INTRODUCTION TO UNICEF FOR NEW MANUFACTURERS
CONTEXT, PRINCIPLES AND STRATEGIC ORIENTATIONS
UNICEF Procurement Objectives

- Advance children’s rights to survival, protection, health, development and participation
- Ensure equal treatment of suppliers, fairness, integrity and transparency leveraging:
  - Clear processes
  - Appropriate regulations
  - Competition
- Commit to meet end user needs, assuring quantity, quality, affordability, timeliness requirements are fulfilled
A healthy industry is vital to ensure uninterrupted and sustainable supply of vaccines.

Procurement from multiple suppliers in developing and industrialized countries for each vaccine presentation.

Products must meet safety and quality requirements of a WHO-recognized NRA and be WHO prequalified.

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

The option to quote tiered pricing should be given to manufacturers.

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

VACCINE SECURITY
The sustained, uninterrupted supply of affordable vaccines of assured quality through available funding, accurate forecasting & appropriate contracting.
**Vaccine Tender and Contracting Approach**

### Strategy development
- Product-specific procurement strategies, based on market analysis and experience
- Informed by industry and partner consultations and alignment of objectives
- For Gavi supported vaccines, Gavi Roadmaps are critical for procurement strategies

### Tender process
- RFPs for strategic products – flexibility for manufacturers to shape the offer to highlight how they can bring best value
- Multi-year tender & award period – provides planning horizon and more certainty to manufacturers
- Wide invitee-list; all manufacturers are invited to participate (including pipeline)

### Awards
- LTA – ‘good faith’ framework agreements:
  - Based on good will from accurate forecasts, but ‘treated’ as contracts
  - To achieve exceptional results, exceptional contracts have been awarded (e.g. firm or pre-paid contracts)
- Review with a Procurement Reference Group (Gavi-supported vaccines) or other confidential partner consultation (e.g. GPEI)
- Multiple suppliers awarded per product
- Pipeline assessed in award recommendation, and informs award strategy to incentivize continued market development
TENDER AND CONTRACTING PROCESS
The UNICEF tender process strives for transparency and engagement with suppliers throughout.

1. **Market Intel**
   - Supplier Evaluation
   - Pre-Tender meeting with suppliers

2. **Supplier Evaluation**
   - Market Analysis
   - Launch Tender
   - Consultation with PRG and Partners

3. **Market Analysis**
   - Develop Demand Forecast
   - UNICEF Internal Award Review & Approval

4. **Develop Demand Forecast**
   - Tender Strategy
   - Submit Proposals
   - Award Notification & Creation of LTA

5. **Tender Strategy**
   - Proposal Evaluation & WHO Technical Review
   - Clarifications
   - Debriefing

   - Public Posting of Awards & Prices

Key:
- Supplier
- UNICEF
- Suppliers & UNICEF
- UNICEF & Alliance Partners (for Gavi-supported vaccines)
Tender Submission Requirements

- Register on UNGM and meet UNICEF requirements (legal, ethical, financial)
- Meet the technical requirements outlined in the tender, including target product profile, NRA approval and WHO prequalification
  - If a vaccine is expected to be prequalified during the tender period, a manufacturer should submit a proposal including timelines for expected approval
  - UNICEF may decide to leave quantities unawarded or make an award conditional to prequalification
Potential UNICEF suppliers must register on the United Nations Global Marketplace (UNGM)
## Supplier Evaluation

### Legal registration
- Legal registration - Certification of Incorporation
- Legal structure - parent companies, subsidiaries

### Ethical principles
- No unethical, unprofessional or fraudulent activities
- Not suspended, debarred, or otherwise identified as ineligible by any UN Organisation or the World Bank Group for reasons related to unethical behaviour
- Completed UNGM application, signed Supplier Profile Form (SPF) and submitted required documentation

### Financial stability
- Financially stable and able to deliver on time
- Submitted requested financial statements including Auditor Report, Income statement, Balance sheet, Cash flow, Notes
Tender Submission Requirements

Tender Submission Process:

1. **Supplier Evaluation**
2. **Draft Procurement Strategy**
3. **Develop Demand Forecast**
4. **Draft Tender document**
5. **Pre-Tender meeting with suppliers**
6. **Finalize and Launch Tender**
7. **Submit Proposals**
8. **Proposal Evaluation &WHO Technical Review**
9. **Consultation with PRG and Partners**
10. **UNICEF Internal Award Review & Approval**
11. **Award Notification & Creation of LTA**
12. **Public Posting of Awards & Prices**

### Historical and Projected Demand

- **2013**: 1.5 million
- **2014**: 5 million
- **2015**: 10 million
- **2016**: 15 million
- **2017**: 20 million
- **2018**: 25 million
- **2019**: 30 million
- **2020**: 35 million
- **2021**: 40 million
- **2022**: 45 million
- **2023**: 50 million
- **2024**: 55 million
- **2025**: 60 million

**Key:**
- Brown: Supplier
- Blue: UNICEF
The type of tender, or approach toward spurring competition, is determined by value, product requirements, procurement scope, situation, market, risk etc.

The following tender options may be considered:

- **Open**
  - Open competition / Maximized access
  - Public advertising of a tender
  - All qualified can participate
- **Limited**
  - Predetermined qualifications for participation in the tender
  - Short listing
- **Direct procurement**
  - Waiver of competition / Single source / Sole source

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**Tender Advertisement:**

- UN Global Marketplace ([www.ungm.org](http://www.ungm.org))
- Journals, Chambers of Commerce, business seminars
- UNICEF Requests for Expression of Interest (REOI)
Tender Submission Requirements

- A Contracts Review Committee (CRC) is an Authorized UNICEF body that provides a competent, independent and unbiased review of the process leading to proposed contract.

- Principles of the review:
  - A clear and transparent process followed to identify bidders (i.e. eligible bidders are given equal access and a fair opportunity to compete for the contracts),
  - the solicitation process was compliant with UNICEF procurement policies & procedures and relevant Financial Rules and Regulations,
  - offers were assessed based on clear and transparent commercial, technical and quality criteria as well as value for money.
Tender Awards and Creation of LTAs

- UNICEF establishes “framework” supply agreements called Long Term Arrangements (LTA) - good faith based on accurate forecasting, but treated as ‘contracts’
- Purpose: To establish forecasts on quantities to be produced and quantities to be bought over a specified duration
- Defines Technical, Quality and Commercial requirements for the Purchase Orders that are placed against the LTA
- LTAs are single or multi-year depending on the vaccine and tender strategy objectives
- Tender is planned so awards can be issued latest 6 months prior to supply requirements
Public Posting of Awards

All awarded suppliers will receive a letter including the following information:

- Total contract value awarded to a supplier, with listing of included vaccines
- Total vaccine quantity awarded per year per presentation at an aggregate level
- Number of suppliers awarded per year per vaccine presentation
- Yearly awarded weighted average price (WAP) per vaccine presentation
As a public procurement agency, UNICEF recognizes the need for increased transparency to support countries to make informed decisions.

Historically, UNICEF has posted weighted average prices for current year and projected quantities.

Since January 2011, all historic pricing contracted under LTA from 2001, and future prices through to LTA expiry are publicly available.

Next step is to publish MIC prices by country by product presentation and supplier.
Supplier Performance Monitoring

• UNICEF SD contracts with a wide range of suppliers, who play an integral role in SD’s ability to provide products of the appropriate standards to our customers.

• UNICEF requires that its vendors support UNICEF core values by conducting business with integrity, treating others with respect, striving for performance excellence and accepting accountability for their conduct.

• To ensure a consistent level of excellence, UNICEF performs periodic supplier performance evaluations.

**Sample evaluation criteria:**

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<thead>
<tr>
<th>PO Number</th>
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<tbody>
<tr>
<td>Contract Value (USD)</td>
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<tr>
<td>Timely delivery of goods and services based on client requirements.</td>
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<td>Level of quality, technical competence, and addressing post-delivery issues (if applicable).</td>
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<td>Effective and timely communication and documents handling.</td>
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<td>Adherence to contractual agreement (purchase order, contract, LTA terms and conditions).</td>
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<td>Expected output achieved.</td>
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<td>Demonstrated commitment to sustainability (social, environmental and economic) and/or innovation</td>
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<tr>
<td>Do you recommend this vendor for future PO’s or contracts?</td>
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[Image: unicef_for_every_child]
UNICEF Ongoing Engagement with Industry

- Strategic and operational meetings:
- Public solicitations (Tenders) to vaccine manufacturers
- Participation in Industry Associations Meetings (DCVMN / IPFMA)
- Regular visits to manufacturers
- Participation in vaccine congresses to monitor pipeline and new vaccine development
- Regular contact with awarded suppliers (regular TCs) to ensure production meets forecasted demand and shipment plans of countries
- Annual Vaccine Industry Consultation at UNICEF Supply Division in Copenhagen
- Ad hoc industry consultations in UNICEF Supply Division in Copenhagen
Knowledge Management and Exchange

Useful resources

Annual Vaccine Industry Consultation

Contracts Awards

Emergency stockpile availability (OCV/ Meningococcal/YFV)

Strategic Tender Calendar

Supply Chain Dashboard

UNICEF Market Notes

UNICEF Product Menu

Vaccine Pricing data

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Questions and Discussion