CONSIGNMENT OF VARIOUS DRUGS AND MEDICINES OF THE DEPARTMENT OF PAY PATIENT SERVICES
04 April 2018

The PGH Consignment Committee (PGH-CC) issues this Bulletin to:

1. Respond to clarifications and requests raised during the Consignment Conference:

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<tr>
<th>Clarifications / Requests</th>
<th>Response(s)</th>
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<tr>
<td>“Are all suppliers required to submit eligibility requirements under JVA?”</td>
<td>Yes. Reiterating Item No. 4 of the ToR first and second paragraphs, which states:</td>
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<td>“Only the <strong>MAJOR CONSIGNOR</strong> shall be required to provide a Pharmacy Management Services (PMS). In case of the absence of this particular requirement, the <strong>MAJOR CONSIGNOR</strong> may opt to enter into a Joint Venture Agreement (JVA) with another entity as PMS provider, provided that it also meets the eligibility requirements. In case the PMS provider is the primary participant that will carry the products of various drug companies, those drug companies shall also be required to submit eligibility requirements under JVA as <strong>CONSIGNOR.</strong>”</td>
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<td>Requesting to change the requirement of Item Number 10 Memorandum of Agreement (MOA) between the distributor and</td>
<td><strong>GRANTED.</strong> Consignors may submit the CED or CAD issued by the principal/manufacturer to its distributors as substitute of the</td>
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<td>manufacturer in the Checklist of Requirements under Eligibility Documents to allow the Certificate of Exclusive Distributorship (CED) or Certificate of Authorized Distributorship (CAD), whichever is applicable, as substitute to the said MOA considering confidentiality</td>
<td>MOA.</td>
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<td>This is to clarify that:</td>
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<td>1. MOA or CED / CAD is only for those principals / manufacturers who have distributors for which the document is applicable;</td>
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<td>2. If the prospective consignor is the principal/manufacturer/distributor at the same time, this requirement shall no longer apply.</td>
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<td>Clarification on the JVA:</td>
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<td>1. “What do you mean by JVA?”</td>
<td>1. The Joint Venture Agreement (JVA) is an undertaking executed by, but not limited to, the Pharmacy Management System (PMS) provider and the consignors to implement this project, which will be dissolved once project has ended. Moreover, there is no need for JVA partners to register with Security and Exchange Commission (SEC) to make the relationship valid. A mere notarization of the JVA will suffice.</td>
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<td>2. “Do we need to execute a JVA for each of the suppliers that will consign their products under us?”</td>
<td>2. In case of multiple partners, one JVA for all suppliers will suffice.</td>
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<td>3. “What is this MOA? Is this between the PMS and the suppliers of the medicines? Or is this the same as the JVA?”</td>
<td>3. Please be guided that the MOA, CED, CAD are different from JVA: The MOA or CED/CAD is issued only to the distributor by its principal/manufacturer, while the JVA is entered into by the principal participant (e.g., PMS) with the distributors, who will collaborate their services for the sole purpose of engaging business with a client (e.g., PGH). Please be guided of the JVA template that was issued</td>
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<td>“What document do you need in order to ascertain that the consignor has been providing Pharmacy Management services for five (5) years in the Philippines?”</td>
<td>The Certificate of Company Registration issued by the SEC will be the document that will justify that the company has the stated five (5) years of experience in providing Pharmacy services in the Philippines.</td>
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<td>“What does “correction” mean? Does this mean “replacement of defective items”?”</td>
<td>Yes. “Correction” means “replacement of defective items.”</td>
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<td>For Item 8 in the Terms and Conditions of the ToR, i.e., “No items shall be offered with expiration dates of less than twelve (12) months from the date of delivery,” how about those products that have expiry dates that are less than six (6) months?</td>
<td>It is up to the PMS to monitor based on its inventory that the said products have expiry dates that are shorter, e.g., within six (6) months from delivery. This should be considered under the category of “just-in-time” items.</td>
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<td>On the payment provision of the ToR, what will happen if patients do not pay?</td>
<td>Please take note that there is a deposit system at the DPPS that requires all pay patients to give a specified amount to the hospital in advance to ensure the expenses will be covered. The consignors can assume that it is a good account collection strategy.</td>
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<td>“For the List of Ongoing and Completed Projects, do we also need to submit the Purchase Order, Notice of Award, and Approved Contract?”</td>
<td>Only the List of Ongoing and Completed Project is needed. No need to submit Purchase Order, Notice of Award, and Approved Contract. Please be use the template that was provided.</td>
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<td>“For the requirements that a major consignor shall carry seventy-five percent (75%) of the goods, will this cover both the fast- and slow-moving items?”</td>
<td>Yes. The major consignor shall be required to carry both fast- and slow-moving items in seventy-five percent (75%) coverage of the goods.</td>
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<td>“Should the price to be offered for consignment be the same as the price offered under regular bidding procurement for those companies who have been previously awarded?”</td>
<td>Ideally, yes. It is expected that consignor will be guided with the Drug Price Reference Index (DPI) as indicated in the ToR. However, it is also understood that the prices offered should reflect the actual market prices for these to be considered reasonable.</td>
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<td>On the requirement of Item No. 7 under Eligibility Documents of Annex A, are we correct in stating that there is no need to submit with the List of Consigned Items the corresponding copies of the Certificate of Product Registration (CPR), Certificate of Compassionate Use, and in case of a non-registrable item, the Certificate of Exemption (all issued by the FDA), for as long as we use the template for the List of Consigned Items in the prescribed format with the corresponding CPR numbers, dates of issuance, and dates of validity?</td>
<td>Yes. The filled-up List of Consigned Items using the prescribed format will suffice.</td>
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<td>Requesting to offer items that are not in the Consignment List</td>
<td>No. Only those items indicated in the consignment list shall be considered in the submitted offers.</td>
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<td>Requesting to reschedule the submission of the Consignment Offers</td>
<td><strong>DENIED.</strong> The target date has been set for this project.</td>
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<td>“What will happen to the contract awarded through bid procurement if this consignment will push through?”</td>
<td>This is to reiterate that the contract awarded through bid procurement shall be honored. Consignment contracts shall only be utilized once the bid procurement contract has expired.</td>
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2. Further amendments initiated by the Consignment Committee are as follows:

   a. On payment, it is understood that the remittance of proceeds shall be directly given to the Consignors/suppliers. Moreover, payment for the service fee of the PMS shall be shouldered by the Consignors/suppliers.

   b. In Item No. 10 second paragraph in the Checklist of Requirements under Eligibility Documents "If the prospective Consignor opts to submit a **Certificate** issued by the PGH Bids and Awards Committee **as a substitute** with legal documents only for Item Numbers 1, 2, and 7"

   "please note that the previously indicated item 7 actually refers to the provisions in item 8 of the said document.

   *Please note: Except for the expired documents, please coordinate with Ms. VinhLuan for the updating of your submitted documents once renewed documents are secured.*
c. In Item No. 3 of the Invitation to Consign: “The PGH Consignment Committee (PGH-CC) now invites eligible Consignors to submit consignment offers for the consignment of Various Drugs and Medicine for the Department of Pay Patient Services for a one (1) year contract subject to renewal. The invitation to consign is restricted to Filipino citizens with at least sixty percent (60%) interest or outstanding capital stock belonging to citizens of the Philippines pursuant to Republic Act 5183 and subject to Commonwealth Act 138.”

d. Prospective consignors should only indicate items that they are bound to participate in and such items should be reflected in the accomplished Consignment Form / List. Please delete items with no offer.

e. Item No. 6 under Eligibility Documents of Annex A. Checklist of Requirements, which requires Current Good Manufacturing Practice (CGMP) is hereby DELETED.

f. Remove the requirements of “A notarized certificate from the successful CONSIGNOR to assure that manufacturing defects will be corrected within a given time from the receipt of the written notice of the defect by the authorized officer” from and transfer it to Item No. V Terms and Conditions to be numbered as 13, to be read as:

“13. Successful CONSIGNOR to assure that manufacturing defects will be corrected within a given time from the receipt of the written notice of the defect by the authorized officer.”

Henceforth, the Consignor is no longer required to submit a separate notarized certificate to this effect considering the Letter of Conformity will cover this requirement.

g. Change the following provision of Inventory Management under Annex C:

2.1 Provide Inventory Management system to facilitate effective management of the consigned inventory including the following:

2.1.3 Issuance of medicines and other supplies

2.2 Provide personnel to manage the inventory

2.2.3 Provide Pharmacists to check the medicines/supplies before issuance to

h. Multiple sources scheme for this purpose be understood that item, regardless of their brand names and their price offers, for as long as their price offers are within the range of ceiling price (price in the open market) and flooring price (based on the DPRU), simultaneously be available the PGH Pay Pharmacy only.
3. This Bulletin shall be an integral part of the Terms of Reference for this project.

Approved by:

(Sgd.)

JULIET O. SIO-AGUILAR, MD, MSc
PGH-CC Chairperson