



## ***State Supply Office's New Pharma Procurement System: Healthcare Product Market***

*Authors: Gönenç Gürkaynak, Esq., Ceren Yıldız and Simge Alatan, ELIG Gürkaynak Attorneys-at-Law*

### **I. Scope of the Announcement**

In a recent announcement<sup>1</sup> by the State Supply Office (“SSO” which refers to the General Directorate of the State Supply Office, which was established to operate according to commercial principles in the economic field, with its capital fully owned by the State) it was declared that to enable the functioning of the Healthcare Product Market application more effectively, new arrangements have been made in the Healthcare Product Market Medical Equipment Framework Contract Announcement and Agreement, Human Medicinal Products Framework Contract Announcement and Agreement, and the Procedures and Principles to be applied in Electronic Tenders for Products under the Healthcare product Market.

Institutions and organizations affiliated to the Ministry of Health and other public institutions that are in need will sign a framework contract with companies to determine the products and companies to be included in the “Healthcare Product Market” in order to procure the medical supplies needed in the provision of healthcare services through SSO. Accordingly, if companies included in the Catalog (General Catalog, Techno Catalog, SME Catalog, Attraction Centers Catalog or Healthcare Product Market Human Medicinal Products Framework contract), meet the required conditions, they will be able to sign the “Healthcare Product Market Medical Material Framework Contract”.

### **II. Background Information on the Structure: Healthcare Product Market**

Healthcare Product Market<sup>2</sup> application has been put into force as of 12.08.2018 by the Turkish Ministry of Health for affiliated institutions and organizations within the scope of the

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<sup>1</sup> <https://www.dmo.gov.tr/Home/Icerik/3632>

<sup>2</sup> *Healthcare Product Market*; refers to the SSO website where the contractual products are published in accordance with the Healthcare product medical equipment list and Human Medicinal Products list



“Procurement Cooperation Protocol”<sup>3</sup> signed between the parties on 19.01.2018 to facilitate the procurement of frequently consumed medicines and medical supplies with the intent to<sup>4</sup> contributing to uninterrupted health service provision with a fast purchasing model, to decrease the stocking period in healthcare facilities by making frequent purchases instead of making bulk purchases, facilitating the payment process, providing budget savings, ensuring that it can create a quality standard for products that will meet the same needs and ensuring a more effective and efficient employment.

Accordingly, producers, importers and authorized dealers in the pharma sector are able to sign framework contracts for products whose technical conformity assessment has been approved, enabling provincial-based offers to be submitted both at national and regional levels. The needs of the health facilities will be met through electronic tenders to be organized separately for 81 provinces of Turkey within the framework of the relevant legislation. Until October 2019, 2.714 e-tenders have been made and an estimated 25% gain was achieved in basic medical consumables compared to market prices.<sup>5</sup>

### **III. Information on Framework Contracts**

First of all, in order to be included within the scope of the Healthcare Product Market, the companies that will apply and offer their products will need to have a valid registration in the Product Tracking System (PTS) of the Ministry of Health. Companies must submit the products they will offer by applying for registration to the Healthcare product market Module. When they complete the necessary procedures, the technical specifications and general provisions for these products will be deemed to have accepted, declared and committed all of the articles.<sup>6</sup>

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<https://saglikmarket.saglik.gov.tr/Documents/SSS/Sa%C4%9Fl%C4%B1k%20Market%20Tedarik%20%C4%B0%C5%9Fbiri%C4%9Fi%20Protokol%C3%BC.pdf>

<sup>4</sup> <https://www.dmo.gov.tr/Home/Icerik/3566>

<sup>5</sup> <https://www.dmo.gov.tr/Home/Icerik/3566>

<sup>6</sup> <https://www.dmo.gov.tr/Files/IcerikDokumanlari/Belgeler/SM/SMTibbiMalzemeCerceveAnlasmasiIlani.pdf>



Applications can be made through the Healthcare Product Market Module on the SSO website ([www.dmo.gov.tr](http://www.dmo.gov.tr)). A passcode will be sent to the PTS e-mail address registered with the company identifier number. Following this, the passcode will be entered and thus they will be required to upload the necessary information and documents for application through this page.

The subject matter of the framework contracts is to provide a mutual commitment so that if the product(s) that are decided to be published in the Healthcare product Market, remain under the responsibility of the e-tenders to be held during the contract period or if the order is placed directly at the request of the customer, the supplier must also purchase these product(s) upon the request of SSO within the scope of this contract.

The aim of the framework contracts is the determination of the principles and procedures regarding the terms of the products subject to e-tenders or direct orders to be made by SSO in line with the demands of the customers, the delivery and receipt transactions, the payment of the price to be established according to the result of the e-tender or direct order, and the mutual rights and obligations of the parties.

The framework contract is valid for 1 year as of the signature date. However, if the supplier wishes to extend the term of the agreement, within 30 days prior to the termination of the agreement, the validity period will be extended until the end of the calendar year in which the request is made and if this request is approved by the SSO. In the following years, unless the parties notify each other 15 days in advance, the validity period of the agreement will automatically be extend by one calendar year.

#### **IV. Conclusion**

As a result of the SSO's approach in establishing a powerful structure in the healthcare market the following amendments have been made within the scope of the announcement<sup>7</sup>;

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<sup>7</sup> <https://www.dmo.gov.tr/Home/Icerik/3632>



1. Removal of the “Ceiling Price” in order to increase participation in e-tenders to be held within the scope of Healthcare Product Market,
2. In addition to the quantity-based e-tender, which are generally collected every two months according to the estimated demand, the ability to make certain-term e-tenders (such as direct orders to the winning company for 6 months or 1 year),
3. Removing the “Health Market Human Medicinal Products Framework Contract (Type-2) from two separate framework agreements prepared for human medicinal products and including all medicinal products for human use in the Healthcare Product Market with a single framework contract, as well as providing these products with e-tender, along with customer demand, being able to supply some products by directly ordering according to the market and characteristics of the product.

Article contact: Gönenç Gürkaynak, Esq.

Email: [gonenc.gurkaynak@elig.com](mailto:gonenc.gurkaynak@elig.com)

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