

APPENDIX 1: Service Specifications and Indicative Agreement Structure

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 Celsius and 8 degrees Celsius;
 - ii. ensure that cold room infrastructure has capacity for at least three 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. manage storage to minimise stock losses, to ensure that the oldest stock is 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;
 - vi. undertake root cause analysis of all breaches and take appropriate steps to avoid further breaches;
 - vii. have a warehouse management system that accurately shows the location of funded vaccine held, interfaces with the freight management system to allow full tracking of deliveries, shows all funded vaccines issued (including batch number and expiry date) to each distributor (currently ProPharma) branch, and accurately shows by distributor branch, all funded vaccine returns and the reasons for the return.
2. Vaccine Distribution
 - a. You will
 - i. provide an online order system for the distributor branches to order funded vaccines;
 - ii. dispatch funded vaccines to distributor 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 all 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) in each delivery to distributor branches; and
 - vi. obtain a signature or courier ticket statement on receipt by a distributor branch, of every funded vaccine delivery.
3. Vaccine Returns
 - a. You will

- i. accept return of expired or damaged funded vaccine from distributor 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 1991; 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 upon receipt of deliveries.
- ii. Provide monthly reports to PHARMAC on a specified day each month which include:
 - 1. total stock quantity (balance);
 - 2. stock summary (distribution data by distributor branch, number of deliveries per month by distributor branch);
 - 3. by distributor branch, the number of returned and destroyed funded vaccines, the reason 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 as a percentage of orders despatched; and.
- iv. reconcile all funded vaccine insurance claims on a six-month 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 up to a maximum of \$10 million NZD per insurance event.
- 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.
- 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

1. Operating Policies and Procedures.
2. Term.
3. Vaccine Services.
4. Vaccine Recall, Transition Services 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. Liability and 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. Amendments to Pharmaceutical Schedule.
22. Consents.
23. Intellectual Property Rights.
24. No Derogation.

25. No Waiver.

26. Agreement Prevails.

27. Entire Agreement.

28. Contracts Privity.

29. No Reliance.

30. Amendments.

31. Assignment.

32. Further Assurances.

33. Governing Law.

34. Jurisdiction

Schedule 1 - Special Obligations

Schedule 2 – Service Specification