Tender Strategy and Timelines

OPV Pre-Tender Meeting
16 March 2010
Copenhagen, Denmark
Our work is still...

..Guided by and committed to Vaccine Security
..Believing in a continued dialogue with industry
..Ready to change in facing new demands and situations
..Ready to take on new challenges that bring vaccines and healthy life to children
..Cautious to safeguard advancements made

...to better children’s lives
UNICEF Vaccine Procurement Objectives

- Vaccine Security: Ensure an uninterrupted, sustainable supply of affordable, quality vaccine
- Compliance to UNICEF Vaccine Procurement Principles
- Compliance to UNICEF Financial Rules and Regulations
- Compliance to Public Procurement Principles
  - Integrity
  - Competition
  - Client Service
  - Equal Treatment
  - Organizational Objectives
UNICEF Vaccine Procurement Principles

A healthy industry is vital to ensure uninterrupted and sustainable supply of vaccines

Procurement from multiple suppliers for each vaccine presentation

Procurement from manufacturers in developing countries and industrialized countries

Paying a price that is affordable to Governments and Donors and a price that reasonably covers manufacturers minimum requirements

UNICEF should provide manufacturers with accurate and long-term forecasts; Manufactures should provide UNICEF with accurate and long-term production plans

As a public buyer, providing grants to manufacturers is not the most effective method of obtaining capacity increases

The option to quote tiered pricing should be given to manufacturers—in accordance with the World Bank classification.
OPV Tender Objectives

Strengthening *Vaccine Security* – ensuring a sustained and uninterrupted supply of affordable OPV as part of the pre-eradication programme.

*Affordable vaccines* – achieving the lowest prices possible, within the overall framework of vaccine security.
OPV prices over the last decade reflect the increasing complexity of the global programme.

OPV Supply & Weighted Average Price (WAP) 2000 to 2010
OPV Tender Objectives

Strengthening Vaccine Security – ensuring a sustained and uninterrupted supply of affordable OPV as part of the pre-eradication programme.

Affordable vaccines – achieving the lowest prices possible, within the overall framework of vaccine security.

Manufacturers are expected to offer affordable prices, taking into consideration:

- Multi-year tender (vs. ad hoc tenders)
- Visibility of long-term, global demand
- Option to quote prices in EURO & USD
- Bulk OPV Stockpile in parallel to mitigate risk
Strategic Tender Issues

Tender duration?
What products?
What type of tender?
Who to invite to tender?
What evaluation criteria does UNICEF utilize?
Tender duration: 2011-2012

• Aligned with the Global Polio Eradication Initiative Strategic Plan (2010-2012)

• Fairly accurate understanding of quantity and product specific projections for the next 12-18 month period.

• The Programme is expected to reach some critical milestones in this period, that should trigger further clarification of the next steps in the eradication programme.

• To balance the need for frequently renewed administrative and operational arrangements and allow to build a working and flexible supply chain for OPV products to the programmes.
Products, quantities and countries

- All OPV products: tOPV (10 & 20), bOPV, mOPV1, mOPV3

- OPV type-specific requirements for 2011 and aggregate OPV for 2012.

- All countries. While some countries have committed to self-finance and self-procure, and will be supported, UNICEF still recognizes the role and responsibility as the global partner on polio supply issues.

- Manufacturers will be requested to provide offers against requirements for countries for which UNICEF procures for both routine immunization and/or supplementary immunization activities (SIAs) to support the GPEI Strategic Plan.

- Industry has indicated that volumes and visibility to plan are important cost determinants and we expect this to be apparent from the proposals and passed on to the Programme.

- India: discussions are on-going if India will continue to procure OPV for SIAs through UNICEF. Quantities for India will be included explicitly in the tender requirements, but any awards for India pending final agreement on procurement.

- Pakistan: expected to continue self-procuring for routine immunization; however, requirements for SIAs likely to continue through UNICEF.
Tender methodology

Programme considerations:
- Added complexity with multiple products
- Demand driven by the (changing) epidemiological requirements
- Require specific and rapid outbreak responses
- Refinement of strategy along the way

Supply considerations:
- The need for suppliers to plan for production capacity even with unknown specific OPV demand.
- With the increased demand complexities, there is need for flexibility:
  - product mix
  - any temporary constrains in supply due to production, capacity, bulk availability, changes in lead-times
  - acceptability in countries due to registration requirements
  - regulatory issues
  - etc.
Tender methodology: Request For Proposal

• **Request for Proposal** to allow for careful analysis by all parties

• Allows flexibility while providing manufacturers with visibility

• The programme and UNICEF has an interest ensuring healthy market with multiple manufacturers until OPV cessation.

• Manufacturers are expected and encouraged to provide proposals reflecting their timelines for decision-making in regards to products covered by the tender.

• Manufacturers are expected to fully utilize the opportunity of an RFP to include all relevant information for a complete evaluation of the proposal and that will be of value in the decision making.

• To ensure a smooth RFP process, all manufacturers must provide precise feedback immediately if clarifications are requested.

• **Public opening**
Invitee list and eligibility for award

• All manufacturers with WHO pre-qualified OPV and/or under-going WHO pre-qualification will be invited to participate.

• Only WHO pre-qualified products will be eligible for tOPV, bOPV and mOPV1 awards.

• Only WHO recommended products will be considered for award for mOPV3.

• Manufacturers are expected to undertake all reasonable efforts to ensure products are registered in the countries that require registration prior to use, and to keep UNICEF and WHO informed of the progress and development.

• Manufacturers are expected to inform UNICEF of activities undertaken and expected timelines in order to achieve pre-qualification.
RFP Evaluation criteria

• Offers will be evaluated based on the overall objective of strengthening Vaccine Security.

• Offers will be considered based on their ability to meet programmatic objectives in terms of timing, quantities and country specific requirements.

• All evaluation criteria will be detailed in the RFP document
  • Technical requirements (WHO)
  • Financial requirements (UNGM registration, UNICEF SEU evaluation)
  • Commercial aspects of proposal
  • Qualitative criteria (past performance record, account management, etc)
  • Quantitative criteria (price, quantities, lead-times, etc)
Evaluation of proposals for products not yet WHO pre-qualified / recommended at the time of award

If the manufacturer’s proposal was deemed of commercial interest to UNICEF, UNICEF and WHO should be kept informed about the progress of the submitted timeline for obtaining WHO pre-qualification.

If the proposed vaccine obtains WHO pre-qualification and upon confirmation that the mandatory requirements of the RFP are met, UNICEF may consider establishing an awarded/re-allocated quantity to the manufacturer under one or more of the following conditions:

- UNICEF is facing a monopoly situation or a near-monopoly situation;
- Lack of performance of current manufacturer(s);
- Insufficient supply from current manufacturer(s);
- If it supports the procurement objectives of the tender.

The quantities considered for award would be those not met under established contracts or quantities that could be reallocated from existing arrangements after negotiation with the corresponding suppliers.
Currency: USD vs. EURO

• The concerns on the exchange rate risks have been noted.

• UNICEF will ask suppliers to quote either in USD, or if they wish to quote in EURO then prices are required in both USD and EURO.

• The price will be evaluated on
  • the quoted USD FCA price or
  • the quoted EURO price (if considered commercially acceptable to UNICEF) converted to USD at the UN exchange rate in effect at the time of the bid closing date.

• This will allow UNICEF to evaluate if there are any commercial reasons (such as price-savings) for making awards in EURO instead of USD.

• Once an award has been made, the resulting agreement will remain at that currency for its duration.

• It will be at UNICEF’s discretion whether an alternative offer in EURO will be deemed acceptable or not.
Post-award Debriefings
“What can we know about our competitor’s offer?”

- All manufacturers are advised of the outcome of their proposal.
- Manufacturers receiving an award are invited to a formal debriefing.
- Manufacturers not receiving an award may request a debriefing.
- During a debriefing session, the strengths and weaknesses of the manufacturer’s proposal may be discussed. Details concerning the evaluation, results of a competitor will not be discussed, other than to indicate that which is publicly available on UNICEF web-site.
Public Notification of Awards

UNICEF posts awards on website:
- Tender, duration, total value, material, supplier name
- UNICEF standard procedure (not just vaccines)

UNICEF also informs all Proposers of the outcome of the tender directly, including:
- Quantities awarded (and any un-awarded quantities)
- Weighted average prices
- Number of suppliers awarded
Ensuring equal treatment, no bias and ethics

- Contracting staff are governed by Financial Rules and Regulation and procedures related to ethical behaviour
- During tender period - communication is more formal and written, in accordance with tender instructions
- Confidential information is handled confidentially, including by WHO, QSS
- Bids/proposals are received and validated by an independent ‘Bid Section’ (QA) and then transferred to Contracting staff
- UNICEF does not accept manufacturers to fund trips, hotels, etc. or gifts
- Business should be conducted during normal working hours
- Meetings should be with minimum two UNICEF staff members
- Suppliers not invited to UNICEF staff offices
Examples of Controls and Oversight

Internal Oversight

- UNICEF Financial Rules and Regulations
- UNICEF Procurement Procedures
- Ethical Code
- Contracts Review Committee (independent from contracting staff)
- Procurement Training and Certification of contracting staff

External Oversight

- UN External Audit (Philippine audit in 2006 and 2008 included; no major findings)
- UNICEF Internal Audit
# Tender Process: Summary

UNICEF is planning for the following process:

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<tr>
<th><strong>Tender method:</strong></th>
<th>Request for Proposal</th>
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<tr>
<td><strong>Tender period:</strong></td>
<td>2011-2012</td>
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<tr>
<td><strong>Products:</strong></td>
<td>tOPV (10 and 20 dose), bOPV (20 dose), mOPV1 (20 dose), mOPV3 (20 dose)</td>
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<tr>
<td><strong>Quantities:</strong></td>
<td>Tender document will include all programmatically recommended activities, and specify those geographical areas that are important to understand the demand risks.</td>
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<td><strong>Countries covered:</strong></td>
<td>All programme countries.</td>
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Tender process: timelines

- Pre-tender meeting: 16 March
- Feedback from manufacturers: End March
- Issuance of tender: mid-April (4 weeks response time)
- Closing of tender: mid-May
- Opening of tender (public opening): mid-May
- May-June:
  - Initial commercial review and identification of issues for clarification
  - Technical review of proposals by WHO, and follow-up with manufacturers for missing information, clarification of offers and technical requirements.
  - Clarification calls and meetings with manufacturers
  - Internal review and finalization of recommendations and approvals
- End June: Awards issued (6 months before required deliveries)
Thank you