

APPENDIX 1

Reference to 'funded vaccines' in this section includes all vaccines listed in Section I and Section H of the Pharmaceutical Schedule, excluding seasonal influenza vaccine, and includes tuberculin PPD (Mantoux tests).

Service Specification

1. Vaccine storage and stock maintenance

a. You will

- i. store funded vaccine stock in accordance with the cold chain between the temperature of 2 degrees centigrade and 8 degrees centigrade;
- ii. ensure that cold room infrastructure has capacity for at least two months stock of funded vaccines and additional capacity for vaccines that may be approved for funding in the future; provide appropriate security for funded vaccine stocks;
- iii. have a stock protection programme in place to ensure that the funded vaccine stock power supply is alarmed, monitored and failures are managed to mitigate against vaccine loss;
- iv. storage will be managed to minimise stock losses, to ensure that the oldest stock are issued before later deliveries and in conditions that meet all appropriate standards relevant to the storage of vaccines;
- v. log all breaches of cold chain process; and
- vi. your warehouse management system must accurately show location of funded vaccine held, interface with freight management system to allow full tracking of deliveries, show all funded vaccines issued (including batch number and expiry date) to each ProPharma branch, and accurately show by ProPharma branch, all funded vaccine returns and the reason for the return.

2. Vaccine Distribution

a. You will

- i. provide an online order system for ProPharma branches to order funded vaccines;
- ii. dispatch funded vaccines to ProPharma branches and to any other party that PHARMAC requests within 24 hours of receiving a purchase order;
- iii. dispatch all orders within two hours of packing;
- iv. ensure that funded vaccine is maintained between 2 degrees and 8 degrees Celsius at all times during the distribution process;
- v. place a temperature monitoring device (data logger) capable of recording the temperature through the transportation phases for an individual vaccine; and
- vi. obtain a signature or courier ticket statement on receipt by a ProPharma branch, of every funded vaccine delivery.

3. Vaccine Returns

a. You will

- i. accept return of expired or damaged funded vaccine from ProPharma branches;

- ii. log where the funded vaccines have been returned from and the reason for the return;
- iii. assign returned or recalled funded vaccine to the reject section of the warehouse, labelled and quarantined;
- iv. destroy returned or recalled funded vaccine in accordance with the Resource Management Act; and
- v. report details of any destroyed stock to PHARMAC at month end.

4. Reporting

a. You will

- i. Provide goods inwards advice to PHARMAC immediately on receipt of deliveries
- ii. Provide monthly reports to PHARMAC on a specified day of each month which include:
 - 1. total stock volume (balance)
 - 2. stock summary (distribution data by ProPharma branch, number of deliveries per month by ProPharma branch)
 - 3. by ProPharma branch, the number of returned and destroyed funded vaccines, the reasons why they are returned and the original despatch details;
- iii. provide six monthly reports to PHARMAC on the number of data loggers distributed, in actual numbers and as a percentage of the orders despatched; and
- iv. reconcile all funded vaccine insurance claims on a six monthly basis and provide details to PHARMAC.

5. Insurance

a. You will

- i. arrange and maintain insurance policies for all vaccine stock held on behalf of PHARMAC equivalent to the cost of the vaccine to PHARMAC;
- ii. If requested, send a copy of the relevant policy renewals to PHARMAC. Whether or not insurance policies exist shall not derogate from your potential liability;
- iii. do nothing to invalidate the insurance policies that you hold as required under paragraph (a) above or to prejudice your entitlement under those insurance policies; and
- iv. reimburse PHARMAC for any claim against the policy for funded vaccine loss or any rebate you may receive for no claims where PHARMAC has paid the premium for the policy;

Indicative Agreement Structure

General Terms

1. Operating Policies and Procedures.
2. Term.
3. Vaccine Services.
4. Vaccine Recall and Disengagement Services...
5. Emergency and Disaster Supply Arrangements..
6. Invoicing and payments.
7. Information and Reporting.
8. Audit.
9. Notification.
10. Insurance.
11. Risk.
12. Indemnity..
13. Default Interest and Recovery Costs.
14. Termination.
15. Confidentiality.
16. Conflict of Interest.
17. Litigation Support.
18. Dispute Resolution.
19. Force Majeure.
20. Notices.
21. Crown Direction.
22. Amendments to Pharmaceutical Schedule.
23. Consents.
24. Intellectual Property Rights
25. No Derogation.
26. No Waiver.

27. Agreement Prevails.

28. Entire Agreement.

29. Contracts Privity.

30. No Reliance.

31. Amendments.

32. Assignment.

33. Further Assurances.

34. Governing Law.

35. Jurisdiction.

Schedule 1

Special Obligations, including vaccine list and payment terms.

Schedule 2

Service Specification.