
REQUEST FOR EXPRESSIONS OF INTEREST (REOI) No. TGF-17-064

Procurement Services for the Pooled Procurement Mechanism (PPM)

REOI Issue Date: Thursday 18th of May, 2017

REOI Closing Date: Thursday 8th of June, 2017

REOI Closing Time: 5 pm Geneva Time (CET)

SECTION 1. LETTER OF INVITATION

Dear Madam/Sir:

The Global Fund to Fight AIDS, Tuberculosis, and Malaria (“the Global Fund”) is requesting expressions of interest from qualified firms (“Offerors”) to be contracted to provide a set of outsourced procurements services to the Global Fund.

The Global Fund is seeking Request for Expressions Of Interest (REOI) from Offerors willing to serve as a contractor for outsourced procurement services for a period of three years, which may be extended for up to an additional three years through annual renewals. Following this Request for Expressions of Interest process, the Global Fund may, at its discretion, launch a formal tender process through Request for Proposals, or issue a Request for Information as a possible intermediary stage.

This Request for Expression of Interest consists of this cover letter and the following:

SECTION 1.	LETTER OF INVITATION
SECTION 2.	INSTRUCTION TO OFFERORS
SECTION 3.	TERMS OF REFERENCE
SCHEDULE A.	Conflict of Interest Declaration Form
SCHEDULE B.	Instruction to TGF Sourcing Application Platform

Your response, comprising of:

- Completion of the online form within the Sourcing Application Platform¹ corresponding to the interest of providing the services listed in section 3. Terms of reference / B. Service requested.
- Presentation of your company within a maximum of 10 pages in PDF Format to be attached as a Quotation in the Sourcing Application Platform too.

Please advise whether your company is interested about providing services listed section 3. by clicking on the “Yes” or “No” button which will be at the end of the email you will receive through our TGF Sourcing Application before the Friday 10th of June, 2017 5 PM (Geneva Time, CET) deadline.

Should you require any clarification, kindly communicate only with the contact person identified in Section 2B regarding communication during the RFP) as the focal point for queries on this REOI.

¹ TGF Sourcing Application Platform Instruction in Schedule B.

SECTION 2. INSTRUCTION TO OFFERORS

A. GENERAL CONDITIONS

1. This REOI is in line with the Global Fund's Procurement Regulations (2015 as amended from time to time) which may be found at <https://www.theglobalfund.org/en/business-opportunities/>. The following are integral parts of this REOI.
2. The Global Fund Standard Terms and Conditions form an integral part of this REOI and the principles and relevant conditions of these will be included in any resulting contract from a Request for Proposals process should the Global Fund decide to initiate such a process. Submitting a response to this solicitation constitutes acceptance of these terms and conditions, found at this link on the Global Fund website: <http://www.theglobalfund.org/en/business/>.
3. To be eligible as a supplier of services to the Global Fund, Offerors must comply with the Code of Conduct for Suppliers and the Sanctions Panel Procedures. Both are located on the Global Fund website at the following link: <http://www.theglobalfund.org/en/business/>
4. The Global Fund may, at its discretion, change the closing date, cancel the REOI, or revise the statement of services or terms of reference, by issuing an amendment to this solicitation. All amendments to this REOI will be posted on the Global Fund website listed below. It is the offerors responsibility to consult the Global Fund website to ensure that they are aware of amendments to this REOI. (Website: http://www.theglobalfund.org/en/business_opportunities/)
5. For the purposes of this document, Request for Expressions of Interest, applications and responses are used interchangeably.
6. Offerors are solely responsible for their own expenses, if any, in preparing and submitting an application to this Request for Expressions of Interest. This would include any costs incurred during functional demonstrations, oral presentations and subsequent meetings and negotiations.
7. This solicitation shall not be construed as a contract or a commitment of any kind. This request for expression of interests in no way obligates the Global Fund to issue a Request for Information or launch a tender, award a contract, nor does it commit the Global Fund to pay any cost incurred in the preparation of a proposal or application.
8. Confidentiality:
The contractor will be required to satisfy the Global Fund's requirements, rules and procedures related to confidentiality of data managed in the exercise of their services.
9. Conflicts of Interest
Should the Global Fund decide to issue a Request for Proposals to select a contractor for outsourced procurement services, all bidders will be required to

Request for Expressions of Interest (REOI) No.: TGF-17-064

Procurements Services for Pooled Procurement Mechanism (PPM)

must promptly notify the Global Fund in writing of any actual, perceived or potential conflict of interest concerning itself and its employees, contractors or agents or any of its affiliates and any of their employees, contractors or agents in respect of this REOI; any potential roles and interactions with the Global Fund or Global Fund Core Structures² - including for example such as being a Principal Recipient; Sub-Recipient; involvement in Local Fund Agent work; undertaking Global Fund consultancies; the activities proposed to be conducted under PPM, (including without limitation those relating to its staff and any subcontractors); and relationship with pharmaceutical companies.

B. RESPONSE TO THE REOI

This Request for Expression of Interest (REOI) is part of a process for the identification and selection of companies to provide services to the Global Fund. Based on the responses and the evaluation of those applications, further information may be sought by the Global Fund at a later date. This REOI may or may not result in a subsequent formal procurement process.

1. Each Offeror shall complete the online form, and provide a PDF format document describing its company.
2. Bidders are expected to fully respond to all questions mentioned in the online form and must provide relevant information as required.
3. All responses must be submitted in English.
4. Offerors are not be required to be interest for all services. However, bidders are encouraged to manifest for as many products as possible.
5. All communications with regard to this REOI process must be done through the Sourcing Application Platform, in the online discussion section.
6. Offerors are authorized to contact Mrs. Valerie Pellet-Langlais by email (valerie.pellet-langlais@theglobalfund.org) in case they are facing technical issues only.

² Global Fund Structures As described at: <http://www.theglobalfund.org/en/about/structures/>

SECTION 3. TERMS OF REFERENCE

A. BACKGROUND

The Global Fund and Procurement of Health Products

The Global Fund is a 21st-century partnership organization designed to accelerate the end of AIDS, tuberculosis and malaria as epidemics. Founded in 2002, the Global Fund is a partnership between governments, civil society, the private sector and people affected by the diseases. The Global Fund raises and invests nearly US\$4 billion a year to support programs run by local experts in countries and communities most in need. Approximately 50% of this invested amount is for the procurement of pharmaceuticals and other health products.

Progress has been significant and by end 2015, 20 million lives have been saved, 9.2 million people are on antiretroviral treatment for HIV, 15.1 million have received TB treatment and 659 million Long Lasting Insecticidal Nets (LLIN) have been distributed. Further details of the Global Fund's mandate, programs and impact are available at <http://www.theglobalfund.org/>.

The Global Fund has a history of deliberately leveraging its position to shape markets for health products, contributing to improved health outcomes, increased value for money and more stable product availability. In 2007, the Board call for the Global Fund to play "a deliberate and strategic role in improving the impact of grants by influencing market dynamics" that resulted in the creation of the Voluntary Pooled Procurement (VPP) and Price and Quality Reporting (PQR) mechanisms to support this strategy.

May 2011, the Global Fund Board endorsed a Market Shaping Strategy³ which acknowledged the critical role of the Global Fund, as the primary financier of essential health products, in shaping markets to maximize access to health products at affordable and sustainable prices. Whilst the 2011 Strategy initially applied to antiretroviral medicines, the 2015 Market Shaping Strategy⁴ covered all the critical health product groups and aims to contribute to improved health outcomes, accelerate access to superior products and achieve significant cost savings.

In 2013, the Global Fund took the strategic decision to improve its purchasing effectiveness through more active engagement with the supply base thus resulting to the establishment of direct supplier relationships and strengthening the VPP to be one of the main tools to implement the Strategy and was renamed the Pooled Procurement Mechanism (PPM) in 2013.

³ See Market Dynamics Committee Report to the 23rd Board Meeting at <https://www.theglobalfund.org/board-decisions/b23-dp21/>

⁴ <https://www.theglobalfund.org/board-decisions/b34-dp08/>

Request for Expressions of Interest (REOI) No.: TGF-17-064

Procurements Services for Pooled Procurement Mechanism (PPM)

This has resulted to date in the development of Procurement Strategies, followed by the launch of global tenders and the subsequent establishment of long term Framework Agreements with successful suppliers for a number of product groups:

- Long Lasting Insecticidal Nets (LLINs) in 2013 and 2015
- Artemisinin Combination Therapies (ACTs) in 2014
- Antiretroviral Medicines (ARVs) in 2015
- Viral load and early infant diagnostics in 2015
- Strategies are under development in 2017 for rapid diagnostic kits for HIV and tests for Malaria; and in 2018 for Essential medicines used in HIV programs

In addition to these product categories, Global Fund's recipients of grant funds ("Principal Recipients" or "PR") may use PPM services to procure additional products that might have limited benefits from procurement strategies but are critical to the PR for program management and grant implementation.

The PPM model is based on the outsourcing of key activities, such as having a relevant contractor who will be acting as the procurement agent of the PR in respect of the PPM procurements. Although the Global Fund may facilitate communications between the PR and the contractor, the Global Fund does not be act as the agent of either party.

PPM currently procures pharmaceuticals and other health products for over 60 countries with spend of \$1.2 billion, representing about 60% of the Global Fund's spend on pharmaceuticals and other health products.

Request for Expressions of Interest (REOI) No.: TGF-17-064

Procurements Services for Pooled Procurement Mechanism (PPM)

Table 1: Value of confirmed orders for products through the PPM mechanism⁵

Health product group	Confirmed orders; US \$ million	Number of Purchase Orders
	2015-2016 Average	2015-2016 Average
Pharmaceuticals	500.4	1,069
ARVs	401.1	780
ACTs	74.2	174
Essential medicines	25.3	115
Health Technologies	393.6	1,396
LLINs	212.3	113
Rapid diagnostic kits for HIV	58.5	205
Rapid diagnostic tests for malaria	25.7	58
Diagnostics ⁶	54.7	646
Lab and medical supplies	15.4	290
Condoms	9.4	54
Indoor residual spray	17.7	30
Total	894.0	2,465

Table 2: Cumulative list of countries utilizing the PPM mechanism (2015-2016)⁷

Countries			
Afghanistan	Congo DRC	Indonesia	Papua New Guinea
Angola	Cote D'Ivoire	Laos	Philippines
Armenia	Dominican Republic	Liberia	Rwanda
Bangladesh	East Timor	Madagascar	Senegal
Belarus	Ethiopia	Malawi	Sierra Leone
Benin	Fiji	Mali	Solomon Islands
Bhutan	Gambia	Mauritania	Sri Lanka
Burkina Faso	Georgia	Mongolia	Tanzania
Burundi	Ghana	Mozambique	Thailand
Cambodia	Guatemala	Myanmar	Togo
Cameroon	Guinea	Namibia	Uganda
Cape Verde	Guinea Bissau	Nepal	Vietnam
Central African Republic	Guyana	Nicaragua	Yemen
Chad	Haiti	Niger	Zambia
Comoros	Honduras	Nigeria	Zimbabwe
Congo	India	Pakistan	

B. SERVICES REQUIRED

⁵ Prior to 2011, Rapid diagnostic tests for malaria and Rapid diagnostic kits for HIV were classified as non-core products. This change in classification may bring about some apparent data inconsistencies in different reports.

⁶ Includes viral load and early infant diagnostics products under framework agreements and other diagnostics not under framework agreement

⁷ A country is included if it has placed at least one order for any of the health products managed under PPM.

The following section outlines the services the Global Fund PPM is seeking contractor(s) to provide. Note that any eligible contractor can express an interest in one or more of the services. It is not necessary to express interest in providing all services bundled together and an expression can be made to only provide one service on a standalone basis.

The contractor(s) will be acting as the procurement agent of the relevant PR in respect of PPM procurements, and although the Global Fund may facilitate communications between the PR and the contractor, the Global Fund will not be acting as the agent or contractor of either party

1. Provide procurement services for health products managed under framework agreement

- a. The contractor will be expected to offer procurement services for a range of health products managed under PPM framework agreements. The core functions includes processing individual orders / requests received from the Principal Recipients (PRs) through Wambo.org⁸. Procurement must be conducted in accordance with the relevant Global Fund grant agreement and prevailing Global Fund Policies on the Procurement and Supply Management of Health Products⁹ and other relevant international good procurement practices including those developed by WHO and the Interagency Pharmaceutical Coordination Group.
- b. Procurement of framework agreement products will require the contractor to draw down on contracts between the Global Fund and panel suppliers for specified products. Except in exceptional circumstances they will only be required to perform the process of placing a purchase order on a supplier on behalf of the PR, under the Global Fund's instruction.
- c. The contractor may or may not be required to hold title of products from supplier pickup to PR delivery.

2. Provide procurement services for non-framework agreement health products

- a. The contractor will be expected to offer procurement services for a range of health products where there are no framework agreement. The core functions includes procuring these health products based on individual orders / requests received from the Principal Recipients (PRs), processed through Wambo.org¹⁰. Procurement must be conducted in accordance with the relevant Global Fund grant agreement and prevailing Global Fund Policies on the Procurement and Supply Management of Health Products¹¹ and other relevant international good

⁸ <https://www.theglobalfund.org/en/wambo/>

⁹ <https://www.theglobalfund.org/en/sourcing-management/policies-principles/>;
<https://www.theglobalfund.org/en/sourcing-management/quality-assurance/>

¹⁰ <https://www.theglobalfund.org/en/wambo>

¹¹ <https://www.theglobalfund.org/en/sourcing-management/policies-principles/>;
<https://www.theglobalfund.org/en/sourcing-management/quality-assurance/>

procurement practices including those developed by WHO and the Interagency Pharmaceutical Coordination Group.

- b. Procurement of non-framework agreement products will be carried out via the Global Fund's category specific strategy, which may or may not include interacting with lab commodity supply catalogues, international pharmaceutical wholesalers or other entities as needed to accomplish the category strategy.
- c. The contractor may or may not be required to hold title of products from supplier pickup to PR delivery.

3. Provide integrated data management system

- a. The Global Fund may or may not establish an information system for managing PPM procurement, and logistics information. If and once this system is established the contractor will be required to submit both real-time and periodic data for this system in a format and frequency to be agreed with the Global Fund.
- b. In the interim, the contractor will make available real-time data to inform the PR and the Global Fund of each step in the order and delivery process. Corresponding documentation will be systematically provided to the PR and when required to the Global Fund. The Global Fund will notify the contractor regarding the format and frequency of submission of this information.
- c. Until further notice the contractor will be responsible for reporting the PR's procurement of those health products required to be entered into the Global Fund's Price and Quality Reporting mechanism¹².

4. Coordinate final delivery of product with Global Fund selected freight providers

- a. The Global Fund will shortly conduct an RFP and to select logistics service providers to provide freight services component of the PPM . The contractor will be required to coordinate with or manage these Global Fund selected providers during the pickup and delivery of commodities.

5. Provide Other Essential Services to PPM

- a. Other essential services to PPM may include, but not be limited to: providing payments to suppliers on behalf of countries; working with Global Fund's Supply Chain Department in resolving supply chain challenges related to the PPM activities

6. Provide quality assurance and control services for health products

¹² <http://www.theglobalfund.org/en/procurement/pqr/>

Request for Expressions of Interest (REOI) No.: TGF-17-064

Procurements Services for Pooled Procurement Mechanism (PPM)

- a. The contractor will be expected to offer quality assurance and quality control services for a range of PPM health products based on individualized requests received from the Principal Recipients and/or by the Global Fund's Quality Assurance Team, processed through a communication framework, and in line with any applicable Global Fund Quality Assurance policies. Quality assurance and control services must be conducted in accordance with the relevant Global Fund policy, requirements and other relevant guidelines in line with internationally recognized norms and standards.
- b. If and once the Global Fund Integrated data Management System is established the contractor will be required to submit both real-time and periodic data related to Quality Assurance/Quality Control activities for this system in a format and frequency to be agreed with the Global Fund.

7. Provide and maintain a catalogue for one or more non-framework agreement categories

- a. The contractor will be expected to provide and maintain a catalogue for one or more non-framework agreement categories. These catalogues will potentially be maintained via the Wambo.org platform or through the contractor's own mechanisms linked through the Wambo.org platform.

8. Provide support to Wambo.org and Selected Principal Recipients during domestic financing pilot project. The contractor may or may not be required to provide support to the wambo.org domestic financing pilot project. Should the need materialize the support would involve all aspects of procurement process from managing the funds (advanced payment) from principal recipients to procurement and delivery of products.

SCHEDULE A

Conflict of Interest Definition and Provisions

A. CONFLICT OF INTEREST DEFINITION & PROVISIONS

Should the Global Fund decide to issue a Request for Proposals to select a contractor for outsourced procurement services, all bidders will be required to promptly notify the Global Fund in writing of any actual, perceived or potential conflict of interest concerning itself and its employees, contractors or agents or any of its affiliates and any of their employees, contractors or agents in respect of this REOI; any potential roles and interactions with the Global Fund or Global Fund Core Structures¹³ - including for example such as being a Principal Recipient; Sub-Recipient; involvement in Local Fund Agent work; undertaking Global Fund consultancies; the activities proposed to be conducted under PPM, (including without limitation those relating to its staff and any subcontractors); and relationship with pharmaceutical companies. Failure to fully disclose such information could lead the Global Fund to reject a proposal.

“Conflict of Interest” means a situation in which an Offeror, or an Affiliate (as defined below), or a sub-contractor (if any) of an Offeror, has interests (financial, organizational, personal, reputational or otherwise) that would or may appear to make it difficult for an Offeror to fulfill its obligations to the Global Fund in its role as outsourced services provider in an objective, independent and professional manner, or a situation in which it is reasonable to foresee that such an interest would arise.

A Conflict of Interest may arise in the following circumstances, which are not exhaustive:

- i. an Offeror has been, or is involved in the design of a proposal or request for funding that has been, or will be submitted to the Global Fund;
- ii. an Offeror has submitted an expression of interest, tender, bid or otherwise indicated interest in providing services of any nature to a Principal Recipient or a Sub-recipient that remains valid at the time of, and for the duration of the term of this Contract.

“Affiliate” means a business concern, individual or other entity that, directly or indirectly: (i) controls or can control an Offeror; (ii) is controlled by, or can foreseeably be controlled by, an Offeror; or (iii) along with an Offeror, is controlled by, or can foreseeably be controlled by, the same third party.

¹³ Global Fund Structures As described at: <http://www.theglobalfund.org/en/about/structures/>

Request for Expressions of Interest (REOI) No.: TGF-17-064

Procurements Services for Pooled Procurement Mechanism (PPM)

SCHEDULE B

Instruction to TGF Sourcing Application Platform

1. This Request for Expressions of Interest process is being managed electronically, and Offerors are required to confirm their intention to participate by clicking on the “Yes” or “No” button which is located at the bottom of the email you received from our Sourcing Application Platform.

2. In addition to confirming your participation via this email please refer to below quick reference guide (QRG) giving step by step instructions to submit your response to a TGF RFQ (responses to this REOI will follow the same process as responses to a Global Fund RFP).



QRG- TGF Sourcing
Suppliers QRG v0 02

In your response please indicate which services you are interested in participating and any information on the services your company currently provides/company introduction. Please submit in PDF form.

3. In case you do not have received the communication, please send an email to solicitation@theglobalfund.org with the following title in the subject: “Request for ID creation in TGF Sourcing - iSupplier portal – TGF-17-064 - “Your organization name”” and including in the body of the email the following information:

- **Purpose:** To respond to the TGF REOI Number TGF-17-064
- **Supplier name:** <Enter your organization name>
- **Contact person name:** <Last Name, First Name>
- **Title:** <Mr./ Mrs./ Ms./ Dr.>
- **Email:** <email id>
- **Phone:** <phone>
- **Address:** <Address line 1; Address line 2; Address line 3; City; Postal code; Country>

A Supplier ID for the TGF Sourcing Application will be created for you and you will be able to indicate your intention to participate following the instruction in section 1.