



REQUEST FOR RESEARCH PROPOSAL

COST OF DOING BUSINESS IN THE CONSUMER
HEALTH PRODUCTS SECTOR IN CANADA

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1. INTRODUCTION

Consumer Health Products (CHP) Canada invites qualified firms to submit a proposal for the above titled Request for Proposal (RFP). A proposal in electronic form should be sent to:

CHP Canada
Attention: Karen Proud
240-340 Albert Street
Constitution Square, Tower III
Ottawa, ON K1R 7Y6
karen.proud@chpcanada.ca

All proposals must be submitted no later than Friday, June 15th. This request for proposal does not commit CHP Canada to award a contract, to pay for costs incurred in the preparation of the proposal, or to procure or contract the proposed services or supplies. We reserve the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified source, and to cancel in part, or its entirety, the RFP if it is in the best interest of the association.

2. TIMELINES

RFP RELEASE	May 9 th
DEADLINE FOR QUESTIONS	May 23 rd
MEETINGS WITH SHORT-LISTED VENDORS (IF REQUIRED)	Week of June 18 th
BID NOTIFICATION DATE	June 22 nd
PROJECT KICK-OFF	June 25 th
PHASE 1 DELIVERABLES (TO BE DETERMINED)	July 6 th
PHASE 2 DELIVERABLES (TO BE DETERMINED)	September 28 th
PHASE 3 DELIVERABLES (TO BE DETERMINED)	October 31 st
PROJECT COMPLETION DATE (DRAFT)	November 15 th
PROJECT COMPLETION DATE (FINAL)	November 30 th

3. STANDARD FORM CONTRACT

By submitting a proposal, a vendor acknowledges it agrees that the terms and conditions of this RFP are incorporated by reference into its proposal. If a vendor's proposal is accepted, the vendor will be expected to execute CHP Canada's standard contract agreement. Vendors who are unwilling to abide by these standard terms and conditions should not submit a proposal.



4. VENDORS QUESTIONS

All questions regarding this RFP must be directed in writing to the contract manager. Enquiries and responses may be recorded and may be distributed to all vendors.

The vendor must immediately notify the contracting manager in writing of any ambiguity, divergence, error or omission, oversight, or contradiction in this RFP discovered by the vendor and request whatever clarification is required to prepare the vendor's proposal.

In order for CHP Canada to deal effectively with vendor questions or concerns about any terms, conditions or requirements of this RFP, including the standard terms and conditions, such questions or concerns must be communicated in writing to the contracting manager in accordance with the timeline indicated in item (3) above.

5. CONFLICT OF INTEREST

Vendors must fully disclose, in writing, to the contracting manager on or before the closing date of this RFP, the circumstances of any possible conflict of interest or what could be perceived as a possible conflict of interest between the vendor and CHP Canada and/or any of CHP Canada's members. CHP Canada may reject any proposal where, in the opinion of CHP Canada, the vendor is or could be perceived to be in a conflict of interest.

6. VENDOR EXPENSES

The vendor is responsible for all costs of preparing and presenting its proposal.

7. PRICING

All proposals will be issued in Canadian dollars.

8. ABOUT CHP CANADA

CHP Canada is the industry association that represents the companies that make evidence-based non-prescription (over-the-counter) medicines (OTCs) and natural health products (NHPs). These are the products you can find in every Canadian home. From sunscreens and vitamins to pain relievers and allergy medications, people use consumer health products to maintain their health and manage their minor ailments. This is a fundamental part of self-care, which is vital to the health of Canadians, to the sustainability of our healthcare system, and the strength of our economy.

As the trusted voice of the evidence-based consumer health products industry, we work collaboratively with stakeholders and governments to help shape a policy and regulatory environment that recognizes the value of self-care and supports the growth of the industry. This ensures Canadians have access to a wide range of safe and effective products to maintain and improve their health.



9. BACKGROUND ON THE CONSUMER HEALTH PRODUCT INDUSTRY IN CANADA

Canada's domestic and international sales of consumer health products have increased healthily over the last decade. From 2004 to 2014, total retail sales across the country grew at an average annual pace of 3.8 percent, while consumer health products sales increased by 4.2 percent per year. In 2014, domestic retail sales of consumer health products were valued at \$5.6 billion, while exports were estimated at \$1.5 billion. Between 2004 and 2014, exports of these products nearly doubled—a growth rate almost three-and-a-half times the growth rate in overall exports. The relative performance of the sector is even more impressive compared to Canada's total non-energy exports, which have managed almost no growth over the last decade.

Combined international and domestic sales of consumer health products are estimated at \$7.1 billion in 2014, and the industry directly created \$2.7 billion in GDP through manufacturing activities and wholesale and retail sales. However, the impact of the industry extends beyond its direct impacts to support many other industries by purchasing products and services for its production process. The industry directly employs 30,300 employees in manufacturing and the wholesale and retail trade sectors, and supports an additional 14,500 employees through its supply chain. These employees also contribute to the economy as they spend their income. Combining these three impacts provides us with an estimate of the total economic footprint of the consumer health products industry in Canada, which is valued at \$5.8 billion in GDP and supports almost 57,000 jobs.

The industry generates income for the following stakeholders:

- \$3.2 billion in household income;
- \$848 million in corporate profits;
- \$518 million in personal income taxes;
- \$288 million in corporate income taxes; and
- \$606 million in sales taxes.

10. PURPOSE OF THE PROJECT

As it is in most of the world, the consumer health product industry in Canada is highly regulated, with significant pre and post market requirements for products that are manufactured and/or imported, and sold in Canada. However, Canada's highly concentrated retail sector, unique approval process that includes both Federal and Provincial approvals, and "made in Canada" rules for things like labelling, have negatively impacted Canada's standing as a potential investment centre for the global industry.

CHP Canada intends to benchmark Canada's cost competitiveness against other jurisdictions (e.g. US, UK, Australia) for our sector. CHP Canada anticipates the study will benchmark Canada against a minimum of three other jurisdictions and will expect the successful vendor to assist in identifying relevant comparators.

The information will be used to support CHP Canada's advocacy efforts related to the association's vision and mission.



11. SCOPE OF THE PROJECT

The vendor will work with CHP Canada in defining the final scope of this study. The scope shall include but is not limited to the following specifications:

PHASE I

- The vendor shall conduct a literature search to identify similar studies, methodologies, sources of information, etc. that are of relevance to this project.
- A task force consisting of CHP Canada member designates may be established based on vendor suggestions to contribute information to the project. The vendor would be expected to work directly with members of the task force.

PHASE II

- The vendor shall calculate the costs of doing business (including the cost of launching new products) in Canada and competing countries, including the United States, the United Kingdom and Australia.
- Cost factors to be taken into account for this study include: cost of regulatory compliance (federal and provincial), cost of labour, taxes, health care, real estate, utilities, transportation, trade spending and any other factors that are recommended by the vendor.
- CHP Canada will facilitate interviews with member company representatives to aid in the gathering of data and insight.
- The vendor will calculate the impact of the cost factors on the ROI equation for new business investment by the sector relative to comparator countries. The analysis must allow the reader to identify those cost factors that are competitive with other jurisdictions, and those that are barriers to investment.
- The vendor will develop a “model” based on a hypothetical consumer health product manufacturer (similar in size and scope to CHP Canada’s existing members) when estimating costs and comparing with costs for a similarly sized manufacturer in competing countries.
- The model must allow CHP Canada to input changes to key measured variables (cost factors) to demonstrate the impact on ROI potential of changes to taxes, labour laws, increases in regulatory burden, or other such factors.
- In developing the model, the vendor will be expected to consult with members of CHP Canada’s Executive Committee and Board of Directors.

PHASE III

Building on the Phase II analysis and the available literature specific to the Canadian consumer health products sector, the vendor will assess the overall investment climate for the consumer health products sector in Canada relative to comparator countries, highlighting both those areas of relative strength and those that represent barriers.

The vendor shall also assess the impact of the current Canadian investment climate on the Canadian economy and health care system as appropriate.

12. FEES AND PAYMENT TERMS

Proposal should include a breakdown of the vendor’s fees and disbursements in completing the services. Proposal should include separate costs for each phase of the project.



13. CONTRACTING MANAGER

For the purposes of the provision of information surrounding this contract, or the administration of the contract, the contracting manager is:

CHP Canada
Attention: Gerry Harrington
240-340 Albert Street
Constitution Square, Tower III
Ottawa, ON K1R 7Y6
Telephone: (613) 723-0777 ext. 227
Email: gerry.harrington@chpcanada.ca

14. PROPOSAL EVALUATION CRITERIA

When an alternative is proposed regarding any specific requirement, it will be evaluated to ensure that the desired results will be achieved. The following information should be provided in each proposal and may be utilized in evaluating each proposal submitted:

14.1 TEAM COMPETENCE & RESOURCES

Describe the capability (technical expertise) of the resources proposed to meet the requirements described in the RFP. The proposal shall include a summary of the firm and/or proposed project team knowledge, skills and past experience, with a description indicating how, and in what ways, the proposed resources satisfies the needs and objectives identified in the RFP.

Include related experience of the firm, including three past similar jobs that have been completed, with the company name, contact person and phone number that may be contacted as a reference.

14.2 METHODOLOGY

Clearly articulate the process and qualitative and quantitative methodology to be used, proposed work plan schedule, and timeline for deliverables in order to achieve the objectives and deliverables of the RFP. The methodology should also include consultations and timely reporting to the contract manger. The vendor shall also identify sources of relevant information that will be purchased or accessed for use in this project.

14.3 FEES AND EXPENSES

The proposal should include a breakdown of the vendor's fees and disbursements in completing the services. Please note the following with breakdown of costs:

- Per diem rates;
- Travel, if required;
- Administration overhead;
- Software costs, data information or research;
- Prices must be stated in actual dollars and cents expressed in Canadian funds.