

**ACQUISITION OF CONTRACT FOR THE SUPPLY, DELIVERY,
MANAGEMENT AND OPERATION OF OUTSOURCED WAREHOUSE
PHARMACIES FOR THE HOSPITALS AND HEALTH CENTERS OPERATED BY
QUEZON CITY GOVERNMENT THROUGH AN ORDERING AGREEMENT**

I. BACKGROUND / RATIONALE

1.1 QUEZON CITY GOVERNMENT operates and manages the QUEZON CITY GENERAL HOSPITAL, ROSARIO MACLANG BAUTISTA GENERAL HOSPITAL, OFFICE OF THE CITY MAYOR, NOVALICHES DISTRICT HOSPITAL, AND QUEZON CITY HEALTH DEPARTMENT.

1.2 This Terms of Reference is for the Supply, Delivery, Management and Operation of the Outsourced Warehouse Pharmacies for the Hospitals and Health Centers which intends to engage in similar projects for the management and operation of the pharmacies including the purchase of drugs and medicines and non-pharmaceutical products including medical supplies.

1.3 QUEZON CITY GOVERNMENT would like to improve the pharmacy processes and lessen the monotonous series of procurement process and other practical difficulties of management by bringing in quality and experienced expertise of the private sector in pharmacy operations, particularly in the areas of inventory management, clinical pharmacy, quality management and marketing.

1.4 Hence, the QUEZON CITY GOVERNMENT is issuing this TOR to invite interested and qualified private sector entities with proven track record, financial capacity and operating capability to submit their proposal to Manage and Operate the Various Warehouse Pharmacy such that it is able to ensure the availability of low cost and high quality Pharmaceutical, Non-Pharmaceuticals Products, Medical Supplies and Services.

II. PARTIES INVOLVED

2.1 The soliciting party is the QUEZON CITY GOVERNMENT, acting on behalf of the City Hospitals and City Health Centers within Quezon City.

2.2 The parties invited to make and submit their proposals are qualified private sector entities, whether stock or non-stock and non-profit corporations (Pharmacy Management Companies). Upon selection and managements as Warehouse Pharmacy service provider for QUEZON CITY GOVERNMENT, the winning Pharmacy Manager Company shall refer to as "Pharmacy Manager" (PM) during the term of its agreement with QUEZON CITY GOVERNMENT.

For pre-qualification purposes, the Pharmacy Management Companies shall submit the following documents to the QUEZON CITY GOVERNMENT together with their submission of their bid:

2.2.1 Company Profile, stating the owners, brief history and business of the company and such other information as the Pharmacy Management Company deems necessary or desirable to include to enable QUEZON CITY GOVERNMENT to properly evaluate its capabilities;

2.2.2 Audited Financial Statement for the last (2) Two years, which shall include at least the following: income statement, balance sheet and cash flow statement as submitted to the relevant government regulatory authorities (SEC and BIR);

2.2.3 List of Completed Government or Private Contracts within three (3) years (Pharmacy Management Related), Please attached contracts or proof of engagement;

2.2.4 Board Resolution appointing a representative and authorizing the Pharmacy Management Company to submit a bid and enter into a contract with QUEZON CITY GOVERNMENT based on this TOR;

2.2.5 License to Operate as Medical Device for medical supplies and equipment and License to Operate as Drug Wholesaler/Distributor for Drugs and Medicines issue both by Food and Drugs Administration (FDA);

2.2.6 PDEA S4 License to ensure that the company can distribute regulated drugs as needed by the City Hospitals and City Health Centers including Lying-ins.

III. SCOPE OF SERVICES

The Pharmacy Manager shall be responsible for providing the following services:

3.1 General Operations

3.1.1 At its expense, manage and operate the Warehouse Pharmacies and assume full responsibility for its management and operations, including, but not limited to recruitment, training and employment of pharmacy personnel.

3.1.2 Make available all the Pharmaceutical and Non-Pharmaceutical Products, Medical Supplies including intravenous fluids, listed in the Ordering Agreements List of the QUEZON CITY GOVERNMENT where applicable. Since the Ordering Agreement. List might change, PHARMACY MANAGER is expected to be responsive to the updated requirements.

3.1.3 Secure and maintain all appropriate licenses and permits for the Warehouse Pharmacy and its pharmacy personnel.

3.1.4 Provide Pharmaceutical and Non-Pharmaceutical Products and Medical Supplies for QUEZON CITY GOVERNMENT medical outreach programs;

3.1.5 Pay all taxes related to the operation of the Warehouse Pharmacies.

3.1.6 Supply and deliver drugs and medicines for hospice patients or Senior Citizens whose aged seventy (70) years old and above to their respective barangays.

3.2 INVENTORY

3.2.1 Prepare monthly reports for submission to QUEZON CITY GOVERNMENT for its consumptions in accordance with the ORDERING AGREEMENT LIST and historical consumption patterns of City Hospitals and City Health Centers;

3.3 PRICING / BILLING

3.3.1 Dispense of pharmaceutical, non-pharmaceuticals and medical supplies listed in Ordering Agreement List.

3.3.2 Prepare and issue the charge slips or sale invoice for every Delivery Order Contract issued by the QUEZON CITY GOVERNMENT or their respective authorized requisitioner.

3.3.3 Implement a pharmacy management as well as a point of sale monitoring system for every Warehouse Pharmacy that reflects the approved prices.

IV. OTHER RESPONSIBILITIES OF PHARMACY MANAGER

In addition to the responsibilities set forth above, PHARMACY MANAGER shall;

4.1 Manage, audit and implement procedures that will help in capturing information and utilization on a daily basis.

4.2 Be responsible for the selection, hiring, training and employment of qualified pharmacy staff in such number and with such qualifications, compensation and benefits as may be appropriate. PHARMACY MANAGER shall give first priority and references in hiring QUEZON CITY GOVERNMENT to qualified local residents.

4.3 Submit reports to the QUEZON CITY GOVERNMENT with such information and in such format as may be required by the latter's policies and procedures, and such other reports as may be reasonably required by them from time to time;

4.4 Maintain and allow the QUEZON CITY GOVERNMENT to inspect at reasonable hour the operations of the Warehouse Pharmacies.

4.5 Coordinate with QUEZON CITY GOVERNMENT to ensure adherence to quality assurance and thus improve patient outcome;

4.6 Be responsible for the cleanliness, upkeep and physical maintenance of the Warehouse Pharmacies;

4.7 Abide by, and cause the Warehouse Pharmacy personnel to comply with, any all laws, rules and regulations, policies and guidelines that may be adopted from time to time by the management of QUEZON CITY GOVERNMENT;

4.8 Report adverse drug reactions to the QUEZON CITY GOVERNMENT;

4.9 Orient the PHARMACY MANAGER'S STAFF on the system and processes, rules and regulation, and policies especially those that interrelate with the warehouse pharmacy operations and those affecting or regulating drug dispensing procedures.

4.10 Have the right to suspend the dispensing/ withdrawal of drugs and medicines, non-pharmaceutical products and medical supplies if the QUEZON CITY GOVERNMENT fail to pay in full its accountabilities within forty-five (45) days from the receipt of Statement of Account from the Pharmacy Manager as Consolidated Transactions from the City Hospitals and City Health Centers managed by the QUEZON CITY GOVERNMENT.

V. RESPONSIBILITIES OF QUEZON CITY GOVERNMENT

QUEZON CITY GOVERNMENT shall:

5.1 Provide proof that the funds have been appropriated for the purchase of medicines and medical supplies and certification of availability of funds.

5.2 Pay the Pharmacy Manager only in the listed drugs and medicines and non-pharmaceutical products including medical supplies in the Ordering Agreement List which was dispensed/consumed by the QUEZON CITY GOVERNMENT within (30) Thirty days from the receipt of Statement of Account from the Pharmacy Manager;

5.3 Provide from time to time, orientation of the Pharmacy Manager's staff on the regulation, policies and service standards of the QUEZON CITY GOVERNMENT;

5.4 Allow a representative of the Pharmacy Manager to participate in relevant meetings of the QUEZON CITY GOVERNMENT, including Therapeutic Committee, to ensure the Hospital Pharmacy and District Hospital Pharmacy is attuned to the needs and aligned to the initiative of these units;

5.5 Inform the Pharmacy Manager regarding the leading causes of morbidity and mortality as basis for the inventory and stocks back-up;

5.6 Provide the Pharmacy Manager a warehouse pharmacy area in accordance with the Department of Health (DOH) standards;

5.7 Monitor prescribing patterns of doctors employed by the QUEZON CITY GOVERNMENT to ensure they prescribed only Pharmaceuticals and Non-Pharmaceutical Products including medical supplies listed in the Therapeutic List (ORDERING AGREEMENT LIST) and included by the Therapeutic Committee of the subject hospitals.

5.8 Provide the Pharmacy Manager with the ORDERING AGREEMENT LIST;

5.9 Disseminate information on the patient about the project and partnership with the Pharmacy Manager;

5.10 Reserve the right to terminate the contract if the Pharmacy Manager violates any of its provisions.

5.11 Allow the Pharmacy Manager to provide additional brands in the event that the brand offered by the Pharmacy Manager during the bidding are not available on the market upon agreed by both parties.

5.12 Provide a secure storage space for the Pharmacy Manager's medicines/ pharmaceutical intravenous products.

5.13 Allow the Pharmacy Manager to set-up the warehouse pharmacies including pharmacy equipment on its premises subject to the terms and conditions of the QUEZON CITY GOVERNMENT. However, ownership of the pharmacy equipment shall remain at the Pharmacy Manager.

5.14 Provide the Pharmacy Manager use of Telephone Lines except for long distance, overseas calls and calls to cellular phones. Should the Pharmacy Manager desire to have an internet connection these will be for their own account.

5.15 The cost of electricity, water, warehouse pharmacy space, waste disposals and stockrooms shall be in the account of the QUEZON CITY GOVERNMENT as subsidiary for guaranteed cheaper medicine cost.

VI. APPROVED BUDGET FOR THE CONTRACT

Source of Fund: General Fund

Approved Budget for the Contract: Seven Hundred Twenty One Million Three Hundred Twenty Two Thousand One Hundred Eighty Two Pesos & 47/100 (P721,322,182.47).

END USER	ABC
QUEZON CITY GENERAL HOSPITAL	Php 92,324,586.97
ROSARIO MACLANG BAUTISTA GENERAL HOSPITAL	Php 50,000,000.00
NOVALICHES DISTRICT HOSPITAL	Php 22,752,739.05
QUEZON CITY HEALTH DEPARTMENT	Php 46,909,489.15
OFFICE OF THE CITY MAYOR	Php 509,335,367.30
TOTAL	Php 721,322,182.47

VII. TERMS AND MANNER OF PAYMENT

7.1 Bill the QUEZON CITY GOVERNMENT within five (5) days of the following month for appropriate consumption of medicines, after the cut off. The attachment for the said billing shall be:

- Copy of charge slip or sales invoice per Delivery Order Contract as checked and inspected by the GSO Inspector/s or Quezon City Government authorized personnel;
- Copy of original Delivery Order Contract signed by the authorized representative of Hospital and Health Centers;
- Consolidated Statement of Account signed by the Pharmacy Manager;
- Certificate of Inspection and Acceptance signed by authorized representative of the QUEZON CITY GOVERNMENT or CGSD Inspector/s.

VIII. DELIVERY ORDER CONTRACT / PURCHASE ORDER

8.1 The Quezon City Government shall issue a Purchase Order in lieu of the Delivery Order Contract for the ordering and delivery of the item identified in Ordering Agreement List in favor of the Project Manager to obligate the latter to deliver according to the terms and conditions stated in the Ordering Agreement. The items shall be drawn only from the items in the Ordering Agreement Contract.

8.2 The Quezon City Government may execute as many Purchase Order for the same line item as may needed within the validity of the Ordering Agreement; provided that the subsequent Purchase Orders shall have the same unit price as the originally stated in the Ordering Agreement and shall not exceed the estimated quantity in the Ordering Agreement List and aggregated the amount shall not exceed the total contract price specified in the Ordering Agreement. No other costs are authorized unless otherwise specified in the Ordering Agreement.

IX. DURATION OF CONTRACT

The contract period shall be upon receipt of the Notice to Proceed, subject to year-end evaluation and assessment to be conducted by the Therapeutic Committee, and pre-termination for just causes as provided by law. The contract period may be renewed for such period as the QUEZON CITY GOVERNMENT and the Pharmacy Manager may be subsequent Ordering Agreement List agree in writing which shall not be longer than the original contract period.


X. PENALTIES FOR BREACH OF CONTRACT

Failure to deliver the services according to the standards and requirements set by the City shall constitute an offence and shall subject the Contractor to penalties and/or liquidated damages pursuant to RA 9184 and its revised Implementing Rules and Regulations.

XI. CANCELLATION

The guidelines contained in RA 9184 and its revised IRR shall be followed in the termination of any service contract. In the event the City terminated the Contract due to default insolvency, or for cause, it may enter into negotiated procurement pursuant to section 53(d) of RA 9184 and its IRR.

Approved By:


MR. RICARDO T. BELMONTE, JR.
Secretary to the Mayor