

23 July 2013

2013/14 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 2013/14 Invitation to Tender (2013/14 Tender); and
- Commercial proposals as an alternative to tendering.

PHARMAC welcomes all feedback on the draft 2013/14 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 22 AUGUST 2013**

**ALL OTHER CONSULTATION RESPONSES DUE BY
5 PM, THURSDAY 5 SEPTEMBER 2013**

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

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Tender Analyst
PHARMAC
PO Box 10-254
Wellington 6143

Email: chloe.dimock@pharmac.govt.nz
Fax: (04) 460 4995
DDI: (04) 916 7263

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 2013/14 Tender

In general, the proposed 2013/14 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 2013/14 Tender, in particular on:

- The proposed changes to the 2013/14 Tender;
- An indication of any pharmaceuticals, whether or not they are included in Schedule Two of the draft 2013/14 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 2013/14 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.

Draft Invitation to Tender

We are seeking feedback on the composition of the draft 2013/14 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 2013/14 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 2013/14 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

* The market data for the year ended 30 June 2013 provided in Schedule Two has not yet been finalised and is partially based on forecasts; however, finalised data would be included in the final 2013/14 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 2013/14 Tender.

The final list of products, which may change following consultation, would be released as part of the 2013/14 Tender, following Board approval. You may provide feedback on the inclusion of any additional pharmaceuticals after the 2013/14 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 2013.

Key Dates and Timeframes for the 2013/14 Tender:

The timelines for the 2013/14 Tender are envisaged to be similar to the 2012/13 Tender; we propose to release the final 2013/14 Invitation to Tender in early November 2013 and consequently the closing date for tender submissions would be late December 2013. The proposed timeline is outlined in the following table:

Date	Event
23 July 2013	Consultation with suppliers, medical groups and interested parties on the proposed pharmaceutical list and draft Invitation to Tender.
22 August 2013	Final date for receipt of Alternative Commercial Proposals (ACPs) to tendering by PHARMAC.
5 September 2013	Final date for all consultation to be received.
September 2013	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 2013	Meeting of the Tender Medical Evaluation Subcommittee of PTAC to consider clinical issues in relation to the proposed Tender list.
September/October 2013	Consultation and Board decisions on Alternative Commercial Proposals.
Early November 2013	Issuing of the 2013/14 Tender.
19 December 2013	Invitation to Tender closes.
From end of January 2014	Board decisions on the first Tender winners announced.

Unresolved Tender Bids

We intend to review any unresolved Tender Bids from the 2011/12 Tender and the 2012/13 Tender prior to issuing the 2013/14 Tender. The following Tender Bids remain unresolved:

2011/12 Invitation to Tender

Chemical Name	Line Item
Amoxycillin	Grans for oral liq 125 mg per 5 ml
Amoxycillin	Grans for oral liq 250 mg per 5 ml
Brinzolamide	Eye Drops 1%
Bupivacaine Hydrochloride	Inj 0.5%, 10 ml
Clonidine	TDDS 2.5 mg, 100 mcg per day
Clonidine	TDDS 5 mg, 200 mcg per day
Clonidine	TDDS 7.5 mg, 300 mcg per day
Granisetron	Inj 1 mg
Granisetron	Tab 1 mg
Intra-Uterine Device	IUD - Short length (5 - 8 cm)
Intra-Uterine Device	IUD - Standard length (6 - 9 cm)
Lignocaine Hydrochloride	Inj 1%, 2 ml
Lignocaine Hydrochloride	Inj 2%, 2 ml
Methotrexate	Tab 2.5 mg

Chemical Name	Line Item
Methotrexate	Tab 10 mg
Morphine Sulphate	Tab immediate release 10 mg
Morphine Sulphate	Tab immediate release 20 mg
Oxycodone Hydrochloride	Cap 5 mg
Oxycodone Hydrochloride	Cap 10 mg
Oxycodone Hydrochloride	Cap 20 mg
Oxycodone Hydrochloride	Tab controlled-release 5 mg
Oxytocin	Inj 5 iu per ml, 1 ml
Oxytocin	Inj 10 iu per ml, 1 ml
Travoprost	Eye drops 0.004%
Tropisetron	Inj 1 mg per ml, 5 ml
Tropisetron	Inj 1 mg per ml, 2 ml

2012/13 Invitation to Tender

Chemical Name	Line Item
Aripiprazole	Tab 20 mg
Aripiprazole	Tab 30 mg
Aripiprazole	Tab 15 mg
Aripiprazole	Tab 10 mg
Azathioprine	Inj 50 mg
Azathioprine	Tab 25 mg
Azathioprine	Tab 50 mg
Beclothesone Dipropionate	Metered aqueous nasal spray, 50 mcg per dose
Beclothesone Dipropionate	Metered aqueous nasal spray, 100 mcg per dose
Betamethasone Valerate	Lotn 0.1%
Betamethasone Valerate	Crm 0.1%
Bisacodyl	Tab 5 mg
Budesonide	Metered aqueous nasal spray, 100 mcg per dose
Budesonide	Metered aqueous nasal spray, 50 mcg per dose
Capecitabine	Tab 500 mg
Capecitabine	Tab 150 mg
Ceftriaxone Sodium	Inf 2 g
Ceftriaxone Sodium	Inj 1 g
Ceftriaxone Sodium	Inj 500 mg
Cetomacrogol	Crm BP
Cholecalciferol	Tab 1.25 mg (50,000 iu)
Ciprofloxacin	Inj 2 mg per ml, 100 ml
Clobetasol Propionate	Crm 0.05% (pack size 30 g or less)
Clobetasol Propionate	Oint 0.05% (pack size 30 g or less)
Coal Tar	Soln BP

Chemical Name	Line Item
Co-Trimoxazole	Tab trimethoprim 80 mg and sulphamethoxazole 400 mg
Dexamethasone phosphate	Inj 4 mg per ml, 2 ml
Dexamethasone phosphate	Inj 4 mg per ml, 1 ml
Dextrose with Electrolytes	Soln with electrolytes
Dimethicone	Crm 5%
Dimethicone	Crm 5%
Docusate Sodium with Sennosides	Tab 50 mg with total sennosides 8 mg
Dorzolamide hydrochloride with timolol maleate	Eye drops 2% with timolol maleate 0.5%
Escitalopram	Tab 10 mg
Escitalopram	Tab 20 mg
Ferrous Salts	Oral liq
Flecainide Acetate	Cap long-acting 100 mg
Flecainide Acetate	Tab 50 mg
Flecainide Acetate	Cap long-acting 200 mg
Flecainide Acetate	Tab 100 mg
Fluoxetine Hydrochloride	Cap 20 mg
Fluoxetine Hydrochloride	Tab dispersible 20 mg, scored
Fusidic Acid	Crm 2 %
Glycopyrronium with neostigmine	Inj 500 mcg with 2.5 mg neostigmine per ml, 1 ml
Hydrocortisone with Miconazole	Crm 1% with miconazole nitrate 2%
Ibuprofen	Oral liq 100 mg per 5 ml
Iloprost	Inj 100 µg per ml, 0.5 ml
Latanoprost with timolol	Eye drops 50 mcg per ml with timolol 0.5%
Loperamide Hydrochloride	Cap 2 mg
Loratadine	Oral liq 1 mg per ml

Chemical Name	Line Item
Lorazepam	Tab 1 mg
Lorazepam	Tab 2.5 mg
Magnesium	Tab
Methadone Hydrochloride	Tab 5 mg
Minocycline Hydrochloride	Tab 50 mg
Mitozantrone	Inj 2 mg per ml, 12.5 ml
Mupirocin	Oint 2%
Nystatin	Cap 500,000 u
Nystatin	Tab 500,000 u
Oestradiol	TDDS 100 mcg per day
Oestradiol	TDDS 75 mcg per day
Oestradiol	TDDS 50 mcg per day
Oestradiol	TDDS 25 mcg per day
Olanzapine	Tab 2.5 mg
Olanzapine	Tab 10 mg
Olanzapine	Tab 5 mg
Olanzapine	Orodispersible tab 10 mg
Olanzapine	Orodispersible tab 5 mg
Pantoprazole	Tab 20 mg
Pantoprazole	Tab 40 mg
Paroxetine Hydrochloride	Tab 20 mg
Pegylated liposomal doxorubicin	Inj 20 mg
Pegylated liposomal doxorubicin	Inj 50 mg
Phenoxymethylpenicillin (Penicillin V)	Grans for oral liq 250 mg per 5 ml
Phenoxymethylpenicillin (Penicillin V)	Cap 250 mg
Phenoxymethylpenicillin (Penicillin V)	Cap 500 mg
Phenoxymethylpenicillin (Penicillin V)	Grans for oral liq 125 mg per 5 ml
Pramipexole Hydrochloride	Tab 1 mg
Pramipexole Hydrochloride	Tab 0.250 mg
Pramipexole Hydrochloride	Tab 0.5 mg

Chemical Name	Line Item
Prednisolone	Oral liq 5 mg per ml
Quinine Sulphate	Tab 300 mg
Rosuvastatin	Tab 5 mg
Rosuvastatin	Tab 10 mg
Rosuvastatin	Tab 20 mg
Rosuvastatin	Tab 40 mg
Sodium chloride	Inj 0.9%, 20 ml
Sodium chloride	Inj 0.9%, 10 ml
Sodium chloride	Inj 0.9%, 5 ml
Sodium Citro-Tartrate	Grans effervescent 4 g sachets
Sodium Cromoglycate	Eye drops 2%
Solifenacin succinate	Tab 10 mg
Solifenacin succinate	Tab 5 mg
Tenoxicam	Inj 20 mg
Tenoxicam	Tab 20 mg
Thalidomide	Cap 100 mg
Thalidomide	Cap 50 mg
Tranexamic Acid	Tab 500 mg
Tranexamic Acid	Inj 100 mg per ml, 5 ml - 10 ml
Urea	Crm 10%
Valaciclovir	Tab 250 mg
Valaciclovir	Tab 1000 mg
Valaciclovir	Tab 500 mg
Water for Injection	Purified for inj 10 ml
Water for Injection	Purified for inj 5 ml
Water for Injection	Purified for inj 20 ml
Ziprasidone	Cap 40 mg
Ziprasidone	Cap 60 mg
Ziprasidone	Cap 20 mg
Ziprasidone	Cap 80 mg

Should any unresolved Tender Bids be declined prior to the release of the 2013/14 Tender, PHARMAC would consider re-tendering those pharmaceuticals when the 2013/14 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 2013/14 Tender are not currently listed in Section B of the Pharmaceutical Schedule:

Chemical Name	Line Item	Chemical Name	Line Item
Acetazolamide	Inj 500mg	Fluorescein sodium	Eyedrops 2%, single dose
Acetic acid with propylene glycol	Ear drops 2.3% with propylene glycol 2.8%	Fluorescein sodium	Ophthalmic strips 1mg
Acetylcholine chloride	Inj 20mg vial with diluent	Fluorescein sodium with lignocaine hydrochloride	Eye drops 0.25% with lignocaine hydrochloride 4% single dose
Albendazole	Tab 200 mg	Hydrocortisone with ciprofloxacin	Ear drops 1% with ciprofloxacin 0.2%
Apraclonidine	Eye drops 0.5%	Iron sucrose	Inj 20 mg per ml, 5 ml ampoule
Atropine sulphate	Eye drops 1%, single dose	Ketorolac trometamol	Eye drops 0.5%
Calcium chloride with magnesium chloride, potassium chloride, sodium acetate, sodium chloride and sodium citrate	Eye drops 0.048% with magnesium chloride 0.03%, potassium chloride 0.075%, sodium acetate 0.39%, sodium chloride 0.64% and sodium acetate 0.17%, 15 ml	Lissamine green	Ophthalmic strips 1.5mg
Calcium chloride with magnesium chloride, potassium chloride, sodium acetate, sodium chloride and sodium citrate	Eye drops 0.048% with magnesium chloride 0.03%, potassium chloride 0.075%, sodium acetate 0.39%, sodium chloride 0.64% and sodium acetate 0.17%, 250 ml	Macrogol 3350 with potassium chloride, sodium bicarbonate and sodium chloride	Powder for oral soln 6.563 g with potassium chloride 23.3 mg, sodium bicarbonate 89.3 mg and sodium chloride 175.4 mg
Calcium chloride with magnesium chloride, potassium chloride, sodium acetate, sodium chloride and sodium citrate	Eye drops 0.048% with magnesium chloride 0.03%, potassium chloride 0.075%, sodium acetate 0.39%, sodium chloride 0.64% and sodium acetate 0.17%, 500 ml	Natamycin	Eye drops 5%
Carbomer	Ophthalmic gel 0.2%	Pantoprazole	Inj 40 mg
Carbomer	Ophthalic gel 0.3%, single dose	Paracetamol	Tab soluble 500 mg
Carmellose sodium	Eye drops 0.5%	Pentamidine isethionate	Inj 300 mg
Carmellose sodium	Eye drops 1%	Phenylephrine hydrochloride	Eye drops 2.5%, single dose
Celecoxib	Cap 100 mg	Phenylephrine hydrochloride	Eye drops 10%, single dose
Celecoxib	Cap 200 mg	Polyvinyl alcohol with povidone	Eye drops 1.4% with povidone 0.6%, single dose
Celecoxib	Cap 400 mg	Pravastatin	Tab 10 mg
Chloramphenicol	Eye drops 0.5%, single dose	Prednisolone sodium phosphate	Eye drops 0.5%, single dose
Dexamethasone with tobramycin	Eye drops 0.1% with tobramycin 0.3%	Pregabalin	Cap 100 mg
Dextrose	Inj 50%, 50 ml	Pregabalin	Cap 150 mg
Docusate sodium	Ear drops 0.5%	Pregabalin	Cap 200 mg
Esomeprazole	Tab 20 mg	Pregabalin	Cap 225 mg
Esomeprazole	Tab 40 mg	Pregabalin	Cap 25 mg
Esomeprazole	Inj 40 mg	Pregabalin	Cap 300 mg
Etoricoxib	Tab 30 mg	Pregabalin	Cap 50 mg
Etoricoxib	Tab 60 mg	Pregabalin	Cap 75 mg
Etoricoxib	Tab 90 mg	Rose bengal sodium	Ophthalmic strips 1%
Etoricoxib	Tab 120 mg	Spiramycin	Tab 500 mg
		Sulphacetamide sodium	Eye drops 10%
		Sulphadiazine	Tab 500mg
		Tramadol hydrochloride	Oral drops 100 mg per ml
		Trimethoprim	Tab 100 mg
		Zuclopentixol hydrochloride	Tab 25 mg
		Zuclopentixol hydrochloride	Tab 40 mg
		Zuclopentixol hydrochloride	Tab 2 mg

Electronic Tender (eTender) system

The 2013/14 Invitation to Tender will be distributed via PHARMAC's eTender system. Please let us know by **5pm, 27 September 2013** 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 2013/14 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 2013/14 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 22 August 2013**. 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 2013/14 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)*
Docetaxel	440,000
Etoposide phosphate	1,200,000
Cyclophosphamide	10,400,000
Paclitaxel	1,300,000
Methotrexate	4,200,000
Fludarabine phosphate	2,300,000
Fluorouracil sodium	34,000,000
Gemcitabine hydrochloride	7,900,000
Mitozantrone	7,800

*Usage in mg, for period between 1 January 2012 to 31 December 2012