassium Chloride					
Inj 150 mg per ml, 10 ml	11,827	\$0.6100	\$7,214	^	
Inj 75 mg per ml, 10 ml	17,244	\$0.6032	\$10,402	^	
Sodium Bicarbonate					
Inj 8.4% 10 ml	4,411	\$2.0120	\$8,875		
Inj 8.4% 100 ml	6,065	\$10.8000	\$65,502		
Oral Administration					
Calcium Polystyrene Sulphonate					
Powder	141,105	\$0.4718	\$66,573	^ #	
Compound Electrolytes					
Powder for soln for oral use 5 g	569,778	\$0.5520	\$314,517		Currently available on PSO
Dextrose with Electrolytes					
Soln with electrolytes	54,984,622	\$0.0069	\$378,294	^	
Potassium Bicarbonate					
Tab 315 mg with sodium acid phosphate 1.937 g and sodium bicarbonate 350 mg, effervescent	43,641	\$0.5000	\$21,821	#	
Potassium Chloride					
Tab 548 mg (14 m eq) with chloride 285 mg (8 m eq) effervescent	515,882	\$0.0877	\$45,243	*	
Tab long-acting 600 mg	14,033,837	\$0.0246	\$345,513		
Sodium Polystyrene Sulphonate					
Powder	155,849	\$0.1980	\$30,858	#	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
BLOOD AND BLOOD FORMING ORGANS				
Lipid Modifying Agents				
Fibrates				
Bezafibrate Tab 200 mg	4,718,843	\$0.1111	\$524,263	
Gemfibrozil Cap 300 mg	3,212,004	\$0.0958	\$307,710	
HMG CoA Reductase Inhibitors (statins)				
Fluvastatin Cap 20 mg	506,659	\$0.4310	\$218,370	#
Cap 40 mg	517,976	\$0.9000	\$466,178	#
Pravastatin Tab 10 mg	11,470	\$0.2633	\$3,020	* #
Tab 20 mg	62,173	\$0.5320	\$33,076	* #
CARDIOVASCULAR SYSTEM				
Agents affecting the Renin-Angiotensin system				
ACE Inhibitors with Diuretics				
Captopril with Hydrochlorothiazide Tab 25 mg with hydrochlorothiazide 15 mg Tab 50 mg with hydrochlorothiazide 25 mg	17,232	\$0.3153	\$5,434	*
Enalapril With Hydrochlorothiazide Tab 20 mg with hydrochlorothiazide 12.5 mg	265,217	\$0.1107	\$29,351	*
Lisinopril with Hydrochlorothiazide Tab 20 mg with hydrochlorothiazane 12.5 mg	20,195	\$0.3567	\$7,203	*
Angiotension Converting Enzyme (ACE) Inhibitors				
Captopril Oral liq 5 mg per ml	35,400	\$0.4438	\$15,711	^
Lisinopril Tab 10 mg	503,333	\$0.2380	\$119,793	
Tab 20 mg	381,865	\$0.3367	\$128,561	
Tab 5 mg	532,014	\$0.1637	\$87,073	
Perindopril Tab 2 mg	148,525	\$0.1000	\$14,853	
Tab 4 mg	228,842	\$0.1350	\$30,894	
Quinapril Tab 10 mg	13,964,808	\$0.1673	\$2,336,773	
Tab 20 mg	13,031,846	\$0.3183	\$4,148,467	
Tab 5 mg	10,471,622	\$0.1517	\$1,588,199	
Alpha Adrenoceptor Blockers				
Alpha Adrenoceptor Blockers				
Phentolamine Mesylate Inj 10 mg per ml, 1 ml	852	\$3.5940	\$3,062	*

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
CARDIOVASCULAR SYSTEM				
Terazosin Hydrochloride				
Tab 2 mg	4,664,258	\$0.4000	\$1,865,703	
Tab 5 mg	2,975,096	\$0.6500	\$1,933,812	
Tab 7 x 1 mg and 7 x 2 mg	19,166	\$0.3100	\$5,941	
Beta Adrenoceptor Blockers				
Beta Adrenoceptor Blockers				
Labetalol				
Inj 5 mg per ml, 20 ml	1,620	\$11.8120	\$19,135	*
Metoprolol Tartrate				
Inj 1 mg per ml 5 ml	778	\$4.8160	\$3,747	*
Tab 100 mg	267,921	\$0.3633	\$97,336	√
Tab 50 mg	378,499	\$0.1500	\$56,775	√
Tab long-acting 200 mg	64,252	\$0.8107	\$52,087	√
Oxprenolol				
Tab long-acting 160 mg	264,178	\$0.3058	\$80,786	*
Sotalol				
Inj 10 mg per ml, 4 ml	854	\$6.3600	\$5,431	^
Beta Adrenoceptor Blockers with Diuretics				
Beta Adrenoceptor Blockers with Diuretics				
Atenolol with Chlorthalidone				
Tab 100 mg with chlorthalidone 25 mg	71,253	\$0.0540	\$3,848	*
Tab 50 mg with chlorthalidone 12.5 mg	104,608	\$0.0406	\$4,247	*
Pindolol with Clopamide				
Tab 10 mg with clopamide 5 mg	18,844	\$0.1050	\$1,979	*
Calcium Channel Blockers				
Dihydropyridine Calcium Channel Blockers (DHP CCBs)				
Nifedipine				
Tab long-acting 10 mg	144,616	\$0.0875	\$12,654	
Tab long-acting 30 mg	1,213,807	\$0.1390	\$168,719	* #
Tab long-acting 60 mg	420,883	\$0.4373	\$184,066	* #
Other Calcium Channel Blockers				
Perhexiline Maleate				
Tab 100 mg	247,508	\$0.3985	\$98,632	* ^ # √
Verapamil Hydrochloride				
Cap long-acting 120 mg	172,395	\$0.2532	\$43,650	One line item with the Tab long-acting 120mg
Inj 2.5 mg per ml 2 ml	1,555	\$1.5100	\$2,348	Currently available on PSO
Tab 120 mg	78,579	\$0.2532	\$19,896	
Tab long-acting 120 mg	2,158,825	\$0.2532	\$546,614	One line item with the Cap long-acting 120mg

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
CARDIOVASCULAR SYSTEM				
Centrally Acting Agents				
Centrally Acting Agents				
Clonidine				
Inj 150 mcg per ml, 1 ml	4,349	\$2.6000	\$11,307	
Tab 150 mcg	429,150	\$0.3148	\$135,096	
Transdermal delivery system 2.5 mg, 100 mcg per day	20,848	\$4.8250	\$100,592	
Transdermal delivery system 5 mg, 200 mcg per day	10,945	\$7.2000	\$78,804	
Transdermal delivery system 7.5 mg, 300 mcg per day	9,360	\$9.2750	\$86,814	
Methyldopa with Hydrochlorothiazide				
Tab 250 mg with hydrochlorothiazide 15 mg	180	\$0.2480	\$45	
Diuretics				
Loop Diuretics				
Bumetanide				
Inj 500 mcg per ml, 4 ml	625	\$1.5900	\$994	
Tab 1 mg	678,197	\$0.1363	\$92,438	
Furosemide				
Infusion 10 mg per ml, 25 ml	96	\$8.7520	\$840	^ #
Inj 10 mg per ml, 2 ml	21,020	\$0.7300	\$15,345	^ Currently available on PSO
Oral liq 10 mg per ml	81,600	\$0.3230	\$26,357	^
Potassium Sparing Combination Diuretics				
Amiloride with Furosemide				
Tab 5 mg with furosemide 40 mg	590,539	\$0.1667	\$98,423	*
Potassium Sparing Diuretics				
Amiloride				
Oral liq 1 mg per ml	23,325	\$0.9200	\$21,459	#
Tab 5 mg	317,665	\$0.1100	\$34,943	
Spirolactone				
Oral liq 5mg per ml	32,950	\$0.9400	\$30,973	^ #
Thiazide and Related Diuretics				
Bendrofluzide				
Tab 1.5 mg				No presentation currently listed
Tab 2.5 mg	12,604,183	\$0.0270	\$340,313	Currently available on PSO
Tab 5 mg	2,025,246	\$0.0430	\$87,086	
Chlorothiazide				
Oral liq 50 mg per ml	25,075	\$0.7920	\$19,859	#
Cyclopenthiiazide				
Tab 0.5 mg	2,389,413	\$0.0413	\$98,683	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
CARDIOVASCULAR SYSTEM				
Nitrates				
Nitrates				
Glyceryl Trinitrate Tab 600 mcg	379,481	\$0.0327	\$12,409	Currently available on PSO
Isosorbide Dinitrate Tab 10 mg	295,136	\$0.0413	\$12,189	
Tab 30 mg	51,275	\$0.1100	\$5,640	
Tab sublingual 5 mg	587	\$0.0370	\$22	Sublingual tab to be delisted 1 Feb 2002
Isosorbide Mononitrate Tab long-acting 40 mg	1,000,414	\$0.4947	\$494,871	
Sympathomimetics				
Sympathomimetics				
Isoprenaline Hydrochloride Inj 200 mcg per ml, 1 ml	370	\$1.4720	\$545	*
Metaraminol Tartrate Inj 10 mg per ml, 1 ml	5,836	\$4.2000	\$24,511	
Vasodilators				
Vasodilators				
Amyl Nitrite Ampoule, 0.3 ml crushable	93	\$5.2433	\$488	* ^
Hydralazine Inj 20 mg per ml 1 ml	354	\$6.1000	\$2,159	*
Minoxidil Tab 10 mg	5,649	\$0.6950	\$3,926	* #
Oxyptentifylline Tab 400 mg	82,956	\$0.7389	\$61,295	#
DERMATOLOGICALS				
Antibacterials Topical				
Antibacterials Topical				
Chlortetracycline Oint 3%	32,655	\$0.2833	\$9,252	
Framycetin Sulphate with Gramicidin Oint 1.5% with gramicidin 0.005%	107,895	\$0.4400	\$47,474	*
Fusidic Acid Crm 2 %	522,435	\$0.4400	\$229,871	#
Gel 2 %	233,205	\$0.4400	\$102,610	#
Oint 2 %	398,070	\$0.4400	\$175,151	#
Mupirocin Oint 2%	1,725,690	\$0.4400	\$759,304	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
DERMATOLOGICALS				
Polynoxylin Gel	3,030	\$0.2333	\$707 *	
Silver Sulphadiazine Crn 1% with chlorhexidine digluconate 0.2%	410,700	\$0.0648	\$26,613 *	Currently available on PSO
Antifungals Topical				
Antifungals Topical				
Amorolfine Nail soln 5%	3,840	\$7.5720	\$29,076 *	
Ciclopirox Olamine Crn 1%	80,860	\$0.0500	\$4,043 *	
Nail soln 8%	55,357	\$10.8029	\$598,014	
Soln 1%	42,580	\$0.2180	\$9,282 *	
Clotrimazole Crn 1%	957,135	\$0.0500	\$47,857	
Soln 1%	8,300	\$0.2180	\$1,809 *	
Econazole Nitrate Crn 1%	160,725	\$0.0333	\$5,352 *	Current subsidy not pro-rata between different pack sizes.
Ketoconazole Crn 2%	41,565	\$0.0667	\$2,771 *	
Miconazole Nitrate Crn 2%	1,153,075	\$0.0500	\$57,654	
Lotn 2%	15,960	\$0.1453	\$2,320 *	
Tincture 2%	32,670	\$0.1453	\$4,748 *	
Nystatin Crn 100,000 u per g	54,255	\$0.0667	\$3,617 *	
Oint 100,000 u per g	22,395	\$0.0667	\$1,493 *	
Paste 100,000 u per g	18,930	\$0.0333	\$631 *	
Tioconazole Crn 1%	19,080	\$0.0333	\$636 *	
Tolciclate Crn 1%	68,250	\$0.0333	\$2,275 *	
Tolnaftate Crn 1%	13,600	\$0.0500	\$680 *	
Soln 1%	6,660	\$0.4360	\$2,904 *	
Antipruritic Preparations				
Antipruritic Preparations				
Calamine Crn, aqueous, BP	110,495	\$0.0342	\$3,779 *	
Lotn, BP	3,340,395	\$0.0108	\$36,076 *	
Crotamiton Crn 10%	206,140	\$0.2130	\$43,908 *	
Lotn 10%	346,512	\$0.1512	\$52,393 *	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
DERMATOLOGICALS				
Corticosteroids Topical				
Corticosteroids - Combination				
Betamethasone Dipropionate with Clotrimazole Crn 0.05% with clotrimazole 1%	78,465	\$0.3267	\$25,632	*
Betamethasone Dipropionate with Salicylic Acid Lotn 0.05% with salicylic acid 2%	231,700	\$0.1948	\$45,135	*
Oint 0.05% with salicylic acid 3%	202,770	\$0.2700	\$54,748	*
Betamethasone Valerate with Clioquinol Crn 0.1% with clioquinol 3%	79,440	\$0.3267	\$25,950	
Oint 0.1% with clioquinol 3%	29,745	\$0.3267	\$9,717	
Betamethasone Valerate with Fusidic Acid Crn 0.1% with fusidic acid 2%	297,795	\$0.3267	\$97,280	* #
Diflucortolone Valerate with Chlorquinaldol Crn 0.1% with chlorquinaldol 1%	44,220	\$0.3267	\$14,445	*
Hydrocortisone Butyrate with Chlorquinaldol Crn 0.1% with chlorquinaldol 3%	116,520	\$0.3267	\$38,063	*
Hydrocortisone with Natamycin and Neomycin Crn 1% with natamycin 1% and neomycin sulphate 0.5%	1,336,380	\$0.3267	\$436,550	
Oint 1% with natamycin 1% and neomycin sulphate 0.5%	454,485	\$0.3267	\$148,465	*
Triamcinolone Acetonide with Gramicidin, Neomycin and Nystatin Crn 1 mg with nystatin 100,000 u, neomycin sulphate 2.5 mg and gramicidin 250 mcg per g	121,050	\$0.3267	\$39,543	*
Oint 1 mg with nystatin 100,000 u, neomycin sulphate 2.5 mg and gramicidin 250 mcg per g	102,825	\$0.3267	\$33,589	*
Corticosteroids - Plain				
Betamethasone Dipropionate Crn 0.05%	237,900	\$0.1794	\$42,679	*
Crn 0.05% in propylene glycol base	31,680	\$0.1443	\$4,572	*
Oint 0.05%	184,885	\$0.1794	\$33,168	*
Oint 0.05% in propylene glycol base	48,330	\$0.1443	\$6,976	*
Betamethasone Valerate <u>Crn 0.1%</u>	2,389,810	\$0.0750	\$179,236	
Lotn 0.1%	85,650	\$0.2010	\$17,216	
<u>Oint 0.1%</u>	1,274,920	\$0.0750	\$95,619	
Clobetasone Butyrate Crn 0.05%	689,580	\$0.1613	\$111,229	*
Oint 0.05%	385,570	\$0.1613	\$62,192	*
Diflucortolone Valerate Crn 0.1%	330,800	\$0.1794	\$59,346	*
Fatty oint 0.1%	313,400	\$0.1794	\$56,224	*
Oint 0.1%	231,350	\$0.1794	\$41,504	*

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
DERMATOLOGICALS				
Fluocinolone Acetonide				
Crm 0.025%	41,610	\$0.1793	\$7,461	
Oint 0.025%	17,580	\$0.1793	\$3,152	
Hydrocortisone				
Crm 1%	9,517,293	\$0.0244	\$232,222	^
Methylprednisolone aceponate				
Crm 0.1%	348,495	\$0.3300	\$115,003	
Oint 0.1%	332,985	\$0.3300	\$109,885	
Mometasone Furoate				
Crm 0.1%	1,965,975	\$0.3004	\$590,665	
Lotn 0.1%	471,600	\$0.2000	\$94,320	
Oint 0.1%	1,457,655	\$0.3004	\$437,944	
Triamcinolone Acetonide				
Crm 0.02%	550,300	\$0.0645	\$35,494	*
Oint 0.02%	142,400	\$0.0645	\$9,185	*
Disinfecting and Cleansing Agents				
Disinfecting and Cleansing Agents				
Chlorhexidine Gluconate				
Handrub 0.5% with ethanol 70%	2,051,171	\$0.0114	\$23,383	#
Soln 4%	1,224,523	\$0.0187	\$22,899	* #
Dusting Powders				
Dusting Powders				
Diphemanil Methylsulphate				
Powder 2%	48,450	\$0.1362	\$6,599	* #
Emollients and Barrier Creams				
Barrier Creams				
Zinc				
Cream BP	149,877	\$0.0131	\$1,963	*
Ointment BP	95,440	\$0.0131	\$1,250	*
Zinc and Castor Oil				
Ointment BP	7,964,482	\$0.0131	\$104,335	
Emollients				
Aqueous Cream				
<u>Aqueous cream</u>	53,935,859	\$0.0059	\$318,222	^
Cetomacrogol				
Cream BP	3,885,929	\$0.0056	\$21,761	*
Emulsifying Ointment BP				
<u>Emulsifying ointment BP</u>	17,350,863	\$0.0084	\$145,747	
Glycerol with Paraffin and Cetyl Alcohol				
Lotn 5% with paraffin liq 5% and cetyl alcohol 2%	721,936	\$0.0056	\$4,043	*
Oily Cream BP				
Oily cream BP	2,045,312	\$0.0056	\$11,454	*

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
DERMATOLOGICALS				
Urea Crm 10%	8,769,082	\$0.0280	\$245,534	
Wool Fat with Mineral Oil Lotn hydrous 3% with mineral oil	20,560,150	\$0.0056	\$115,137	* #
Minor Skin Infections				
Minor Skin Infections				
Povidone Iodine Alcohol skin preparation 10%	403,545	\$0.0163	\$6,562	
Antiseptic Soln 10%	794,768	\$0.0128	\$10,205	
Oint 10%	147,550	\$0.0687	\$10,137	# Currently, both a 25g and a 100g presentation are subsidised but not on a pro-rata basis. Only one tender will be awarded for either pack size.
Parasiticial Preparations				
Parasiticial Preparations				
Gamma Benzene Hexachloride Crm 1%	159,200	\$0.0640	\$10,189	*
Malathion Liq 0.5%	3,662,753	\$0.0550	\$201,451	
Maldison Crm shampoo 1%	1,172,800	\$0.0715	\$83,855	*
Permethrin Crm 5%	507,420	\$0.1500	\$76,113	#
Lotion 5%	1,250	\$0.0900	\$113	* #
Psoriasis and Eczema Preparations				
Psoriasis and Eczema Preparations				
Calcipotriol Crm 50 mcg per g	886,250	\$0.6587	\$583,773	
Oint 50 mcg per g	1,143,520	\$0.6587	\$753,237	
Soln 50 mcg per ml	302,670	\$0.6587	\$199,358	
Coal Tar Soln gel 7.5 %	127,200	\$0.0775	\$9,858	*
Coal Tar with Allantoin, Menthol, Phenol and Sulphur Soln 5% with sulphur 0.5%, menthol 0.75%, phenol 0.5% and allantoin crm 2.5%	80,845	\$0.0567	\$4,581	*
Methoxsalen Cap 10 mg	39,781	\$0.4664	\$18,554	#
Tar with Triethanolamine Lauryl Sulphate and Fluorescein <u>Soln 2.3% with triethanolamine lauryl sulphate and fluorescein sodium</u>	34,048,392	\$0.0042	\$143,003	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
DERMATOLOGICALS				
Scalp Preparations				
Scalp Preparations				
Betamethasone Dipropionate				
Scalp lotn 0.05%	243,700	\$0.1229	\$29,951	*
Scalp lotn propylene glycol base 0.05%	6,570	\$0.2667	\$1,752	*
Betamethasone Valerate				
<u>Scalp app 0.1%</u>	3,538,500	\$0.0325	\$115,001	
Clobetasol Propionate				
<u>Scalp app 0.05%</u>	344,040	\$0.1330	\$45,757	
Fluocinolone Acetonide				
Gel 0.02%	47,460	\$0.1743	\$8,274	
Ketoconazole				
<u>Shampoo 2%</u>	3,058,100	\$0.0525	\$160,550	#
Sunscreens				
Sunscreens				
Sunscreens, Proprietary				
Lotn	72,875	\$0.0160	\$1,166	* #
Oint	1,988	\$0.3571	\$710	* #
Wart Preparations				
Wart Preparations				
Formaldehyde Solution				
Solution 37%	175,718	\$0.0170	\$2,987	#
Podophyllotoxin				
Soln 0.5%	18,210	\$9.1429	\$166,491	#
EXTEMPORANEOUSLY COMPOUNDED PREPARATIONS & GALENICALS				
Extemporaneously Compounded Preparations & Galenicals				
Extemporaneously Compounded Preparations & Galenicals				
Coal Tar				
Solution BP	28,853	\$0.0649	\$1,873	* #
Hydrocortisone				
Powder	13,603	\$1.9148	\$26,047	^ #
Magnesium Sulphate				
Paste BPC	131,655	\$0.0372	\$4,898	*
Paraffin				
White soft	1,025,088	\$0.0133	\$13,634	#
Potassium Permanganate				
Potassium permanganate	18,935	\$0.0354	\$671	*

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
GENITO-URINARY SYSTEM				
Contraceptives - hormonal				
Combined oral contraceptives				
Ethinylestradiol with Desogestrel				
Tab 20 mcg with desogestrel 150 mcg	510,189	\$0.1500	\$76,528 *	Currently an additional subsidy is available for some patients.
Tab 20 mcg with desogestrel 150 mcg and 7 inert tab	3,839,635	\$0.1125	\$431,959 *	Currently an additional subsidy is available for some patients.
Tab 30 mcg with desogestrel 150 mcg	526,706	\$0.1500	\$79,006 *	Currently an additional subsidy is available for some patients.
Tab 30 mcg with desogestrel 150 mcg and 7 inert tab	2,646,671	\$0.1125	\$297,750 *	Currently an additional subsidy is available for some patients.
Ethinylestradiol with Gestodene				
Tab 20 mcg with gestodene 75 mcg and 7 inert tab	19,240	\$0.1125	\$2,165 *	Currently available on PSO.
Tab 30 mcg with gestodene 75 mcg	528,766	\$0.1500	\$79,315 *	Additional subsidy for some patients.
Tab 30 mcg with gestodene 75 mcg and 7 inert tab	3,332,473	\$0.1125	\$374,903 *	Additional subsidy for some patients.
Ethinylestradiol with Norethisterone				
Tab 35 mcg with norethisterone 1 mg	102,546	\$0.1500	\$15,382 *	Currently available on PSO.
Tab 35 mcg with norethisterone 1 mg and 7 inert tab	651,266	\$0.1125	\$73,267 *	Currently available on PSO.
Tab 35 mcg with norethisterone 500 mcg	108,073	\$0.1500	\$16,211 *	Currently available on PSO.
Tab 35 mcg with norethisterone 500 mcg and 7 inert tab	7,291,587	\$0.1125	\$820,304	Currently available on PSO.
Tab 35 mcg with norethisterone 500 mcg and ethinylestradiol 35 mcg with norethisterone 1 mg and 7 inert tab	83,386	\$0.1125	\$9,381	
Levonorgestrel with Ethinylestradiol				
Tab 100 mcg with ethinylestradiol 20 mcg and 7 inert tab	6,578,519	\$0.1125	\$740,083 *	Currently available on PSO.
Tab 125 mcg with ethinylestradiol 50 mcg and 7 inert tab 28	518,219	\$0.1125	\$58,300	Currently available on PSO.
Tab 150 mcg with ethinylestradiol 30 mcg	1,050,305	\$0.1500	\$157,546 *	Currently available on PSO.
Tab 150 mcg with ethinylestradiol 30 mcg and 7 inert tab	18,245,174	\$0.1125	\$2,052,582	Currently available on PSO.
Tab 250 mcg with ethinylestradiol 50 mcg	22,942	\$0.1500	\$3,441 *	Currently available on PSO.
Tab 250 mcg with ethinylestradiol 50 mcg and 7 inert tab	54,805	\$0.1125	\$6,166 *	Currently available on PSO.
Tab 50 mcg with ethinylestradiol 30 mcg and levonorgestrel 75 mcg with ethinylestradiol 40 mcg, and levonorgestrel 125 mcg and ethinylestradiol 30 mcg and 7 inert tab	4,181,138	\$0.1125	\$470,378	
Tab 50 mcg with ethinylestradiol 30 mcg and levonorgestrel 75 mcg with ethinylestradiol 40 mcg, and levonorgestrel 125 mcg and ethinylestradiol 30 mcg	310,877	\$0.1500	\$46,632 *	
Tab 50 mcg with ethinylestradiol 50 mcg and levonorgestrel 125 mcg with ethinylestradiol 50 mcg and 7 inert tab	73,458	\$0.1125	\$8,264 *	Currently available on PSO.

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
GENITO-URINARY SYSTEM					
Norethisterone with Mestranol					
Tab 1 mg with mestranol 50 mcg	37,848	\$0.1500	\$5,677	*	Currently available on PSO.
Tab 1 mg with mestranol 50 mcg and 7 inert tab	115,086	\$0.1125	\$12,947	*	Currently available on PSO.
Norgestrel with Ethinyloestradiol					
Tab 500 mcg with ethinyloestradiol 50 mcg	51,836	\$0.1500	\$7,775	*	Currently available on PSO.
Emergency contraceptives					
Levonorgestrel					
Tab 750 mcg	190,859	\$2.2500	\$429,433	^ #	Currently available on PSO.
Progestogen-only contraceptives					
Ethinodiol Diacetate					
Tab 500 mcg	6,728,958	\$0.1125	\$757,008		Currently available on PSO.
Levonorgestrel					
Tab 30 mcg	1,396,208	\$0.1036	\$144,607	*	Currently available on PSO.
Norethisterone					
Tab 350 mcg	1,705,680	\$0.1036	\$176,659	*	Currently available on PSO.
Contraceptives - non-hormonal					
Contraceptive Devices					
Diaphragm					
Diaphragm	1,987	\$30.2300	\$60,067		All sizes of both coil and spring types must be made available. Currently available on PSO.
Spermicidal Agents					
Di-isobutylphenoxypolyethoxy-ethanol					
Jelly 1%	275,175	\$0.0775	\$21,317	*	Currently available on PSO. With or without applicator(s).
Nonoxynol 9					
Pessary	2,376	\$0.5633	\$1,338		Currently available on PSO
Gynaecological anti-infectives					
Gynaecological anti-infectives					
Acetic Acid with Boric Acid, Hydroxyquinoline and Ricinoleic Acid					
Jelly with boric acid 3%, hydroxyquinoline sulphate 0.025% and ricinoleic acid 0.75% with applicator	303,800	\$0.0843	\$25,610	*	
Econazole Nitrate					
Pessaries 150 mg with applicators	5,808	\$0.9167	\$5,324	*	
Vaginal crm 1 % with applicator(s)	66,640	\$0.0688	\$4,582	*	
Isoconazole Nitrate					
Pessaries 600 mg with applicator	1,342	\$2.7500	\$3,691	*	
Miconazole Nitrate					
Vaginal crm 2% with applicator	348,500	\$0.0688	\$23,977		
Nystatin					
Vaginal crm 100,000 u per 5 g with applicator(s)	120,225	\$0.0587	\$7,053	*	
Tioconazole					
Pessaries 100 mg with applicator	98	\$0.9167	\$90	*	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
GENITO-URINARY SYSTEM				
Tioconazole Vaginal oint 6.5% with applicator	17,407	\$0.5978	\$10,406 *	
Myometrial and vaginal hormone preparations				
Myometrial and vaginal hormone preparations				
Ergometrine Maleate Inj 500 mcg per ml, 1 ml	2,891	\$2.3200	\$6,707 * ^	Currently available on PSO.
Oestriol Crm 1 mg per g with applicator	575,670	\$0.4667	\$268,646	
Pessaries 500 mcg	182,128	\$0.4833	\$88,028	
Oestrogens Conjugated, equine vaginal crm 625 mcg per g with applicator	528,841	\$0.1527	\$80,757	
Oxytocin Inj 10 iu per ml, 1 ml	2,236	\$1.0000	\$2,236 * ^	Currently available on PSO
Inj 5 iu per ml, 1 ml	936	\$0.8000	\$749 * ^	Currently available on PSO
Inj 5 iu with ergometrine maleate 500 mcg per ml, 1 ml	1,928	\$1.3600	\$2,622 * ^	Currently available on PSO
Pregnancy tests - HCG urine				
Pregnancy tests - HCG urine				
Pregnancy Tests - HCG Urine 25	401,300	\$1.7500	\$702,275	Currently available on WSO
Urinary Agents				
Alpha-Adrenoceptor Blockers				
Phenoxybenzamine Cap 10 mg	78,021	\$0.2605	\$20,324	
Other Urinary Agents				
Emepronium Carrageenate Tab 200 mg	24,005	\$0.2770	\$6,649 * #	Currently listed brand to be delisted 1 January 2002.
Oxybutynin Oral liq 5 mg per 5 ml	385,233	\$0.0471	\$18,144	
<u>Tab 5 mg</u>	3,993,610	\$0.0938	\$374,601	
Sodium Citro-Tartrate Grans effervescent 4 g sachets	1,070,161	\$0.1280	\$136,981 *	
INFECTIONS - AGENTS FOR SYSTEMIC USE				
Anthelmintics				
Anthelmintics				
Mebendazole Oral liq 100 mg per 5 ml	67,130	\$0.1453	\$9,756	
Tab 100 mg	16,411	\$0.6316	\$10,365	
Pyrantel Embonate Oral liq 50 mg per ml	7,674	\$0.1680	\$1,289	
Tab 125 mg	1,018	\$0.2950	\$300	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
INFECTIONS - AGENTS FOR SYSTEMIC USE				
Pyrantel Embonate Tab 250 mg	1,202	\$0.6267	\$753	
Antibacterials				
Cephalosporins and Cephameycins				
Cefamandole Nafate Inj 1 g	38	\$7.2000	\$274	#
Ceftriaxone Sodium Inj 1 g	18	\$33.9320	\$611	#
Inj 250 mg	23	\$9.5240	\$219	#
Inj 500 mg	5	\$17.6020	\$88	#
Cefuroxime Sodium Inj 250 mg	35	\$2.0970	\$73	#
Inj 750 mg	2	\$6.1670	\$12	#
Cephalexin Monohydrate Cap 250 mg	15,656	\$0.3457	\$5,412	#
Grans for oral liq 125 mg per 5 ml	43,151	\$0.0824	\$3,556	#
Grans for oral liq 250 mg per 5 ml	32,212	\$0.1148	\$3,698	#
Tab 500 mg	51,505	\$0.6814	\$35,096	#
Cephazolin Sodium Inj 1 g	5,331	\$6.9360	\$36,976	#
Inj 500 mg	722	\$3.3800	\$2,440	#
Cephradine Cap 250 mg	8,442	\$0.4654	\$3,929	#
Cap 500 mg	21,036	\$0.9188	\$19,327	#
Inj 1 g	5	\$6.3180	\$32	#
Inj 500 mg	84	\$3.3560	\$282	#
Macrolides				
Azithromycin Tab 500 mg	28,046	\$7.7650	\$217,777	#
Erythromycin Tab 250 mg or Cap 250 mg	240,162	\$0.1495	\$35,904	* Currently available on PSO
Erythromycin Ethyl Succinate <u>Grans for oral liq 200 mg per 5 ml</u>	8,770,550	\$0.0275	\$241,190	Currently available on PSO
<u>Grans for oral liq 400 mg per 5 ml</u>	3,626,807	\$0.0499	\$180,978	Currently available on PSO
<u>Tab 400 mg</u>	2,716,594	\$0.1499	\$407,217	Currently available on PSO
Erythromycin Lactobionate Inj 1g	333	\$10.5700	\$3,520	
Inj 300 mg	65	\$5.3400	\$347	
Erythromycin Stearate Tab 250 mg or Cap 250 mg	173,768	\$0.1495	\$25,978	* Currently available on PSO
Tab 500 mg	143,688	\$0.2990	\$42,963	*

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
INFECTIONS - AGENTS FOR SYSTEMIC USE				
Roxithromycin				
<u>Tab 150 mg</u>	560,149	\$0.2990	\$167,485	
<u>Tab 300 mg</u>	234,982	\$0.5980	\$140,519	
Other Antibiotics				
Chloramphenicol				
Cap 250 mg	4,105	\$0.3788	\$1,555	#
Ciprofloxacin				
Tab 250 mg	158,720	\$1.7200	\$272,998	#
Tab 500 mg	677,777	\$3.0957	\$2,098,204	#
Tab 750 mg	67,565	\$4.9343	\$333,385	#
Clindamycin				
Cap hydrochloride 150 mg	120,351	\$0.7138	\$85,901	#
Inj phosphate 150 mg per ml 4 ml	309	\$14.2800	\$4,413	* #
Colistin Sulphomethate				
Inj 150 mg	6,468	\$30.3400	\$196,239	#
Co-Trimoxazole				
<u>Oral liq sugar-free trimethoprim 40 mg and sulphamethoxazole 200 mg per 5 ml</u>	13,165,095	\$0.0159	\$209,325	Currently available on PSO
Tab trimethoprim 160 mg and sulphamethoxazole 800 mg	6,026	\$0.2266	\$1,365	
<u>Tab trimethoprim 80 mg and sulphamethoxazole 400 mg</u>	2,217,597	\$0.0456	\$101,122	Currently available on PSO
Fusidic Acid				
Oral liq 250 mg per 5 ml	4,555	\$0.5572	\$2,538	#
Tab 250 mg	32,538	\$2.8750	\$93,547	#
Gentamicin Sulphate				
Inj 10 mg per ml, 1 ml	111	\$1.2000	\$133	* ^ #
Inj 10 mg per ml, 2 ml	819	\$3.2000	\$2,621	* ^ #
Inj 40 mg per ml, 2 ml	7,222	\$1.0000	\$7,222	^ #
Neomycin Sulphate				
Tab 500 mg	13,392	\$0.3980	\$5,330	#
Tobramycin				
Inj 40 mg per ml, 1 ml	389	\$4.6600	\$1,813	#
Inj 40 mg per ml, 2 ml	21,404	\$4.9500	\$105,950	#
Trimethoprim				
Tab 100 mg	761,984	\$0.1665	\$126,870	
<u>Tab 300 mg</u>	418,595	\$0.1300	\$54,417	Currently available on PSO.
Penicillins				
Amoxicillin				
Drops 125 mg per 1.25 ml	348,940	\$0.3750	\$130,853	* ^
Inj 1 g	4,630	\$3.1320	\$14,501	^
Inj 250 mg	924	\$1.6860	\$1,558	^
Inj 500 mg	3,354	\$2.2120	\$7,419	^

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
INFECTIONS - AGENTS FOR SYSTEMIC USE				
Amoxicillin				
Sachets 3 g	3,651	\$3.3600	\$12,267	* ^
Amoxicillin Clavulanate				
<u>Grans for oral liq 125 mg with potassium clavulanate 31.25 mg per 5 ml</u>	15,980,970	\$0.0292	\$466,644	
<u>Grans for oral liq 250 mg with potassium clavulante 62.5 mg per 5 ml</u>	12,587,662	\$0.0495	\$623,089	
<u>Tab 500 mg with potassium clavulanate 125 mg</u>	9,711,843	\$0.3247	\$3,153,435	Currently available on PSO
Benzathine Penicillin				
Inj 1.2 mega u per 2 ml	6,968	\$11.2000	\$78,042	^ Currently available on PSO
Benzylpenicillin Sodium (Penicillin G)				
Inj 1 mega u	13,062	\$1.3800	\$18,026	^ Currently available on PSO
Dicloxacillin				
Cap 250 mg	230,041	\$0.1029	\$23,675	*
Cap 500 mg	417,781	\$0.1596	\$66,671	*
Inj 1 g	90	\$2.0400	\$184	*
Inj 500 mg	95	\$1.3600	\$129	*
Oral liq 125 mg per 5 ml	565,423	\$0.0355	\$20,073	*
Oral liq 62.5 mg per 5 ml	65,159	\$0.0177	\$1,153	*
Flucloxacillin Magnesium				
<u>Grans for oral liq 125 mg per 5 ml</u>	4,472,073	\$0.0355	\$158,759	Currently available on PSO
<u>Grans for oral liq 250 mg per 5 ml</u>	3,971,629	\$0.0600	\$238,298	Currently available on PSO
Procaine Penicillin				
Inj 1.5 mega u	5,599	\$9.5200	\$53,302	Currently available on PSO
Tetracyclines				
Doxycycline Hydrochloride				
Tab 50 mg	640,354	\$0.0967	\$61,901	* Currently available on PSO
Minocycline Hydrochloride				
Cap 100 mg	1,107,573	\$0.1932	\$213,983	*
Tab 50 mg	2,214,006	\$0.0965	\$213,652	*
Tetracycline Hydrochloride				
Cap 250 mg	610,431	\$0.0902	\$55,061	*
Antimalarials				
Antimalarials				
Chloroquine				
Oral liq sulphate 68 mg per 5 ml	28,892	\$0.0969	\$2,800	*
Tab sulphate 200 mg	25,425	\$0.1696	\$4,313	*
Hydroxychloroquine Sulphate				
Tab 200 mg	1,113,637	\$0.2826	\$314,714	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	^ #	Comments / Product specific conditions
INFECTIONS - AGENTS FOR SYSTEMIC USE					
Antiretrovirals					
Non-nucleosides reverse transcriptase inhibitors					
Nevirapine Tab 200 mg	57,314	\$5.3300	\$305,484	^ #	
Nucleosides reverse transcriptase inhibitors					
Abacavir Sulphate Tab 300 mg	9,628	\$7.6333	\$73,494	^ #	
Antitrichomonal Agents					
Antitrichomonal Agents					
Metronidazole Oral liq benzoate 200 mg per 5 ml	341,427	\$0.1781	\$60,808	*	
Suppos 1 g	4,775	\$2.7530	\$13,146		
Suppos 500 mg	3,451	\$2.0230	\$6,981		
<u>Tab 200 mg</u>	211,180	\$0.0899	\$18,985	#	
<u>Tab 400 mg</u>	456,900	\$0.1699	\$77,627		
Tinidazole Tab 500 mg	92,763	\$1.0418	\$96,636		
Antituberculoitics and Antileptotics					
Antituberculoitics and Antileptotics					
Clofazimine Cap 50 mg	8,302	\$0.1800	\$1,494		
Dapsone Tab 100 mg	27,464	\$0.0710	\$1,950		Current brand delisted 1 Dec 2001. Additional market being sourced through Exceptional Circumstances.
Ethambutol Tab 100 mg	37,749	\$0.2080	\$7,852	#	
Tab 400 mg	83,758	\$0.4080	\$34,173	#	
Isoniazid Tab 100 mg	321,890	\$0.2100	\$67,597	^ #	
Pyrazinamide Tab 500 mg	100,344	\$0.4469	\$44,844	^ #	
Rifampicin Cap 150 mg	41,652	\$0.5866	\$24,433	^ #	
Cap 300 mg	72,943	\$1.2236	\$89,253	^ #	
Oral liq 100 mg per 5 ml	158,673	\$0.2110	\$33,480	^ #	
Tab 600 mg	19,291	\$3.8133	\$73,563	^ #	
Rifubutin Cap 150 mg	9,558	\$6.3167	\$60,375	#	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
INFECTIONS - AGENTS FOR SYSTEMIC USE					
Urinary Tract Infections					
Urinary Tract Infections					
Hexamine Hippurate Tab 1 g	132,384	\$0.1840	\$24,359		
Nitrofurantoin Oral liq 25 mg per 5 ml	373,677	\$0.0625	\$23,355		
Tab 100 mg	159,419	\$0.2315	\$36,905		
Tab 50 mg	1,026,560	\$0.1325	\$136,019		
MUSCULO-SKELETAL SYSTEM					
Anticholinesterases					
Anticholinesterases					
Distigmine Bromide Tab 5 mg	10,666	\$1.7436	\$18,597	#	No brand currently listed. Subsidy and market volumes indicative of previous levels.
Pyridostigmine Bromide Tab 60 mg	317,814	\$0.2167	\$68,870	^	
Anti-inflammatory Non Steroidal Drugs (NSAIDs)					
Anti-inflammatory Non Steroidal Drugs (NSAIDs)					
Ibuprofen Oral liq 100 mg per 5 ml	10,403,007	\$0.0290	\$301,167	#	
Tab 200 mg	2,767,405	\$0.0290	\$80,255	#	
Tab 400 mg	1,093,999	\$0.0355	\$38,837	* #	
Tab 600 mg	238,878	\$0.0532	\$12,708	* #	
Tab long-acting 800 mg	3,491,740	\$0.0502	\$175,167	* #	
Ketoprofen Cap 50 mg	20,530	\$0.0532	\$1,092	* #	
Cap long-acting 100 mg	347,940	\$0.0672	\$23,382	* #	
Cap long-acting 200 mg	600,092	\$0.1344	\$80,652	* #	
Suppos 100 mg	21,710	\$0.4710	\$10,225	#	
Tab EC 100 mg	149,280	\$0.0672	\$10,032	* #	
Mefenamic Acid Cap 250 mg	290,715	\$0.0250	\$7,268	* #	
Naproxen Oral liq 125 mg per 5 ml	68,559	\$0.0329	\$2,257	#	
Tab 250 mg	2,679,837	\$0.0600	\$160,790	#	250mg Tab and 250mg Tab EC are one line item
Tab 500 mg	5,631,888	\$0.1200	\$675,827	#	500mg Tab and 500mg Tab EC are one line item
Tab EC 250 mg	879,982	\$0.0722	\$63,505	#	250mg Tab and 250mg Tab EC are one line item
Tab EC 500 mg	2,665,985	\$0.1467	\$391,009	#	500mg Tab and 500mg Tab EC are one line item
Tab long-acting 1000 mg	477,092	\$0.2931	\$139,841	#	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
MUSCULO-SKELETAL SYSTEM				
Naproxen				
Tab long-acting 750 mg	523,550	\$0.2572	\$134,668	#
Naproxen Sodium				
Tab 275 mg	1,050,882	\$0.0640	\$67,256	#
Tab 550 mg	1,894,016	\$0.1280	\$242,434	#
Sulindac				
Tab 100 mg	345,962	\$0.0532	\$18,405	* #
Tab 200 mg	354,483	\$0.0876	\$31,053	* #
Tenoxicam				
Inj 10 mg per ml, 2 ml	67,964	\$2.0000	\$135,928	#
Suppos 20 mg	24,128	\$0.5300	\$12,788	#
Tiaprofenic Acid				
Cap long-acting 300 mg	820,749	\$0.0673	\$55,254	* #
Tab 200 mg	109,789	\$0.0448	\$4,919	* #
Tab 300 mg	320,785	\$0.0672	\$21,557	* #
NSAIDs Other				
Indomethacin				
<u>Cap 25 mg</u>	430,815	\$0.0398	\$17,146	
<u>Cap 50 mg</u>	862,299	\$0.0650	\$56,049	
Cap long-acting 75 mg	682,086	\$0.1030	\$70,255	
<u>Suppos 100 mg</u>	80,708	\$0.2163	\$17,457	
Antirheumatoid Agents				
Antirheumatoid Agents				
Auranofin				
Tab 3 mg	43,109	\$1.1498	\$49,568	* #
Penicillamine				
Tab 125 mg	55,036	\$0.5630	\$30,985	* #
Tab 250 mg	117,236	\$0.8998	\$105,489	* #
Sodium Aurothiomalate				
Inj 10 mg per 0.5 ml	321	\$6.9880	\$2,243	* #
Inj 20 mg per 0.5 ml	317	\$10.2880	\$3,261	* #
Inj 50 mg per 0.5 ml	5,604	\$19.7480	\$110,668	* #
Corticosteroids - Injectibles				
Corticosteroids - Injectibles				
Methylprednisolone Acetate				
Inj 40 mg per ml with lignocaine 1 ml	2,040	\$6.0300	\$12,301	
Inj 40 mg per ml, 1 ml	3,530	\$6.0300	\$21,286	
Methylprednisolone Sodium Succinate				
Inj 1 g	146	\$80.0000	\$11,680	^ #
Inj 500 mg	144	\$45.0000	\$6,480	^ #
Inj 62.5 mg per ml, 2 ml	1,137	\$16.5776	\$18,849	^ #

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
MUSCULO-SKELETAL SYSTEM				
Triamcinolone Acetonide				
Inj 10 mg per ml, 1 ml	3,241	\$2.6940	\$8,731	
Inj 10 mg per ml, 5 ml	302	\$12.5000	\$3,775	
Inj 40 mg per ml, 1 ml	73,214	\$6.8100	\$498,587	
Inj 40 mg per ml, 5 ml	244	\$28.4100	\$6,932	
Enzymes				
Enzymes				
Hyaluronidase				
Inj 1,500 iu per ml	873	\$1.8320	\$1,599	*
Hyperuricaemia and Antigout				
Hyperuricaemia and Antigout				
Colchicine				
Tab 600 mcg	2,269,266	\$0.0685	\$155,445	*
Sulphinpyrazone				
Tab 100 mg	97,216	\$0.2800	\$27,220	Currently listed brand to be delisted 1 Jan 2002
Tab 200 mg	65,494	\$0.4923	\$32,243	Currently listed brand to be delisted 1 Jan 2002
Muscle Relaxants				
Muscle Relaxants				
Dantrolene Sodium				
Cap 25 mg	123,106	\$0.3296	\$40,576	#
Cap 50 mg	46,615	\$0.5170	\$24,100	#
Orphenadrine Citrate				
Inj 30 mg per ml, 2 ml	202	\$3.2000	\$646	*
Tab 100 mg	1,059,496	\$0.1854	\$196,431	
NERVOUS SYSTEM				
Anaesthetics				
Local				
Bupivacaine Hydrochloride				
Inj 0.5%, 4 ml	479	\$4.6640	\$2,234	* #
Inj 0.5%, 8% glucose, 4 ml	300	\$5.4820	\$1,645	* #
Lignocaine Hydrochloride				
Inj 0.5% polyamp 5 ml vial	5,368	\$1.1358	\$6,097	# Currently available on PSO.
Inj 1% 20 ml vial	869	\$4.7400	\$4,119	* # Currently available on PSO.
Inj 1% 50 ml vial	161	\$7.0400	\$1,133	* # Currently available on PSO.
Lignocaine with Prilocaine Hydrochloride				
Crm 2.5% with prilocaine hydrochloride 2.5%	1,200	\$1.5340	\$1,841	#
Crm 2.5% with prilocaine hydrochloride 2.5% 5 g	1,517	\$9.5100	\$14,427	#

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
NERVOUS SYSTEM					
Analgesics					
Antipyretics and Non-Opioid Analgesics					
Aspirin					
Tab EC 300 mg	2,090,245	\$0.0725	\$151,543		
Tab EC 650 mg	173,881	\$0.0688	\$11,963		
Nefopam Hydrochloride					
Inj 20 mg per ml, 1 ml	2,199	\$1.8200	\$4,002	*	
Tab 30 mg	2,024,227	\$0.2599	\$526,097		
Paracetamol					
Oral liq 120 mg per 5 ml	106,264,521	\$0.0081	\$860,743	^	Currently available on PSO
Oral liq 250 mg per 5 ml	64,810,651	\$0.0081	\$524,966	^	
Suppos 125 mg	68,905	\$0.1680	\$11,576	* ^	
Suppos 250 mg	40,444	\$0.3100	\$12,538	* ^	
Suppos 500 mg	184,884	\$0.4500	\$83,198	* ^	
<u>Tab 500 mg</u>	83,419,237	\$0.0110	\$917,612	^	Currently available on PSO
Antipyretics with Codeine					
Paracetamol with Codeine					
<u>Tab paracetamol 500 mg with codeine phosphate 8 mg</u>	16,763,314	\$0.0340	\$569,953		
Opioid Analgesics					
Dextromoramide Acid Tartrate					
Tab 5 mg	1,308	\$0.6180	\$808	#	
Dextropropoxyphene					
Cap napsylate 100 mg	579,976	\$0.0896	\$51,966	*	
Dextropropoxyphene with Paracetamol					
Cap hydrochloride 32.5 mg with paracetamol 325 mg	1,814,695	\$0.0398	\$72,261	*	
Tab napsylate 50 mg with paracetamol 325mg	31,137,529	\$0.0290	\$902,988		
Morphine Hydrochloride					
Oral liq 1 mg per ml	3,970,411	\$0.0480	\$190,580	^ #	
Oral liq 10 mg per ml	509,533	\$0.0750	\$38,215	^ #	
Oral liq 2 mg per ml	1,355,762	\$0.0510	\$69,144	^ #	
Oral liq 5 mg per ml	777,732	\$0.0575	\$44,720	^ #	
Morphine Tartrate					
Inj 80 mg per ml 5 ml	5,460	\$13.4740	\$73,568	#	
Inj 80 mg per ml, 1.5 ml	46,838	\$4.0400	\$189,226	#	
Oxycodone Pectinate					
Suppos 30 mg	40,977	\$0.9717	\$39,816	* #	
Pethidine Hydrochloride					
<u>Inj 50 mg per ml, 1 ml</u>	28,534	\$0.6800	\$19,403	#	
<u>Inj 50 mg per ml, 2 ml</u>	100,342	\$0.7600	\$76,260	#	
Tab 100 mg	139,969	\$0.6500	\$90,980	#	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
NERVOUS SYSTEM				
Pethidine Hydrochloride Tab 50 mg	268,563	\$0.4500	\$120,853	#
Tramadol Cap 50 mg	4,725	\$0.0000	\$0	No product currently listed
Inj 50 mg per ml, 1 ml	0	\$0.0000	\$0	No product currently listed
Inj 50 mg per ml, 2 ml	1,320	\$0.0000	\$0	No product currently listed
Antidepressants				
Cyclic and Related Agents				
Amitriptyline <u>Tab 10 mg</u>	5,569,778	\$0.0249	\$138,687	^
<u>Tab 25 mg</u>	5,759,560	\$0.0259	\$149,173	^
<u>Tab 50 mg</u>	1,501,155	\$0.0698	\$104,781	^
Amoxapine Tab 100 mg	67,291	\$0.4895	\$32,939	
Tab 25 mg	159,414	\$0.1750	\$27,897	
Tab 50 mg	193,557	\$0.2600	\$50,325	
Clomipramine Hydrochloride <u>Tab 10 mg</u>	482,416	\$0.1750	\$84,423	#
Desipramine Hydrochloride Tab 25 mg	240,144	\$0.6464	\$155,229	#
Dothiepin Hydrochloride <u>Cap 25 mg</u>	4,768,312	\$0.0450	\$214,574	
<u>Tab 75 mg</u>	1,640,787	\$0.0875	\$143,569	
Doxepin Hydrochloride <u>Cap 10 mg</u>	1,632,451	\$0.0499	\$81,459	
<u>Cap 25 mg</u>	2,820,028	\$0.0419	\$118,159	
<u>Cap 50 mg</u>	785,056	\$0.0699	\$54,875	
<u>Cap 75 mg</u>	441,029	\$0.1099	\$48,469	
Imipramine Hydrochloride Tab 10 mg	594,048	\$0.0995	\$59,108	
Tab 25 mg	1,763,478	\$0.1038	\$182,961	
Maprotiline Hydrochloride Tab 25 mg	157,711	\$0.3388	\$53,432	#
Tab 75 mg	36,225	\$0.9487	\$34,365	#
Mianserin Hydrochloride Tab 30 mg	47,371	\$0.9750	\$46,187	#
Nortriptyline Hydrochloride Tab 10 mg	1,303,823	\$0.0480	\$62,584	
Tab 25 mg	4,444,824	\$0.0937	\$416,480	
Trimipramine Maleate Cap 25 mg or Tab 25 mg	1,174,872	\$0.0791	\$92,932	
Cap 50 mg	696,935	\$0.1584	\$110,395	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
NERVOUS SYSTEM				
Monoamine-Oxidase Inhibitors (MAOIs) - Non Selective				
Phenelzine Sulphate Tab 15 mg	237,490	\$0.2980	\$70,772	
Tranlycypromine Sulphate Tab 10 mg	238,752	\$0.4588	\$109,539	
Selective Serotonin Reuptake Inhibitors				
Citalopram hydrobromide Tab 20 mg	3,692,895	\$0.0564	\$208,383	* #
Nefazodone Tab 100 mg	556,377	\$0.0254	\$14,132	* #
Tab 200 mg	422,023	\$0.0332	\$14,017	* #
Anti-Epilepsy Drugs				
Agents for Control of Status Epilepticus				
Clonazepam Inj 1 mg per ml, 1 ml	11,630	\$1.8720	\$21,771	
Diazepam Inj 5 mg per ml, 2 ml	7,586	\$1.6640	\$12,623	Currently available on PSO.
Rectal tubes 10 mg	15,103	\$6.4760	\$97,807	Currently available on PSO.
Rectal tubes 5 mg	20,104	\$5.3000	\$106,551	Currently available on PSO.
Phenobarbitone Sodium Inj 200 mg per ml, 1 ml	371	\$7.3920	\$2,742	
Control of Epilepsy				
Clobazam Tab 10 mg	741,723	\$0.1658	\$122,978	* #
Clonazepam Oral drops 2.5 mg per ml	40,030	\$0.7380	\$29,542	
Tab 2 mg	817,695	\$0.1858	\$151,928	
Tab 500 mcg	3,996,174	\$0.0985	\$393,623	
Phenobarbitone Tab 15 mg	161,672	\$0.0474	\$7,657	
Tab 30 mg	1,056,610	\$0.0492	\$51,964	
Antimigraine Preparations				
Acute Migraine Treatment				
Ergotamine Tartrate with Caffeine Tab 1 mg with caffeine 100 mg	432,963	\$0.2420	\$104,777	
Ergotamine Tartrate with Diphenhydramine Cap 1 mg with caffeine citrate 100 mg and diphenhydramine hydrochloride 25 mg	227,184	\$0.1762	\$40,030	
Metoclopramide Hydrochloride Tab 5 mg with paracetamol 500 mg	1,081,780	\$0.1167	\$126,207	
Prophylaxis of Migraine				
Clonidine Hydrochloride Tab 25 mcg	2,325,549	\$0.1726	\$401,390	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
NERVOUS SYSTEM				
Pizotifen Tab 500 mcg	2,067,763	\$0.2110	\$436,298	
Antinausea and Vertigo Agents				
Antinausea and Vertigo Agents				
Betahistine Dihydrochloride Tab 16 mg	895,612	\$0.1749	\$156,643	#
Cyclizine Hydrochloride Tab 50 mg	348,446	\$0.1260	\$43,904	* #
Dimenhydrinate Tab 50 mg	48,689	\$0.0585	\$2,848	
Domperidone Tab 10 mg	2,295,989	\$0.0390	\$89,544	#
Hyoscine (Scopolamine) Patches, 1.5 mg	4,541	\$4.7800	\$21,706	* #
Hyoscine Hydrobromide Inj 400 mcg per ml, 1 ml	2,574	\$1.2000	\$3,089	
Metoclopramide Hydrochloride <u>Inj 5 mg per ml 2 ml</u>	199,441	\$0.6000	\$119,665	Currently available on PSO
Oral liq 5 mg per 5 ml	1,089,693	\$0.0274	\$29,858	
Tab 10 mg	3,153,959	\$0.0300	\$94,619	
Prochlorperazine Inj 12.5 mg per ml, 1 ml	47,947	\$1.4910	\$71,489	* Currently available on PSO.
Suppos 25 mg	34,880	\$2.5080	\$87,479	*
Suppos 5 mg	22,807	\$1.9030	\$43,402	*
Tab 3 mg buccal	212,556	\$0.1194	\$25,379	*
Antiparkinson Agents				
Anticholinergics				
Benzotropine Mesylate Inj 1 mg per ml, 2 ml	1,538	\$7.2700	\$11,181	#
Tab 2 mg	1,248,208	\$0.0560	\$69,900	
Orphenadrine Hydrochloride Tab 50 mg	615,138	\$0.1277	\$78,565	
Procyclidine Hydrochloride Tab 5 mg	705,965	\$0.0740	\$52,241	
Dopamine Agonists and Related Agents				
Amantadine Hydrochloride Cap 100 mg	253,210	\$0.9637	\$244,010	* #
Apomorphine Hydrochloride Inj 10 mg per ml 1 ml	11,493	\$10.0860	\$115,918	^ #
Bromocriptine Mesylate <u>Tab 10 mg</u>	63,236	\$1.3474	\$85,204	
<u>Tab 2.5 mg</u>	586,141	\$0.3613	\$211,773	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
NERVOUS SYSTEM					
Lisuride Hydrogen Maleate Tab 200 mcg	124,496	\$0.9167	\$114,121		
Pergolide Tab 0.25 mg	273,538	\$0.7475	\$204,470	#	
Tab 1 mg	38,664	\$2.9900	\$115,605	#	
Antipsychotics					
Depot Injections					
Flupenthixol Decanoate Inj 100 mg per ml, 1 ml	9,325	\$8.1740	\$76,223	^ #	Currently available on PSO.
Inj 20 mg per ml, 1 ml	9,915	\$2.6280	\$26,057	^ #	Currently available on PSO.
Inj 20 mg per ml, 2 ml	10,294	\$4.1800	\$43,029	^ #	Currently available on PSO.
Fluphenazine Decanoate <u>Inj 100 mg per ml, 1 ml</u>	5,299	\$33.6000	\$178,046	^ #	Currently available on PSO
<u>Inj 12.5 mg per 0.5 ml, 0.5 ml</u>	5,395	\$5.8000	\$31,291	^ #	Currently available on PSO
<u>Inj 25 mg per ml, 1 ml</u>	13,768	\$9.7500	\$134,238	^ #	Currently available on PSO
Haloperidol Decanoate Inj 100 mg per ml, 1 ml	9,312	\$11.1800	\$104,108	^ #	Currently available on PSO.
Inj 50 mg per ml, 1 ml	7,608	\$5.6780	\$43,198	^ #	Currently available on PSO.
Pipothiazine Palmitate Inj 50 mg per ml, 1 ml	4,631	\$16.2250	\$75,138	^ #	Currently available on PSO.
Inj 50 mg per ml, 2 ml	1,434	\$32.1200	\$46,060	^ #	Currently available on PSO.
Anxiolytics					
Anxiolytics					
Alprazolam Tab 0.25 mg	303,832	\$0.0477	\$14,493	* #	
Tab 0.5 mg	240,033	\$0.0954	\$22,899	* #	
Tab 1 mg	71,042	\$0.1908	\$13,555	* #	
Chlordiazepoxide Hydrochloride Cap 5 mg	99,162	\$0.0477	\$4,730	#	
Oxazepam Tab 10 mg	1,200,740	\$0.0198	\$23,775	*	
Tab 15 mg	470,772	\$0.0245	\$11,534	*	
Tab 30 mg	116,171	\$0.0648	\$7,528	*	Currently listed brand delisted 1 Dec 2001
Other CNS Agents					
Other CNS Agents					
Dexamphetamine Sulphate Tab 5 mg	635,605	\$0.1900	\$120,765	#	
Disulfiram Tab 200 mg	147,286	\$0.2430	\$35,790		
Methylphenidate Hydrochloride Tab long-acting 20 mg	984,620	\$0.7500	\$738,465	#	√

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
NERVOUS SYSTEM				
Tetrabenazine Tab 25 mg	87,536	\$1.4375	\$125,833	
Sedatives and Hypnotics				
Sedatives and Hypnotics				
Chlormethiazole Edisylate Cap 192 mg	291,508	\$0.2104	\$61,333	* #
Oral liq 250 mg per 5 ml	100,527	\$0.0563	\$5,656	*
Lormetazepam Tab 1 mg	100,307	\$0.1037	\$10,398	* #
Midazolam Inj 1 mg per ml, 5 ml	792	\$2.2600	\$1,790	#
Inj 5 mg per ml, 3 ml	12,074	\$4.8500	\$58,559	#
Tab 7.5 mg	355,244	\$0.1038	\$36,874	* #
Nitrazepam Tab 5 mg	1,166,597	\$0.0200	\$23,332	* #
Temazepam Cap 10 mg	2,383,952	\$0.0316	\$75,333	#
Cap 20 mg	1,338,096	\$0.0525	\$70,250	#
Triazolam Tab 0.125 mg	2,277,508	\$0.0276	\$62,859	#
Tab 0.250 mg	2,208,184	\$0.0276	\$60,946	#
Zopiclone Tab 7.5 mg	6,343,063	\$0.0933	\$591,808	#
ONCOLOGY AGENTS AND IMMUNOSUPPRESSANTS				
Chemotherapeutic Agents				
Alkylating Agents				
Busulphan Tab 2 mg	8,233	\$0.4789	\$3,943	^ #
Chlorambucil Tab 2 mg	43,102	\$0.8940	\$38,533	^ #
Tab 5 mg	44,533	\$1.3272	\$59,104	^ #
Cyclophosphamide Tab 50 mg	139,453	\$0.5200	\$72,516	^ #
Melphalan Tab 2 mg	8,441	\$1.2524	\$10,572	^ # √
Tab 5 mg	7,372	\$2.0280	\$14,950	^ # √
Antimetabolites				
Calcium Folate Tab 15 mg	2,092	\$3.8900	\$8,138	#
Fluorouracil Sodium Crm 5%	121,900	\$1.1945	\$145,610	#
Inj 250 mg per 10 ml	70	\$3.6480	\$255	#

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
ONCOLOGY AGENTS AND IMMUNOSUPPRESSANTS				
Mercaptopurine				
Tab 10 mg	40,142	\$0.4073	\$16,350	^ # √
Tab 50 mg	50,917	\$1.8824	\$95,846	^ # √
Methotrexate				
Tab 10 mg	51,919	\$0.8200	\$42,574	^ # √
Tab 2.5 mg	964,326	\$0.2050	\$197,687	^ # √

Endocrine Therapy

Hormones and Related Agents

Aminoglutethimide

Tab 250 mg 12,926 \$2.4410 \$31,552 #

Octreotide (somatostatin analogue)

Inj 100 mcg per ml, 1 ml 24,518 \$16.2000 \$397,192 ^ #

Inj 50 mcg per ml, 1 ml 3,832 \$8.7000 \$33,338 ^ #

Inj 500 mcg per ml, 1 ml 2,253 \$79.8000 \$179,789 ^ #

Inj long-acting 10 mg, pre-filled syringe 41 1,772.5000 \$72,673 ^ #

Inj long-acting 20 mg, pre-filled syringe 193 2,358.7500 \$455,239 ^ #

RESPIRATORY SYSTEM AND ALLERGIES

Anti-allergy Preparations

Anti-allergy Preparations

Adrenaline

Inj 1 in 10,000, 10 ml 4,532 \$2.5000 \$11,330 ^ Currently available on PSO

Inj 1 in 1000, 1 ml 36,801 \$0.9900 \$36,433 ^ Currently available on PSO

Antihistamines

Antihistamines

Azatadine Maleate

Oral liq 500 mcg per 5 ml 222,628 \$0.0227 \$5,054 *

Tab 1 mg 486,004 \$0.1388 \$67,457 *

Cetirizine Hydrochloride

Tab 10 mg 1,117,832 \$0.4350 \$486,257 *

Chlorpheniramine Maleate

Cap long-acting 12 mg 263,920 \$0.1394 \$36,790 *

Cap long-acting 8 mg 461,726 \$0.0838 \$38,693 *

Oral liq 2 mg per 5 ml 4,504,588 \$0.0075 \$33,694 *

Cyproheptadine Hydrochloride

Tab 4 mg 245,413 \$0.0627 \$15,387

Dextrochlorpheniramine Maleate

Oral liq 2 mg per 5 ml 300,904 \$0.0177 \$5,326 *

Tab 2 mg 211,839 \$0.0504 \$10,677 *

Tab long-acting 6 mg 645,109 \$0.1350 \$87,090 *

Ketotifen

Oral liq 1 mg per 5 ml 3,612,698 \$0.0200 \$72,254

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
RESPIRATORY SYSTEM AND ALLERGIES				
Loratidine Oral liq 1 mg per ml	2,290,502	\$0.0400	\$91,620	
Pheniramine Maleate Tab long acting 75 mg	54,029	\$0.0712	\$3,847 *	
Promethazine Hydrochloride Inj 25 mg per ml, 1 ml	21,963	\$1.2680	\$27,849 *	Currently available on PSO
Inj 25 mg per ml, 2 ml	166	\$1.5500	\$257	Currently available on PSO
Oral liq 5 mg per 5 ml	6,113,420	\$0.0353	\$215,804 *	
Tab 10 mg	659,434	\$0.0474	\$31,257 *	
Tab 25 mg	612,440	\$0.0948	\$58,059 *	
Trimeprazine Tartrate Oral liq 30 mg per 5 ml	492,513	\$0.0279	\$13,741 *	
Beta-adrenoceptor agoinists - long acting tablets				
High dose				
Salbutamol Tab long-acting 8 mg	684,200	\$0.2732	\$186,933	
Low dose				
Salbutamol Tab long-acting 4 mg	343,793	\$0.1996	\$68,636	
Beta-adrenoceptor agoinists - oral liquids				
Beta-adrenoceptor agoinists - oral liquids				
Salbutamol Oral liq 2 mg per 5 ml	4,761,420	\$0.0244	\$116,179	
Cough preparations				
Cough preparations				
Pholcodine Linctus BP	22,790,935	\$0.0055	\$125,350 *	
Linctus strong BP	17,897,159	\$0.0065	\$116,332 *	
Inhaled anticholinergic agents - metered dose inhalers				
High dose				
Ipratropium Bromide Aerosol inhaler, 40 mcg per dose	13,957,800	\$0.0748	\$1,043,346	
Low dose				
Ipratropium Bromide Aerosol inhaler, 20 mcg per dose	6,447,800	\$0.0675	\$435,227	
Inhaled beta-adrenoceptor agonist and anticholinergic agents - mdi				
Inhaled beta-adrenoceptor agonist and anticholinergic agents - mdi				
Salbutamol with Ipratropium Bromide Aerosol inhaler, 100 mcg with ipratropium bromide 20 mcg per dose	42,272,200	\$0.0610	\$2,576,491	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
RESPIRATORY SYSTEM AND ALLERGIES				
Inhaled corticosteroids - breath activated devices				
Extremely high dose				
Fluticasone Powder for inhalation, 500 ug per dose, 4 doses per disk	81,891	\$1.9280	\$157,886	*
High dose				
Beclomethasone Dipropionate Aerosol inhaler, 250 mcg per dose, breath activated	2,747,600	\$0.1407	\$386,450	
Powder for inhalation, 200 mcg per dose, 8 doses per disk	314,266	\$0.9000	\$282,839	
Fluticasone Powder for inhalation, 100 mcg per dose, breath activated	2,007,240	\$0.1125	\$225,815	*
Powder for inhalation, 100 ug per dose, 4 doses per disk	55,043	\$0.4500	\$24,769	*
Low dose				
Beclomethasone Dipropionate Aerosol inhaler, 100 mcg per dose, breath activated	4,380,600	\$0.0650	\$284,739	
Medium dose				
Beclomethasone Dipropionate Powder for inhalation, 100 mcg per dose, 8 doses per disk	69,121	\$0.5200	\$35,943	
Fluticasone Powder for inhalation, 50 mcg per dose, breath activated	652,260	\$0.0650	\$42,397	*
Very high dose				
Beclomethasone Dipropionate Powder for inhalation, 400 mcg per dose, 8 doses per disk	177,188	\$1.5420	\$273,224	
Fluticasone Powder for inhalation, 250 mcg per dose, breath activated	3,049,500	\$0.2410	\$734,930	*
Powder for inhalation, 250 ug per dose, 4 doses per disk	104,980	\$0.9640	\$101,201	*
Inhaled corticosteroids - metered dose inhalers				
High dose				
Fluticasone Powder for inhalation, 50 ug per dose, 4 doses per disk	18,740	\$0.2600	\$4,872	*
Low dose				
Fluticasone Aerosol inhaler, 25 ug per dose	2,469,960	\$0.0723	\$178,455	CFC free inhalers preferable
Medium dose				
Fluticasone Aerosol inhaler, 50 ug per dose	2,557,800	\$0.0800	\$204,624	CFC free inhalers preferable

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
RESPIRATORY SYSTEM AND ALLERGIES				
Inhaled corticosteroids - metered dose inhalers with spacers				
High dose				
Beclomethasone Dipropionate Aerosol inhaler with spacer, 250 mcg per dose	67,000	\$0.2267	\$15,186	
Medium dose				
Beclomethasone Dipropionate Aerosol inhaler with spacer, 100 mcg per dose	32,800	\$0.1250	\$4,100	
Nasal preparations				
Allergy prophylactics				
Ipratropium Bromide Aqueous nasal spray, 0.03%	506,340	\$0.8547	\$432,752	
Sodium Cromoglycate Nasal spray, 4%	186,406	\$0.7309	\$136,246	*
Respiratory devices				
Respiratory devices				
Peak Flow Meters Peak flow meters-low range	19,053	\$18.2000	\$346,765	Currently available on WSO
Sodium cromoglycate				
Sodium cromoglycate				
Sodium Cromoglycate Aerosol inhaler, 5 mg per dose Aerosol inhaler, 5 mg per dose CFC-free	1,794,352	\$0.2071	\$371,686	
Nebuliser soln, 10 mg per ml, 2 ml	14,307	\$0.5100	\$7,297	
Powder for inhalation, 20 mg per dose	178,008	\$0.3262	\$58,066	
SENSORY ORGANS				
Ear Preparations				
Ear Preparations				
Betamethasone Sodium Phosphate Ear/Eye drops 0.1%	71,100	\$0.9000	\$63,990	#
Betamethasone Sodium Phosphate with Neomycin Ear/Eye drops 0.1% with neomycin sulphate 0.5%	35,755	\$0.9000	\$32,180	#
Eye Preparations				
Anti-Infective Preparations				
Chloramphenicol <u>Eye drops 0.5%</u>	919,360	\$0.1100	\$101,130	
<u>Eye oint 1%</u>	216,284	\$0.4625	\$100,031	
Ciprofloxacin Eye Drops 0.3%	6,130	\$2.4860	\$15,239	#
Dibromopropamide Isethionate Eye oint 0.15%	1,805	\$0.5940	\$1,072	*

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
SENSORY ORGANS				
Framycetin Sulphate				
Ear/Eye drops 0.5%	98,184	\$0.5163	\$50,687	*
Ear/Eye oint 0.5%	40,550	\$0.7300	\$29,602	*
Fusidic Acid				
Eye drops 1%	256,025	\$0.9000	\$230,423	*
Propamide Isethionate				
Eye drops 0.1 %	1,730	\$0.2970	\$514	*
Sulphacetamide Sodium				
Eye drops 10%	50,610	\$0.2753	\$13,935	
Tobramycin				
Eye drops 0.3%	13,570	\$2.2960	\$31,157	#
Eye oint 0.3%	3,167	\$2.9857	\$9,456	#
Corticosteroids and Other Anti-Inflammatory Preparations				
Dexamethasone				
Eye drops 0.1 %	25,890	\$0.9000	\$23,301	* #
Eye oint 0.1%	6,028	\$1.6743	\$10,093	#
Dexamethasone with Framycetin and Gramicidin				
Ear/Eye drops 500 mcg with framycetin sulphate 5 mg and gramicidin 50 mcg per ml	805,672	\$0.5625	\$453,191	* #
Ear/Eye oint 0.5 mg with framycetin sulphate 5 mg and gramicidin 50 mcg per g	41,255	\$0.9000	\$37,130	* #
Fluorometholone				
Eye drops 0.1%	44,010	\$0.9000	\$39,609	#
Levocabastine				
Eye drops 0.5 mg per ml	90,464	\$2.1775	\$196,985	*
Lodoxamide trometamol				
Eye drops 0.5 mg per ml	97,130	\$0.8710	\$84,600	*
Prednisolone Acetate				
Eye drops 0.12%	22,190	\$0.9000	\$19,971	* #
Eye drops 1%	82,180	\$0.9000	\$73,962	* #
Prednisolone Acetate with Phenylephrine and Sulphacetamide				
Eye drops 0.2% with sulphacetamide sodium 10% and phenylephrine hydrochloride 0.12%	34,125	\$1.7200	\$58,695	* #
Sodium Cromoglycate				
Eye drops 2%	406,810	\$0.8710	\$354,332	
Glaucoma Preparations				
Acetazolamide				
Sodium inj 500 mg	90	\$13.9500	\$1,256	^
Tab 250 mg	338,043	\$0.0875	\$29,579	* ^
Carbachol				
Eye drops 1.5%	5,910	\$0.4547	\$2,687	* #
Eye drops 3%	12,855	\$0.4660	\$5,990	* #
Dipivefrin Hydrochloride				
<u>Eye drops 0.1%</u>	59,720	\$0.5900	\$35,235	#

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
SENSORY ORGANS				
Pilocarpine				
<u>Eye drops 0.5%</u>	12,285	\$0.1780	\$2,187	
<u>Eye drops 1%</u>	63,240	\$0.1907	\$12,060	
<u>Eye drops 2%</u>	155,070	\$0.2440	\$37,837	
<u>Eye drops 3%</u>	6,030	\$0.3093	\$1,865	
<u>Eye drops 4%</u>	102,345	\$0.3573	\$36,568	
<u>Eye drops 6%</u>	17,835	\$0.5093	\$9,083	
Mydriatics and Cycloplegics				
Atropine Sulphate				
Eye drops 0.5%	4,020	\$0.2680	\$1,077	
Eye drops 1%	58,695	\$0.2680	\$15,730	
Cyclopentolate Hydrochloride				
Eye drops 1%	35,445	\$0.5840	\$20,700	
Homatropine Hydrobromide				
Eye drops 2%	3,900	\$0.4787	\$1,867	*
Other Eye Preparations				
Naphazoline Hydrochloride				
Eye drops 0.1%	149,490	\$0.2800	\$41,857	*
Paraffin Liquid with Soft White Paraffin				
Eye oint with soft white paraffin	79,606	\$1.0371	\$82,563	
Paraffin Liquid with Wool Fat Liquid				
Eye oint 3% with wool fat liq 3%	6,928	\$1.0371	\$7,185	
Phenylephrine Hydrochloride				
Eye drops 0.12%	40,140	\$0.2167	\$8,698	
Phenylephrine Hydrochloride with Zinc Sulphate				
Eye drops 0.12% with zinc sulphate 0.25%	14,820	\$0.3007	\$4,456	
Preparations for Tear Deficiency				
Hypromellose				
Eye drops 0.3%	636,645	\$0.1907	\$121,408	
Polyvinyl Alcohol				
Eye drops 1.4%	295,545	\$0.2413	\$71,325	
Eye drops 3%	57,465	\$0.2587	\$14,864	
Tyloxapol				
Eye drops 0.25%	7,335	\$0.5753	\$4,220	
SYSTEMIC HORMONE PREPARATIONS EXCLUDING CONTRACEPTIVE HORMONES				
Anabolic Agents				
Anabolic Agents				
Nandrolone Decanoate				
Inj 50 mg per ml, 1 ml	1,067	\$21.1500	\$22,567	#

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy		Comments / Product specific conditions
SYSTEMIC HORMONE PREPARATIONS EXCLUDING CONTRACEPTIVE HORMONES					
Calcium Homeostasis					
Calcium Homeostasis					
Calcitonin					
Inj 100 iu per ml, 1 ml	362	\$20.0000	\$7,240	#	
Pamidronate Disodium					
Inj 30 mg 10 ml	4,496	\$102.3800	\$460,300	#	
Corticosteroids - Injectibles					
Corticosteroids - Injectibles					
Dexamethasone Sodium Phosphate					
Inj 4 mg per ml, 2 ml	13,343	\$6.5200	\$86,996	^	Currently available on PSO or BSO.
Corticosteroids and Related Agents for Systemic Use					
Corticosteroids and Related Agents for Systemic Use					
Betamethasone Sodium Phosphate					
Tab 500 mcg	682,962	\$0.1186	\$80,999		Currently available on PSO.
Betamethasone Sodium Phosphate with Betamethasone Acetate					
Inj 3.9 mg with betamethasone acetate 3 mg per ml, 1ml	978	\$3.8400	\$3,756	*	
Dexamethasone					
Oral liq 1mg per ml	3,525	\$1.4000	\$4,935	#	
Tab 1 mg	235,213	\$0.1608	\$37,822		Currently available on PSO.
Tab 4 mg	318,950	\$0.6189	\$197,398		Currently available on PSO.
Dexamethasone Sodium Phosphate					
Inj 4 mg per ml, 1 ml	9,190	\$4.5200	\$41,539	^	Currently available on PSO or BSO.
Fludrocortisone Acetate					
Tab 100 mcg	613,305	\$0.0762	\$46,734	^	
Hydrocortisone					
<u>Tab 20 mg</u>	108,241	\$0.1643	\$17,784	^	√
<u>Tab 5 mg</u>	1,516,334	\$0.0883	\$133,892	^	√
Methylprednisolone					
Tab 100 mg	9,599	\$8.3335	\$79,993	#	
Tab 4 mg	47,425	\$0.4855	\$23,025	#	
Methylprednisolone Sodium Succinate					
Inj 40 mg per ml, 1 ml	1,139	\$6.0800	\$6,925	^	
Prednisolone Sodium Phosphate					
Oral liq 5 mg per ml	1,061,700	\$0.3317	\$352,130	#	Currently available on PSO.
Prednisone					
<u>Tab 1 mg</u>	6,257,797	\$0.0206	\$128,911	^	
Tab 10 mg	40,502	\$0.0790	\$3,200	^	
<u>Tab 2.5 mg</u>	1,273,292	\$0.0231	\$29,413	^	
<u>Tab 20 mg</u>	2,276,553	\$0.0730	\$166,188	^	
<u>Tab 5 mg</u>	7,515,399	\$0.0244	\$183,376	^	Currently available on PSO

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
SYSTEMIC HORMONE PREPARATIONS EXCLUDING CONTRACEPTIVE HORMONES				
Tetracosactrin				
Inj 1mg per ml, 1ml	652	\$22.4000	\$14,605	
Inj 250 mcg	304	\$14.7650	\$4,489	^

Hormone Replacement Therapy - Systemic

Oestrogens

Oestradiol

Tab 1 mg	649,460	\$0.1471	\$95,563	*
Tab 2 mg	1,685,572	\$0.2500	\$421,393	
TDDS 100 mcg per day	30,344	\$0.8813	\$26,741	*
TDDS 25 mcg per day	96,962	\$0.3763	\$36,482	* #
TDDS 3.9 mg (releases 50 mcg of oestradiol per day)	196,447	\$1.0300	\$202,340	* #
TDDS 50 mcg per day	154,801	\$0.5150	\$79,723	* #
TDDS 7.8 mg (releases 100 mcg of oestradiol per day)	58,277	\$1.7625	\$102,713	* #

Oestradiol valerate

Tab 1 mg	487,465	\$0.1471	\$71,727	
Tab 2 mg	469,960	\$0.2500	\$117,490	

Oestrogens

Conjugated, equine tab 1.25 mg	1,404,582	\$0.2518	\$353,653	
Conjugated, equine tab 300 mcg	3,270,374	\$0.1075	\$351,565	
Conjugated, equine tab 625 mcg	5,825,598	\$0.1471	\$857,190	

Progestogen and Oestrogen combined preparations

Oestradiol with levonorgestrel

Tab 2 mg with 75 mcg levonorgestrel tab 12 and 2 mg oestradiol tab 16	266,512	\$0.2500	\$66,628	
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Oestradiol with norethisterone

Tab 1 mg with 0.5 mg norethisterone acetate	1,313,648	\$0.2500	\$328,412	
Tab 2 mg with 1 mg norethisterone acetate	3,169,908	\$0.2500	\$792,477	
Tab 2 mg with 1 mg norethisterone acetate 10, and 2 mg oestradiol tab 12 and 1 mg oestradiol tab 6	1,473,304	\$0.2500	\$368,326	
TDDS 50 mcg 10, and 1 mg norethisterone tab 12	3,768	\$7.0000	\$26,376	#

Oestrogens with medroxyprogesterone

Tab 625 mcg conjugated equine 14 and 5 mg medroxyprogesterone acetate tab 14	354,228	\$0.2500	\$88,557	
Tab 625 mcg conjugated equine 28 and 10 mg medroxyprogesterone acetate tab 14	869,092	\$0.1667	\$144,878	
Tab 625 mcg conjugated equine 28 and 5 mg medroxyprogesterone acetate tab 28	4,523,222	\$0.1250	\$565,403	
Tab 625 mcg conjugated equine and 2.5 mg medroxyprogesterone acetate tab 28	687,568	\$0.2500	\$171,892	
Tab 625 mcg conjugated equine and 5 mg medroxyprogesterone acetate tab 28	1,364,496	\$0.2500	\$341,124	

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
SYSTEMIC HORMONE PREPARATIONS EXCLUDING CONTRACEPTIVE HORMONES				
Oestrogens with norgestrel				
Tab 1.25 mg conjugated equine 28 and 150 mcg norgestrel tab 12	368,040	\$0.1750	\$64,407	
Tab 625 mcg conjugated equine 28 and 150 mcg norgestrel tab 12	1,375,680	\$0.1750	\$240,744	
Other Endocrine Agents				
Other Endocrine Agents				
Clomiphene Citrate				
Tab 50 mg	63,628	\$0.5980	\$38,050	#
Danazol				
Cap 100 mg	27,582	\$0.7037	\$19,409	#
Cap 200 mg	103,893	\$1.1617	\$120,689	#
Gestrinone				
Cap 2.5 mg	15,527	\$12.7338	\$197,717	#
Metyrapone				
Cap 250 mg	9,021	\$3.6180	\$32,638	#
Other oestrogen preparations				
Other Oestrogen Preparations				
Ethinylestradiol				
Tab 10 mcg	728,206	\$0.1652	\$120,300	
Oestradiol				
Implant 100 mg	514	\$48.8500	\$25,109	
Implant 50 mg	694	\$22.5000	\$15,615	
Oestriol				
Tab 2 mg	425,956	\$0.2333	\$99,390	
Other progestogen preparations				
Other Progestogen Preparations				
Dydrogesterone				
Tab 10 mg	42,758	\$0.5500	\$23,517	*
Medroxyprogesterone Acetate				
Tab 100 mg	86,200	\$1.3033	\$112,344	#
Tab 200 mg	365	\$2.6018	\$950	#
Tab 400 mg	4	\$3.0093	\$12	#
Tab 500 mg	4,067	\$3.7800	\$15,373	#
Norethisterone				
Tab 5 mg	1,339,638	\$0.2750	\$368,400	Currently available on PSO
Progesterone				
Inj 25 mg per ml, 1 ml	452	\$2.3290	\$1,053	
Inj 50 mg per ml, 2 ml	888	\$3.5970	\$3,194	*
Sex Hormones Non Contraceptive				
Androgen Agonists and Antagonists				
Testosterone Cypionate				
Inj long-acting 100 mg per ml, 10 ml	380	\$57.3900	\$21,808	* #

SCHEDULE TWO: PRODUCTS TO BE TENDERED

Chemical Name Formulation Name	Unit volume	Unit subsidy	Market size at current subsidy	Comments / Product specific conditions
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SYSTEMIC HORMONE PREPARATIONS EXCLUDING CONTRACEPTIVE HORMONES

Testosterone Enanthate Inj long-acting 250 mg - pre-filled syringe	2,726	\$20.0000	\$54,520	#
Testosterone Undecanoate Cap 40 mg	636,394	\$1.0118	\$643,924	#

Thyroid and Antithyroid Agents

Thyroid and Antithyroid Agents

Carbimazole Tab 5 mg	1,304,768	\$0.0313	\$40,839	^
Liothyronine Tab 20 mcg	133,135	\$0.3077	\$40,966	√
Thyroxine Tab 100 mcg	6,845,264	\$0.0380	\$260,120	^ √
Tab 50 mcg	16,633,730	\$0.0340	\$565,547	^ √

Trophic Hormones

GnRH Analogues

Buserelin Acetate Inj 1 mg per ml, 5.5 ml	13	\$97.5000	\$1,268	* #
Goserelin Acetate Inj 10.8 mg	2,047	\$739.6000	\$1,513,961	#
Inj 3.6 mg	1,301	\$277.0000	\$360,377	#
Leuprorelin Inj 11.25 mg	1,714	\$739.6000	\$1,267,674	#
Inj 3.75 mg	1,117	\$277.0000	\$309,409	#
Nafarelin Acetate Nasal soln 2 mg per ml	2,270	\$27.7000	\$62,879	#

VARIOUS

Agents Used in the Treatment of Poisonings

Agents Used in the Treatment of Poisonings

Charcoal Oral liq 50 g per 300 ml	180,600	\$0.0667	\$12,040	Currently available on PSO.
Tab 300 mg	55,285	\$0.0713	\$3,942	

Schedule 3: Tender Process

1. General

1.1 Sole Supply Period

Tender Bids are to be submitted on the basis that if your Tender Bid is accepted, you will have Sole Supply Status for the particular Tender Item for the Sole Supply Period.

1.2 Transition Periods

- (a) There will be three Transition Periods during which the successful tenderer's brand of the Tender Item is to be available for supply and subsidised, but may not be the sole subsidised brand of that Tender Item.
- (b) The First and Second Transition Periods are intended to allow for an orderly transition to the arrangements that will apply during the Sole Supply Period. PHARMAC may, in its sole discretion, determine a different commencement date for the First and Second Transition Periods, including where it considers that a different commencement date is necessary to ensure appropriate stock management or appropriate supply of the Tender Item.
- (c) The Third Transition Period is intended to allow for an orderly transition to any new arrangements following the end of the Sole Supply Period.

1.3 Contract

If PHARMAC accepts your Tender Bid, then a contract on the terms and conditions set out in:

- (a) your Tender Bid (incorporating any variations as a result of negotiations or discussions under **clause 1.4** of this Schedule); and
- (b) Schedule Five; and
- (c) if PHARMAC accepts a Foreign Exchange Bid from you, Schedule Six,

will be deemed to have been entered into between you and PHARMAC for Sole Supply Status for the relevant Tender Item and, where applicable, its listing on the Pharmaceutical Schedule.

1.4 PHARMAC may initiate limited negotiations

- (a) Notwithstanding **clause 2.5** of this Schedule, PHARMAC may, in its sole discretion, initiate negotiations or discussions with you in relation to your Tender Bid about:
 - (i) any of the terms and conditions to apply if your Tender Bid is accepted;
 - (ii) the proposed packaging or pack size of the Tender Item;
 - (iii) your ability to ensure continued availability of the Tender Item throughout the Sole Supply Period;

- (iv) the price of the Tender Item, but only where PHARMAC determines, in its sole discretion, that an increased price for the Tender Item may be necessary for practicality of supply of the Tender Item (for example, because of particular packaging requirements); or
 - (v) any other matter that PHARMAC considers necessary or appropriate.
- (b) If PHARMAC initiates negotiations or discussions with you under paragraph (a), and as a result there is a change to any of the terms and conditions relating to the supply of a Tender Item, PHARMAC is not obliged to inform the other tenderers of that change, nor give those tenderers an opportunity to amend their bid for that Tender Item.
 - (c) The initiation and pursuit of any negotiations or discussions under this clause shall not constitute a counter-offer and your original Tender Bid will remain open for acceptance in accordance with **clause 4.2(b)** of this Schedule in the absence of agreement or any variation to that Tender Bid.

1.5 Supply to DHBs

- (a) Tenders are to be submitted on the basis that if your Tender Bid is accepted, you will, if so requested by PHARMAC, or by a DHB and PHARMAC, supply the Tender Item to DHB hospitals as soon as practicable after such a request, and in any case no later than three months after that request (unless any existing arrangements between suppliers and DHBs regarding that Tender Item preclude supply within that period):
 - (i) at a price that is equal to (or subject to your agreement, less than) the Price;
 - (ii) at PHARMAC's (or at a DHB's and PHARMAC's option), either:
 - (A) on the terms set out in Schedule Five, as applicable;
 - (B) on the standard terms of supply for pharmaceuticals between you and the relevant DHB, as applicable; and/or
 - (C) such other terms to be agreed between the parties;
 - (iii) in such quantities as required by the relevant DHB hospital; and
 - (iv) for such period as PHARMAC, or a DHB and PHARMAC, requires, which period will not extend beyond the End Date. For the avoidance of doubt, nothing in this clause prevents PHARMAC from implementing any arrangements (including a tender) in relation to the supply of the Tender Item to DHBs.
- (b) This clause confers a benefit on (and is enforceable by) each DHB in accordance with the Contracts (Privity) Act 1982.

1.6 Termination and amendment of Invitation

PHARMAC may:

- (a) amend this Invitation at any time up to five business days before the Deadline; and/or
- (b) terminate this Invitation at any time before the acceptance of any Tender Bid by giving five business days written notice.

2. Information about submitting a Tender Bid

2.1 Choice of forms and strengths

Where a Tender Item includes different forms and strengths of a Chemical Entity or entities, your Tender Bid may, but does not need to, include all of the forms and strengths of the Chemical Entity or entities contained in that Tender Item.

2.2 Consents not yet held

You may submit a Tender Bid for a Tender Item where your brand of the Tender Item is yet to obtain all necessary Consents. In those circumstances, you may be required to demonstrate your ability to obtain those consents within a time frame acceptable to PHARMAC. For example, you may be required to demonstrate that you have the dossier for that brand of the Tender Item ready to submit within one month of such a request being made.

2.3 Individual Tender Bids

You may submit more than one bid for a Tender Item (for example, you may submit separate bids for different pack sizes of a Tender Item) provided that each bid is submitted on a separate Tender Submission Form.

2.4 Aggregated Tender Bids

- (a) You may in addition to, or instead of, submitting a separate Tender Bid for each Tender Item, submit an Aggregated Tender Bid, provided that each brand contained in an Aggregated Tender Bid is only a form and strength of the same Chemical Entity.
- (b) Where a Tender Item includes different forms and strengths of a Chemical Entity or different entities and you bid for the whole Tender Item, that is not an Aggregated Tender.
- (c) You must clearly indicate on your Tender Submission Form if your Tender Bid is an Aggregated Tender Bid.

2.5 No conditions

You cannot make a conditional Tender Bid nor qualify a Tender Bid in any way.

2.6 Separate offers

PHARMAC will treat each Tender Bid as a separate offer.

3. What to include in your Offer Letter and Tender Submission Form

3.1 Compulsory use of Offer Letter and Tender Submission Form

- (a) You must submit your Tender Bid by completing and signing the Offer Letter and completing a separate Tender Submission Form for each Tender Item for which you wish to submit a bid.

- (b) An electronic version of these forms is available on disc from PHARMAC or on PHARMAC's website at <www.pharmac.govt.nz>.

3.2 Information that must be supplied about you

In the Offer Letter, you must supply the following information about you:

- (a) your company structure;
- (b) your management and technical skills;
- (c) your financial resources;
- (d) your (or your supplier's) existing supply commitments; and
- (e) your (or your supplier's) previous supply performance.

3.3 Information that must be supplied about the Tender Item

In your Tender Submission Form, you must supply the following information about the Tender Item:

- (a) the form, strength, brand name, pack size and type of packaging;
- (b) the price (in New Zealand dollars, ex-manufacturer (exclusive of GST)) at which you will supply the Tender Item to wholesalers and other distributors during the Sole Supply Period;
- (c) whether it has all necessary Consents;
- (d) whether it has IMM status, and if so, to which brand and presentation;
- (e) the approximate lead times for supply (on the basis of the Unit Volume figures specified in Schedule Two);
- (f) the name and location of:
 - (i) the manufacturer(s) of the finished product (and name and location of the packaging site, if different); and
 - (ii) the manufacturer(s) of the active ingredients; and
 - (iii) alternative manufacturers of the finished product and active ingredients (if any); and
- (g) your proposed distribution and supply arrangements for the Tender Item.

3.4 Foreign Exchange Bid

- (a) In addition to specifying prices in New Zealand dollars, Tender Bids may also specify prices in a Permitted Currency. If PHARMAC accepts your Tender Bid, PHARMAC will, in its sole discretion, decide whether to accept the Foreign Exchange Bid or whether to accept the price for the Tender Item submitted in New Zealand dollars.

- (b) If you submit a Foreign Exchange Bid, you must supply the following additional information:
 - (i) the price in the Permitted Currency; and
 - (ii) your Risk Sharing Percentage.

3.5 PHARMAC may request further information

- (a) PHARMAC may request such further information as it considers necessary from or about you for the purposes of clarifying or evaluating your Tender Bid, including (but not limited to):
 - (i) information about your credit status;
 - (ii) information on the price of a Tender Item, but only where PHARMAC requires clarification to confirm the exact price being offered, or where PHARMAC initiates negotiations with you under **clause 1.4** of this Schedule;
 - (iii) where a Tender Item is a controlled drug, information about the form in which the Tender Item will be supplied, in which case you must supply that information within 10 business days of PHARMAC requesting the information; and
 - (iv) a sample pack or container of the Tender Item (and if you intend supplying it in a different form from that sample pack or container, information about the form in which it will be supplied), in which case you must supply that sample pack or container or information within 10 business days of PHARMAC requesting it.
- (b) If PHARMAC requests further information from or about you it is not obliged to request the same or any other information from or about any other party.

4. How to submit a Tender Bid

4.1 Submission of Tender Bids

As this tender is a closed tender, no Tender Bids will be opened until after the Deadline. Therefore, it is important that all Tender Bids must:

- (a) be contained in a sealed envelope marked "TENDER FOR THE SUPPLY OF CERTAIN PHARMACEUTICALS - COMMERCIAL IN CONFIDENCE", and, if you wish to be notified of the receipt of the Tender Bid immediately, marked "FOR IMMEDIATE NOTIFICATION OF RECEIPT"; and
- (b) be delivered in the specially marked envelope either in person, by courier or by post (**and not by facsimile or email**) to:

The Chief Executive
c/- Legal Counsel
Pharmaceutical Management Agency
Level 1, Old Bank Chamber
98 Customhouse Quay
PO Box 10-254
WELLINGTON

4.2 Key dates

Your Tender Bid must:

- (a) be received by PHARMAC no later than the Deadline; and
- (b) be irrevocable and remain open for acceptance by PHARMAC until, as applicable:
 - (i) 2 August 2002;
 - (ii) the date specified for a Tender Item in Schedule Two (if any); or
 - (iii) if PHARMAC so requests at any time, such later date as you agree in writing.

5. Evaluation

5.1 Process of evaluation

The Evaluation Committee, taking such regulatory, legal, medical and other advice as it considers appropriate, will evaluate all conforming Tender Bids that have been checked for conformity under **clause 6.1(a)** of this Schedule, and any non-conforming Tender Bids that are admitted for consideration under **clause 6.1(b)** of Schedule Three.

5.2 Matters for evaluation

The matters to be taken into account by the Evaluation Committee, the weight to be attached to them, and the basis on which it will evaluate Tender Bids, are all to be determined by the Evaluation Committee in its sole discretion. The matters taken into account by the Evaluation Committee will, however, include:

- (a) your ability to ensure continued availability of the Tender Item throughout the Sole Supply Period and each of the Transition Periods, taking into account each of the following separate points:
 - (i) your financial resources;
 - (ii) your management and technical skills;
 - (iii) your, or your supplier's, existing supply commitments;
 - (iv) your, or your supplier's, previous supply performance; and
 - (v) your proposed supply and distribution arrangements for the Tender Item (including lead times for supply);
- (b) the pack size of the Tender Item and the type of packaging;
- (c) the price of the Tender Item (including the price in a Permitted Currency if a Foreign Exchange Bid is submitted);
- (d) the amount and timing of savings accruing to the Funder or PHARMAC during the Second Transition Period and the Sole Supply Period;

- (e) either:
 - (i) evidence that you have obtained, and still have, market approval for your brand of the Tender Item, and all necessary Consents; or
 - (ii) evidence that will enable the Evaluation Committee to form a view on the likelihood and timing of your brand of the Tender Item gaining all necessary Consents;
- (f) whether your brand of the Tender Item has IMM status, or is likely to gain IMM status; and
- (g) the name and location of the manufacturer of the finished and active ingredients of the Tender Item.

6. Conformity

6.1 Conformity

- (a) PHARMAC may, in its sole discretion, check your Tender Bid for conformity with this Invitation. If PHARMAC does elect to check your Tender Bid, it is not obliged to check all or any other Tender Bids for conformity. A Tender Bid will conform if it:
 - (i) is received by the Deadline;
 - (ii) is submitted on the Tender Submission Form and attached to the Offer Letter;
 - (iii) has no conditions or qualifications attached;
 - (iv) includes all information required under **clause 3.2, 3.3**, and if applicable **clause 3.4**, of this Schedule; and
 - (v) otherwise complies, both as to form and substance, with the requirements of this Invitation.
- (b) PHARMAC may, in its sole discretion:
 - (i) exclude any non-conforming Tender Bid from consideration; or
 - (ii) consider, and accept, any non-conforming Tender Bid.

7. Decision

7.1 Decision on acceptance of Tender Bid

- (a) The Evaluation Committee will make a recommendation as to which Tender Bid should be accepted to PHARMAC's board of directors (or chief executive acting under delegated authority pursuant to section 61 of the New Zealand Health and Disability Act 2000, where applicable).
- (b) PHARMAC's board of directors (or chief executive, where applicable) will then have the sole discretion to decide whether or not to accept a Tender Bid for any Tender Item.

- (c) PHARMAC's board of directors (or chief executive, where applicable):
 - (i) will use the decision criteria in PHARMAC's then current OPPs, as applicable, in deciding whether or not to accept a Tender Bid for any Tender Item; and
 - (ii) is not obliged to act in accordance with any recommendation of the Evaluation Committee.

7.2 Notification of acceptance

- (a) Once PHARMAC's board of directors (or chief executive, where applicable) has decided under **clause 7.1** above which Tender Bid (if any) to accept for a Tender Item, PHARMAC will, within a reasonable period of time, notify the successful tenderer in writing that it has been successful and in addition:
 - (i) subject to paragraph (b) below, if the successful Tender Bid is unconditionally accepted, PHARMAC will, within a reasonable period of time, notify each unsuccessful tenderer in writing of the identity of the successful tenderer; or
 - (ii) subject to paragraph (b) below, if the successful Tender Bid is conditionally accepted, PHARMAC will, within a reasonable period of time of that tender becoming unconditionally accepted, notify each unsuccessful tenderer in writing of the identity of the successful tenderer.
- (b) If for any reason you do not receive written notification from PHARMAC in accordance with paragraph (a) above, you will be deemed to have received the required notification on the date that each Tender Item you bid for is notified in the Pharmaceutical Schedule.

7.3 PHARMAC's rights reserved

- (a) PHARMAC reserves the right to accept or reject any Tender Bid, and is not obliged to give reasons for its decision.
- (b) While it is PHARMAC's current intention to enter into an agreement for the sole subsidised supply of each Tender Item, PHARMAC will not in any circumstances be bound to accept any or all Tender Bids and, in particular, PHARMAC will not be bound to accept the lowest or any other Tender Bid for a Tender Item.
- (c) Acceptance only occurs if, and when, PHARMAC's board of directors (or chief executive, where applicable) resolves to accept a Tender Bid and this acceptance is notified to the successful tenderer.
- (d) PHARMAC may take any action, or do anything, that is incidental to the process described in this Invitation, except to the extent that such action is explicitly excluded in this Invitation.

7.4 Conditional acceptance

- (a) Where the successful tenderer's brand of a Tender Item is yet to receive all necessary Consents:
 - (i) the contract referred to in **clause 1.3** of Schedule Three will be conditional upon such Consents being received within a time period specified by PHARMAC; and

- (ii) PHARMAC may terminate the contract if such Consents have not been obtained, or in PHARMAC's view are unlikely to be obtained, within the period specified by PHARMAC.
- (b) Acceptance of a Tender Bid by PHARMAC's board of directors (or chief executive, where applicable), and the contract referred to in **clause 1.3** of Schedule Three, may be conditional upon you satisfying PHARMAC that you will have sufficient stock of the Tender Item available to commence supply as at a date reasonably determined by PHARMAC.

8. Additional terms for Back-up Supply Bids

8.1 Back-up Supply Bid

Where a Tender Item is indicated in Schedule Two as being an item that may require a contract for Back-up Supply Status, then in addition to, or instead of, submitting a bid for Sole Supply Status for that Tender Item, you may submit a bid for Back-up Supply Status.

8.2 Terms applicable to Back-up Supply Bid

If you submit a bid for Back-up Supply Status for a Tender Item, the terms applicable to (and the process to be followed by PHARMAC for) a bid for Sole Supply Status in this Invitation will apply equally to the Back-up Supply Bid as if the Back-up Supply Bid was a Tender Bid, except as expressly stated in this **clause 8**.

8.3 Contract

If a Back-up Supply Bid is accepted, a contract on the terms set out in your Back-up Supply Bid and Schedule Seven will be deemed to have been entered into between you and PHARMAC.

8.4 Consents must be held

You must only submit a Back-up Supply Bid where your brand of the Tender Item has all necessary Consents.

8.5 No Aggregated Tender Bid

You must not submit a Back-up Supply Bid that is an Aggregated Tender Bid.

8.6 Compulsory use of Offer Letter and Back-up Supply Submission Form

You must submit your Back-up Supply Bid by completing a separate Back-up Supply Submission Form for each Tender Item for which you wish to submit a bid and attaching that form to the Offer Letter.

8.7 Information that must be supplied about the Tender Item

In addition to the information to be supplied under **clause 3.3** of this Schedule, you must supply details of the level of stock (in number of Units) of the Tender Item that you will hold in New Zealand during the Sole Supply Period if your Back-up Supply Bid is accepted. This level must not be less than three months stock of the Pharmaceutical (on the basis of the Unit Volume figures specified in Schedule Two).

8.8 No Foreign Exchange Bid

You must not submit a Back-up Supply Bid that contains a Foreign Exchange Bid.

8.9 Evaluation

In evaluating your Back-up Supply Bid, the Evaluation Committee will not take into account the amount and timing of savings accruing to the Funder or PHARMAC during the Second Transition Period and the Sole Supply Period.

9. Dealing with information

9.1 Confidentiality

Subject to **clause 9.2** below, all Confidential Information is confidential to us and our employees, legal advisers and other consultants (including PTAC and its sub-committees), the Ministry of Health and the Funder. You acknowledge that it may be necessary or appropriate for PHARMAC to disclose Confidential Information:

- (a) pursuant to the Official Information Act 1982; or
- (b) in publicly notifying any acceptance of your Tender Bid; or
- (c) otherwise pursuant to PHARMAC's public law or any other legal obligations.

PHARMAC may consult with you before deciding whether to disclose Confidential Information for the purposes described in paragraphs (a) to (c) above, in order to ascertain any objections you may have to the disclosure of any of the Confidential Information. You acknowledge, however, that it is for PHARMAC to decide, in its absolute discretion, whether it is necessary or appropriate to disclose information for any of the above purposes, provided that PHARMAC shall act in good faith in disclosing any Confidential Information. Outside the circumstances described in paragraphs (a) to (c) above, Confidential Information must not be disclosed by either of us (or by our employees, legal advisers and other consultants) unless:

- (d) the information is publicly available without any cause attributable to the disclosing party; or
- (e) the other party has been reasonably informed prior to disclosure, and the disclosure is:
 - (i) for the purposes of this Agreement; or
 - (ii) required by law; or
 - (iii) in a form, and of content, agreed to by us.

For the avoidance of doubt, information released by PHARMAC in accordance with paragraphs (a) to (c) above ceases to be Confidential Information and you agree that PHARMAC may release that information again at any time in future without consulting with you or obtaining your prior agreement.

9.2 Use of information

Generalised aggregated information regarding your Tender Bid that does not identify you or that can not reasonably be expected to identify you or lead to the connection of you with your Tender Bid is not Confidential Information and PHARMAC may use and publish such information as it sees fit.

10. Miscellaneous

10.1 Costs

PHARMAC is not liable for any direct or indirect costs incurred, or loss sustained, by you in respect, or arising out, of this tendering process or the obtaining or granting of Sole Supply Status for your supply of the Tender Item including, without limitation, costs of obtaining all necessary Consents for any Tender Item.

10.2 No reliance

Your Tender Bid is submitted in reliance on your own knowledge, skill and independent advice, and not in reliance on any representations made by PHARMAC (including for these purposes the sales and market information (if any) provided in Schedule Two).

10.3 No further liability

PHARMAC's liability (if any) under, or in relation to, the tendering process is limited to the obligations expressly contained in this Invitation, and no further private law liability exists in relation to the process.

10.4 No lobbying

- (a) You are not to initiate any communication with PHARMAC, the Minister of Health (or any Associate Ministers), the Ministry of Health, or a District Health Board or any of their officers or directors, at any time with a view to influencing the outcome of the tendering process.
- (b) Failure to comply with this clause will entitle PHARMAC, in its sole discretion, to disqualify you from this tendering process.

10.5 Enquiries

If you have any enquiries about this Invitation you should contact Matthew Perkins or Sarah Schmitt at PHARMAC. Any additional information that PHARMAC gives to you as a result of your enquiry will also be given by PHARMAC to other potential tenderers, if PHARMAC determines that such information is material.

10.6 Jurisdiction and governing law

We each submit to the exclusive jurisdiction of the New Zealand courts and agree that this Invitation is governed by New Zealand law.

Schedule 4: Offer Letter, Tender Submission Form and Back-up Supply Submission Form

1. Offer Letter

<Insert today's date>

Chief Executive
c/- Legal Counsel
PHARMAC
PO Box 10-254
(or for courier delivery:
Level 1, Old Bank Chambers
98 Customhouse Quay)
Wellington
New Zealand

Dear Sir/Madam

Tender for the supply of certain pharmaceuticals - commercial in confidence

In response to your invitation to tender dated <insert date>, we offer to provide the tender items specified in the attached form(s), in the presentations and strengths set out in the attached form(s), on the terms and conditions contained in the invitation.

Set out below (or, where applicable, attached to this offer letter) is further information in support of our tender bid.

- (a) information about our company structure:

- (b) information about our management and technical skills:

- (c) information about our financial resources:

(d) information about our, or our supplier's, existing supply commitments:

--

(e) information about our, or our supplier's, previous supply performance:

--

(f) our contact details (i.e. who communications relating to the attached bid(s) should be made to)

Name	
Designation	
Address	
Phone	
Facsimile	
Email address	

Signed for and on behalf of **<insert name of tenderer>** by

<Insert name>
<Insert designation>

Please find attached **<insert number >** Tender Submission Forms.

Please find attached **<insert number >** Back Up Supply Submission Forms (where applicable).

2. Tender Submission Form

Note: You must submit separate forms for each Tender Item for which you wish to submit a Tender Bid (except in the case of an Aggregated Tender Bid) and attach all forms to the Offer Letter.

Tender item	
Chemical name e.g. paracetamol	
Strength e.g. 500 mg	
Unit type (form/presentation) e.g. capsule	
Product name (brand name)	
Pack size e.g. 30's	
Packaging type e.g. blister	

Either

Pricing (if \$NZ bid)	
Pack price in \$NZ	

Or

Pricing (if Foreign Exchange Bid)	
Permitted Currency of Tender Bid	
Price in Permitted Currency	
Risk Sharing Percentage	

(If Aggregated Tender Bid, please repeat the above tables as often as necessary in the same Tender Submission Form and clearly indicate that it is an Aggregated Tender Bid)

Product approval status (please complete only one of the following three options)	
Date of market approval (please attach copy of Medsafe gazette notice)	
OR Date of submission of dossier (please attach confirmation from Medsafe that dossier has been submitted)	
OR Expected date of dossier submission to Medsafe	

Miscellaneous	
IMM status (if so, interchangeability with which brand and presentation)	
Approximate lead time for supply (on the basis of the Unit Volume figures specified in Schedule Two)	

Name and location of manufacture	
Name and location of manufacturer(s) of finished product	
Name and location of packaging site (if different from above)	
Name and location of manufacturer(s) of active ingredients	
Alternative name and location of finished manufacturer(s) of finished product (if any)	
Alternative name and location of manufacturer(s) of active ingredients (if any)	

Proposed supply and distribution arrangements for the Tender Item

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3. Back-up Supply Submission Form

Note: You must submit separate forms for each Tender Item for which you wish to submit a Back-up Supply Bid and attach all forms to the Offer Letter.

Tender item	
Chemical name e.g. paracetamol	
Strength e.g. 500 mg	
Unit type (form/presentation) e.g. capsule	
Product name (brand name)	
Pack size e.g. 30's	
Pack type e.g. blister	
Pack price in \$NZ	
Stock holding level (number of Units)	

Product approval status	
Date of market approval (please attach copy of Medsafe gazette notice)	

Miscellaneous	
IMM status (if so, to which brand)	
Approximate lead time (once notification of an out of stock had occurred)	

Name and location of manufacture	
Name and location of manufacturer(s) of finished product	
Name and location of packaging site (if different from above)	
Name and location of manufacturer(s) of active ingredients	

Proposed supply and distribution arrangements for the Tender Item (if required)

Schedule 5: Contract terms

1. General

1.1 Operating Policies and Procedures

- (a) You acknowledge that:
- (i) PHARMAC is required to pursue the objectives, carry out the functions, and otherwise comply with the statutory obligations, prescribed for PHARMAC in the New Zealand Public Health and Disability Act 2000;
 - (ii) PHARMAC is subject to other statutory and public law obligations, which govern PHARMAC's decision-making processes;
 - (iii) PHARMAC has OPPs, which provide guidance on the way in which PHARMAC carries out its statutory responsibilities in relation to the management of the Pharmaceutical Schedule;
 - (iv) PHARMAC's OPPs may be amended or updated from time to time, following consultation with relevant groups;
 - (v) the actions which PHARMAC may take under its OPPs include (without limitation):
 - (A) listing new pharmaceuticals;
 - (B) changing guidelines or restrictions on the prescribing and dispensing of listed pharmaceuticals;
 - (C) changing the subsidy levels for pharmaceuticals as a result of PHARMAC adopting one of the strategies set out in the OPPs or by any other means;
 - (D) amending the basis on which pharmaceuticals are classified into therapeutic groups and sub-groups; and
 - (E) delisting pharmaceuticals, or delisting all or part of a therapeutic group or sub-group; and
 - (vi) any action taken by PHARMAC pursuant to its OPPs may impact on the listing of each Pharmaceutical.
- (b) PHARMAC agrees not to apply, amend or update its OPPs in order to avoid any of PHARMAC's obligations under Schedule Five of this Agreement.

1.2 Amendments to Pharmaceutical Schedule

PHARMAC will consult with you before amending the Pharmaceutical Schedule if a proposed amendment would have a material adverse effect on the listing of the Pharmaceutical.

2. Effect of Sole Supply Status

2.1 Subsidy arrangements

- (a) The Pharmaceutical will be subsidised, and you must supply it, during the First Transition Period:
 - (i) if the Pharmaceutical is already listed, at the price at which it was subsidised at the commencement of the First Transition Period;
 - (ii) if the Pharmaceutical is not already listed, but other brands of the Chemical Entity are listed, at the reference price for the therapeutic sub-group of which the Pharmaceutical is a member as at the date of listing; or
 - (iii) if no brand of the Chemical Entity is listed, at the Price.
- (b) The subsidy payable for the Pharmaceutical will be changed to the Price on the first day of the Second Transition Period and the subsidy payable for all other brands of that form and strength of the Chemical Entity that are listed will be changed accordingly.
- (c) All other brands of that form and strength of the Chemical Entity will be delisted on the first day of the Sole Supply Period, with the result that you will have Sole Supply Status for that form and strength of the Chemical Entity during the Sole Supply Period.
- (d) The Pharmaceutical will continue to be fully subsidised at the Price throughout the Second Transition Period and, subject to PHARMAC's other rights under this Agreement in relation to the Pharmaceutical, throughout the Sole Supply Period.
- (e) Subject to PHARMAC's other rights under this Agreement in relation to the Pharmaceutical, the Pharmaceutical will not be delisted during the Third Transition Period.

2.2 Exclusivity for the Sole Supply Period

- (a) Subject to PHARMAC's other rights under this Agreement in relation to the Pharmaceutical, PHARMAC will not subsidise another supplier's brand of the Pharmaceutical on the Pharmaceutical Schedule at any time during the Sole Supply Period.
- (b) This clause does not prohibit PHARMAC from entering into negotiations or arrangements with, or inviting tenders from, other suppliers to be the sole subsidised supplier of any forms and strengths of the Chemical Entity, if such supply commences after the end of the Sole Supply Period.
- (c) For the avoidance of doubt, PHARMAC may lower the subsidy applicable to a Pharmaceutical during the Third Transition Period as it sees fit, including lowering the subsidy of a Pharmaceutical as a result of the implementation of new tender arrangements.

2.3 Withdrawal of Sole Supply Status

- (a) PHARMAC may withdraw Sole Supply Status in relation to your supply of the Pharmaceutical (in which case **clauses 2.1 and 2.2** of this Schedule will no longer apply), by written notice to you at any time during the Sole Supply Period if:

- (i) you have failed to notify PHARMAC as required under **clause 5.1** of this Schedule;
 - (ii) you are unable to supply the Pharmaceutical for a period of 30 days;
 - (iii) any Consent for the Pharmaceutical is withdrawn; or
 - (iv) **clause 4(d)(i)** of Schedule Six applies.
- (b) Any withdrawal of Sole Supply Status is without prejudice to PHARMAC's rights under **clauses 5.2 and 5.3** of this Schedule.

2.4 Suspension of Sole Supply Status

- (a) If, at any time, you are unable to meet demand for the Pharmaceutical, or you notify PHARMAC under **clause 5.1** of this Schedule of a Potential Out-of-Stock Event, PHARMAC may suspend Sole Supply Status in relation to your supply of the Pharmaceutical for the period of such inability.
- (b) Any suspension of Sole Supply Status is without prejudice to PHARMAC's rights under **clauses 5.2 and 5.3** of this Schedule.

2.5 Subsidy arrangements after the End Date

- (a) PHARMAC may at its sole discretion, with effect from the End Date:
- (i) require the Pharmaceutical to continue to be the subject of a listing agreement, in which case PHARMAC will give you written notice not less than three months prior to the End Date; or
 - (ii) apply any of the strategies under PHARMAC's then current OPPs to the Pharmaceutical (including delisting the Pharmaceutical after the Third Transition Period).
- (b) If the Pharmaceutical is to continue to be the subject of a listing agreement between you and PHARMAC under paragraph (a)(i) above, then:
- (i) you will cease to have Sole Supply Status for that form and strength of the Chemical Entity;
 - (ii) the Pharmaceutical will otherwise remain listed subject to the terms of this Agreement, as applicable;
 - (iii) you may increase the price ex-manufacturer (exclusive of GST) at which you supply the Pharmaceutical to wholesalers and other such distributors on giving PHARMAC six months written notice of that price increase. You may provide PHARMAC with this written notice at any time after PHARMAC gives you notice under paragraph (a)(i) above, provided that such price increase does not take effect until the end of the six-month period;
 - (iv) if PHARMAC does not increase the subsidy for the Pharmaceutical to the new price notified under paragraph (b)(iii) above, you may withdraw the Pharmaceutical from supply on not less than six months prior written notice;

- (v) if PHARMAC does increase the subsidy for the Pharmaceutical to the new price notified under paragraph (b)(iii) above, you may withdraw the Pharmaceutical from supply on not less than two years prior written notice (except where the withdrawal is for reasons that PHARMAC considers to be outside of your control, in which case you must first provide to PHARMAC such information as it may require from you in order to satisfy it, in its sole discretion, that you are required to withdraw supply); and
- (vi) if at the time of providing notice under paragraph (b)(iii) above, you advise PHARMAC that you are required to purchase a significant quantity of extra stock of the Pharmaceutical to enable you to continue to supply for the two-year period, and you advise PHARMAC of the total cost of that stock, PHARMAC will either:
 - (A) use reasonable endeavours to enter into an agreement to reimburse you for stock that remains unsold at the end of that two-year period; or
 - (B) release you from your obligations to supply under paragraph (a)(i) above.

3. Consents

3.1 Warranty and indemnity that Consents are held

You warrant that you have, and will maintain, all necessary Consents. If a Consent is not held by you or is withdrawn or the Pharmaceutical is no longer approved for an indication for which it is subsidised, then:

- (a) PHARMAC is entitled to terminate this Agreement by 14 days' written notice to you; and
- (b) you are to indemnify the Funder for any additional costs incurred by it (or by PHARMAC on its behalf) as a result of that withdrawal. This clause confers a benefit on (and is enforceable by) the Funder in accordance with the Contracts (Privity) Act 1982.

3.2 Changed medicine notification

If the Ministry of Health approves any changed medicine notification for the Pharmaceutical, or for a variant of the Pharmaceutical:

- (a) you must immediately notify PHARMAC; and
- (b) PHARMAC may take such action as it considers appropriate in relation to that Pharmaceutical or variant of the Pharmaceutical including (but not limited to):
 - (i) withdrawing Sole Supply Status for the Pharmaceutical; and
 - (ii) delisting the Pharmaceutical.

4. Price

4.1 Price change

You must change the price at which you supply the Pharmaceutical to the Price on the 12th day of the month immediately preceding the beginning of the Second Transition Period .

4.2 Supply price

During each of the Second Transition Period, the Sole Supply Period and the Third Transition Period, the price at which the Pharmaceutical is supplied by you must not exceed the Price.

4.3 Warranty that not less than cost price

You warrant that the price at which you are required to supply the Pharmaceutical under this Agreement is greater than the cost price of the Pharmaceutical (including, without limitation, the costs of manufacturing the Pharmaceutical and of supplying it to you for supply in New Zealand).

4.4 No reference pricing during Sole Supply Period

The subsidy payable for the Pharmaceutical will not be reduced as a result of a reduction in the reference price for the therapeutic sub-group of which it is a member during the Sole Supply Period. For the avoidance of doubt, PHARMAC will not be prevented from applying its reference pricing mechanisms to the Pharmaceutical to reduce the subsidy payable for it from the End Date.

5. Out-of-stock arrangements

5.1 Notification of Potential Out-of-Stock Event and supply of Alternative Pharmaceutical

- (a) You must notify PHARMAC in writing as soon as you have reasonable cause to believe that you will be unable to supply the Pharmaceutical and, in any event, you must notify PHARMAC if at any time a Potential Out-of-Stock Event occurs, in which case PHARMAC may suspend Sole Supply Status in relation to your supply of the Pharmaceutical.
- (b) If a Potential Out-of-Stock Event occurs, then at PHARMAC's option:
 - (i) PHARMAC may implement an arrangement with another supplier to supply an Alternative Pharmaceutical (including an arrangement for back-up supply); or
 - (ii) you must use your best endeavours to procure wholesalers and other such distributors to supply, as soon as practicable, an Alternative Pharmaceutical to pharmacies at the Price, and PHARMAC will subsidise the Alternative Pharmaceutical at the Price.

5.2 General indemnity

You agree to indemnify the Funder if you are unable to meet demand for supply of the Pharmaceutical (other than for reasons that PHARMAC considers to be outside your control) or you withdraw the Pharmaceutical from supply. This indemnity:

- (a) covers all costs incurred by the Funder (or by PHARMAC on its behalf) as a result of your inability to meet supply demands or the withdrawal of the Pharmaceutical from supply that are additional to any costs specified in **clause 5.3**; and
- (b) confers a benefit on (and is enforceable by) the Funder in accordance with the Contracts Privity Act 1982.

5.3 Liquidated damages and specific indemnity

- (a) Subject to **clause 5.4** below, if you fail to supply the Pharmaceutical (other than for reasons that PHARMAC considers to be outside your control) and:
 - (i) you have not notified PHARMAC under **clause 5.1** of this Schedule, then without prejudice to PHARMAC's rights under **clause 5.2**:
 - (A) you must pay to PHARMAC liquidated damages for the administrative and/or operational costs incurred by PHARMAC as a result of your failure to supply in the amount of \$50,000 per Chemical Entity; and
 - (B) you must indemnify the Funder or PHARMAC for all costs (if any) incurred in securing and subsidising an Alternative Pharmaceutical for the period you are unable to supply the Pharmaceutical, provided that such indemnity will not exceed a dollar amount equal to the Unit Volume multiplied by the Unit Subsidy; and
 - (C) PHARMAC may withdraw Sole Supply Status in relation to your supply of the Pharmaceutical under **clause 2.3** of this Schedule; or
 - (ii) you have notified PHARMAC under **clause 5.1** of this Schedule, then without prejudice to PHARMAC's rights under **clause 5.2**:
 - (A) you must pay to PHARMAC liquidated damages for the administrative and/or operational costs incurred by PHARMAC as a result of your failure to supply in the amount of \$5,000 per Chemical Entity; and
 - (B) you must indemnify the Funder or PHARMAC for all costs (if any) incurred in securing and subsidising an Alternative Pharmaceutical for the period you are unable to supply the Pharmaceutical, provided that such indemnity will not exceed a dollar amount equal to one quarter of the Unit Volume multiplied by the Unit Subsidy; and
 - (C) if you are unable to supply the Pharmaceutical for more than 30 days, PHARMAC may withdraw Sole Supply Status in relation to your supply of the Pharmaceutical under **clause 2.3** of this Schedule.
- (b) If, having notified PHARMAC under **clause 5.1** of this Schedule, you remain able to, and you continue to supply, the Pharmaceutical, or an Alternative Pharmaceutical in accordance with **clause 5.1(b)(ii)** of this Schedule, you will not be liable for any costs unless PHARMAC, in its sole discretion, has considered it necessary to enter into an arrangement with an alternative supplier under which PHARMAC has agreed to make a payment to that supplier to ensure continuity of supply, in which case you must indemnify the Funder or PHARMAC for that payment. Such indemnity will be limited to an amount of \$10,000.
- (c) You acknowledge and agree that:
 - (i) the amounts of liquidated damages in this clause represent a reasonable estimate of the administrative and operational costs incurred by PHARMAC (including the use of staff and loss of opportunity as a result of use of staff time, and communication costs), the estimate being based on PHARMAC's previous experience; and

- (ii) the amounts referred to as liquidated damages are not intended to include any penalty element nor any amount for costs relating to the securing of an Alternative Pharmaceutical, or the subsidisation of an Alternative Pharmaceutical.
- (d) Where you notify PHARMAC under **clause 5.1** above of a Potential Out-of-Stock Event, PHARMAC agrees to recover as liquidated damages under **clause 5.3(a)(ii)** of this Schedule only the amounts specified in paragraphs (a)(ii) and (b) of this clause, which represent only a portion of PHARMAC's costs actually incurred.
- (e) All amounts referred to in this clause are plus GST (if any).

5.4 Limited liability during the First Transition Period

- (a) Notwithstanding any other provision in this Agreement, **clauses 5.2 and 5.3** of this Schedule do not apply to the supply of the Pharmaceutical during the First Transition Period.
- (b) During the First Transition Period, you must use your best endeavours to supply sufficient stock of the Pharmaceutical to meet reasonably foreseeable demand for supply of it in New Zealand.

6. Termination, restrictions and Crown Direction

6.1 Termination and restrictions for clinical reasons

PHARMAC reserves the right, but only after consultation with you and a relevant medical adviser (being either the Ministry of Health, PTAC, or a sub-committee of PTAC), to:

- (a) terminate this Agreement at any time during the Sole Supply Period or the Transition Periods if the medical adviser determines for clinical reasons that it is no longer appropriate to have either:
 - (i) a sole subsidised supplier of that form and strength of the Chemical Entity; or
 - (ii) the Pharmaceutical as the sole subsidised brand; and/or
- (b) impose at any time during the Sole Supply Period or the Transition Periods restrictions on the prescribing or dispensing of a Pharmaceutical if those restrictions are necessary for clinical reasons.

6.2 Crown Direction

- (b) You acknowledge that PHARMAC must comply with any Crown Direction.
- (c) PHARMAC may terminate or amend the Agreement, or impose restrictions on the prescribing or dispensing of a Pharmaceutical, at any time during the Sole Supply Period or the Transition Periods, if the termination, amendment or imposition of restrictions is required to give effect to a Crown Direction.
- (d) In the event that a Crown Direction is issued to PHARMAC that requires an amendment to be made to this Agreement to give effect to that direction:

- (i) PHARMAC will give you as much notice as practicable of the Crown Direction and of any amendments to this Agreement that are required to give effect to that direction;
- (ii) the Agreement will be deemed to be amended so as to give effect to the Crown Direction from the date when such direction is due to take effect; and
- (iii) you may terminate this Agreement on not less than six months' written notice to PHARMAC where the effect of the amendment required under sub-paragraph (ii) above is such that it is no longer viable, financially or otherwise, for you to continue supplying the Pharmaceutical or to perform your obligations under this Agreement.

7. Guarantee

- (a) PHARMAC may require an entity acceptable to it to provide a guarantee (in a form satisfactory to PHARMAC) of your performance obligations under **clauses 5.2 and 5.3** of this Schedule including, without limitation, the payment of any sum payable under the indemnity contained in those clauses for any failure to supply the Pharmaceutical during the Sole Supply Period.
- (b) The guarantor's liability under such a guarantee will be limited to a total of \$100,000 per Chemical Entity for all claims made by PHARMAC under the guarantee.

8. Miscellaneous

8.1 Litigation support

If this Agreement or its terms (including the basis on which the Pharmaceutical is listed):

- (a) give rise to proceedings being issued against PHARMAC; or
- (b) result in PHARMAC being made a party to any proceedings issued by a third party,

you will give PHARMAC all assistance it reasonably requires to gather evidence (including expert medical and clinical evidence) for the purpose of those proceedings.

8.2 Dispute resolution

If there is a dispute between us arising out of, or in connection with, this Agreement, neither of us is to commence any proceedings relating to that dispute until the following procedure has been complied with:

- (a) the party claiming a dispute has arisen must give written notice to the other party specifying the nature of the dispute;
- (b) we will endeavour, in good faith, to resolve the dispute referred to in the notice by using informal dispute resolution techniques;
- (c) if we do not agree on a dispute resolution technique within 14 days after the date notice of a dispute was given, the dispute is to be mediated according to the standard mediation agreement of LEADR New Zealand Incorporated (Lawyers Engaged in

Alternative Dispute Resolution), and the Chair of LEADR (or the Chair's nominee) will select the mediator and determine the mediator's remuneration;

- (d) a party seeking urgent interlocutory relief may, by notice to the other party, elect not to comply with the provisions of this clause, but only to the extent of the relief sought, and only for the period required to dispose of the application for interlocutory relief; and
- (e) pending resolution of the dispute, this Agreement will remain in full effect without prejudicing our respective rights and remedies.

8.3 Advertising

You must not procure, or in any way participate or assist in, the publishing of any Advertisement that:

- (a) is aimed at consumers of pharmaceuticals; and
- (b) breaches any applicable:
 - (i) statute or regulation, including the Fair Trading Act 1986, Medicines Act 1981 and Medicines Regulations 1984; or
 - (ii) industry standard, including the Advertising Standards Authority Codes of Practice and the Researched Medicines Industry Code of Practice.

For the purposes of this clause:

- (c) "**Advertisement**" means any words, whether written, printed or spoken, any pictorial representation or design, any sounds or visual images, or combination of sounds and visual images, or any other form of communication used or appearing to be used to promote:
 - (i) the sale of a Pharmaceutical; or
 - (ii) the use of a method of treatment involving a Pharmaceutical; and
- (d) references to a statute, regulation or industry standard include that statute, regulation or industry standard as amended or replaced from time to time.

8.4 No waiver

A failure or delay by either of us to exercise any right arising under this Agreement is not a waiver of that right, and a waiver of a breach of this Agreement is not a waiver of any other breach.

8.5 Entire agreement

This Agreement and, to the extent applicable, the Invitation:

- (a) constitute the entire agreement between us regarding the terms on which the Pharmaceutical is listed and subsidised by the Funder; and

- (b) supersede and extinguish all prior agreements and understandings between us regarding the Pharmaceutical.

8.6 **Amendments**

Amendments to this Agreement are only effective if in writing and signed by both of us.

8.7 **Jurisdiction and governing law**

We each submit to the exclusive jurisdiction of the New Zealand courts and agree that this Agreement is governed by New Zealand law.

Schedule 6: Additional contract terms for foreign exchange bid

1. Introduction

This Schedule sets out terms that will apply to your Tender Bid if you have submitted a Foreign Exchange Bid. The provisions in this Schedule are intended to operate as follows:

- (a) Your Foreign Exchange Bid will be converted into New Zealand dollars in order to establish an initial or base price.
- (b) The timing of this conversion is described in **clause 2(a)** of this Schedule and depends on whether or not your Tender Bid is accepted conditional on market approval.
- (c) The formula for calculating the base price is set out in **clause 2(b)** of this Schedule and is based on an average exchange rate over the period shortly before the base price is calculated.
- (d) The base price will be the initial Price under the Agreement.
- (e) The Price will be reviewed periodically under the Agreement.
- (f) The first review of the base price will occur on 30 June 2003.
- (g) After the review on 30 June 2003, (if applicable), a subsequent review will be held on 30 June 2004.
- (h) At each review date, an exchange rate average for the preceding period will be determined.
- (i) The exchange rate average forms part of the formula described in **clause 3(a)** of this Schedule for calculating a new price.
- (j) If the calculated new price is between 95% and 105% of the price just preceding the review, there will be no change to the Price.
- (k) If the calculated new price is below 95% or above 105% of the Price, then you may supply the Pharmaceutical at a reviewed price that must be *less than or equal to* the price calculated under the formula. PHARMAC will subsidise the pharmaceutical at the level of that reviewed price unless the reviewed price is greater than 120% of the base price. In this case, your Sole Supply Status is no longer guaranteed and PHARMAC may apply any of the strategies under its OPPs, and/or it may choose to subsidise the Pharmaceutical at a level that is no more than 120% of the base price.
- (l) A reviewed price (if any) will apply until the next review date, at which time the same process will occur to determine another reviewed price (if any), except that the provisions relating to the subsidy cap of 120% will always be based on the base price.
- (m) There is provision in **clause 5** for you and PHARMAC to appoint an independent expert to determine any disputed calculation.

2. Establishment of Base Price in New Zealand dollars.

- (a) PHARMAC will determine the Base Price in New Zealand dollars as soon as practicable after:
- (i) in the case of an unconditional acceptance of your Tender Bid, the date which is 15 days prior to the date that PHARMAC's board of directors (or chief executive, where applicable) determines to accept your Tender Bid; or
 - (ii) in the case of acceptance of your Tender Bid being conditional on you obtaining market approval for the Pharmaceutical, the date on which such market approval is notified in the New Zealand Gazette.
- (b) The Base Price will be determined according to the following formula:
- Base Price = Price in Permitted Currency / Base Exchange Rate.**
- (c) PHARMAC will notify you of the Base Price as soon as practicable after making the calculation.
- (d) If there is a dispute between PHARMAC and you over the calculation of the Base Price, then that dispute will be resolved in accordance with **clause 5** of this Schedule.
- (e) Once the Base Price is determined under this clause, it will be the Price under the Agreement until the first Exchange Rate Price Review.

3. Exchange Rate Price Review

- (a) As soon as practicable after the Date of an Exchange Rate Price Review and, in any case, no later than two weeks after that date, you are to:
- (i) calculate a price for the Pharmaceutical in accordance with the following formula:
$$\text{Calculated Price} = \text{Base Price} \times \left(\frac{\text{Risk Sharing Percentage}}{100} \times \left(\frac{\text{Base Exchange Rate}}{\text{Exchange Rate Average}} - 1 \right) \right)$$
 - (ii) notify PHARMAC of the price calculated under paragraph (a)(i) above (the **Calculated Price**), and provide PHARMAC with a copy of the calculations used to derive the Calculated Price.
- (b) PHARMAC will advise you, as soon as practicable after receiving your notification under paragraph (a)(ii) above, whether it agrees with the Calculated Price. If PHARMAC disputes the Calculated Price, then the price will be determined in accordance with **clause 5** below.

4. Reviewed Price

- (a) Subject to paragraph (c) below, you must notify PHARMAC in writing, on the 7th day of the month following agreement on (or determination of) the Calculated Price, of the price ex-manufacturer (exclusive of GST) at which you will supply the Pharmaceutical until the

next Exchange Rate Price Review, such price being a price that is less than or equal to the Calculated Price (the **Reviewed Price**).

- (b) The Reviewed Price will become the new Price under the Agreement from the first day of the month following the date on which you notify PHARMAC of the Reviewed Price. Therefore, that price must be effective in the market from the 12th day of the month on which you notify PHARMAC of the Reviewed Price.
- (c) If the Calculated Price is between 95% and 105% of the Base Price (or, if there has been an Exchange Rate Price Review, of the Reviewed Price), then you are to continue to supply the Pharmaceutical at the Base Price, or, if applicable, the Reviewed Price until the next Exchange Rate Price Review, or the end of the Sole Supply Period (whichever is earlier).
- (d) If the Reviewed Price is greater than 120% of the Base Price, then PHARMAC may:
 - (i) withdraw your Sole Supply Status, in which case PHARMAC may, at its sole discretion, require the Pharmaceutical to remain listed subject to the terms of this Agreement, as applicable, from the date on which Sole Supply Status is withdrawn; and/or
 - (ii) apply any of the strategies under PHARMAC's OPPs to the Pharmaceutical, which may include:
 - (A) entering into negotiations or arrangements with other suppliers for the listing of other brands of the Pharmaceutical at any time on the Pharmaceutical Schedule; and
 - (B) calling for a further tender of the Pharmaceutical, which may result in the delisting of your brand of the Pharmaceutical; and/or
 - (iii) subsidise the Pharmaceutical at a subsidy that is no greater than 120% of the Base Price.

5. **Dispute Over Price**

- (a) If there is a dispute between PHARMAC and you over any price calculation, which you and PHARMAC cannot resolve within five days of the dispute arising (the **Initial Period**), then, as soon as possible following the expiry of that Initial Period, PHARMAC and you are to appoint an appropriately qualified independent person to determine the price. If there is no agreement on a mutually acceptable person within 15 days of the end of the Initial Period, then the price is to be determined by an appropriately qualified independent person appointed for that purpose by the President for the time being of the Institute of Chartered Accountants of New Zealand.
- (b) The independent person is to calculate the disputed price and, in doing so, is to be considered as acting as an expert and not an arbitrator.
- (c) As soon as practicable after the date of the independent person's appointment, and in any case no later than three days after that appointment, we shall both submit our calculations, in writing, to the independent person, together with any documentation supporting our calculations.
- (d) The independent person is to provide us with a written determination of the price, including the calculations used to derive that price, no later than 14 days from the date

of his or her appointment under paragraph (a) above unless we agree otherwise. The independent person's determination of the price is to be final and binding on both of us.

- (e) The costs incurred by the independent person in completing his or her determination are to be shared equally by us, irrespective of the outcome of the determination.

Schedule 7: Back-up Supply terms

1. Definitions

For the purposes of this Schedule only:

Agreement means this Schedule Seven;

Initial Stock means the number of Units of the Pharmaceutical that you must hold in New Zealand from the beginning of the Sole Supply Period until the earlier of:

- (a) the date on which the Initial Stock is exhausted; or
- (b) the End Date,

(being the same number of Units as specified in your Back-up Supply Submission Form, or as otherwise agreed between you and PHARMAC);

Pharmaceutical means the relevant Tender Item for which you have submitted, and PHARMAC has accepted, a Back-up Supply Bid;

Reimbursement Sum means the sum to be paid by PHARMAC by way of reimbursement for any Unsold Stock in accordance with this Schedule; and

Unsold Stock means any Units of the Initial Stock (or any additional stock of the Pharmaceutical that PHARMAC has requested you to purchase under clause 5 of this Schedule) that has not been sold by you to wholesalers and other distributors during the Sole Supply Period.

2. Application of Schedule Five terms

The following terms in Schedule Five form part of this Agreement (incorporating any alterations or modifications necessary to give effect to those provisions in the context of this Schedule):

- (a) clause 1 (OPPs and amendments to the Pharmaceutical Schedule);
- (b) clause 3 (consents);
- (c) clause 4.2 (supply price);
- (d) clause 4.3 (warranty that not less than cost price);
- (e) clause 5.2 (general indemnity);
- (f) clause 6.2 (Crown direction); and
- (g) clause 8 (litigation support, dispute resolution, advertising, no waiver, entire agreement, amendments, and jurisdiction and governing law).

3. Initial Stock

- (a) You must ensure that at all times during the Sole Supply Period you have the Initial Stock available for immediate supply to wholesalers and other distributors.
- (b) You must manage the inventory of the Initial Stock so as to ensure that at any time throughout the Sole Supply Period the Initial Stock will not expire in the next 12 months.

4. Notification of need for Back-up Supply

At any time during the Sole Supply Period, PHARMAC may notify you in writing that you are to supply the Pharmaceutical with effect from the date specified in the notice (which date will take into account the lead-time specified in your Back-up Supply Submission Form), in which case:

- (a) you must supply the Pharmaceutical to wholesalers and other distributors:
 - (i) at the Price; and
 - (ii) from the date specified in the notice until:
 - (A) PHARMAC advises you to stop supplying the Pharmaceutical; or
 - (B) the Initial Stock is exhausted; and
- (b) you must advise PHARMAC of your stock levels of the Pharmaceutical on a weekly basis, and at such other times as requested by PHARMAC, during that period of supply.

5. Additional Supply

PHARMAC may require you to continue to supply the Pharmaceutical after the Initial Stock is exhausted, in which case:

- (a) PHARMAC will give you as much notice as is practicable (and in any case no less than four weeks notice) of that requirement prior to the exhaustion of the Initial Stock;
- (b) PHARMAC will advise you of the length of time it requires you to continue to supply the Pharmaceutical;
- (c) you must use your best endeavours to purchase additional stock of the Pharmaceutical in order to supply it for that period; and
- (d) PHARMAC will reimburse you:
 - (i) an amount calculated in accordance with clause 6 of this Schedule for any such additional stock that remains unsold at the End Date; and
 - (ii) for any additional costs reasonably incurred by you in purchasing that stock, provided that you have obtained the prior written approval of PHARMAC to such expenditure.

6. Reimbursement for Unsold Stock

Subject to clause 7, PHARMAC agrees to pay to you a Reimbursement Sum equal to the price per Unit of the Pharmaceutical (being the Price divided by the number of Units in the pack), multiplied by the number of Units of the Pharmaceutical that comprise the Unsold Stock (as determined by the independent person in accordance with clause 8 of this Schedule).

7. Conditions of reimbursement

- (a) PHARMAC will pay the Reimbursement Sum to you provided that:
- (i) all necessary Consents for the Pharmaceutical are held until at least 30 June 2006;
 - (ii) the Unsold Stock has an expiry date recommended by the manufacturer that is no earlier than 30 June 2006;
 - (iii) the Unsold Stock is of merchantable quality; and
 - (iv) the Unsold Stock remains in the original packaging in which it was, or was to have been, made available for retail sale and the batch number and recommended expiry date are not obscured or obliterated from that packaging.
- (b) You acknowledge and agree that, immediately following payment by PHARMAC of the Reimbursement Sum, PHARMAC will be deemed to be the owner of all of the Unsold Stock free from any encumbrance.

8. Calculation of reimbursement

The Reimbursement Sum is to be calculated in accordance with the following provisions:

- (a) a stocktake of the Unsold Stock is to be conducted on a date no earlier than the End Date. You are to give PHARMAC at least 20 business days prior written notice of the date on which that stocktake is to be conducted;
- (b) the stocktake is to be carried out by an independent person appointed by PHARMAC and you or, if agreement on an acceptable person cannot be reached within seven days of the date you notify PHARMAC that you require a stocktake of the Unsold Stock, then by an independent person nominated by the Institute of Chartered Accountants of New Zealand for the purpose of carrying out the stocktake;
- (c) the independent person is to determine the number of Units of the Pharmaceutical comprising the Unsold Stock which (on the basis of the criteria set out in clause 7 of this Schedule) are to be taken into account for the purposes of determining the Reimbursement Sum;
- (d) the independent person will be required to complete his or her inspection, and to provide a written determination in that regard, within seven business days of acceptance of his or her appointment or nomination;

- (e) the independent person's determination is to be binding on both you and PHARMAC. In carrying out his or her inspection, the independent person is to be considered as acting as an expert and not as an arbitrator; and
- (f) the costs incurred by the independent person in completing his or her inspection are to be met by PHARMAC.

9. Payment of reimbursement amount

The Reimbursement Sum is to be paid to you by PHARMAC within 60 days of the final calculation being made in accordance with this Schedule.

10. PHARMAC's rights in relation to the Unsold Stock

Once PHARMAC has paid the Reimbursement Sum to you, PHARMAC may, at its option:

- (a) take possession of the Unsold Stock;
- (b) list the Pharmaceutical on the Pharmaceutical Schedule and require you to sell the Unsold Stock, in which case, you must repay the Reimbursement Sum to PHARMAC, less all reasonable costs incurred by you in selling that stock; or
- (c) take any other action that it sees fit in relation to the Unsold Stock.

11. Payment for stock-holding costs

- (a) In addition to the Reimbursement Sum, PHARMAC agrees to pay you, within 60 days of the End Date, an amount for stock-holding costs for the Unsold Stock equal to:
 - (i) 15% of the Unsold Stock as at 30 June 2003; plus
 - (ii) 15% of the Unsold Stock as at 30 June 2004; plus
 - (iii) 15% of the Unsold Stock as at 30 June 2005.
- (b) For the purposes of calculating the amount of Unsold Stock as at the dates specified under paragraph (a), PHARMAC may, on or about those dates, request a stocktake of the Unsold Stock to be carried out in accordance with the provisions of clause 8 of this Schedule (incorporating any alterations and modifications necessary to give effect to that provision in these circumstances).