CONTENTS

Preface

1 OVERVIEW OF OUTSOURCED OPERATIONS
Susan Schniepp
References
About the Author

2 LEGAL ASPECTS OF CONTRACT MANUFACTURING
Paul Ranson
Introduction
Key Background Legal Issues in Manufacture Outsourcing
Agreements
   Intellectual Property (IP)
      Introduction
      Patents
      Confidential information
      Trade marks
   Copyright

www.pda.org/bookstore
Designs
Product liability
  Introduction
  The Directive and negligence
  Defences under the Act

Preliminary Documentation
  Introduction
  Confidentiality agreements
  Letters of intent/recording understandings
  Term sheets and heads of terms
  Preferred provider agreements

The Contract Agreement
  The role and structure of the contract
    Introduction
    Master agreements
    Service level agreements

Terms in outsourcing agreements
  The parties
  Recitals
  Definitions
  Appointment
  Technical transfer
  Manufacturing methods and supply
  Orders and forecasts
  Performance terms
  Acceptance/rejection of compound/product
  and failure to supply
  Obligations of the client
  Obligations of the service provider
  Confidentiality
  Ownership of data, inventions and rights
  Warranties and indemnification
  Publication
  Relationship of the parties
  Warranties, indemnities and insurance
  Duration and termination
  Force majeure
  Assignment and sub-contracting
  Governing law, dispute resolution and jurisdiction
  Technical (or quality) agreement
3 POINTS TO CONSIDER FOR THE OUTSOURCING OF HIGH VALUE MANUFACTURING — A CUSTOMER’S PERSPECTIVE

Kevin O’Toole

Introduction

Background — The Basics of Biological Manufacture
- Upstream processing
- Primary recovery and downstream processing
- Secondary manufacture
- Analytical requirements
- The rapidly evolving market place for biological contract manufacture
- Outsource drivers

CMO Identification, Screening and Selection
- Scope of outsourcing
- Identifying potential CMOs
- Screening CMOs to produce a short-list for evaluation
- Evaluating the short-listed CMOs
- Designing an RFI for contractor selection
- Quality/reputation
- Technical fit
- Previous experience of the contractor
- Capacity
- Good working relationship
- Project management/business philosophy
- Cost
- Geography
- Value adding services
- Making the decision — choosing the best CMO

Establishing the Services Agreement

Finalising the Services Agreement — Problem Areas
- Liability and indemnity
- Price and payment schedule
- IP generated during the project
- Delivery schedule/timelines
- Warranties
- Termination and cancellation terms and fees
- Work-scope interpretation
- Others
Finally — The Concept of Trustworthiness
  Credibility
  Reliability
  Intimacy
  Self-interest
  Quantifying trustworthiness

References
About the Author

4 BEST PRACTICES IN IMPLEMENTING QUALITY AGREEMENTS
Ken Drost

Introduction
  Why have quality agreements?
  What exactly is a quality agreement?
  Types of quality agreements

20 Best Practices for Implementing Quality Agreements
  Number 20 Review your quality agreement annually
  Number 19 Define who is responsible for regulatory issues
  Number 18 Don’t out-think yourself by getting too creative
  Number 17 Review the quality agreement for conflicts with the supply agreement
  Number 16 Create shorter and simpler quality agreements for earlier phase projects
  Number 15 Start with a template but don’t be afraid to customize based on need
  Number 14 Quality agreements should be flexible and practical
  Number 13 Have oversight and knowledge of supply chain security
  Number 12 Quality agreements must allow for audits and site visits
  Number 11 Contract giver should make sure the quality agreement is followed
  Number 10 Ensure quality agreement calls for daily communication during regulatory inspections
  Number 9 Have an issue resolution pathway
  Number 8 Have general management oversight provisions
  Number 7 Ensure firms have aligned values
Number 6 Setup and have heavily involved teams
Number 5 Perform due diligence
Number 4 If you don’t trust your partner, get out as soon as possible
Number 3 Have clearly defined roles and responsibilities for change control
Number 2 If an application is involved, the application holder is responsible
Do not start any work prior to having a signed agreement

About the Author

5 MANAGEMENT OF OUTSOURCED OPERATIONS: A CONTRACT PROVIDER’S PERSPECTIVE

Jane Rasmussen
Introduction
Similarities between Industries when Working with Outsourcing
Common Practice and Pitfalls Regardless of Industry
Mistakes to avoid
Do not neglect your responsibility for the outsourced activity
Communication
Share your goals
The grass is not greener on the other side
Sharing Better Practices
Our Journey in Dealing with Outsourced Manufacturing in the Pharma Industry
Internal Company Alignment on Roles and Responsibilities
Joint Lean Initiatives
Joint Knowledge Sharing and Development
Use of Process Flows and Maps to Identify the Scope and Limitations of the Outsourced Operation
Risk Management: Identification of Critical Control Points on the Process Flows and Design of Controls
Risk Communication
Definition of Milestones for the Project
Ongoing Management once an Operation becomes “Routine”
Conclusion
About the Author
6 QUALITY MANAGEMENT SYSTEM FOR OUTSOURCED OPERATIONS
E.J. Brandreth
“Us vs. Them”
CMO Quality System
Client Audits
Expectations
Training
Lot Release
Conclusion
References
About the Author

7 OUTSOURCED SERVICES: A VIRTUAL COMPANY PERSPECTIVE
Trevor Deeks
Introduction
What is a Virtual Company?
What is the Business Model?
What Impact does this have on the Company?
  Manufacturing and the manufacturing platform
  Analytical development
  Process development
  cGMP manufacturing
What can the Company do to Protect Itself to Ensure that its Needs are Met?
Project Management
Conclusions
  The final selection process
  Communication with and involvement of the project team
References
About the Author

8 OUTSOURCING PROCESS DEVELOPMENT
Spencer Oliver
Introduction
General Considerations
Rationales for Outsourcing
Execution of the Contract
Factors Affecting the CMO Project Plan
Expression of Recombinant Protein Products
Bioreactor Design and Process Decisions
Analytical Development and Analytical Support for Process Development
  Analytical development plan
  Status of analytical development: preliminary reference standard
Analytical support for PD
Summary
References
About the Authors

11 CMOs FOR EARLY PHASE BIOLOGICALS PRODUCTION: CONTRACT MANUFACTURING AND CONTROL
John Conner, Rabi Prusti and Bill Minshall
Character of Desired Contract Manufacturing Organization (CMO) Relationship
Clinical Development Plan: Production Strategies
Research, Pilot, Non-GMP and GMP Manufacture of Product
Project Management
Technology Transfer
  Transfer raw materials: bill of materials
  Transfer of an established MCB
  Transfer of established analytical protocols and methods
  Transfer of established production batch records
  Transfer of production history
  Transfer of well-developed PD process
  Transfer of Standard Operating Procedures
  Transfer of development reports and notebooks
  Transfer of a Research Cell Bank (RCB)
Manufacturing Plan
  Production capabilities
Production of Pre-clinical Supplies
  MCB production
  MCB testing strategy for bio-safety and characterization
  Strategy
12 CONTRACT MANUFACTURE OF A COMMERCIAL BIOLOGICAL PRODUCT

Ian Elvins

Deviations

- Notification
- Investigations
- Review and approval
Product disposition
Change control
Facility and engineering
Quality control (testing)
Warehousing and shipment
Regulatory submissions
Contract giver audits
Regulatory inspections

About the Author

13 AUDITING THE CMO
Thomas L. Thorpe and Jessica K. Walker
Introduction
Types of Audit Teams
Timing and Scope of Audit
Auditing Standards (cGMP, ISO, EU, FDA, Clinical Trial, NDA, etc.)
Before the Audit — The Customer
Before the Audit — The CMO
The Audit Agenda
The Audit Day
Communication is Key
Facility Tour
Key Indicators
Off-limits
Irritating Practices by Auditors
Irritating Practices by Audit Hosts
Closeout meeting
Audit Report and Follow-up
Classifying Observations
Risk Assessment
A Word about Quality Agreements
Finally
About the Author

14 OUTSOURCED QUALIFICATION, VALIDATION, CALIBRATION, AND MAINTENANCE ACTIVITIES
Jeanne Moldenhauer

Introduction

Contracts–Service Agreements

Understanding the Type of Service Provider Needed

Choosing the Right Consultants/Service Providers

Qualification and Validation Services

Installation qualification (IQ)

Operational qualification (OQ)

Performance qualification (PQ)

Process Validation (PV) and/or Process Performance Qualification (PPQ)

Contracted Calibration Services

The standards laboratory

Calibration controls

Documentation

Audit support

Contracted Maintenance Services

Cleaning operations

Clean room operations

In House SMEs

Conclusion

References

About the Author

15 OUTSOURCING IT SERVICES AND CONSULTING: BENEFITS AND PITFALLS

Siegfried Schmitt

Introduction

The User Requirements (Specifications)/Terms of Reference

Good IT Service Practices

Managing the Outsourced Service or Application

Summary and Outlook

About the Author

16 TOOLS FOR THE MANAGEMENT OF OUTSOURCED OPERATIONS

Trevor Deeks

Introduction
Tools for Identifying and Selecting Outsourcing Partners
Enthusiasm
Cultural Fit
Geographic Location
Project Management
Trustworthiness
Tools for Managing Outsourcing Decisions
The Final Selection Process
Communication with and Involvement of the Project Team
References
About the Author