REQUEST FOR PROPOSALS (RFP)

Safe, Affordable, and Effective Medicines for Ukrainians (SAFEMed)
Request for Proposal No. SAFEMed-2018-04

The purpose of this solicitation is to procure technical assistance to assist the Ukrainian Ministry of Health in developing strategy for public procurement reform in Ukraine, set up functionality, infrastructure and statutory elements of the Central Procurement Body (CPB) based on category management approach, and to provide project management and support for the pilot and roll out of the transformation from the existing system into the new one.

Management Sciences for Health (MSH) is a U.S. Agency for International Development (USAID) contractor for the Safe, Affordable, and Effective Medicines for Ukrainians (SAFEMed) project.

MSH invites you to submit an offer in accordance with the requirements of the following Solicitation. Proposals must be received by MSH no later than the Date and Time indicated in the table below.

Registration for Information: To ensure you receive modifications to the RFP, send an email to jtrask@msh.org requesting that your organization be put on the distribution list.

<table>
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<tr>
<th>Issue Date:</th>
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Written questions and Proposals should be submitted via email to: jtrask@msh.org and adasilva@msh.org

MSH, a global health nonprofit organization, uses proven approaches developed over 40 years to help leaders, health managers, and communities in developing nations build stronger health systems for greater health impact. Through strengthening capacity, investing in health systems innovation, building the evidence base, and advocating for sound public health policy, MSH is committed to making a lasting difference in global health. For more information visit: http://www.msh.org/
Contents

I. Acronyms .......................................................................................................................... 3
II. Introduction .................................................................................................................... 4
   1. Background .................................................................................................................. 4
   2. Objective ..................................................................................................................... 4
   3. Description of services to be provided: ................................................................... 4
   4. Scope .......................................................................................................................... 5
   5. Deliverables and timeline ........................................................................................ 5
      A. Phase 1. July - October 2018: Design .................................................................... 5
   6. Proposed team composition ....................................................................................... 6
III. Expected Contractual Deliverables ........................................................................... 7
   1. Contract Term/Period of Performance ..................................................................... 7
   2. Payment Terms ......................................................................................................... 7
IV. Submission Instructions ............................................................................................... 7
   1. Contents of Proposals ............................................................................................... 7
V. Evaluation of Offers ....................................................................................................... 9
   1. General Information .................................................................................................. 9
   2. Evaluation Criteria ................................................................................................... 9
   3. Determination of the Competitive Range and Contract Award ............................... 9
   4. Non-Profit Pricing .................................................................................................... 10
   5. Acceptance of Offer and Award .............................................................................. 10
   6. Cost of Proposal Preparation .................................................................................. 10
   7. Validity of Offers ...................................................................................................... 10
VI. Annex .......................................................................................................................... 10
## I. Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CPB</td>
<td>Central Procurement Body</td>
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<tr>
<td>EML</td>
<td>Essential Medicines List</td>
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<tr>
<td>EMLC</td>
<td>Essential Medicines List Committee</td>
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<tr>
<td>FY</td>
<td>Fiscal year</td>
</tr>
<tr>
<td>GoU</td>
<td>Government of Ukraine</td>
</tr>
<tr>
<td>HTA</td>
<td>Health technology assessment</td>
</tr>
<tr>
<td>LOE</td>
<td>Level of effort</td>
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<tr>
<td>MOH</td>
<td>Ministry of Health</td>
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<tr>
<td>MSH</td>
<td>Management Sciences for Health</td>
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<tr>
<td>PSA</td>
<td>Procurement services agency</td>
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<tr>
<td>TA</td>
<td>Technical assistance</td>
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<tr>
<td>UMoH</td>
<td>Ukrainian Ministry of Health</td>
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<tr>
<td>USG</td>
<td>United States Government</td>
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<td>USAID</td>
<td>U.S. Agency for International Development</td>
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<tr>
<td>SAFEMed</td>
<td>Safe, Affordable, and Effective Medicines for Ukrainians Project</td>
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II. Introduction

1. Background

The Ukrainian Government needs to ensure availability and affordability of a number of pharmaceutical products and medical devices for hundreds of thousands of patients with different diseases and health conditions on a regular basis. Public sector procurement is divided between approximately 40 centrally funded programs (500 drugs and 800 medical devices) and procurements conducted by medical facilities and laboratories in the regions.

The procurement process has historically been mired by delays in public tenders, inefficient forecasting, lack of drugs in hospitals, high out of pocket costs for patients, delayed distribution, which has contributed to deterioration of patients’ health conditions and higher death rates.

In March 2015, the Verkhovna Rada of Ukraine adopted special laws allowing engagement of selected specialized international organizations to provide services for procurement of medicinal products and medical devices. That legislation is set to expire in March 2019 and a new vision for state procurements needs to be formed.

A Concept Note on Procurement Reform was developed and adopted by the Cabinet of Ministers of Ukraine on August 23, 2017. The Reform aims at increasing standards for transparency, efficiency of costs and sustainability of public procurement and supply management in healthcare.

2. Objective

The primary objective of this consultancy is to assist the Ministry of Health in developing a strategy for public procurement reform in Ukraine, set up functionality, infrastructure and statutory elements of the Central Procurement Body (CPB), based on category management approach, project manage the pilot and support the roll out of the transformation from the existing system into the new one.

3. Description of services to be provided:

1. Design and manage the transformation of public pharmaceutical procurement in Ukraine
2. Conduct a desktop review of available regulatory documents, category analysis, Essential Medicines List, reform proposals, and other relevant documents
3. Assemble and manage stakeholders for:
   - Weekly meetings with relevant MOH staff
   - Monthly activities report out to the larger stakeholder group
   - Information updates as needed
   - Preparation of slides and pointers for decision making
   - Preparation of documentation as needed
4. Travel to 20+ facilities to understand the situation (all levels)
5. Collect and analyze data
6. Guide the MOH through various options to solidify the vision for procurement reform. Work with individual members of the working group on procurement reform.
7. Liaise with the legal team to ensure work undertaken is in line with the laws of Ukraine
8. Present the final product to MOH high level stakeholders
9. Prepare and project manage pilot and the subsequent roll out

4. **Scope**

In the development of the procurement strategy and other deliverables, the contractor will ensure the inclusion of the interactions and dependencies among all forms of public sector commodities provision, including centrally managed procurement, reimbursement, regionally procured medicines with subsidies (through EML) and regional procurement of non-subsidized medicines and other commodities to ensure that it is comprehensive and avoids duplication.

5. **Deliverables and timeline**

**A. Phase 1. July - October 2018: Design**

1. Develop overall procurement strategy for the MOH of Ukraine. Define role of procurement in the government, laws, processes that govern it, strategic objectives, and stakeholders
2. Develop costed, legally vetted options for carrying out procurement
3. Create a high-level category management plan, based on analysis and define criteria for what needs to be procured centrally, regionally, or through the government reimbursement program
   - Conduct analysis
     - Analyze spending on medicines, medical devices and other commodities. Determine items with biggest spend
     - Assess the internal situation; requirements specifications, current processes for procurement, legal issues, ramifications for import, key bottlenecks to achieving value for money
     - Assess the external situation: conduct supply market analysis for main commodity lines, determine the best value-added strategy
     - Analyze and suggest category break down, based on transparent criteria that take into account cost, performance, strategic importance, the supplier situation, sourcing opportunities, internal requirements, and best value rationale
     - Propose procurement scenarios that are optimal for the organization
   - Develop high level strategy for priority categories that need to be procured centrally and plan of action for decentralization of others
   - Get MOH buy-in

4. Create infrastructure for the Central Procurement Body
   - Define stakeholders, scope, operating model, processes, tools, data requirements, staffing requirements and job descriptions, key performance indicators (KPIs), risk mitigation plan, system of checks and balances.
   - Upstream: forecasting and supplier relations for the centrally procured commodities
   - Streamline the processes, roles and responsibilities for interactions with third parties, including requisitioners, payors, and logistics service providers at all stages from technical specification, to order formation, order placement, procurement, receipt and handling and consumption reporting.
Define standard operating procedures for developing technical specifications, tender preparation, procurement announcement, tender evaluation and contract award and management

- Define parameters for success, such as requirements for forecast data, adherence to treatment guidelines, essential medicines list, etc.
- Systematize data flows for the new procurement function
- Define the relationship, timelines, and dependencies between budget allocation and order placement. What needs to happen when and by whom so orders can be placed in timely manner.
- Liaise with the e-procurement platform, Prozorro, to ensure its ability to support future procurement methods.
- Propose options for self-financing for the CPB
- Review legal bottlenecks to the CPB’s ability to function at an international level, and propose solutions.

5. Guide stakeholders through deciding on the final vision
6. Create roadmap for transformation with clear pathway to transition procurement from specialized international organizations to CPB

B. Phase 2. November 2018 - March 2019: Pilot and Transformation

1. Design pilot for centrally procuring medicines to ensure a smooth transition from procurement through international procurement services agencies (PSAs) to procurement by the CPB
2. Project manage the pilot
   - Design and run an effective tender, selection and award process
   - Contract manage the award with KPIs and initial performance reviews
   - Ensure that the required legal framework and regulations are in place
3. Based on lessons learnt, refine the concept of the CPB, adjust the transition plan, and ensure stakeholder buy-in.
4. Initiate transition of selected commodities from procurements through international PSAs to CPB procurement processes
   - Support CPB team to conduct its first tenders, selection, award and contract management

6. Proposed team composition

1. Senior procurement strategy development specialist. Private sector management consulting experience. Experience setting up procurement function in public and/or private sector. Understanding of international context. Knowledge of best practices. 15+ years of international experience
2. Two senior to mid-level procurement and/or process organization persons with strong understanding of various procurement models. 10+ years of international experience in setting up public or private sector procurement function.
3. Data analyst with strong understanding of procurement models and costing of procurement models. 5+ years of international experience
4. Procurement and sourcing expert with knowledge of Ukrainian context. International/Ukrainian experience
III. **Expected Contractual Deliverables**

1. **Contract Term/Period of Performance**

The term of the contract issued as a result of this solicitation shall be for 9 months. The vendor shall provide warranty service for the minimum of additional one year after acceptance by client after project handover.

2. **Payment Terms**

The resulting contract is expected to be a Cost Reimbursable Contract.

It is expected that MSH shall pay the Contractor for based on deliverables completed based on a schedule to be negotiated and included in the contract.

IV. **Submission Instructions**

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1. **Contents of Proposals**

Offerors shall submit their proposals as three separate files titled Technical Proposal, Cost Proposal, and Documentation. All proposals shall be submitted in English with prices in U.S. currency (USD $).

**Technical Proposal**

Offerors Technical Proposal is expected to address the following:

- Qualification of proposed personnel and organization’s relevant past performance. Technical Proposal Must include:
  - Vendor Response Format (See Annex A)
  - Curriculum Vitae (CV) for Personnel

**Cost Proposal**

Offerors Cost Proposal shall include all of the following:
• Budget (See Annex B)
• Budget Narrative (See Annex C)
• Biographical Data Forms (AID Form 1420) for named staff and consultants (See Annex D)

Cost Proposal should include estimates, based on past experience, for each of the phases and deliverables described above. The cost component must cover all the services requested in the scope of work and must include the following:

• Number of estimated working days and daily rate;
• Travel, set up costs.
• Any other expenses

Additional Documentation

• Please submit the following:
  o Representations and Certifications (see Annex E)
  o Company’s Legal Entity Status Certificate / Documents
  o Financial Statements – most recent three years
  o Copies of personnel and travel policies
  o MSH Pre-Award Survey (See Annex F)

Note: Failure to provide any of the information requested above will result in rejection of the proposal.
V. Evaluation of Offers

1. General Information

MSH anticipates receiving at least one round of questions from potential vendors; however MSH reserves the right to award a contract without discussions. MSH also reserves the right to not make any award due to change in project scope or available funding.

Each offer submitted will be reviewed by an evaluation committee consisting of MSH employees in accordance with the criteria below and award will be made to the responsible vendor whose offer represents the best overall value to MSH.

2. Evaluation Criteria

Award will be made to the Offeror whose proposal, conforming to the solicitation, is determined to offer the best value to MSH. Offers will be evaluated as follows:

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<th>Technical Evaluation Criteria</th>
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A. Technical approach & methodology
- A technical proposal on the approach and methodology
- Overview on how deliverables will be achieved
- A detailed work plan within the proposed timeframes to undertake the assignment, including milestones, key dependencies, assumptions, risks and mitigation strategy(ies)

B. Experience of the proposed team
- Indicate composition and qualifications of the proposed team members
- References: full contact details of three organizations where similar assignments have been performed
- Successful proven past experience in performing similar assignments and improvement strategies

C. Cost Reasonableness and Best Value

| Maximum Technical Score: | 100 |

3. Determination of the Competitive Range and Contract Award

If MSH determines that discussions are necessary, a Competitive Range will be established which is composed of only the most highly rated offers. MSH may exclude an offer if it is so deficient as to essentially require a new proposal. Should a competitive range be established, MSH may invite those in the competitive range to present their offers to the evaluation team. Should oral presentations occur, they will be evaluated as part of the offer. The finalists may be invited for an interview (to be conducted remotely) with Ministry of Health.
4. Non-Profit Pricing

MSH is a registered 501(c)(3) non-profit corporation. Offerors should provide any and all discounts available to MSH based on its status as a U.S. Government contractor and as a non-profit.

5. Acceptance of Offer and Award

MSH reserves the right to make an award in whole or in part, or not to make an award, in accordance with the best interests of MSH.

6. Cost of Proposal Preparation

The cost of the proposal preparation in response to this solicitation shall be solely the responsibility of the Offeror.

7. Validity of Offers

Offers submitted in response to this solicitation shall be valid for at least 180 days from date of submission. Prices quoted by the Offeror and subsequently incorporated in contract resulting from this solicitation shall be valid for the full period of performance.

VI. Annexes

- Annex A: Response Format
- Annex B: Budget
- Annex C: Budget Narrative
- Annex D: Biographical Data Forms (AID Form 1420) for named staff and consultants
- Annex E: Representations and Certifications
- Annex F: MSH Pre-Award Survey
- Annex F.a.: DUN Instructions
- Annex G: Concept note approved in August 2017
- Annex H: Law on public procurement
- Annex I: Ministry of Economic Development and Trade of Ukraine Order on framework agreements
- Annex L: National Supply Chain Assessment (NSCA) Report
- Annex M: Agency Risk Analysis developed by the Anticorruption Center