

19 November 2013

Dear Service Provider

REQUEST FOR PROPOSALS – MANAGING SUBSCRIPTIONS FOR PHARMACEUTICAL SCHEDULE

PHARMAC invites proposals for the management of subscriptions for the Pharmaceutical Schedule.

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

- Schedule 1 specifies the services for which PHARMAC is requesting proposals and sets out the background to the RFP;
- Schedule 2 describes the process that PHARMAC expects to follow in relation to the RFP; and
- Schedule 3 specifies the information you need to include with your proposal.

If you wish to submit a proposal, please submit it to PHARMAC no later than 5.00 p.m. on Monday 16 December 2013.

If you have any questions about this RFP, please contact Kaye Wilson at PHARMAC, on 04 9167 563 or kaye.wilson@pharmac.govt.nz.

We look forward to receiving your proposal.

Yours sincerely



Steffan Crausaz
Chief Executive

Schedule 1: Description of services and background to RFP

1. Description of services

PHARMAC is interested in considering any proposal from service providers for the management of subscriptions for the Pharmaceutical Schedule, its Updates, and Section H for Hospital Pharmaceuticals.

PHARMAC is seeking to enter into a contract with a single service provider for all of the components of the services for a period of one year with the right of renewal by PHARMAC for up to two further terms of two years each.

The Pharmaceutical Schedule is the official list of subsidies that pharmacies can claim for reimbursement. Changes to the Pharmaceutical Schedule are notified through the publication of the monthly Update to the Pharmaceutical Schedule (which lists only the cumulative changes to the Schedule) and Quarterly reprints of the entire Pharmaceutical Schedule and Section H. It is critical that these publications are distributed accurately and within specific timelines.

This RFP is not for the *distribution* of the hard copy publications.

PHARMAC currently provides a paid subscription service for the Pharmaceutical Schedule for approximately 1,200 subscribers.

Subscribers may choose to subscribe to either hard copy or electronic subscriptions. There are three subscriptions options:

- Schedule – Pharmaceutical Schedule with monthly Updates
- Section H – Section H only (this may include HML Updates)
- Combo – Pharmaceutical Schedule with monthly Updates and Section H

The contract with the current supplier has expired.

In particular, PHARMAC is interested in the following services:

1. Management of subscriptions to the Pharmaceutical Schedule publication.

PHARMAC owns and currently manages subscriptions through a subscription website – www.schedule.co.nz. The successful service provider would utilise this web address for the provision of the subscription service.

In particular, PHARMAC is interested in a web based subscription management service with the following attributes:

- Annual paid subscription for hard copy, evergreen for electronic

- Multiple copy subscriptions, and overseas subscribers
 - Renewal service for subscribers including reminder emails to subscribers
 - Free phone/fax/email support for subscribers for queries relating to their subscription. It will not include technical support on Pharmaceutical Schedule technical queries, or DPS payment enquiries.
 - Website hosting
 - Ability to include complimentary subscriptions at PHARMAC discretion
 - Daily/monthly reporting of subscription transactions in CVS or Excel format
 - Apply Analytics to the website
 - Tax receipts automatically send to subscribers, including duplicates emailed to PHARMAC
 - Utilise Payment Express's DPS payments platform, and to include transaction ID's in the transaction reporting
 - PHARMAC anticipates that, where possible, creative elements will be developed by its in-house Creative Director. The successful service provider will be required to work closely with PHARMAC staff when implementing any changes and delivering services.
 - Must comply with YUI (Yahoo! User Interface) Target environments: <http://yuilibrary.com/yui/environments/>.
 - Must comply with the New Zealand spam law.
 - Must comply with the government web standards: <https://webtoolkit.govt.nz/>.
 - Provide thorough training and documentation to PHARMAC staff in using the system.
 - Maintenance, backups, and disaster recovery.
2. Data extracts - PHARMAC requires that the successful supplier would provide a system that enables a monthly extract of current subscribers to Schedule publications on the 12th of each month in an electronic file format. This file would then be supplied by PHARMAC to its contracted distribution provider for them to distribute the hard copy publications.

PHARMAC staff would email subscriber address changes on a frequent basis as they come to hand. These must be processed by the provider weekly and the database is to be up-to-date when the monthly extract is requested.

PHARMAC requires detailed information on the ways that the provider would actively manage the subscription list to keep it as up-to-date as possible.

3. Email subscribers to the electronic Pharmaceutical Schedule and Section H, at least monthly, with copies of electronic versions of the Schedule, Updates and Section H (may include website links and/or PDF's). There are currently approximately 1,800 subscriptions for electronic distribution.

Background to RFP

The purpose of the Pharmaceutical Schedule is to list the Community Pharmaceuticals that are subsidised by the Government and to show the amount of the subsidy paid to contractors, as well as the manufacturer's price (if it differs from the subsidy) and any access conditions that may apply. Section H lists Hospital Pharmaceuticals that may be used in DHB Hospitals, as well as any access conditions that may apply.

Overall there are approximately 2,000 subscribers to the Pharmaceutical Schedule. Of these 1,200 are paid subscribers for hard copy publications and 1,800 are subscribers to the electronic versions of the Schedule publications.

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 Monday 16 December 2013. 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 at Level 9, Simpl House, 40 Mercer Street, PO Box 10-254, Wellington 6143 (addressed to the attention of Kaye Wilson, Senior Schedule Analyst, either by hand delivery, by courier or by post (and not by facsimile or email). Please submit **five** hard copies by the closing date. In addition, submitters are requested to submit their proposal electronically (in PDF format) by email to kaye.wilson@pharmac.govt.nz. In the event of any discrepancies between a bidder's hard copy and electronic proposals, the hard copy proposal will take precedence. **RFP responses should be a maximum of 20 pages long.** For any proposals longer than 20 pages, only the first 20 pages will be considered.

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), to the extent applicable;
 - (ii) cost and value for money of the proposed services;
 - (iii) demonstration of experience in this area;
 - (iv) information required to be included with your proposal, as specified in Schedule 3;

- (v) any other matters that the Evaluation Committee considers to be relevant.
- (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 you are 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, to the exclusion of other suppliers' proposals.
- (b) Negotiations will proceed on the basis that PHARMAC's standard terms and conditions for provision of services, which are available on request from PHARMAC, will apply with appropriate modifications. Suppliers should note in particular that PHARMAC expects to retain any intellectual property contributed by it, or generated during the supply of the services.
- (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 service provider(s) on whatever special terms, in addition to PHARMAC's standard terms and conditions, PHARMAC considers appropriate.
- (e) If PHARMAC and the service provider(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 service provider(s).
- (f) PHARMAC, whilst looking at overall functionality and practicality, also rewards features and innovations which provide additional control and automation to its staff.

4. Consultation and approval

- (a) Any provisional agreement will be conditional on consultation (at PHARMAC's discretion) with interested parties, to the extent PHARMAC considers consultation to be necessary or appropriate, and on Board approval (or approval by the Board's delegate acting under delegated authority).
- (b) PHARMAC will not consider any counter-offers received during consultation.

- (c) The provisional agreement and responses to any consultation will be considered by PHARMAC's Board (or its delegate acting under delegated authority) in accordance with the decision criteria in PHARMAC's then current OPPs.
- (d) If the Board or its delegate does not approve the provisional agreement, then PHARMAC may initiate negotiations for a provisional agreement with any other service provider(s).
- (e) The RFP process will be complete once PHARMAC has notified service providers of either:
 - (i) the Board's or its delegate'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 service providers affected by those changes;
 - (ii) to meet with any submitter of a proposal at their place of business to discuss their proposal and to gain an understanding of their work environment;
 - (iii) not to accept any proposal;
 - (iv) to seek clarification of any 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 service providers who submitted proposals, and, following termination, to negotiate with any service provider(s) on whatever terms PHARMAC thinks fit;
 - (viii) to re-advertise for proposals.
- (b) You must not initiate or engage in any communication with other service providers in relation to the RFP whether before or after submitting proposal(s), until such time as a provisional agreement is accepted by PHARMAC's Board or Chief Executive.

- (c) 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.
 - (d) You must pay your own costs for preparing and submitting your proposal.
 - (e) Proposals are submitted in reliance on your own knowledge, skill, and independent advice, and not in reliance on any representations made by PHARMAC.
 - (f) 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.
 - (g) 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 managing subscriptions for the Pharmaceutical Schedule by PHARMAC's apparent acceptance and instead a separate agreement needs to be negotiated.
 - (h) 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.
 - (i) 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 service provider; 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.
- (j) PHARMAC will consider proposals for all or part of this request for proposals.

6. **Anticipated timetable**

(a) Following receipt of proposals, PHARMAC anticipates:

- (i) The Evaluation Committee evaluating proposals in January 2013;
- (ii) Negotiating with preferred submitter in February 2014;
- (iii) PHARMAC's Board or its delegate considering the provisional agreement(s) in or after February 2013,

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.

Schedule 3: Information to be included in the proposal

The following supporting information should be included in or form part of the proposal:

- (a) name of service provider;
- (b) contact person and title;
- (c) contact details (address, telephone, emails, fax etc.);
- (d) details of services proposed and key features of the proposal and to include the following
 - (i) details of the hosting: provider / plan / operating system / configuration / costs
 - (ii) “off the shelf“, bespoke or a combination of the two;
 - (iii) timeframe for development of website and migration of current subscribers;
 - (iv) eCommerce platform;
 - (v) how amendments to website will be made – PHARMAC would like the opportunity to make minor amendments to include, but not limited to, modify web links, spelling mistakes etc;
- (e) pricing (GST exclusive), including any related conditions or proposed terms affecting cost for PHARMAC and including:
 - (i) management of the mailing database with 2,000 subscribers;
 - (ii) maintaining a paid subscription service for 1,200 subscribers and how the service provider proposes to manage this service (i.e. web based with credit card payment, etc); and
 - (iii) maintaining subscriptions for electronic distribution and distributing monthly updates by email. Currently approximately 1,800 subscribers;
 - (iv) Management of services detailed in Schedule 1.1;
- (f) an indication of any sub-contractors you would propose to use;
- (g) an indication of the main type of services your organisation currently provides;
- (h) at least two references;
- (i) proposals/suggestions about services not expressly identified in the RFP that PHARMAC may wish to consider;

- (j) the service provider's own rationale for why it considers PHARMAC should accept its proposal;
- (k) any particular information that the service provider considers PHARMAC should take into account when evaluating the proposal;
- (l) a declaration of any conflicts of interest that you or an associated person or organisation may have that could affect or compromise you or PHARMAC in relation to your participation in this RFP process or performance of any agreement if successful;
- (m) any other information PHARMAC may require.

with particular regard to Schedule 1.1, Schedule 2.2 (b) and Schedule 3 (e) of this RFP document.