

18 December 2008

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Dear Supplier

**REQUEST FOR PROPOSALS – SUPPLY OF BULK IV AND IRRIGATION FLUIDS**

PHARMAC invites proposals for the supply of Bulk IV and Irrigation Fluids 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 20 February 2009**.

If you have any questions about this RFP, please contact Andrew Davies at PHARMAC.

We look forward to receiving your proposal.

Yours sincerely



**Matthew Brougham**  
Chief Executive

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

### 1. Pharmaceutical

PHARMAC is interested in considering any proposal from suppliers of the following intravenous fluids.

- Dextran 40 10% with sodium chloride 0.9%, 500 ml
- Dextran 70 6% with sodium chloride 0.9%, 500 ml
- Glucose 10%, 1,000 ml
- Glucose 10%, 500 ml
- Glucose 5%, 1,000 ml
- Glucose 5%, 1,000 ml (non-PVC bags)
- Glucose 5%, 250 ml
- Glucose 5%, 250 ml (non-PVC bags)
- Glucose 5%, 500 ml
- Glucose 5%, 500 ml (non-PVC bags)
- Glucose 5%, 100 ml
- Glucose 50%, 500 ml
- Glucose 50g with sodium 140 mmol.L<sup>-1</sup>, potassium 5 mmol.L<sup>-1</sup>, magnesium 1.5 mmol.L<sup>-1</sup>, chloride 98 mmol.L<sup>-1</sup>, acetate 27 mmol.L<sup>-1</sup> and gluconate 23 mmol.L<sup>-1</sup>, 1,000 ml
- Glucose 50g with sodium 140 mmol.L<sup>-1</sup>, potassium 5 mmol.L<sup>-1</sup>, magnesium 1.5 mmol.L<sup>-1</sup>, chloride 98 mmol.L<sup>-1</sup>, acetate 27 mmol.L<sup>-1</sup> and gluconate 23 mmol.L<sup>-1</sup>, 500 ml
- Heparin 50,000 iu, 250 ml
- Mannitol 10%, 1,000 ml
- Mannitol 15%, 500 ml
- Mannitol 20%, 500 ml
- Potassium chloride 20 mmol.L<sup>-1</sup> with glucose 4% and sodium chloride 0.18%, 1,000 ml
- Potassium chloride 20 mmol.L<sup>-1</sup> with glucose 5% and sodium chloride 0.45%, 500 ml
- Potassium chloride 20 mmol.L<sup>-1</sup> with glucose 2.5% and sodium chloride 0.45%, 500 ml
- Potassium chloride 20 mmol.L<sup>-1</sup> with glucose 5%, 1,000 ml
- Potassium chloride 20 mmol.L<sup>-1</sup> with sodium chloride 0.9%, 1,000 ml
- Potassium chloride 20 mmol.L<sup>-1</sup> with sodium chloride 0.9%, 500 ml
- Potassium chloride 40 mmol.L<sup>-1</sup> with glucose 4% and sodium chloride 0.18%, 1,000 ml
- Potassium chloride 40 mmol.L<sup>-1</sup> with glucose 5%, 1,000 ml
- Potassium chloride 40 mmol.L<sup>-1</sup> with sodium chloride 0.9%, 1,000 ml
- Sodium bicarbonate 5%, 500 ml
- Sodium bicarbonate 8.4%, 100 ml
- Sodium chloride 0.18% with glucose 4%, 1,000 ml
- Sodium chloride 0.18% with glucose 4%, 500 ml
- Sodium chloride 0.45%, 500 ml
- Sodium chloride 0.45% with glucose 2.5%, 500 ml
- Sodium chloride 0.45% with glucose 5%, 500 ml
- Sodium chloride 0.9%, 1,000 ml
- Sodium chloride 0.9%, 1,000 ml (non-PVC bag)
- Sodium chloride 0.9%, 100 ml
- Sodium chloride 0.9%, 250 ml
- Sodium chloride 0.9%, 500 ml
- Sodium chloride 0.9%, 500 ml (non-PVC bag)
- Sodium chloride 0.9%, 50 ml
- Sodium chloride 3%, 1,000 ml

- Water, 1,000 ml
- Water with sodium 131 mmol.L<sup>-1</sup>, potassium 5 mmol.L<sup>-1</sup>, calcium 2 mmol.L<sup>-1</sup>, bicarbonate 29 mmol.L<sup>-1</sup> and chloride 111 mmol.L<sup>-1</sup>, 500 ml
- Water with sodium 131 mmol.L<sup>-1</sup>, potassium 5 mmol.L<sup>-1</sup>, calcium 2 mmol.L<sup>-1</sup>, bicarbonate 29 mmol.L<sup>-1</sup> and chloride 111 mmol.L<sup>-1</sup>, 1,000 ml
- Water with sodium 147 mmol.L<sup>-1</sup>, potassium 4 mmol.L<sup>-1</sup>, calcium 2.2 mmol.L<sup>-1</sup> and chloride 156 mmol.L<sup>-1</sup>, 500 ml
- Water with sodium 147 mmol.L<sup>-1</sup>, potassium 4 mmol.L<sup>-1</sup>, calcium 2.2 mmol.L<sup>-1</sup> and chloride 156 mmol.L<sup>-1</sup>, 1,000 ml
- Water with sodium 140 mmol.L<sup>-1</sup>, potassium 5 mmol.L<sup>-1</sup>, magnesium 1.5 mmol.L<sup>-1</sup>, chloride 98 mmol.L<sup>-1</sup>, acetate 27 mmol.L<sup>-1</sup> and gluconate 23 mmol.L<sup>-1</sup>, 1,000 ml
- Water with sodium 140 mmol.L<sup>-1</sup>, potassium 5 mmol.L<sup>-1</sup>, magnesium 1.5 mmol.L<sup>-1</sup>, chloride 98 mmol.L<sup>-1</sup>, acetate 27 mmol.L<sup>-1</sup> and gluconate 23 mmol.L<sup>-1</sup>, 500 ml

In addition we would also consider proposals that included the following irrigation fluids:

- Sodium Chloride 0.9%, 100 ml
- Sodium Chloride 0.9%, 500 ml
- Sodium Chloride 0.9% 1000ml
- Sodium Chloride 0.9%, 2000 ml
- Sodium Chloride 0.9% 3000ml
- Water for irrigation 100 ml
- Water for irrigation 500 ml
- Water for irrigation 1000 ml
- Water for irrigation 2000 ml
- Water for irrigation 3000 ml
- Chlorhexidine 0.02% 100 ml
- Chlorhexidine 0.05% 100 ml
- Chlorhexidine 0.05% 500 ml
- Chlorhexidine 0.1% 100 ml
- Chlorhexidine 0.2% 500 ml
- Chlorhexidine 0.5% 500 ml
- Chlorhexidine 0.015% with Cetrime 0.15% 100 ml
- Chlorhexidine 0.015% with Cetrime 0.15% 500 ml
- Chlorhexidine 0.015% with Cetrime 0.15% 1000 ml
- Chlorhexidine 0.05% with Cetrime 0.5% 100 ml
- Chlorhexidine 0.05% with Cetrime 0.5% 500 ml
- Chlorhexidine 0.1% with Cetrime 1% 100 ml
- Chlorhexidine 0.1% with Cetrime 0.1% 500 ml
- Glycine 1.5% 2000ml
- Glycine 1.5% 3000ml
- Dextran 40 10% in 5% Dextrose 500ml

## 2. Background to RFP

The background to this RFP is as follows:

In 2006 PHARMAC requested proposals, and entered into national agreements for the supply of a range of bulk IV fluids to DHB Hospitals. That arrangement resulted in listing protection for the successful supplier until 30 June 2009. With this protection expiring we

are seeking proposals for new national agreements for supply of bulk IV fluids to DHB Hospitals. In addition we have had a request to seek a number of irrigation fluids as part of the process. We are therefore permitting proposals for such products as part of this RFP.

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

PHARMAC is willing to consider the following types of proposals:

- Proposals involving only one of the line items/chemicals specified in Schedule 1;
- Aggregated proposals involving more than one of the line items/chemicals for the Bulk IV fluids listed in Schedule 1;
- Aggregated proposals involving more than one of the line items/chemicals for the irrigation fluids listed in Schedule 1;
- Aggregated proposals involving both the Bulk IV fluids and the irrigation fluids listed in Schedule 1 provided that separate proposals for the Bulk IV Fluids and the Irrigation Fluids are also provided;
- Proposals involving discount on invoice, caps, 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).
- Proposals including Hospital Supply Status with DV Limits no less than 5% provided that a separate proposal is provided that does not include Hospital Supply Status.

PHARMAC is not willing to consider the following types of proposals:

- Proposals involving Hospital Supply Status where no proposal without Hospital Supply Status for the relevant products is made;
- Aggregated proposals for both Bulk IV fluids and Irrigation Fluids where separate proposals have not been made for the relevant products;
- Proposals involving any products not contained in the product lists in Schedule 1 above.

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

## Schedule 2: RFP process

PHARMAC expects to follow the process set out below in the sequence indicated.

### 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 20 February 2009. 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 to the attention of **Andrew Davies**, either by facsimile (+64 4 460 4995) or email ([andrew.davies@pharmac.govt.nz](mailto:andrew.davies@pharmac.govt.nz)). Email is preferred.

### 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 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 to be determined by the Evaluation Committee at its sole discretion. The matters to be taken into account by the Evaluation Committee will, however, 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 or its relevant sub-committee;
  - (iii) any advice from the Hospital Pharmaceutical Advisory Committee or DHB representatives;
  - (iv) any other matters that the Evaluation Committee considers to be relevant (provided that PHARMAC will notify such matters and allow an opportunity for submitters of proposals to address them).
- (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, to the extent PHARMAC considers consultation to be necessary or appropriate, 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) to seek clarification of any proposal;
  - (iv) to meet with any supplier in relation to its proposal;
  - (v) to enter into an agreement or arrangement that differs in material respects from that envisaged in this RFP letter;
  - (vi) to suspend this RFP process. For example, if during the RFP process (and before a provisional agreement is entered into) it becomes apparent to PHARMAC that further consultation is appropriate or required we may suspend the RFP process in order to consult. In this situation we may ask you to adapt and resubmit your proposal in light of consultation, or alternatively we may request that new proposals be submitted;
  - (vii) 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;
  - (viii) 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.
  - (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, with a view to influencing the outcome of this RFP process.
  - (e) You must pay your own costs for preparing and submitting your 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) Your submission of a proposal will be taken as acceptance of the terms contained in this RFP letter. PHARMAC may exclude your proposal if you do not comply with any of the terms contained in this RFP letter.
  - (h) This is an RFP and not a tender. Your proposal is not an offer capable of being converted into a contract for the supply of Bulk IV fluids or irrigation fluids by PHARMAC's apparent acceptance and instead a separate agreement needs to be negotiated.

- (i) PHARMAC is not liable in any way whatsoever for any direct or indirect loss (including loss of profit), damage or cost of any kind incurred by you or any other person in relation to this RFP.
- (j) 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 March 2009;
  - (ii) negotiating with submitter(s) of one or more preferred proposals in March/April 2009;
  - (iii) consulting on a provisional agreement in April/May 2009;
  - (iv) PHARMAC's Board or Chief Executive considering this provisional agreement in or after May 2009,

provided that the above time frames are only approximate and may be extended, without notice being required from PHARMAC, if any stages of the RFP process take longer than anticipated.

- (b) Under this indicative timetable, the earliest that changes to the Pharmaceutical Schedule could be implemented is July 2009.
- (c) Please note that if a proposal for sole supply is accepted, the date of implementation may be later to allow for an orderly transition to any sole supply arrangement.

### Schedule 3: Current listing and market information

The following information relates to the estimated subsidised market size of the contracted IV fluids currently listed on Section H. The information is approximate and indicative only. PHARMAC makes no representation as to the accuracy of this information or as to the level of sales or likely sales of any of the fluids and, while PHARMAC has taken all reasonable care in preparing the information set out below, it accepts no liability for any errors or omissions in the information. PHARMAC is not obliged to notify you in the event of any change to the figures below.

<b>Presentation</b>	<b>YE June 2008 (Units)</b>
Dextran 40 with sodium chloride, Inf 10% with 0.9% sodium chloride, 500 ml	15
Glucose Inf 10%, 1000 ml	41
Glucose Inf 10%, 500 ml	20,777
Glucose Inf 5%, 1,000 ml	13,227
Glucose Inf 5%, 250 ml	3,101
Glucose Inf 5%, 500 ml	18,319
Glucose Inf 50%, 500 ml	1,675
Glucose with Sodium, Potassium, Magnesium, Chloride, Acetate and Gluconate Inf 50 g with 140 mmol.L-1 sodium, 5 mmol.L-1 potassium, 1.5 mmol.L-1 magnesium, 98 mmol.L-1 chloride, 27 mmol.L-1 acetate and 23 mmol.L-1 gluconate, 1,000 ml	3
Mannitol Inf 10%, 1,000 ml	62
Mannitol Inf 15%, 500 ml	1,495
Mannitol Inf 20%, 500 ml	1,315
Potassium Chloride with Glucose Inf 20 mmol.L-1 with 5% glucose, 1,000 ml	177
Potassium Chloride with Glucose and Sodium Chloride Inf 20 mmol.L-1 with 4% glucose and 0.18% sodium chloride, 1,000 ml	18,902
Potassium Chloride with Glucose and Sodium Chloride Inf 30 mmol.L-1 with 4% glucose and 0.18% sodium chloride, 1,000 ml	3,240
Potassium Chloride with Sodium Chloride Inf 20 mmol.L-1 with 0.9% sodium chloride, 1,000 ml	38,498
Potassium Chloride with Sodium Chloride Inf 30 mmol.L-1 with 0.9% sodium chloride, 1,000 ml	7,591
Sodium Bicarbonate Inf 5%, 500 ml	62
Sodium Chloride Inf 0.45%, 500 ml	4,762
Sodium Chloride Inf 0.9%, 1,000 ml	464,385

<b>Presentation</b>	<b>YE June 2008 (Units)</b>
Sodium Chloride Inf 0.9%, 250 ml	36,156
Sodium Chloride Inf 0.9%, 500 ml	148,008
Sodium Chloride Inf 3%, 1,000 ml	201
Sodium Chloride with Glucose Inf 0.18%, with glucose 4%, 1,000 ml	21,924
Sodium Chloride with Glucose Inf 0.18%, with glucose 4%, 500 ml	4,467
Sodium Chloride with Glucose Inf 0.45%, with glucose 2.5%, 500 ml	19,467
Sodium Chloride with Glucose Inf 0.9%, with glucose 5%, 1,000 ml	987
Sodium Chloride, Inj 0.9% 50 ml	494
Water Inf 1,000 ml	22,939
Water with Sodium, Potassium, Calcium and Chloride Inf 147 mmol.L-1 sodium, 4 mmol.L-1 potassium, 2.2 mmol.L-1 calcium and 156 mmol.L-1 chloride, 1,000 ml	725
Water with Sodium, Potassium, Calcium, Bicarbonate and Chloride Inf 131 mmol.L-1 sodium, 5 mmol.L-1 potassium, 2 mmol.L-1 calcium, 29 mmol.L-1 bicarbonate and 111 mmol.L-1 chloride, 1,000 ml	84,494
Water with Sodium, Potassium, Calcium, Bicarbonate and Chloride Inf 131 mmol.L-1 sodium, 5 mmol.L-1 potassium, 2 mmol.L-1 calcium, 29 mmol.L-1 bicarbonate and 111 mmol.L-1 chloride, 500 ml	3,058
Water with Sodium, Potassium, Calcium, Bicarbonate, Chloride and Glucose Inf 131 mmol.L-1 sodium, 5 mmol.L-1 potassium, 2 mmol.L-1 calcium, 29 mmol.L-1 bicarbonate, 111 mmol.L-1 chloride and glucose 5%, 1,000 ml	41
Water with Sodium, Potassium, Magnesium, Chloride, Acetate and Gluconate Inf 140 mmol.L-1 sodium, 5 mmol.L-1 potassium, 1.5 mmol.L-1 magnesium, 98 mmol.L-1 chloride, 27 mmol.L-1 acetate and 23 mmol.L-1 gluconate, 1,000 ml	114,005
Water with Sodium, Potassium, Magnesium, Chloride, Acetate and Gluconate Inf 140 mmol.L-1 sodium, 5 mmol.L-1 potassium, 1.5 mmol.L-1 magnesium, 98 mmol.L-1 chloride, 27 mmol.L-1 acetate and 23 mmol.L-1 gluconate, 500 ml	7,959

#### Schedule 4: Proposal form

**An electronic version of this form is available on disc from PHARMAC or on PHARMAC's website at <www.pharmac.govt.nz>. You should expand the boxes as necessary.**

**[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 Bulk IV/Irrigation Fluids

In response to your request for proposals (**RFP**) dated 18 December 2008, we put forward the following proposal in respect of Bulk IV and Irrigation Fluids.

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:

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(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.):

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

Date of market approval (please attach copy of Medsafe Gazette notice)	
<b>[OR Date of submission of dossier (please attach confirmation from Medsafe that dossier has been submitted)]</b>	
<b>[OR Expected date of dossier submission to Medsafe]</b>	
<b><i>Insert any other consents required for pharmaceutical</i></b>	

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

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

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- (h) 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:

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

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