

5 August 2014

2014/15 Invitation to Tender

PHARMAC is seeking feedback from pharmaceutical suppliers and interested parties on:

- A proposal to tender certain pharmaceuticals for sole supply;
- The draft process and terms and conditions for the 2014/15 Invitation to Tender (2014/15 Tender); and
- Commercial proposals as an alternative to tendering.

PHARMAC welcomes all feedback on the draft 2014/15 Tender. Feedback received by the deadline may be considered by the Tender Medical Evaluation Subcommittee of PTAC and would be considered by the PHARMAC Board (or its Delegate, where applicable) prior to making a decision on this proposal.

Feedback should be submitted by the following dates; late feedback may not be considered:

**ALTERNATIVE COMMERCIAL PROPOSAL RESPONSES DUE BY
5 PM, THURSDAY 28 AUGUST 2014**

**ALL OTHER CONSULTATION RESPONSES DUE BY
5 PM, THURSDAY 4 SEPTEMBER 2014**

Feedback should be provided by submitting an email, fax or letter to the Tender Analysts:

Email: tender@pharmac.govt.nz

Letter: Tender Analysts
PHARMAC
PO Box 10-254
Wellington 6143

Fax: (04) 460 4995

DDI: Chloe Dimock: (04) 916 7263
Laurence Holding: (04) 901 2844

Feedback we receive is subject to the Official Information Act 1982 (OIA) and we will consider any request to have information withheld in accordance with our obligations under the OIA. Anyone providing feedback, whether on their own account or on behalf of an organisation, and whether in a personal or professional capacity, should be aware that the content of their feedback and their identity may need to be disclosed in response to an OIA request.

We are not able to treat any part of your feedback as confidential unless you specifically request that we do, and then only to the extent permissible under the OIA and other relevant laws and requirements. If you would like us to withhold any commercially sensitive,

confidential proprietary, or personal information included in your submission, please clearly state this in your submission and identify the relevant sections of your submission that you would like it withheld. PHARMAC will give due consideration to any such request.

Details of the proposed 2014/15 Tender

In general, the proposed 2014/15 Tender process would be similar to the 2013/14 Tender. In addition to Alternative Commercial Proposals (discussed below), we seek comments on all sections of the draft 2014/15 Tender, in particular on:

- The proposed changes to the 2014/15 Tender;
- An indication of any pharmaceuticals, whether or not they are included in Schedule Two of the draft 2014/15 Tender, that you consider should be tendered, and the reasons for that view. If you wish, you may provide a non-binding confidential indication of the price or price range that you might be able to offer for a line item or group of line items you wish to have tendered;
- An indication of any pharmaceuticals, whether or not they are included in Schedule Two of the draft 2014/15 Tender, that you consider would be inappropriate to tender, and the reasons for that view, including any contractual constraints or patent protection that could restrict PHARMAC from awarding a tender on a particular pharmaceutical;
- For Hospital Pharmaceuticals, feedback on the appropriate Discretionary Variance Limit for each pharmaceutical, in the event that a 1% Discretionary Variance Limit is not considered clinically acceptable; and
- Feedback on any unresolved Tender Bid(s) from previous tenders that you consider should remain open for acceptance. Please note that some currently unresolved Tender Bids may be resolved prior to the consultation deadline and the final Tender being issued.

Draft Invitation to Tender

We are seeking feedback on the composition of the draft 2014/15 Tender. This is still under development and may change before it is taken to the Board for approval and subsequently issued. At this stage, but depending on the extent of any changes, PHARMAC does not intend to send out further drafts for consultation.

A complete copy of the draft 2014/15 Tender, including the proposed terms and conditions which successful tender bids would be subject to, is available on our website (www.pharmac.health.nz). The draft 2014/15 Tender comprises the following sections:

- Schedule 1: Definitions and interpretation**
- Schedule 2: The list of pharmaceuticals proposed for tender* #
- Schedule 3: The Tender process (for both hospital and community Tenders)
- Schedule 4: Contract terms for Sole Subsidised Supply and/or Hospital Supply Status
- Schedule 5: Additional contract terms for Sole Subsidised Supply Status
- Schedule 6: Additional contract terms for Hospital Supply Status

* * In reference to the 2014/2015 Tender, specifically the interpretation of it, please also refer to "Medical Devices-IV infusion bags" on page 8 of this consultation document.

*The market data for the year ended 30 June 2014 provided in Schedule Two has not yet been finalised and currently consists of actual volumes as available at production; however, finalised data would be included in the final 2014/15 Tender. The figures included are indicative only and are provided on the basis set out in clause 1.3 of Schedule 2 of the draft 2014/15 Tender.

The final list of products, which may change following consultation, would be released as part of the 2014/15 Tender, following Board approval. You may provide feedback on the inclusion of any additional pharmaceuticals after the 2014/15 Tender has been issued, and any such feedback would be considered by the Board (or its Delegate under Delegated Authority) before making a final decision on any product, provided that any feedback is given prior to the tender close date in late 2014.

Key Dates and Timeframes for the 2014/15 Tender:

The timelines for the 2014/15 Tender are envisaged to be similar to the 2013/14 Tender; we propose to release the final 2014/15 Invitation to Tender in early November 2014 and consequently the closing date for tender submissions would be late December 2014. The proposed timeline is outlined in the following table:

Date	Event
5 August 2014	Consultation with suppliers, medical groups and interested parties on the proposed pharmaceutical list and draft Invitation to Tender.
28 August 2014	Final date for receipt of Alternative Commercial Proposals (ACPs) to tendering by PHARMAC.
4 September 2014	Final date for all consultation to be received.
September 2014	PHARMAC considers feedback from consultation, negotiates with suppliers over any ACP proposals it considers would meet PHARMAC's Decision Criteria and enters into provisional contracts with suppliers where appropriate.
September 2014	Meeting of the Tender Medical Evaluation Subcommittee of PTAC to consider clinical issues in relation to the proposed Tender list.
September/October 2014	Consultation and decisions on Alternative Commercial Proposals.
Early November 2014	Issuing of the 2013/14 Tender.
18 December 2014	Invitation to Tender closes.
From end of January 2015	Decisions on the first Tender winners announced.

Unresolved Tender Bids

We intend to review any unresolved Tender Bids from the 2012/13 Tender and the 2013/14 Tender prior to issuing the 2014/15 Tender. The following Tender Bids remain unresolved:

2012/13 Invitation to Tender

Chemical Name	Line Item
Clobetasol Propionate	Crn 0.05% (pack size 30 g or less)
Clobetasol Propionate	Oint 0.05% (pack size 30 g or less)
Dorzolamide hydrochloride with timolol maleate	Eye drops 2% with timolol maleate 0.5%
Escitalopram	Tab 10 mg
Escitalopram	Tab 20 mg
Latanoprost with timolol	Eye drops 50 mcg per ml with timolol 0.5%
Minocycline Hydrochloride	Tab 50 mg
Oestradiol	TDSS 25 mcg per day
Oestradiol	TDSS 50 mcg per day
Oestradiol	TDSS 75 mcg per day

Chemical Name	Line Item
Oestradiol	TDDS 100 mcg per day
Phenoxyethylpenicillin (Penicillin V)	Cap 250 mg
Phenoxyethylpenicillin (Penicillin V)	Cap 500 mg
Sodium Cromoglycate	Eye drops 2%
Tranexamic Acid	Inj 100 mg per ml, 5 ml - 10 ml
Ziprasidone	Cap 80 mg
Ziprasidone	Cap 20 mg
Ziprasidone	Cap 40 mg
Ziprasidone	Cap 60 mg

2013/14 Invitation to Tender

Chemical Name	Line Item
Aciclovir	Eye oint 3%
Allopurinol	Tab 100 mg
Allopurinol	Tab 300 mg
Amlodipine	Tab 5 mg
Amlodipine	Tab 10 mg
Amlodipine	Tab 2.5 mg
Aqueous Cream	Crn (greater than 100 g)
Aqueous Cream	Crn (100 g or less)
Aripiprazole	Tab 10 mg
Aripiprazole	Tab 15 mg
Aripiprazole	Tab 20 mg
Aripiprazole	Tab 30 mg
Artesunate	Inj 60 mg
Bisoprolol Fumarate	Tab 2.5 mg
Bisoprolol Fumarate	Tab 5 mg
Bisoprolol Fumarate	Tab 10 mg
Brinzolamide	Eye Drops 1%
Calcium folinate	Tab 15 mg
Carvedilol	Tab 6.25 mg
Carvedilol	Tab 12.5 mg
Carvedilol	Tab 25 mg
Celecoxib	Cap 100 mg
Celecoxib	Cap 200 mg
Cetirizine hydrochloride	Tab 10 mg
Chlorhexidine gluconate	Soln 4%
Cidofovir	Inj 75 mg per ml, 5 ml
Ciprofloxacin	Eye Drops 0.3%
Cisplatin	Inj 1 mg per ml, 100 ml
Cisplatin	Inj 1 mg per ml, 50 ml
Citalopram hydrobromide	Tab 20 mg
Clarithromycin	Inj 500 mg

Chemical Name	Line Item
Clofazimine	Cap 50 mg
Clofazimine	Cap 50 mg
Clonazepam	Tab 2 mg
Clonazepam	Tab 500 mcg
Cyclophosphamide	Tab 50 mg
Cyclophosphamide	Inj 2 g
Cyclophosphamide	Inj 1 g
Dipyridamole	Tab long-acting 150 mg
Donepezil hydrochloride	Tab 5 mg
Donepezil hydrochloride	Tab 10 mg
Emulsifying ointment	Oint BP (pack size 200 g or less)
Emulsifying ointment	Oint BP (pack size greater than 200 g)
Ephedrine	Inj 30 mg per ml, 1ml
Esomeprazole	Inj 40 mg
Etoricoxib	Tab 60 mg
Etoricoxib	Tab 90 mg
Etoricoxib	Tab 120 mg
Ezetimibe	Tab 10 mg
Ezetimibe with simvastatin	Tab 10 mg with simvastatin 20 mg
Ezetimibe with simvastatin	Tab 10 mg with simvastatin 40 mg
Ezetimibe with simvastatin	Tab 10 mg with simvastatin 80 mg
Ezetimibe with simvastatin	Tab 10 mg with simvastatin 10 mg
Fludarabine phosphate	Inj 50 mg
Fluorouracil sodium	Inj 50 mg per ml, 20 ml
Fluorouracil sodium	Inj 50 mg per ml, 50 ml
Fluorouracil sodium	Inj 50 mg per ml, 10 ml
Fluorouracil sodium	Inj 50 mg per ml, 100 ml

Chemical Name	Line Item
Hydrocortisone	Crn 1% (pack size greater than 15 g and less than 100 g)
Hydrocortisone	Crn 1% (pack size greater than 100 g)
Hyoscine N-butylbromide	Tab 10 mg
Imipenem with cilastatin	Inj 500 mg with cilastatin 500 mg
Ketamine	Inj 100 mg per ml, 2 ml vial
Lice treatment	lotn
Lice treatment	Shampoo
Mebendazole	Tab 100 mg
Mefenamic acid	Cap 250 mg
Meloxicam [current access]	Tab 7.5 mg
Meloxicam [widened access]	Tab 7.5 mg
Metronidazole	Inj 5 mg per ml, 100ml
Mitozantrone	Inj 2 mg per ml, 10 ml
Mitozantrone	Inj 2 mg per ml, 12.5 ml
Morphine sulphate	Tab immediate release 10 mg
Morphine sulphate	Tab immediate release 20 mg
Nitazoxanide	Oral liquid 100mg per 5ml
Norethisterone	Tab 5 mg
Nystatin	Oral liq 100,000 u per ml
Omeprazole	Cap 10 mg
Omeprazole	Cap 20 mg
Omeprazole	Cap 40 mg
Omeprazole	Inj 40 mg
Omeprazole	Inf 40 mg
Omeprazole	Powder
Ornidazole	Tab 500 mg
Oxybuprocaine hydrochloride	Eye drops 0.4%, single dose
Paracetamol	Tab soluble 500 mg
Permethrin	Crn 5%
Pregnancy tests - hCG urine	Urine diagnostic test
Propofol	Inj 10 mg per ml, 20 ml vial
Propofol	Inj 10 mg per ml, 20 ml ampoule
Propofol	Inj 10 mg per ml, 50 ml vial
Propofol	Inj 10 mg per ml, 100 ml vial
Risperidone	Orally-disintegrating tablets 0.5 mg
Risperidone	Orally-disintegrating tablets

Chemical Name	Line Item
	1 mg
Risperidone	Orally-disintegrating tablets 2 mg
Ropivacaine hydrochloride	Inj 2 mg per ml, 10 ml
Ropivacaine hydrochloride	Inj 2 mg per ml, 20 ml
Ropivacaine hydrochloride	Inj 2 mg per ml, 100 ml
Ropivacaine hydrochloride	Inj 2 mg per ml, 200 ml
Ropivacaine hydrochloride	Inj 7.5 mg per ml, 10 ml
Ropivacaine hydrochloride	Inj 7.5 mg per ml, 20 ml
Ropivacaine hydrochloride	Inj 10 mg per ml, 10 ml
Ropivacaine hydrochloride	Inj 10 mg per ml, 20 ml
Sodium chloride	Inj 0.9%, 5 ml
Sodium chloride	Inj 0.9%, 10 ml
Sodium chloride	Inj 0.9%, 20 ml
Sodium chloride	Soln 0.9% for irrigation, 30 ml
Sodium Citro-Tartrate	Grans effervescent 4 g sachets
Sodium hyaluronate	Inj 23 mg per ml, 0.6ml syringe
Sodium hyaluronate with chondroitin sulphate	Inj 30 mg with chondroitin sulphate 40mg per ml, 0.75ml syringe
Spiramycin	Tab 500 mg
Thiopental [Thiopentone] sodium	Inj 500 mg
Tobramycin	Inj 40 mg per ml, 2 ml
Travoprost	Eye drops 0.004%
Triamcinolone acetonide	Inj 10 mg per ml, 1 ml
Triamcinolone acetonide	Inj 40 mg per ml, 1 ml
Triamcinolone acetonide	0.1% in Dental Paste USP
Triamcinolone acetonide	Crn 0.02%
Triamcinolone acetonide	Oint 0.02%
Water for Injection	Purified for inj 5 ml
Water for Injection	Purified for inj 10 ml
Water for Injection	Purified for inj 20 ml
Wool fat	Crn
Zinc	Crn BP
Zinc	Oint BP
Zinc and castor Oil	Oint BP (pack size 30 g or less)
Zinc and castor Oil	Oint BP (pack size greater than 30 g)
Zinc sulphate	Cap 50 mg elemental

Should any unresolved Tender Bids be declined prior to the release of the 2014/15 Tender, PHARMAC would consider re-tendering those pharmaceuticals when the 2014/15 Tender is issued. Unresolved Tender Bids have not been included in the draft pharmaceutical list (Schedule Two).

Products not currently listed in Section B of the Pharmaceutical Schedule

The following products included in Schedule Two of the draft 2014/15 Tender are not currently listed in Section B of the Pharmaceutical Schedule:

Chemical Name	Line Item
Albendazole	Tab 200 mg
Baclofen	Oral liq
Benzoyl peroxide	Soln 2.5%
Benzoyl peroxide	Soln 5%
Candesartan with hydrochlorothiazide	candesartan 16 mg, hydrochlorothiazide 12.5 mg tablet
Candesartan with hydrochlorothiazide	candesartan 8 mg, hydrochlorothiazide 12.5 mg tablet
Cefoxitin Sodium	Inj 1 g
Chloramphenicol	Ear drops 0.5%
Cimetidine	Tab 800 mg
Colecalciferol	oral liquid (400 – 1,000 iu per ml)
Colecalciferol - (1,000 iu)	Tab (1,000 iu)
Dimethicone	Crm 10% BPC
Famotidine	Tab 20 mg
Famotidine	Tab 40 mg
Hydrocortisone with paraffin and wool fat	Lotn 1% with paraffin liquid 15.9% and wool fat 0.6%, 500 g
Magnesium	Tab
Metoclopramide hydrochloride	Oral liq 5 mg per 5 ml
Nitrofurantoin	Oral liq

Chemical Name	Line Item
Nitrofurantoin	Tab modified release 100 mg
Oestradiol valerate	Tab 0.5 mg
Pancreatic enzyme	Powder
Pregabalin	Cap 150 mg
Pregabalin	Cap 25 mg
Pregabalin	Cap 300 mg
Pregabalin	Cap 75 mg
Pyridostigmine bromide	180 mg modified-release tablet
Sodium chloride	Oral liq 2 mmol/ml
Sodium chloride	Tab 600 mg
Starch	Powder
Terbinafine	Inj 40 mg
Testosterone	Transdermal patch 5 mg
Tobramycin	Inj 100mg per ml, 5ml vial
Trimethoprim	Oral liq
Trimethoprim	Tab 100 mg
Valaciclovir	Tab 1000 mg
Valaciclovir	Tab 250 mg
Zuclopenthixol hydrochloride	Tab 2 mg
Zuclopenthixol hydrochloride	Tab 25 mg
Zuclopenthixol hydrochloride	Tab 40 mg

Electronic Tender (eTender) system

The 2014/15 Invitation to Tender will be distributed via PHARMAC's eTender system. Please let us know by **5pm, 26 September 2014** if the contact details for the person responsible for submitting tender bids have changed for your company or if you would like to register your company to use the eTender system.

Alternative Commercial Proposals

PHARMAC seeks any Alternative Commercial Proposals (ACPs) to tendering that you may wish to submit. An ACP may, for example, offer price reductions on one set of

pharmaceuticals in return for PHARMAC agreeing to defer tendering on another group of pharmaceuticals for a period.

Please note the following points apply to ACPs for both the community and DHB hospital markets:

- ACPs may include more than one line item and may include pharmaceuticals not listed in Schedule Two of the draft 2014/15 Tender;
- ACPs may seek PHARMAC's agreement to defer tendering or application of reference pricing for a period of time for any pharmaceutical, whether or not it is listed in Schedule Two of the draft 2014/15 Tender;
- ACPs may propose PHARMAC awarding Hospital Supply Status for Hospital Pharmaceuticals included in Schedule Two but not for Hospital Pharmaceuticals that do not appear in Schedule Two;
- ACPs may not propose awarding Sole Subsidised Supply Status in the community;
- PHARMAC reserves the right:
 - not to accept any ACPs; and/or
 - not to provide reasons for the acceptance or non-acceptance of any ACP; and/or
 - to enter into an agreement or arrangement that differs in a material respect from that envisaged in this letter; and

ACPs are due by **5pm, Thursday 28 August 2014**. PHARMAC may not consider any ACPs that are submitted after this date.

Usage data for “PCT only” injectable products

This year we will be providing “PCT only” usage data prior to the release of the final 2014/15 Tender (as shown below). These volumes 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.

Chemical	Total usage (mg)*
Bleomycin sulphate	15,000,000
Bortezomib	25,000
Carboplatin	3,100,000
Doxorubicin	430,000
Epirubicin	280,000
Etoposide phosphate	1,100,000
Idarubicin hydrochloride injections	4,400
Irinotecan	940,000
Liposomal daunorubicin	Not currently listed
Oxaliplatin	1,020,000
Pegylated liposomal doxorubicin	Not currently listed
Vinorelbine	120,000
*Usage in mg, for period between 1 January 2013 to 31 December 2013	

Ambrisentan and Bosentan

Due to the nature of these chemicals, longer transition times may apply to ambrisentan 5 mg and 10 mg tablets, and bosentan 62.5 mg and 125 mg tablets.

Medical Devices-IV infusion bags

PHARMAC has included a variety of IV infusion bags in the draft 2014/15 Tender. PHARMAC note that IV infusion bags can be classified as a medical device and therefore may not be accurately defined in the terminology of the 2014/15 Tender, for example but not limited to the definitions of Chemical Entity, Pharmaceutical and Tender Item. For the purposes of interpretation where terminology in the 2014/2015 Tender is inconsistent for IV infusion bags, the terminology shall be interpreted to include IV infusion bags unless the context otherwise requires.