

24 March 2006

Dear Supplier

## **REQUEST FOR PROPOSALS – SUPPLY OF ANAESTHETICS AND DELIVERY DEVICES**

PHARMAC invites proposals for the supply of a range of anaesthetic products and appropriate delivery devices for supply to DHB Hospitals in New Zealand.

This request for proposals (**RFP**) letter incorporates the following schedules:

- Schedule 1 specifies the pharmaceutical for which PHARMAC is requesting proposals and sets out the background to the RFP and the types of proposals sought;
- Schedule 2 describes the process that PHARMAC expects to follow in relation to the RFP;
- Schedule 3 sets out information about the estimated size of the current subsidised market for the pharmaceutical; and
- Schedule 4 contains the RFP form in which you are to provide details of your proposal.

If you wish to submit a proposal, you must submit it to PHARMAC no later than 5.00 p.m. on 13 April 2006.

If you have any questions about this RFP, please contact Andrew Davies (DDI: +64 4 9167 531) at PHARMAC.

We look forward to receiving your proposal.

Yours sincerely



Wayne McNee  
Chief Executive

## **Schedule 1: Pharmaceutical, background to RFP and types of proposals sought**

### **1. Pharmaceutical**

PHARMAC is interested in considering any proposal from suppliers for supply or provision of the following pharmaceuticals and/or appropriate delivery devices:

Desflurane, liquid

Enflurane, Liquid

Isoflurane, liquid

Methoxyflurane, liquid

Sevoflurane. liquid

Propofol inj, 10 mg per ml, 20 ml

Propofol inj, 10 mg per ml, 50 ml

Propofol inj, 10 mg per ml, 100 ml

Propofol inj, 20 mg per ml, 50 ml

### **2. Background to RFP**

DHB Hospitals currently purchase a range of anaesthetic products including those that require specific delivery devices. Delivery devices are currently either owned by DHBs, or loaned to the DHB by the relevant supplier. PHARMAC is seeking proposals for national contracts for supply of the anaesthetic products specified above, and proposals for the supply or provision of appropriate anaesthetic delivery systems.

### **3. Types of proposals sought**

PHARMAC is willing to consider:

- proposals involving only one of the products specified in clause 1, Schedule 1;
- aggregated proposals involving more than one of the products specified in clause 1, Schedule 1;
- proposals involving market exclusivity (such as Hospital Supply Status) for any product specified in clause 1, Schedule 1, given that any exclusivity or preferred supplier status ends on or before 30 June 2009;
- proposals involving pharmaceuticals or related products not specified in clause 1, Schedule 1 (where these are in addition to products included in clause 1, Schedule 1);
- proposals involving discount on invoice, caps, bonusing, rebates, or other expenditure risk sharing mechanisms (PHARMAC notes a DHB preference for effective prices being the list prices, however risk sharing mechanisms will be considered).

PHARMAC is not willing to consider:

- proposals involving any degree of market exclusivity (such as Hospital Supply Status) for products not specified in clause 1, Schedule 1.

proposals should include an outline of the delivery device requirement for the products included, and may include proposed terms for supply of the delivery device in addition to the anaesthetic product.

Subject to the above, PHARMAC is open to considering any other types of proposals suppliers may wish to put forward.

## Schedule 2: RFP process

The following is indicative of the process that PHARMAC expects to follow in relation to the RFP. PHARMAC expects to follow the process in the sequence set out below.

### 1. Submission

- (a) You may submit more than one proposal. Each proposal will be considered as a separate proposal.
- (b) Proposals must be submitted no later than 5.00 p.m. (New Zealand time) on 13 April 2006. Late proposals will only be considered at PHARMAC's discretion.
- (c) You cannot withdraw your proposal, once submitted, while the RFP process is continuing.
- (d) All proposals must be submitted to:

PHARMAC  
Level 14  
Cigna House  
40 Mercer St  
PO Box 10-254  
Wellington 6001  
New Zealand

to the attention of Andrew Davies, either by hand delivery, by courier or by post (and not by facsimile or email).

### 2. Evaluation

- (a) Following the deadline for submitting proposals an Evaluation Committee comprising PHARMAC staff will evaluate each proposal to select its preferred proposal(s).
- (b) The matters to be taken into account by the Evaluation Committee will include:
  - (i) the decision criteria set out in PHARMAC's then current Operating Policies and Procedures (**OPPs**), as published on PHARMAC's website ([www.pharmac.govt.nz](http://www.pharmac.govt.nz)), to the extent applicable;
  - (ii) any clinical advice from PTAC, its relevant sub-committee, and other clinical advisors the Evaluation Committee considers appropriate;
  - (iii) any advice from HPAC or its subcommittee;
  - (iv) any other matters that the Evaluation Committee considers to be relevant,provided that the basis on which the Evaluation Committee will evaluate proposals, and the weight to be given to the criteria and other matters that it considers, are ultimately at the discretion of the Evaluation Committee.
- (c) Each proposal will be evaluated on the basis that the price offered, the expenditure entailed, and any other terms included in the proposal, are the best that the supplier is able to offer. If you do not put forward your best terms you risk having your proposal excluded at the evaluation stage.
- (d) PHARMAC is not bound to select the lowest priced proposal or any proposal.

### 3. **Negotiation**

- (a) PHARMAC may negotiate with the submitter(s) of one or more preferred proposals, in the latter case whether or not the acceptance of either supplier's proposal would exclude acceptance of the other proposal
- (b) Negotiations will proceed on the basis that PHARMAC's standard terms and conditions for supply of pharmaceuticals, which are available on request from PHARMAC, will apply.
- (c) Given that PHARMAC expects your proposal to be the best you can offer, PHARMAC does not intend to initiate negotiation with you on price. However, PHARMAC does not exclude the possibility that the final price agreed will be different from the price put forward in your proposal, as a result of the impact that other negotiated terms may have on price.
- (d) PHARMAC may negotiate and enter into a provisional agreement with a preferred supplier(s) on whatever special terms, in addition to PHARMAC's standard terms and conditions, PHARMAC considers appropriate.
- (e) If PHARMAC and the supplier(s) are unable to reach a provisional agreement within what PHARMAC considers to be a reasonable time, PHARMAC may terminate those negotiations and negotiate with a different supplier(s).

### 4. **Consultation and approval**

- (a) Any provisional agreement will be conditional on consultation with suppliers and other interested parties, and on Board approval (or approval by PHARMAC's Chief Executive under delegated authority).
- (b) PHARMAC will not consider any counter-offers received during consultation.
- (c) The provisional agreement and responses to consultation will be considered by PHARMAC's Board (or by PHARMAC's Chief Executive under delegated authority) in accordance with the decision criteria in PHARMAC's then current OPPs.
- (d) If the Board or the Chief Executive does not approve the provisional agreement, then PHARMAC may initiate negotiations for a provisional agreement with any other supplier(s).
- (e) The RFP process will be complete once PHARMAC has notified suppliers of either:
  - (i) the Board's or its Chief Executive's decision to accept a negotiated agreement; or
  - (ii) the termination of the RFP process.

### 5. **Miscellaneous**

- (a) PHARMAC reserves the right:
  - (i) to make such adjustments to the above RFP process as it considers appropriate, at any time during the process, provided that it notifies suppliers affected by those changes;
  - (ii) not to accept any proposal;

- (iii) not to provide reasons for the acceptance or non-acceptance of any proposal;
  - (iv) to enter into an agreement or arrangement that differs in a material respect from that envisaged in this RFP letter;
  - (v) to terminate this RFP process at any time, by notifying suppliers who submitted proposals, and, following termination, to negotiate with any supplier(s) on whatever terms PHARMAC thinks fit;
  - (vi) to readvertise for proposals.
- (b) PHARMAC may consult or seek clinical advice from PTAC or its relevant sub-committee at any stage of the RFP process. PHARMAC will notify you if the clinical advice results in any changes to the terms of the RFP.
  - (c) You must not initiate or engage in any communication with other suppliers in relation to the RFP, whether before or after submitting their proposal(s), until such time as a provisional agreement is accepted by PHARMAC's Board or Chief Executive or the RFP process is terminated.
  - (d) You must not at any time initiate any communication with PHARMAC's directors or officers, the Ministry of Health, the Minister of Health or District Health Boards or their staff, members of PTAC and its subcommittees, or members of HPAC and its subcommittees, with a view to influencing the outcome of this RFP process.
  - (e) PHARMAC is not liable for any direct or indirect costs incurred in submitting a proposal.
  - (f) Proposals are submitted in reliance on your own knowledge, skill, and independent advice, and not in reliance on any representations made by PHARMAC.
  - (g) This is an RFP and not a tender. Your proposal is not an offer capable of being converted into a contract by PHARMAC's apparent acceptance and instead a separate agreement needs to be negotiated. Further, PHARMAC is no way contractually bound to follow the process outlined in this RFP, which is simply indicative.
  - (h) PHARMAC will consider your proposal and information exchanged between us in any negotiations relating to your proposal, excluding information already in the public domain, to be confidential to us and our employees, legal advisors and other consultants, the Ministry of Health and DHBs (**Confidential Information**). However, you acknowledge that it may be necessary or appropriate for PHARMAC to release Confidential Information:
    - (i) pursuant to the Official Information Act 1982; or
    - (ii) in the course of consultation on a provisional agreement entered into with a supplier; or
    - (iii) in publicly notifying any approval by the PHARMAC Board of that agreement; or
    - (iv) 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 sub-clauses (i) to (iv) above. 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.

**6. Anticipated timetable**

- (a) Following receipt of proposals, PHARMAC anticipates:
  - (i) the Evaluation Committee evaluating proposals in April 2006;
  - (ii) negotiating with submitter(s) of one or more preferred proposals in May 2006;
  - (iii) consulting on a provisional agreement in June 2006;
  - (iv) PHARMAC's Board or Chief Executive considering this provisional agreement in or after June 2006.
- (b) Under this indicative timetable, the earliest that changes to the Pharmaceutical Schedule could be implemented is August 2006.
- (c) Please note that if a proposal involving Hospital Supply Status is accepted, the date of implementation may be later to allow for an orderly transition to any sole supply arrangement.

## Schedule 4: Proposal form

[Supplier to insert date]

Chief Executive  
C/- Andrew Davies  
PHARMAC  
PO Box 10-254  
(or for courier delivery:  
Level 14, Cigna House  
40 Mercer Street)  
Wellington  
New Zealand

Dear Sir/Madam

### Proposal for the supply of Anaesthetics and delivery devices

In response to your request for proposals (RFP) dated [*insert date*], we put forward the following proposal in respect of [*insert pharmaceutical*].

Set out below is further information in support of our proposal.

(a) Our contact details:

Name of supplier	
Contact person	
Address	
Phone	
Facsimile	
Email address	

(b) Details of pharmaceutical presentation:

Chemical name	
Strength [(e.g. 500mg)]	
Form [(e.g. capsule)]	
Brand name	
Pack size [(e.g. 30's)]	
Packaging type [(e.g. blister)]	

(c) Key features of our proposal:

--

- (d) Information relating to pricing (\$NZ, GST exclusive), including any related conditions or proposed terms affecting cost for PHARMAC (e.g. price in return for sole supply, reference price protection, risk sharing mechanisms, etc.):

--

- (e) Evidence of market approval and any other required consents:

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]	
<i>Insert any other consents required for pharmaceutical</i>	

- (f) Information about our ability to ensure the continuity of supply of the pharmaceutical:

--

- (g) An outline of the delivery device requirement for the product(s) included and proposed terms for supply of the delivery device in addition to the anaesthetic product:

--

- (h) Information about our previous supply performance and relevant expertise:

--

- (i) Proposals/suggestions (e.g. pricing, risk sharing arrangements, etc) regarding the pharmaceutical not expressly identified in this RFP that we would like PHARMAC to consider as part of our proposal:

- (j) Reasons why PHARMAC should accept our proposal:

- (k) Additional information that PHARMAC should consider when evaluating our proposal: