

# File Note

<b>Subject</b>	Supplier Briefing: Various wound care products RFP
<b>PHARMAC staff present</b>	Greg Williams, Marcus Kim, Matthew Wolfenden, Sarah Fitt
<b>Suppliers present</b>	3M, Amtech Medical, B.Braun, Bamford, BSN Medical, Convatec, Covidien, Intermed, Molnlycke, Orbortho, Protec Solutions, Smith & Nephew, Total Medical Supplies
<b>Date/time event took place</b>	9 October 2015, 9.30 am – 11.30 am
<b>Location</b>	Auckland Domestic Terminal Conference Room

## Details of conversation or event

1. Introduction from GW
2. Presentation from MK and MW
3. Question and answer session:
  - Q1.** Current PHARMAC National Contracts are not mandatory for DHBs to purchase from, how will the RFP change this?
    - A1.** If market share is awarded for particular product types as a result of the RFP then these contracts will override existing PHARMAC National Contracts and any other relevant DHB contracts. The selected market share products will be the only choice available to the DHBs to purchase from, to the extent of the % market share awarded and the allowable Discretionary Variance (DV) limit.
  - Q2.** To what extent will tiered pricing be made public?
    - A2.** Current PHARMAC National Contracts with tiered pricing can be seen by a limited number of DHB procurement staff. Tiered pricing is not currently published on our website. How widely the tiered pricing can be seen will be open to negotiation with successful suppliers.
  - Q3.** How often will there be feedback to the suppliers regarding market share status?
    - A3.** A baseline of the market volumes will be agreed between PHARMAC, DHBs and the suppliers. The status will be monitored by PHARMAC at intervals to be decided and this information will be shared with the selected suppliers for the product types they are awarded.
  - Q4.** Where dual supply or three suppliers are selected in a category, will tiered pricing be based on individual DHBs or nationally?

**A4.** Tiered pricing will be applied at the individual DHB level, but the tiered pricing structure must be the same for all DHBs.

**Q5.** Regarding product evaluation – the RFP document (Schedule 2: Clause 4(a)(i)) states that product samples must be supplied within 15 business days – depending on volume of samples required extensions may be necessary.

**A5.** If PHARMAC does request samples for the purpose of further evaluation and the 15 business days timeframe is not possible then please request additional time and state the reason why the 15 business days is insufficient. PHARMAC would expect to provide a longer period of time where it would be wholly unreasonable to meet the 15 business day requirement.

**Q6.** Is it possible to see a copy of the standard proposed contract terms?

**A6.** A copy of the draft standard terms will be made available on GETS in the week commencing 12 October 2015. These terms and conditions are standard and may be subject to change as a result of any negotiations arising from this RFP process. Where selected suppliers have existing agreements, these will be superseded to the extent applicable and new agreements will be entered into as a result of the RFP process.

**Q7.** How will new products be handled?

**A7.** A radically different and new product would most likely be considered as a new category and or product type and therefore is unlikely to impact the awarded contracts.

Where a selected supplier wishes to introduce a replacement product for an awarded product type then the RFP allows for upgrades – a copy of the draft standard terms will be made available on GETS in the week commencing 12 October 2015.

Where a non-contracted/selected supplier introduces a product within an awarded market share product type, DV limits would apply.

**Q8.** How does PHARMAC approach foreign exchange rates?

**A8.** It is expected that suppliers take into account the exchange rate fluctuations over the likely 36 month exclusivity period when submitting its proposals. Suppliers may propose to amend its prices at the end of the agreed exclusivity period.

**Q9.** How has the market size been calculated?

**A9.** The market size for each product type has been based on data obtained by health Alliance's data hub and other datasets available to PHARMAC, such as data sourced directly from DHBs.

**Q10.** What about OneLink data?

**A10.** OneLink data does not currently allow PHARMAC to identify purchases being made at the individual DHB hospital level and therefore we would not expect to rely on this data to establish market size.

**Q11.** How often will PHARMAC communicate with DHBs regarding DV limits?

**A11.** PHARMAC has considered a number of options on the method and frequency of its communications with DHBs around their DV limit usage. It may be more appropriate to communicate more frequently (quarterly) during the first 12 months and a minimum of once per annum as the DHBs get used to the requirements. We would expect to establish this prior to any RFP decisions being made.

**Q12.** In the hospital devices market there are more decision makers within the hospital than there are for pharmaceuticals i.e. pharmacy is the gatekeeper for medicines within the DHB hospital. How will PHARMAC communicate with all of the DHB stakeholders?

**A12.** PHARMAC's has dedicated Engagement & Implementation teams that already have experience in communicating effectively with the relevant key stakeholders at each DHB and will work with the selected suppliers to provide clarity to the DHBs around the proposed changes.

**Q13.** Is the implementation team part of health Alliance (hA)?

**A13.** No, PHARMAC has its own implementation team but communications to hA will form part of the communication and implementation strategy.

**Q14.** Will PHARMAC award certain sizes to one supplier within a product type and other sizes to another supplier – e.g. 10.5cm square vs 10.7cm square dressing?

**A14.** No, PHARMAC will be awarding supply and market share to suppliers for a product type (i.e. not restricted to a certain size/shape of a wound care product). PHARMAC will also be seeking clinical advice from the Wound Care Advisory Group and other relevant clinicians (where appropriate) to make sure that the appropriate mix of suppliers and products are available in DHB hospitals.

There may however be an advantage for suppliers who are able to submit proposals with a wider range of options (e.g. foam adhesive dressings) where there is a preference for suppliers who are able to supply a wider range of shapes and sizes.

**Q15.** Are samples expected to be provided to PHARMAC or the DHBs for the purposes of evaluation for free?

**A15.** PHARMAC would expect small volumes of samples to be used for table top evaluation to be provided free of charge. If a larger volume was required for user trials in DHB hospitals, PHARMAC may consider the option of payment for these samples.

- Q16.** If PHARMAC has already been sent supporting evidence regarding the ranges of products being tendered as part of a previous procurement process then do suppliers need to send the information again as part of the response to this RFP?
- A16.** If PHARMAC has been sent evidence as part of previous procurement processes then it is not necessary to send the same documents again for the purposes of this RFP, but the previous information should be referred to.
- Q17.** What type of information are suppliers expected to include when answering Schedule 4: Supplier Form – Question (d) – Information about our financial resources?
- A17.** Suppliers should be able to show that they are stable and viable financially in New Zealand or globally. This could include providing audited financial statements, financial guarantees and letters of cover from third party insurers.
- Q18.** How does PHARMAC define foam “shaped” dressings?
- A18.** Foam shaped dressings are described in the RFP document by reference to the brands currently listed and being purchased. Product descriptions for foam shaped dressings are also outlined in Attachment One of the RFP document. Shaped foam dressings include, digit dressings, heel shaped dressings, oval shaped dressings, sacrum dressings and other shaped dressings for difficult body contours. Foam shaped dressings must be dressings that are specifically designed to fit difficult body contours.
- Q19.** PHARMAC has provided an estimated market size in New Zealand Dollars by product type but are asking suppliers to bid on market share by volume. These do not correlate and in order to submit our best pricing the volumes of each product line need to be provided.
- A19.** We have provided the aggregated expenditure data for each product type as we have a level of comfort with the accuracy of this information. However, we are still in the process of refining the data that we receive from DHBs at the individual line item level. We expect to have this information available prior to implementing any RFP decisions. PHARMAC would advise suppliers to undertake their own due diligence when submitting proposals.