

Final Clarification Meeting

Minutes of Meeting held at CPSU (MDH) Room 2 boardroom 12/12/2017 at 09:00

Subject: Final closure meeting before evaluation stage. Final written clarifications to be sent by Friday 15th December 2017.

Present: Karl Farrugia, Alison Anastasi, Celia Falzon, Dustin Balzan, David Cherubino, Francis Cherubino, Nicholas Falzon, Roberto Abdilla, Massimo Morandi, Fulvio Rudello, Marcello Benincassa, Romina Debono, Robert Falzon

Excused: Mike Farrugia, Paul Apap Bologna, Jonathan Mangion, Giorgio Pavesi

Clarifications

<ul style="list-style-type: none">• Baseline Year	<ul style="list-style-type: none">a. The baseline year will be based on 12 months data collation.b. Formula currently being tested to capture gaps in data and normalise the ratios.c. The data and formula will be validated and discussed with winning bidder and will be published as final after the 1st year from signing of contract.d. Payment will start from the commercial operations date, that is, if there are savings in the 2nd year they will be paid in the 3rd year, which would be the 1st year of the 15 year concession agreement. No other savings carried forward to the next year will be considered after the commercial operational date.
<ul style="list-style-type: none">• Resources	<ul style="list-style-type: none">a. It was reclarified that the government will pay the seconded personnel till the commercial operation date. However, the personnel will still be left on government payroll and their salary refunded by the concessionaire.b. Scale up/scale down of seconded personnel will be done at a stipulated time period in discussion with the contracting authority and the winning bidder.
<ul style="list-style-type: none">• Savings Formula	<ul style="list-style-type: none">a. Only in the Closed loop system with the savings formula will be applicable.b. Any process that is not controlled through the system implementation by either single dose, two bin system or smart cabinets, shall be paid for service as per financial applicable model rate.

	<p>c. The POYC scheme is excluded from the original scope unless eventually there would be a mutual agreement between the Client and the Concessionaire to have this introduced as part of this process.</p>
<ul style="list-style-type: none"> • Financial Model 	<p>a. The financial model is being revised to reduce the amounts of treatments given given in the community but at the same time to retain redundancy.</p> <p>b. Revised model of Annex 4 Rev 2 attached. The amount of 250Million Pharmaceuticals has been downsized to read 100Million Pharmaceuticals.</p> <p>c. Stockpile of specific medicine e.g. pandemic excluded from scope of project however rotation of expiry dates and reduced wastages part of the scope of project</p> <p>d. Prices capped to remain as per original publication</p>
<ul style="list-style-type: none"> • Inflation Rate 	<p>The Concession Agreement shall provide that the Charges shall not be subject to any escalation for inflation save for an increase of one per cent (1%) on the third anniversary of the Effective Date and on the lapse of every subsequent three (3) year period.</p>
<ul style="list-style-type: none"> • CPSU 	<p>a. CPSU through the awarded candidate will supply unit doses to all entities including those falling under VGH, unless otherwise arranged prior to the setting up of the systems within the same entities.</p> <p>b. Wherever necessary there will be an internal side agreement between CPSU and the any Public Public Partnership that would be managing certain entities on behalf of the Government, that guarantees the system implementation for the duration of the concession agreement, prior to the concessionaire making any investement within the respective entity.</p> <p>c. CPSU will be responsible for the maintenance and upkeep of the store excluding the area/s handed over to awarded candidate.</p>