

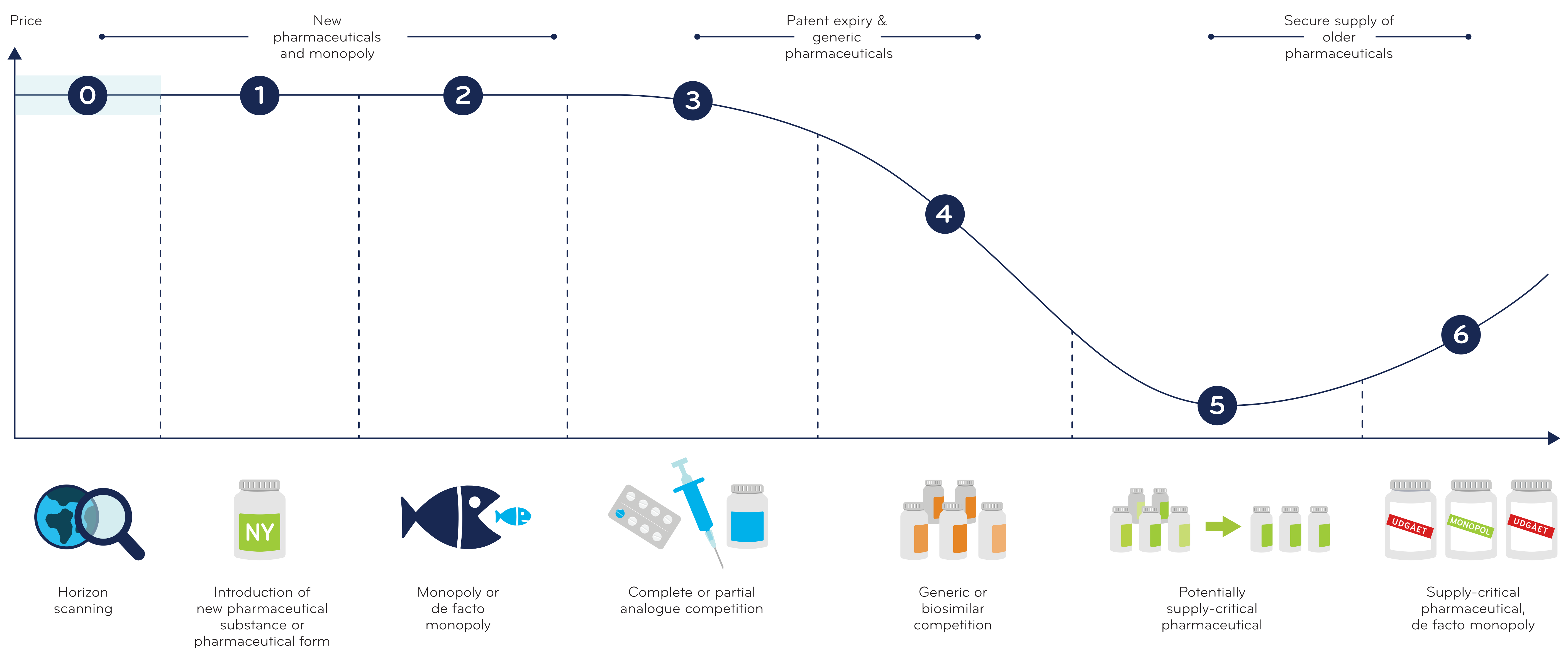
JOINT PROCUREMENT

– LEARNINGS FROM A PILOT ON JOINT PROCUREMENT OF OLDER PRODUCTS

Close collaboration with involved stakeholders was vital for a successful joint procurement pilot with partner Nordic countries – that resulted in efficient competition for older pharmaceuticals.

THE CHALLENGES ARE THE SAME THROUGHOUT THE WORLD

FIGUR 1 PRODUCT LIFE CYCLE OF PHARMACEUTICALS



WHAT WAS DONE AND WHY IT WAS DONE

- Partner countries in the Nordic alliance decided to pilot joint procurement of older pharmaceuticals. Mainly injectables.
- Increasing supply shortages in Denmark, Norway and Iceland were the background for the joint procurement pilot.
- One observation was that size of market and the consequence of being a small-volume market impacted efficient competition for older products.

HOW IT WAS DONE

- Using the Product Life Cycle model (Figure 1) led to a shared understanding between the countries on where a pilot of joint procurement would support the supply issues for older products.
- Synergies and differences in consumption between the countries involved were mapped.
- A joint procurement pilot was set up between the countries, led by Amgros, a national procurement organization.
- A political framework agreement was signed between the countries to have a shared foundation to build on.
- The design was tested during the design phase with all the parties involved.
- A consultation with the suppliers was established. Their feedback resulted in modified tender materials.

WHAT WAS ACHIEVED

- Announced tender criteria were either price-alone or price in combination with qualitative criteria.
- One of the tendering procedures included a mandatory bid for all three markets, the rest of the tendering procedures were mandatory for Denmark and Norway with optional submission for Iceland.
- The majority of joint tenders had efficient competition on price, with a representative amount of suppliers bidding.
- The complexity of including several markets was countered by the supplier options for delivering to several markets.
- It took two years from start to announcement of the tender.
- A key conclusion was that collaboration with stakeholders provides us with proper insights prior to announcement of tendering procedure and was an essential condition for successful joint procurement.

An evaluation of building the joint procurement process, which took approximately two years, is now available as a best practice for other countries with joint procurement interest.

WHAT IS NEXT

- A joint evaluation of supply compliance within the tender agreement period will be performed.
- Improvements in the supply situation will be tracked during the pilot evaluation period.
- Future logistic challenges and strategic solutions to these will be assessed in the early tender planning phase for any future joint procurements.

