

RESPONSE SCHEDULES

Response Schedule E – Tasmanian Industry Participation Plan

Tasmanian Industry Participation Plan (template/guide)

The Tasmanian Government is committed to maximising opportunities for local SME¹ businesses to compete for and win Government procurements. Suppliers/proponents are requested to prepare a Tasmanian Industry Participation Plan:

- For all procurements with a value exceeding \$5 million;
- For nominated procurements (at the discretion of the procuring Government entity) greater than \$2 million and up to \$5 million; and
- For private sector projects valued at over \$5 million that receive support, including in-kind support, valued at or greater than \$500 000 from the Government.

This Plan is your opportunity to demonstrate how your submission will positively impact on the local industry/economy. You do not need to answer all of the questions below and your submission may not necessarily be limited to these issues (which are provided as prompts). You will need to ensure you can verify the information you submit and where possible should provide actual numbers of staff (full-time equivalent)/values of goods and/or services.

For procurements, the Tasmanian Industry Participation Plan is an essential part of your submission and will be used by the procuring entity to evaluate your submission. In these circumstances, the Plan will contribute a minimum of 10% of the procurement evaluation. Suppliers that fail to submit a Plan will receive a zero score in relation to this criterion.

Procurement details

Procurement Reference No.	DHHS-5689S
Procurement title	SUPPLY OF PROSTHESES
Name of Responsible Agency/Entity	TASMANIAN HEALTH SERVICE

Supplier details

Name of supplier	Medartis Australia & New Zealand Pty Ltd
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¹ Local SME are Australian and New Zealand businesses employing less than 200 people.

<p>Contact details for supplier</p>	<p>Harry Stavarakis Product and Operations Manager Harry.stavarakis@medartis.com 0418 400 205 PO Box 111 Albion 4010 QLD</p>
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Local SME industry impact

What is the direct local impact of your business?

Examples: Are you a local SME (how many people do you employ, where is your business located, what is the ownership)? How many people do you employ in Tasmania? Would any new SME jobs be created by the proposed contract - how many?

Medartis Australian & New Zealand Pty Ltd

Overview

Medartis has ambitious plans in Tasmania. Currently, Medartis Australia and New Zealand is a SME headquartered in Brisbane. The company is a wholly owned subsidiary of Medartis Pty Ltd, which is headquartered in Basel, Switzerland. All manufacturing is completed in Basel. Medartis employs 15 office based staff in Brisbane and 25 mobile staff based in local regions across Australia and New Zealand. Tasmania is currently serviced by two key Medartis staff based in Victoria.

Staff

Medartis' preferred model is to have clinically trained sales consultants based in Tasmania and available to support surgeons at short notice.

Medical device sales consultants are specialised, are highly trained, and of high value to Medartis. Further to this, Medartis sales consultants are product specialists, whose knowledge base is transferrable to other devices, continually developing in line with new technologies, and in high demand throughout medical devices specialties and the larger healthcare industry.

In the event that Medartis wins this contract, Tasmanian based sales consultants would be employed to attend cases, answer surgeon questions, train nursing staff, and

consult with hospital procurement and CSSD departments to ensure smooth service delivery. The number of newly employed, locally based consultants will reflect the size of the contract awarded, the planned growth in business and will be in directly related to a number of factors yet to be determined such as:

- Which products are awarded*
- Sole supply or panel arrangement*
- If panel arrangement, how many companies are selected*
- If and what level of guaranteed market share commitment selected*
- Amount and speed of product uptake*

Assuming a positive result, a panel of suppliers selected across competing product lines and our anticipated product uptake (based on interstate market history) then the following is an estimated impact of growth and financial impact we would expect over the initial 3 year period.

Year 1 - Appointment of a local sales consultant

In order to meet the requirement of the tender contract and to grow our presence in the Tasmanian market it would be imperative that we employ a locally based sales consultant to provide product support and service to the Tasmanian Health customers.

Year 2 - Additional Sales consultant/clinical consultant

Assuming a successful first 12 month period with growing uptake of our products and demands on the business to meet the requirements of the contract a second sales consultant and/or clinical case support person would be employed.

Year 3 - Sales manager

With continued sales growth and increasing product portfolio, Medartis plans to replicate the staffing structure established in Victoria, NSW and Queensland, by employing a local, state based, State Manager to oversee Tasmanian accounts, contracts, logistics and staffing.

Local Logistics Partner

Medartis currently contracts Smartways logistics in Hobart. Two people are employed to manage sets, restocking and coordinate transportation.

The number of employees at Smartways Logistics will grow in line with business needs. The anticipated growth in logistics positions will depend on growth in business, not discounting the preferred model for set location by hospitals. Should a large number of hospitals prefer to use loan sets, the increase in Smartways Logistics staff required to perform work will increase in order to deliver exemplary service.

Goods and services to be utilised in the contract

Identify the goods and/or services you expect to purchase in order to complete the contract and provide the requested information in relation to same, where known.

Identified goods or services	Total estimated value	Name of supplier anticipated to be used (if already determined through existing supply chain arrangements)	Location of supplier (where already determined through existing supply chain arrangements)	If supplier not yet determined, is there a local SME market for same? (Yes/No)
Educational Cadaveric courses	\$30,000 per course	University of Tasmania School of Medicine Surgical Simulation Suite	Tasmania	
Fuel	\$3,600 annually	BP / Caltex	Tasmania	
Couriers Tasmania	\$9,500 annually	Smartways Couriers	Tasmania	
Airfares / Travel Meals / Accommodation	\$8,800 Annually	TBC	Tasmania	Yes
Couriers Australia Wide	\$17,000 annually	Fed Ex / Toll / Jet Couriers / Amalgamated	Australia Wide	
Mobile / Internet	\$58,000 annually	Telstra	Australia Wide	
Electricity	\$29,300 annually	AGL	QLD	
Customs Duty	\$2,100,000 annually	Australian Customs	Australia Wide	
Stock	\$13,636,000 annually	Medartis AG	Switzerland	

Opportunity for local SME involvement

Will you source components of your offer from other local SME companies/sub-contractors or is there new work to be undertaken locally as a result of you fulfilling the contract or workers travelling to the local area to undertake the work? How much?

Medartis implants are manufactured only in Switzerland under strict quality control.

Work performed locally in Tasmania constitutes two key areas of the business:

- *Logistics, set management and restocking.*

As outlined above, anticipated growth in Medartis business will rely on local logistics companies to perform this work

- *Education and Research*

Fellowships

Medartis sponsors fellows in public hospitals across the eastern states of Australia. Upon award of this contract to Medartis, Medartis will seek to sponsor a fellowship at a teaching hospital in Tasmania. The full value of this fellow sponsorship is negotiable; however it is estimated at \$80,000 per annum.

Cadaver courses

Access to cadavers for educational or research purposes is limited and expensive. Cadaveric dissection offers participants a chance to thoroughly explore human anatomy without the associated concerns of patients. Medartis conduct cadaver fixation courses annually in Queensland, NSW, Victoria and New Zealand. With the beginning of the Tasmanian contract, Medartis in collaboration with local partners will look to conduct a cadaver course for Tasmanian surgeons on the SET program. The University of Tasmania School of Medicine Surgical Simulation Suite has been identified as an ideal location for such a course. The total value of cadaveric courses are estimated at \$30,000 per course.

Conferences, journal club meetings and workshops

Medartis sponsor and attend orthopaedic society meetings throughout Australia, including Tasmania. In collaboration with surgeons, Medartis supports continued education through regional journal club meetings and saw bone workshops at local establishments.

Supporting research

Integrity is at the core of sponsoring any scientific or biomechanical research. In order for both surgeons and Medartis to remain independent, Medartis does not pay fees to doctors undertaking research into bone fixation, biomechanics, or fracture healing. At the request of surgeons wishing to undertake bone fixation research, Medartis will supply materials: fixation devices, tools, tissue or simulated tissue needed to perform the trials. There are currently a number of such trials underway in Australia. There is no minimum or maximum value to this assistance and can be readily provided once it has been established there is no conflict of interest or perceived conflict of interest.

Detail how you intend to identify and engage with sub-contractors and/or other SMEs in relation to the delivery of the contract including your supply chain ie use of existing supply chains, advertising of sub-contracting or supply opportunities, liaison with industry groups, etc.

Medartis clinical, sales and logistics personnel are in continuous contact with Tasmanian contractors to deliver timely service to hospitals as well as engaging educational events.

Currently two Melbourne based Medartis clinical and sales employees travel to Tasmania on a regular basis to engage with logistics partners and source meeting locations. Brisbane based logistics and customer service employees travel biannually to Hobart to conduct regulatory checks.

Detail the process that you are to undertake to ensure that local SMEs are not to be disadvantaged where competing with other suppliers in the provision of goods or services to be used as part of this contract (ie unpacking of procurements into smaller components so that local SMEs can compete more effectively etc).

If Medartis were awarded this contract local SME's would not be disadvantaged. In fact, local SMEs would benefit from a Medartis presence in Tasmania. The Medartis supply chain and logistics solutions rely on local distribution and local personnel for successful service delivery.

Broader economic opportunities

Are there any other impacts that your business and/or this specific supply will provide to the local/regional economy?

Examples: Your supply may lead to: new skills being developed locally; trainees/apprentices being appointed; cross transfer skills to a local SME partner/sub-contractor; your company (if you are not a local SME) setting up an office/employing local staff; scale for you to take your products/services interstate/overseas; local community sponsorship etc.

Medartis will impact the Tasmanian broader economy in two key ways:

- *As outlined above, Medartis supports research and education.*
 - *Collaborations between doctors, scientists and Medartis are entered into at the request of surgeons interested in researching areas such as bone healing and fixation methods.*
 - *Medartis is now considering organising Cadaver courses in Tasmania at The University of Tasmania School of Medicine Surgical Simulation Suite.*
 - *Locally run workshops support surgeon and theatre staff, as well as sourcing facilities, catering and accommodation in the area.*
- *The Medartis philosophy of bone fixation aims to:*
 - *Cut surgery time and costs*
 - *Reduce the number of necessary procedures, helping shorten waiting times*
 - *Reduce complications in theatre*
 - *Restore patient mobility as fast as possible*

Note: *Where determined appropriate by the procuring entity, the supplier's obligations under this Plan are to be captured in the contract and monitored as part of the contract performance.*

Completed and endorsed (Supplier)

Harry Stavarakis, Product and Operations Manager
(Name and position – print)

A handwritten signature in black ink, appearing to read 'H. Stavarakis', written in a cursive style.

(Signature)

23.1.2017

(Date)