

**Issue Date: 29 August 2014**

**Subject: REQUEST FOR PROPOSAL (RFP) TGF 014-040**

**Round 2 Questions and Responses**

Please note where questions included a company name these have been modified to protect anonymity.

No	Question	Response
1	<p>Kindly confirm that GF envisages three level of pricing i.e. Initial Price; Volume Discounted Price; Fully Discounted Price as indicated in Framework Agreement.</p> <p>If so, could you please indicate where this information must be imputed on the pricing schedule?</p> <p>The pricing schedule has provision for the base price, which we assume is the initial price. is this right?</p>	<p>The number of levels of pricing is dependent on the submission by the vendors. The tender document has provision for the base price (which is the initial sales price in column Y of the respective tabs in Schedule B1). Additional discounts which, may include volume discount proposals, can be submitted in Tab 7 of Schedule B1.</p>
2	<p>In sheet Schedule B3, In Rapid Supply Mechanism, it is mentioned that Volume of product required is defined at Schedule D.</p> <p>However schedule D is “Form of Confidentiality Agreement”</p>	<p>This is an error. Detailed volumes for RSM product are at present unknown as stated in the main tender document section 2.9.</p>
3	<p>We would like to know that if we decide not to give costing break up but share API rates per kg, can we quote under Type 1 (Supplier Partnership).</p>	<p>Supplier partnerships are based on the open exchange of information. Therefore, the more information that is provided by a vendor, the more likely it is that such vendor, who so wishes, may be selected for the Supplier Partnership.</p>
4	<p><b><u>Under section 4.4 “Revisions to Pricing during Term”</u></b>, we would like to receive format for price increase template which we will have to submit for price increase during the contract period.</p>	<p>Any revision to pricing is subject to negotiations between the Global Fund and the supplier and will be structured around the content and reflected as an amendment to Schedule B.</p>

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5	<p><b><u>Under section 4.10 – “Similar Volume Commitment-Based Arrangements with Other Persons”</u></b></p> <p>Subjected clause seems doubtful and we would like to restrict this RPF only to Global Fund.</p>	<p>This framework agreement is being issued within the overall developmental context of the Global Fund’s strategy and framework principle of working with other development partners in supporting the substantial scale up and increased coverage of proven and effective interventions, such as the provision of affordable ARVs for as many recipients as possible in low- and middle-income countries. Therefore, this provision is important to the Global Fund. Note the language “similar volume commitment based arrangements”.</p>
6	<p><b><u>Under section 5.1(iii) &amp; (iv) – “Committed Volume Amount, Supply, and Invoicing”</u></b></p> <p>We would like to know that for every order placed with Hetero, do we need to take prior permission/approval from Global Fund before we proceed for invoicing of goods or we can proceed with invoicing with approval of PSA.</p> <p>Once PO is issued, the vendors should be allowed to invoice &amp; supply as per the Po T &amp; Cs.</p>	<p>Section 5.1 (iii) deals specifically with submitting an invoice in advance of the agreed period indicated in Schedule C, in currently unforeseen and exceptional circumstances.</p>
7	<p><b><u>Under section 5.2 (ii) &amp; (iii) – “Amendments to the Committed Volume”</u></b></p> <p>We would like to know if Global Fund reduces the committed volumes due to treatment regimen change recommended by WHO, would Global Fund compensate supplier/vendor by increasing the quantities of other ARVs proportionally.</p> <p>Further to the clause 5.2 (ii), as per our own experience, interpretation of National regulatory requirements is subjective &amp; can be misused by competitors to disqualify supply of quality products. WHO &amp; SRA regulatory should supersede NDA regulatory standards. We also</p>	<p>The situations listed in Section 5.2 are <u>limited</u> instances when the Global Fund will have the right to revise the committed volumes without proportional adjustments. The Global Fund’s policies on the procurement and supply management of health products require compliance with the relevant quality standards and authorizations established by the national pharmaceutical regulatory authority in the country of use. These are described in the Guide to Global Fund Policies on Procurement and Supply Management of Health Products which can be found at <a href="http://www.theglobalfund.org/en/procurement/">http://www.theglobalfund.org/en/procurement/</a></p>

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	had bad experience with country regulators in East Africa. In such cases, 3rd party/neutral bodies' inspection & decision should be accepted.	
8	<p><b><u>Under section 6.2 &amp; 6.4:</u></b></p> <p>We would like to know that for clause 6.2 in case Purchase Orders have not been placed for the applicable committed volume for the period, would Global Fund place Purchase orders for supply in the same period or the Clause 6.4 supersedes &amp; the balance quantity will be rolled over to the next year.</p>	Section 6.4 (on the right of the Global Fund to rollover outstanding volumes) qualifies/supersedes the Global Fund's roles and responsibilities in Section 6.2.
9	<p><b><u>Under section 9.2 (ii)– “Record-Keeping and Audits”</u></b></p> <p>We would like to know that the Audit Rights indicated in this clause are referring only to the books &amp; records pertaining to the supplier products in schedule A as supplied to Global Fund.</p>	The right to audit only pertains to records and activities covered by the supplier's performance of the contract. This is made evident by item (i) which limits the definition of “Books and Records” to evidence “relating to this Agreement”.
10	<p><b><u>Under section 13.6 (ii) – “Permitted Disclosure by the Global Fund”</u></b></p> <p>We would like to know what material term is referred to in clause 13.6 (ii)</p>	The material terms could include Incoterms, payment terms, agreed lead-time, purchase quantity, volume commitment, and the general context of the framework agreement.
11	<p><b><u>Under section 15.1 – “Term, Termination, Expiration, and Survival”</u></b></p> <p>We understand that for Type1 (Supplier Partnership) the term of the agreement would be 3 years and for Type 2 (Supplier Agreement) the term of the agreement will be 2 years. We would request Global Fund to confirm this.</p>	This is confirmed. Additionally Supplier Partnerships are renewable for a period of 2 years and Supply Agreements are renewable for a period of 1 year.

12	<p><b><u>Under section 2.1 (a) – “Delivery”</u></b></p> <p>We can accept above clause if orders are placed as per batch sizes.</p>	<p>The PSA Terms and Conditions are the standard terms of the Global Fund’s Procurement Services Agent (PSA), and so these will be maintained, subject to more detailed provisions that will be reflected in <u>individual</u> Purchase Orders to be agreed upon between the supplier and the PSA.</p>
13	<p><b><u>Under section 2.6:</u></b></p> <p>ARVs are not profitable &amp; we are supplying most of SKUs at loss &amp; we will not be in a position to accept any penalties.</p>	<p>The PSA Terms and Conditions are the standard terms of the Global Fund’s Procurement Services Agent (PSA), and so these will be maintained, subject to more detailed provisions that will be reflected in individual Purchase Orders to be agreed upon between the supplier and the PSA.</p> <p>Moreover, other than the fact that this penalty clause is standard in purchase and supply agreements, it reflects the importance that the Global Fund gives towards maintaining excellent standards on efficiency and deliveries.</p>
14	<p><b><u>Under section 2.8:</u></b></p> <p>Above clause will be acceptable incase the goods have not been manufactured and RM/PM has not be procured.</p> <p>And in-case of goods which are in W.I.P stage or are ready for dispatch, we can accept delay of 30 days after the payment of nominal warehouse charges. Incase goods are already invoice, delayed pick up cannot be accepted.</p>	<p>The PSA Terms and Conditions are the standard terms of the Global Fund’s Procurement Services Agent (PSA), and so these will be maintained, subject to more detailed provisions that will be reflected in individual Purchase Orders to be agreed upon between the supplier and the PSA.</p>
15	<p><b><u>Under section 5.6 (d):</u></b></p> <p>We would like to know if the payment terms will be 30 days as indicated in words or 45 days as indicated in numeric.</p>	<p>See notice 1 posted on Monday 18<sup>th</sup> of August</p>
16	<p>Type 1 and Type 2 are all need to commit volumes for each year and seems to be very important, but I wonder what does the volumes include?</p>	<p>The volumes committed will be based on the overall volume of product required and the individual allocation to panel suppliers.</p>

17	Under B1, 3a.1 OSD Country specific pricing: does country specific costs include any aspect of shipping, insurance, or any other such item beyond ex-works?	It is confirmed country specific costs do not relate to items beyond ex-works such as freight and insurance.  In addition to section B1, please also refer to Notice 1 issued on 18 August.
18	<p>Under B.2, Section 4: Lead Time by Product:</p> <ul style="list-style-type: none"> <li>a) Please specify the product database referred to for lead-time</li> <li>b) Please provide the forecast figure by expected/estimated country quantity. If not available, could the dollar budget by country be provided. Both quantity and dollar amount would be preferred if possible.</li> <li>c) Regarding column “support 1 month PPM demand”, please provide the specific “product database” and its demand quantities.</li> <li>d) Regarding column “lead time till first production completes”, this will depend on the schedule of approvals. E.g., if an approved amount is given for 2015/2016, lead-time will not include the ordering/delivery/testing of raw and packing materials, as we will know the quantities ahead of time and manufacture per the order date, or once the specific order quantities are given. Therefore, first lead-time will only include manufacturing and packing. Please confirm that for this tender, that we should use manufacturing and packing for “lead time till first production completes”.</li> </ul>	<ul style="list-style-type: none"> <li>a) The product database for lead times is the list included in the Lead Time tab.</li> <li>b) We will not be providing breakdowns per country</li> <li>c) The product database for forecast volumes is Schedule F to the main tender document.</li> <li>d) Lead-time to first manufacturing completes should include initial ordering of raw materials, testing and manufacturing and packaging.</li> </ul>