

REQUEST FOR PROPOSALS (RFP) GF-18-048**The Global Fund's Outsourced Services to Support the Implementation of the
Global Fund's Pooled Procurement Mechanism Request for Proposal Document****06 July 2018**

01 Invitation To Tender

This document serves as an invitation to participate in the Global Fund's Outsourced Services to Support the Implementation of the Pooled Procurement Mechanism (PPM) Request for Proposals and provides requirements for the Global Fund's Outsourced Services to Support the Implementation of PPM activities and guidance to submit a proposal to the RFP.

Publicity of any form with regard to these business requirements, the Global Fund's Strategy and/or any part of this RFP activity will be controlled by Global Fund.

Should any Bidder stated capabilities demonstrated during the course of this RFP to provide the requirements be found to be misrepresented later during contract execution, Global Fund, at its sole discretion, will have the right to terminate any resulting agreement with immediate effect.

The Global Fund will not be liable for any inaccuracies contained herein. The Global Fund has shared literature and briefings with Bidders previously; however, the information contained in this RFP Package supersedes and prevails. There will be opportunities for clarification questions as laid out in this document.

Throughout this RFP document, wherever the word "must" or "shall" is used, the requirement so indicated is to be taken to be mandatory, meaning that the Bidder will fail if this requirement is not met, or an indication given of how it can be met in the future. The word "should" is used to indicate that the requirement is highly desirable. In all cases, Global Fund is open to proposals if the Bidder feels the requirement is either not appropriate or does not follow industry standard.

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02 Instructions To Bidders

A. Conditions For Participation

1. This RFP is in line with the Global Fund's Procurement Regulations (2017, as amended from time to time), which may be found at <http://www.theglobalfund.org/en/business/>
2. The following documents are integral parts of this RFP:
 - a. Global Fund Solicitation Rules (2015, as amended from time to time), which may be found at: <http://www.theglobalfund.org/en/business/>, provided that in case there is any conflict between the special provisions of this RFP and Global Fund Solicitation Rules, the special provisions of this RFP shall govern;
 - b. The Policy on Ethics and Conflict of Interest for Global Fund Institutions (2002, as amended from time to time), which may be found at: <https://www.theglobalfund.org/en/governance-policies/>;
 - c. The Code of Conduct for Suppliers (2009, as amended from time to time), which may be found at: <http://www.theglobalfund.org/en/governance-policies/>;
 - d. The Sanctions Panel Procedures Relating to the Code of Conduct for Suppliers (2010, as amended from time to time), which may be found at: <http://www.theglobalfund.org/en/governance-policies/>;
 - e. The Framework Agreement for PSA, see Schedule C: Draft of Framework Agreement between the Global Fund and PSA; and
 - f. The Quality Assurance Policies associated with sourcing and supplying Health Products <https://www.theglobalfund.org/en/sourcing-management/quality-assurance/>.
3. **Bidders must advise before the deadline mentioned in Section 02.B RFP Timeline whether their company intends to submit a proposal by clicking on the “Yes” or “No” button which will be at the end of the email you will receive through our Global Fund Sourcing Application.**
4. **Should a Bidder not submit its proposal by the submission deadlines in Section 02.B RFP Timeline, the Bidder will be removed from, and not participate in, the RFP process.**
5. Submitting a proposal in response to this RFP constitutes an acceptance of the documents referred to in this RFP, and terms and conditions indicated herein and in Section 04 Legal Matters. The Global Fund reserves the right to reject the proposal of any entity or individual, as the case may be, that fails or refuses to comply with, or accept, such terms. Schedule A: Officer's Certificate of Conformance and Acknowledgement shall be signed and submitted by all Bidders as part of their proposal.
6. Bidders are only allowed to submit one proposal and are not allowed to submit separate and/or multiple proposals, whether by themselves or as part of a consortium. Bidders are required to determine the single proposal they will submit.
7. If organizations wish to participate in the RFP as a consortium, the lead company/organization representing the consortium shall be authorized to submit the proposal on behalf of each and all consortium members, and sign any resulting binding contract. All entities in the consortium shall be jointly and severally responsible for performing the contract if awarded to the consortium. By submitting a proposal in response to this RFP, the consortium and all consortium members agree to the rules and conditions outlined in this document relating to consortium proposals.

8. All proposals must remain valid for 12 months.
9. Bidders can submit proposals for different and as many Health Product categories as desired. However, Bidders' submission must be able to provide the six pillar services (see Section 03.A) for at least one Health Product category (listed below).

Category
Antiretroviral medicines (ARVs)
Antimalarial medicines (ANTMs)
Essential Medicines for HIV & TB Programmes
Long-Lasting Insecticidal Nets (LLIN)
Insecticides for Indoor Residual Spraying (IRS)
Rapid Diagnostic Tests for HIV & Malaria Programmes (RDTs)
Viral Load & Early Infant Diagnostics (EID)
Other Diagnostics for HIV, TB & Malaria Programmes
Condoms & Lubricants
Laboratory & Medical Supplies; Medical Equipment & Devices

10. A bid security or a bid bond is not required for proposals submitted under this RFP.

B. RFP Timeline

Dates	Activity description:	Action by
6 July 2018	Invitation to participate in this RFP (Full RFP package sent to Bidders)	Global Fund
12 July 2018 1700hrs CET	Deadline for Bidders to confirm their intention to submit a proposal	Bidders
19 July 2018 1700hrs CET	Deadline for Bidders to submit first set of clarification questions	Global Fund & Bidders
25 July 2018	Global Fund issues anonymized answers to first set of clarification questions	Global Fund
27 July 2018	Schedule C issued to Bidders	Global Fund
13 August 2018 1700hrs CET	Deadline for Bidders to submit second set of clarification questions	Bidders
17 August 2018	Global Fund issues anonymized answers to second set of clarification questions	Global Fund
3 September 2018 1700hrs CET	Deadline for submission of proposals (Stage 1)	Bidders
8-19 October 2018	Stage 1 Technical Proposal Presentations (Geneva)	Global Fund & Bidders
29 October 2018	Bidders will be notified as to whether they are shortlisted to Stage 2	Global Fund
30 October 2018	Stage 2 requirements issued	Global Fund
7 December 2018	Notify Bidders of the result	Global Fund

C. RFP Package Documents Overview

The Schedules listed in the contents to this document, together with this document, form the documents that are included in the RFP package. Any amendments, answers to questions, new documents issued separately (in particular for Stage 2 submissions), will form an integral part of this RFP.

D. Contents Of Proposal Submission

1. Overall Process
 - a. Global Fund shall not consider any proposal that is received, by Global Fund, after the indicated deadline for submission of proposals. Any proposal received by Global Fund after the indicated deadline for submission of proposals shall be declared late and rejected;
 - b. The selection and evaluation process will be conducted in line with the procurement principles of the Global Fund's Procurement Policy and Section 02.A;
 - c. During the evaluation of proposals, the following definitions apply:
 - i. "Deviation" is a departure from the requirements specified in this RFP;
 - ii. "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in this RFP; and
 - iii. "Omission" is the failure to submit part or all of the information or documentation required in this RFP.
2. Confidentiality and Integrity
 - a. Information relating to the evaluation of proposals, outcome of the RFP and recommendation of contract award(s) shall not be disclosed to Bidders or any other persons not officially concerned with such process. Bidders will be informed whether they have been awarded a contract once the tender process is completed;
 - b. Any attempt by a Bidder to influence the Global Fund in the evaluation of proposals or contract award decisions shall result in the rejection of the Bidder's proposal; and
 - c. The Global Fund recognizes that some of the information requested is commercially sensitive and, at a Bidder's request, will execute a confidentiality agreement in Schedule B: Form of Confidentiality Agreement

E. Preparation Of Proposal

1. Each Bidder must complete and submit all documents as stated in Section 02.F Submission Of Proposal
2. Bidders are expected to fully respond to all questions and provide relevant information as required. All submissions are considered to be complete and will be reviewed as per Section 02.G.
3. All Bidders must complete and sign Schedule A: Officer's Certificate of Conformance and Acknowledgement, which confirms their compliance with the requirements of the proposal and conditions of services. Non-conforming certificates will render the proposal ineligible for the evaluation process. Bidders are expected to accept Global Fund's terms and conditions as set forth in the Framework Agreement for PSA (Schedule C). Only reservations or requests for amendments to the Framework Agreement submitted by Bidders as part of their proposal may be considered by the Global Fund. These

reservations or requests for amendment will be taken into account in the overall evaluation. The Global Fund has no obligation to agree to these reservations or requests for amendment.

4. All proposals must be submitted in English, and the pricing must be in US Dollars to 2 decimal places.
5. All proposal submissions and pricing (commercial model) will be on a per activity basis with costs broken down as defined in Schedule E: Technical & Commercial Response Templates Schedule E: Technical & Commercial Response Templates
6. Bidders are strongly advised to submit competitive first round proposals as short listing will be based on first round submissions and the presentations of those proposals only, as per Section 02.G.

F. Submission Of Proposal

1. This RFP process is being managed electronically, and Bidders are required to submit their proposals through the Global Fund Sourcing Application in the following URL: <https://access.theglobalfund.org/>. In case you do not have a Supplier ID for the Global Fund Sourcing Application, please send an email to solicitation@theglobalfund.org with the following title in the subject: Request for login user id creation in Global Fund Sourcing/iSupplier portal – “Put your organization name”.
Note: The process to request and receive a Supplier ID for the Global Fund Sourcing Application can take a few days and should be done sufficiently in advance (by the Bidder) to allow Bidders to submit their proposal before the deadline for submission of proposals.
2. Each required document for submission listed in Section 02.F.11 is to be submitted as a separate file, with each file not exceeding 8MB.
3. **Any communication between a Bidder and the Global Fund regarding this RFP, including any questions, must only be conducted through the Global Fund Sourcing Application.**
4. **Should there be technical issues with the Global Fund Sourcing Application, the Bidder must communicate only using the following email address: solicitation@theglobalfund.org.**
5. All required service details and aspects that must be adhered to are included in this RFP package, as known at time of tendering.
6. The Global Fund assumes that by providing a proposal the Bidder has the available capacity and capability to either provide the operations stated itself or can subcontract as per the Framework Agreement requirements and details stated in this document. If this is not the case, then the Bidder must state as such in its proposal.
7. Bidders are to submit the documents in the formats as stated in Section 02.F.11 and as per the instructions in each submission template file; failure to do so will be considered an incomplete response and will be taken into account in the overall evaluation.
8. All submission proposals are to be submitted in accordance with the RFP Timeline and Submission of Proposal sections.

9. There will be a question and answer opportunity in the process in order to ensure clarity to the process and information. All information gathered and shared during these sessions will be anonymized and answers shared with all Bidders. In addition, the Global Fund will update Bidders with any additional information and changes during this process in order to ensure the activities/information is captured completely.
10. Bidder submitted proposal documents will only be opened after 3 September 2018 1700hrs CET regardless of when the Bidder's proposal was submitted to the Global Fund.
11. The complete list of documents that must be submitted is outlined below:

Elements	Submission format	Information Type
1 Cover letter explaining which of the services and categories (some or all) the Bidder is bidding on and why (limited to 2 pages of A4)	Signed PDF	Considered Information
2 Consortium Documents: If a Bidder is submitting a proposal on behalf of a consortium, the Bidder shall provide a single page document signed by all consortium members or any other legal document, whereby consortium members: (i) Confirm they have designated the Bidder as the party to act as the consortium lead; and (ii) Agree to be jointly and severally liable for the tender and any consequent Framework Agreement.	Signed PDF	Considered Information
3 Schedule A: Officer's Certificate of Conformance and Acknowledgement - Fully completed and signed	Signed PDF	Considered Information
4 Schedule E1: Global Fund Proposal Template: Technical Proposal - Fully completed and adhering to the requirements stated in the schedule	Both MS Word & Signed PDF	Evaluated Information
5 Schedule E2: Global Fund Proposal Template: Commercial Proposal - Fully completed and adhering to the requirements stated in the schedule	Both MS Excel & Signed PDF	Considered Information
6 Schedule E3: Global Fund Proposal Template: Compliance Questionnaire - Fully completed and adhering to the requirements stated in the schedule Note: In case of a consortium, this document needs to be submitted for each organization of the consortium.	Signed PDF	Considered Information

G. Evaluation Of Proposal

1. Upon receipt of all proposal documents (Elements 1-6 listed in Section 02.F.11), the Global Fund will consider all of those documents to be the Bidders' final submission for the Global Fund's evaluation and consideration. Any proposal found to be unsigned or signed by an unauthorized person, not meeting the minimum requirements in this RFP, or not providing the minimum information that is essential for the evaluation of the proposals, may be rejected by the Global Fund and not included for further consideration. Bidders will have no opportunity to submit or resubmit any proposal documents after the deadline for submission of Stage 1 proposals.
2. The evaluation process shall be conducted in accordance with the RFP Timeline in Section 02.B.

3. In keeping with the range of strategic objectives, the overall RFP evaluation and selection will be based on multiple evaluation criteria of both a commercial and non-commercial nature. The selection and evaluation process will be conducted aligned with Figure 1 and pursuant to Global Fund's procurement rules. The following principles underpin the evaluation process and must be fully understood by Bidders:
 - a. Any material deviation, reservation or omission from any of the required elements and criteria will be considered in the selection process by the Global Fund even if that element is required for information only or Considered Information.
 - b. Proposals will be evaluated against technical and commercial elements. Scoring mechanisms and the contribution of individual criteria within each element will be the same for each Bidder.
 - c. Each technical and commercial element is linked to the Global Fund's Market Shaping Strategy and its '*Balanced Supply System*' principles and based on key objectives of the strategy, see Figure 3.
4. Bidders will be informed about the scope, agenda and format for the Stage 1 Presentations prior to the event. Broadly, it will be a presentation of the Bidders' Stage 1 Evaluated Information submission.
5. Stage 2 shortlisted Bidders will be informed by Global Fund of additional Stage 2 requirements through an amendment to the RFP document with all of the specific details.
 Note: There will be Technical and Commercial Evaluated Information in this stage. Bidders will submit Stage 2 proposals as directed by Global Fund in the amendment to the RFP.

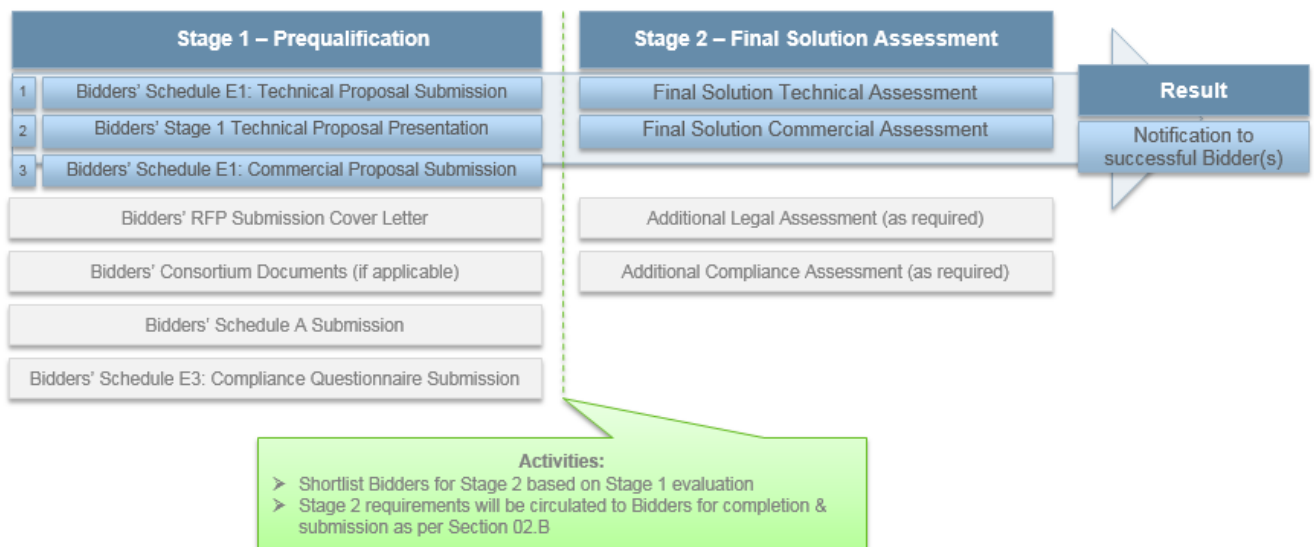


Figure 1 - RFP evaluation through two stage approach

6. The Global Fund shall evaluate the proposals as described in this section; Technical and Commercial proposals will be evaluated against the defined criteria, and Bidders will be ranked in order of evaluated scores, using a normalization algorithm to score Bidders relative to each other.
7. Bidders are strongly advised to submit competitive first stage proposals as short listing will be based on the first stage submissions only.

8. The overall weighting of the final evaluation process and decision as to the successful Bidder(s) is:
 - a. Technical: 60%
 - b. Commercial: 40%

H. Notification And Contracting

1. The final decision on service allocations and non-committed products volume allocations will be made by the Global Fund and communicated to all selected Bidders.
2. It is at the Global Fund's sole discretion as to whether one Bidder or multiple Bidders are notified of being PSA(s).
3. Upon and subject to successful completion of the RFP process, the Global Fund intends to notify all Bidders of the outcome of the evaluation, as per the timings stated in Section 02.B.
4. Unsuccessful Bidders will, in addition to the notification, be provided with an opportunity for a post proposal de-brief. This opportunity to de-brief does not create any legal rights for the Bidders, including without limitation any right of appeal.
5. The final decision to allocate services and Health Products to any successful Bidder is subject to the signature of the Framework Agreement. If a proposed successful Bidder does not sign the Framework Agreement, the Global Fund will take appropriate action at its discretion, including, without limitation, removal or suspension from the process and implementation.
6. The Framework Agreement between the Global Fund and the selected Bidder shall be for a three year period, start date to be confirmed, after which both parties will have the option of extending the contract for up to three years, upon mutual agreement.

03 Global Fund Overview and Requirements

The Global Fund is a 21st-century partnership organization to accelerate the end of HIV, tuberculosis and malaria as epidemics. Founded in 2002, the Global Fund is a leading contributor of resources in the fight against AIDS, tuberculosis and malaria. It mobilizes and invests nearly US\$4 billion a year (US\$2 billion a year in health products) to support countries and communities most in need. It has an active portfolio of over 430 active grants in over 100 countries, implemented by local experts. See the Global Fund's website for further information: <https://www.theglobalfund.org/en/overview/>.



Figure 2 – The Global Fund's Strategy (<https://www.theglobalfund.org/en/strategy/>)

The Global Fund manages the Pooled Procurement Mechanism (PPM) driving the procurement and supply of US\$ 1.0 billion health products from and to countries around the world (see Figure 4). The services the PSA will provide are the outsourcing services to support the further implementation of the Global Fund's PPM, and is acting on behalf of the PR utilizing the wambo.org platform. This activity is aligned to the Global Fund's objectives through its focus on two key areas within the Global Fund's '*Mobilize Increased Resources*' strategic objective:

1. Implement and partner on market shaping efforts that increase access to affordable, quality-assured key medicines and technologies; and
2. Support efforts to stimulate innovation and facilitate the rapid introduction and scale-up of cost-effective health technologies and implementation models.

The Global Fund's Market Shaping Strategy is being implemented using Figure 3 and the Global Fund's Market Shaping Strategy can be found at: <https://www.theglobalfund.org/en/sourcing-management/market-shaping-strategy/>.

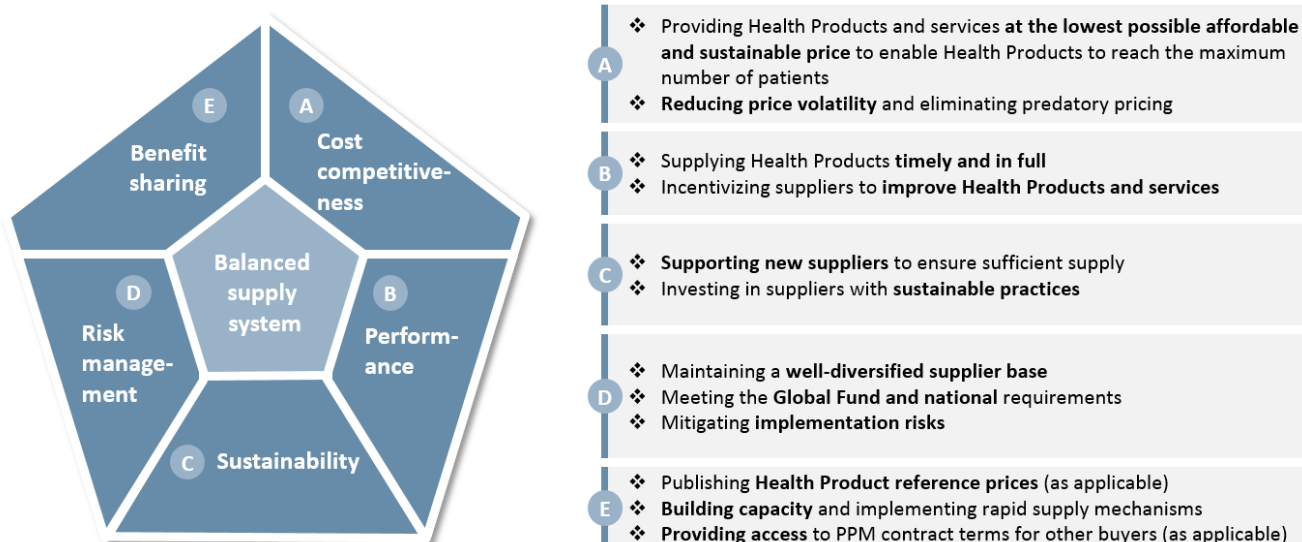


Figure 3 – The Global Fund’s Balanced Supply System

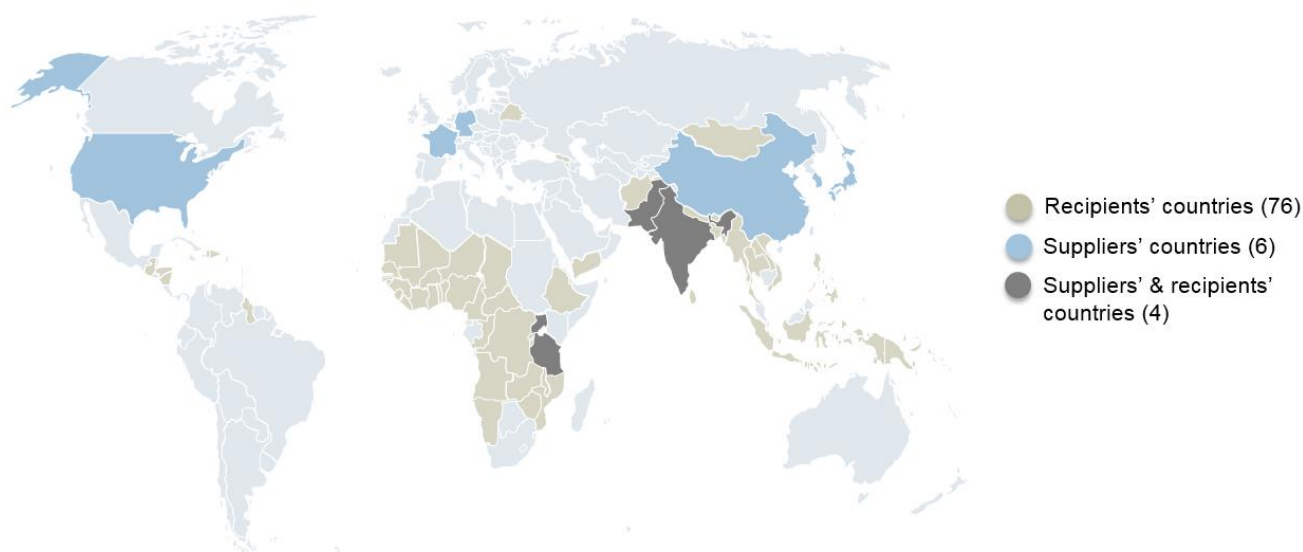


Figure 4 – The Global Fund’s recipient and supply (manufacturing) countries

The split between the Global Fund and PSA as to who will hold the Framework Agreement (FA) with Health Product manufacturers/suppliers per category is stated below, as at 6 July 2018:

Category	FA held by...
Antiretroviral medicines (ARVs)	Global Fund
Antimalarial medicines (ANTMs)	Global Fund
Essential Medicines for HIV & TB Programmes	PSA (planned to move to Global Fund in 2019)
Long-Lasting Insecticidal Nets (LLIN)	Global Fund
Insecticides for Indoor Residual Spraying (IRS)	PSA (moving to Global Fund tbc)
Rapid Diagnostic Tests for HIV & Malaria Programmes (RDTs)	PSA (planned to move to Global Fund in 2019)
Viral Load & Early Infant Diagnostics (EID)	Global Fund
Other Diagnostics for HIV, TB & Malaria Programmes	PSA
Condoms & Lubricants	PSA
Laboratory & Medical Supplies; Medical Equipment & Devices	PSA

The Global Fund conducts market analysis and reviews its impact on achieving its Market Shaping Strategy objectives. The Global Fund will provide direction to the PSA as to how it wants the PSA to strategically manage the PSA's FA managed categories.

It is the Global Fund's intention to take contractual management (through FAs) from the PSA, or to allocate categories to Partner Organizations, for the majority of the Health Product categories that are not already managed by Global Fund, at Global Fund's sole discretion. It is the Global Fund's intention to take contractual management (through FAs) from the PSA for the freight & logistics category in 2019.

The Global Fund, at its sole discretion aligned with the Global Fund's strategies and PSA performance, can reallocate Health Product categories and services between PSAs.

All Health Products will also need to be under an existing or new PSA FA, if the Global Fund does not have an FA for those Health Products. In case of existing PSA FAs, these FAs would need to be amended to reflect the Global Fund's specific requirements, including but not limited to references to the Global Fund's Code of Conduct for Suppliers.

These outsourcing services to support the further implementation of the Global Fund's PPM activity has been on a journey since pre-2013 (see Figure 5), and it is now that the Global Fund can drive to create a robust and resilient outsourced service, to support the implementation of the strategy delivery, through the following RFP's objectives:

1. Cost competitiveness
 - a. Maximize value through supplier performance management of contractual agreements; and
 - b. Reduce supply chain inefficiencies and increase supplier innovation.
2. Performance
 - a. Improve visibility of requisition to shipment delivery process steps and obtain timely quality data; and
 - b. Add value through strategically aligning critical activities to key expert organizations, whether in-house or outsourced, and improved supplier flexibility.

3. Sustainability
 - a. Integrate Sourcing's category management structure with PSAs' processes; and
 - b. Support existing and new PSAs to ensure sufficient market supply of all needed services.
4. Risk management
 - a. Instigate a robust risk management approach to minimize programme interruptions; and
 - b. Maintain a well-diversified supplier base.
5. Benefit sharing
 - a. Procurement benchmarks for non-PPM; and
 - b. Continuous improvement to drive correct PSA/service provider market behaviours.

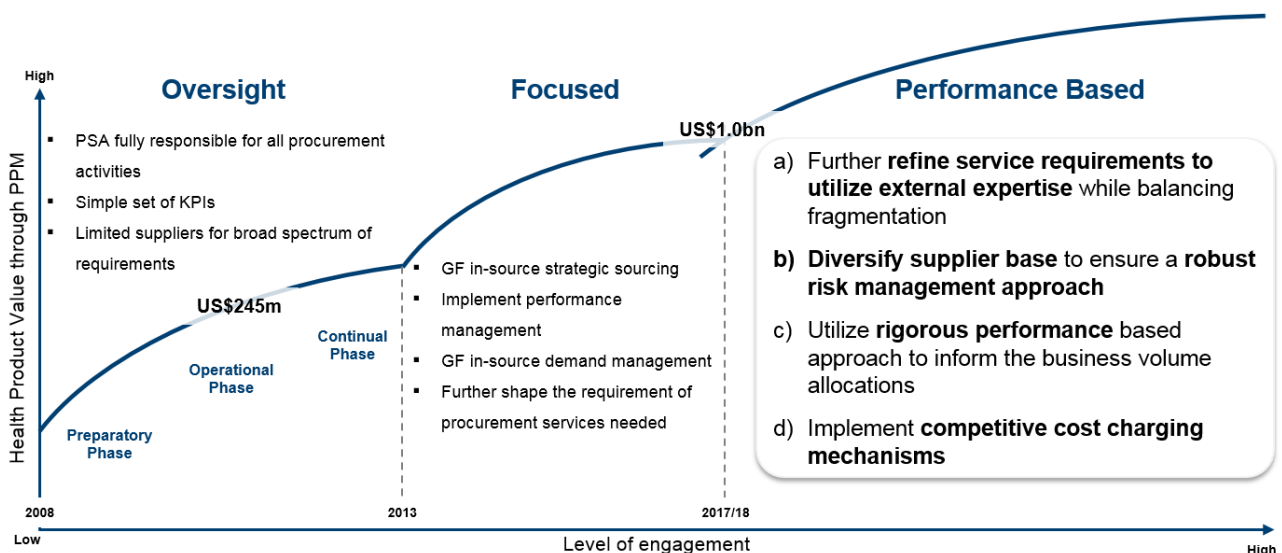


Figure 5 – The Global Fund's PSA approach through the years

A. Activities Segmentation Overview

This section provides an overview of the business requirements for this RFP and the required service capabilities.

It is recognised that current practices may not be optimal, and it is anticipated that the Bidders will find new and innovative ways of organising and improving the operation.

The services scope for the activities is six-fold (see Figure 6), but the services will evolve through time with more categories being managed directly by the Global Fund in order to maximize value delivery for the Global Fund.

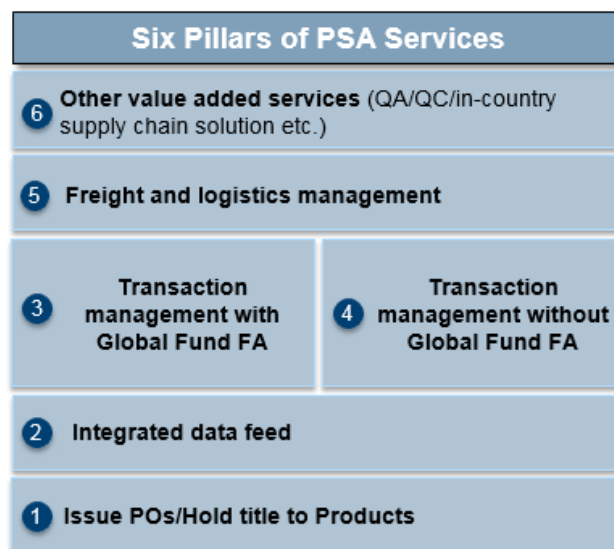


Figure 6 – The scope of the Global Fund's required services (the 'six pillar services')

To elaborate further on these six services, the Bidder must:

1. Issue Purchase Orders & Holding Title to the Health Products (with & without Global Fund FA):
 - a. The PSA must issue POs and hold title to the Health Products (between manufacturers and the Global Fund's Principal Recipients (PRs));
 - b. The Global Fund will play a limited role in this area consistent with the Global Fund's status as a financing mechanism, rather than implementing entity; and
 - c. In its simplest form, the PSA will procure on behalf of the PR the Health Products from the manufacturer/supplier typically on an ex-works (EXW) incoterm and will ensure delivery of the products to PR on a 'D-based' incoterm (DDP, DAP etc.).
2. Integrated data feed:

The PSA must be able, for each service, to show performance and value for money through data reporting analytics, such as but not limited to:

 - a. Transaction tracking from request to receipt: Track and trace orders (live or near-real-time) and deliveries from receipt of request until final acceptance of Health Products;
 - b. Data Supply: Providing feedback, as requested, on Global Fund issued master data and providing transactional level data to Global Fund on regular and recurring basis for performance analysis; and

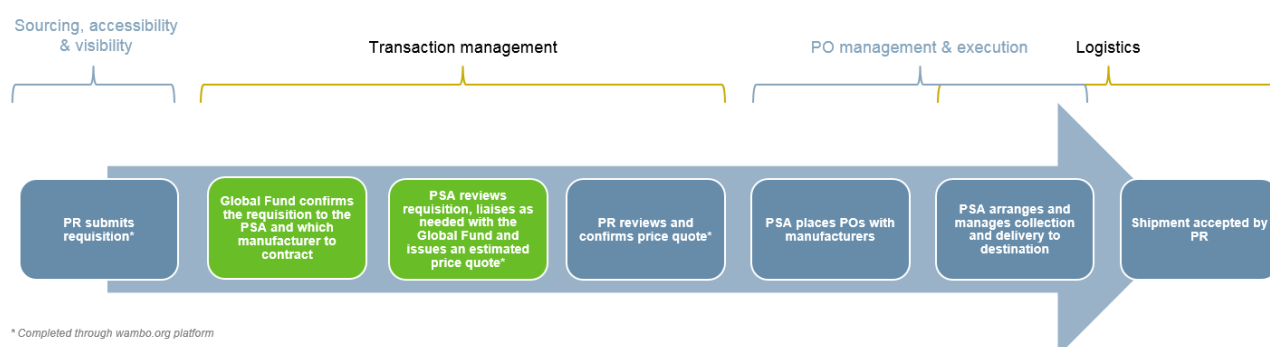
- c. The PSA is responsible for its own data integrity, quality and management. The Global Fund expects the PSA to provide accurate data on a timely basis and will conduct random audits of the PSA's data processes.
3. Health Products' Transaction Management (with or without Global Fund FA)
 - a. The PSA must manage and process procurement transactions based on the Global Fund's supplier or PSA's supplier allocations to enable shipments to be collected and delivered on time and in full (OTIF), with a compliant service adhering to Global Fund's requirements; and
 - b. The PSA must have knowledge and experience within its organization, where they are proposing to offer services, across Global Fund's Health Products' portfolio.
4. Health Products' Procurement (without Global Fund FA)
 In addition to service pt. 3 (above), the following must be provided:
 - a. Implement a sourcing category approach to deliver Global Fund category objectives, as directed by Global Fund;
 - b. Run competitive procurement processes utilizing the approach outlined in the Global Fund's balanced supply approach to achieve best value for health products where Global Fund does not have a manufacturer FA, as directed by Global Fund. (Global Fund Balanced Supply System: see https://www.theglobalfund.org/media/6815/psm_2016-11-sourcingmarketdynamicsstrategicreview_presentation_en.pdf?u=6366378359100000000 - slide 60 or Figure 3 below); and
 - c. Ensure compliance with the Guide to Global Fund Policies on Procurement and Supply Management of Health Products. <https://www.theglobalfund.org/en/sourcing-management/policies-principles/>
5. Freight & Logistics Services Procurement & Management
 - a. Logistics Services Procurement:
 - i. Implement a logistics sourcing category strategy and approach; and
 - ii. Operate competitive procurement processes to achieve demonstratable best value to Global Fund for logistics services.
 - b. Logistics Services Management:
 - i. Conduct and oversee the day-to-day management and regular performance management of logistic service providers, to ensure deliveries are made on time and in full and as per relevant Incoterm.
 - c. Management and processing of all shipments to ensure they arrive at destination location(s) OTIF and compliantly according to manufacturers' and/or PRs' indicated shipping instructions.
 - i. Comprehensive insurance coverage is required from pick-up to the acceptance of the goods by PRs.
 - d. The PSA is responsible to collect and report the proof of delivery and confirmation of receipt, as per timelines agreed during transition and implementation.
6. Other Value Added Services
 Such as but not limited to:
 - a. Performing and/or contracting QA services (QA policy, QA audit etc.) and QC (inspections, sampling test etc.): When required engage in needed QA services for specific activities;
 - b. Provide catalogue (inc. management) and wholesale services: Leverage existing economies of scale and business practices to enhance Global Fund Sourcing's ability to improve category performance; and

- c. Have the ability to provide in-country delivery solutions (up to acceptance of the Health Products): e.g. Provide short term temporary warehousing; product recall management; in-country QA inspection; resolve any suppliers and PR dispute on the goods etc.

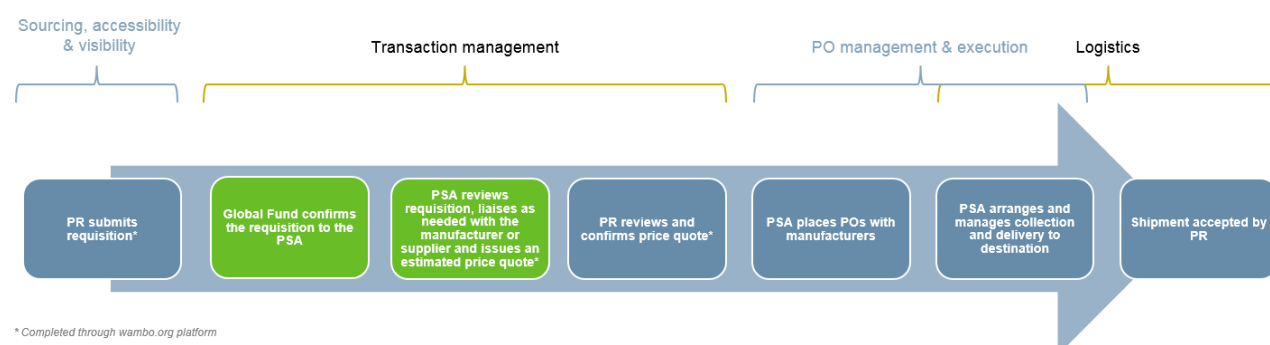
NB - Services may be needed on an ad hoc basis, but will be applicable to each category as needed.

B. Activities Requirements

Schedule F: PPM Process Flow shows a guide/representation only of the activities the PSA must provide when performing the six services. Figure 7 shows simplified process flows of these activities (separated for where Global Fund and the PSA would have the FA):



Process flow of activities where the Global Fund has the FA



Process flow of activities where the PSA has the FA

Figure 7 – Simplified process flow of the activities involved in the procurement and supply of Health Products in the PPM activity

Note: Rapid Supply Mechanism (RSM): The process flow of activities for RSM is utilized for Health Products under Global Fund FA, by exception. All actions are currently conducted outside of the electronic platform, i.e. wambo.org, and within the necessary agreed timings and/or KPIs. (see Schedule G).

Below is a summary of the requirements for key activities:

1. All Health Products sourced by the PSA must adhere to Global Fund's Quality Assurance Policies: managing any quality related reports or incidents in a timely manner in collaboration with Global Fund.
2. Sourcing, accessibility and visibility of Health Products, to enable the PR to select the most suitable products (non-FA):
 - a. The PSA must enable access to best value and competitive pricing for Health Products and services to meet PR needs enabling the PRs to select the most suitable Health Product(s), utilizing wambo.org platform to provide a selection of Health Products that adhere to the below;
 - b. The PSA must have an online catalogue comprising clear and comprehensive specifications in order to minimize the amount of time spent clarifying with the PR.
 - i. The PSA must ensure that any Health Products that are no longer manufactured, or are otherwise irrelevant in terms of demand or quality assurance, are removed from the PSA's product catalogue, and an alternative proposed to Global Fund;
 - ii. The PSA must ensure that specifications in the PSA's Health Products catalogue are up-to-date; and
 - iii. The PSA must proactively propose new Health Products in line with Global Fund category strategies for Global Fund consideration, and enhancements/innovations, in order to facilitate procurement of recommended Health Products.
 - c. PSAs must (through wambo.org platform) provide visibility and access to competitive pricing for Health Products and services to meet PR needs:
 - i. The PSA must ensure best value for Health Products procured for Global Fund and PRs; and
 - ii. The PSA must be able to demonstrate how they are achieving best value for money.
 - d. Sourcing of essential medicines for use in HIV and TB programs, and other pharmaceutical products' needs:
 - i. The PSA should qualify supply sources across geographies that the Global Fund operate and where Health Products are delivered according to WHO Model Quality Assurance System (MQAS) for Procurement Agents Principles together with applicable standards;
 - ii. The PSA must follow prevailing Global Fund Quality Assurance policy, where applicable and must implement Quality Assurance activities, as endorsed by the Global Fund, to implement procurement activities. The PSA must report and manage Quality related incidents at agreed timelines with Global Fund;
 - iii. The PSA must be able to and manage a catalogue according to the Global Fund agreed formulary;
 - iv. The PSA must implement the Global Fund category strategies for Essential Medicines Strategy and medical and laboratory supplies (to be launched in 2018/19) and, as directed, sub-category strategies, including greater sourcing closer to the demand from manufacturers and wholesalers in Sub-Saharan Africa;
 - v. The PSA must be able to and implement procurement evaluation methodologies with the Global Fund in order to apply a Total Cost of Ownership (TCO) approach to procuring products in these categories (https://www.theglobalfund.org/media/6908/psm_2017-10-sourcingstrategicreviewmeeting_presentation_en.pdf?u=636607536900000000);

- vi. The PSA must report on, and against, the category strategy of essential medicines for use in HIV and TB programs and associated implementation milestones;
 - vii. The PSA must have adequate knowledge and experience to effectively manage the laboratory and medical supplies sub-categories in order to assess and consolidate the demand; and
 - viii. The PSA must be able to leverage the existing wholesalers and suppliers, where applicable. The PSA must effectively manage relationships with the suppliers to deliver cost effective solutions.
3. Health Products' transaction management
- a. PSAs must streamline and reduce the overall administrative lead-time for processing procurement and order transactions:
 - i. The PSA must have a system that can interface with Global Fund systems, including but not limited to wambo.org platform;
 - ii. The PSA must have a focal point to communicate requests to the Global Fund;
 - iii. The PSA must be able to process a transaction and issue a Purchase Order (PO) to manufacturers or other suppliers, as applicable, with the data that is available / comes through from the Sourcing team (such as via wambo.org platform) during a purchase requisition, within KPIs; and
 - iv. The PSA must be able to provide logistics quotations and any relevant sourcing activities within KPIs.
 - b. The PSA must provide price quotes, as requested, for each transaction for product and other costs to PR incoterm requirements through wambo.org platform (mainly, but not exclusively, DAP at central level medical store).
 - i. All price quotes (with attached terms and conditions) provided by the PSA to the PR, once accepted and signed by the PR serve as contracts between the PSA and the PR;
 - ii. The request will be received by the PSA through wambo.org platform;
 - iii. Where the manufacturer is allocated by Global Fund (Global Fund FA), the PSA must provide competitive logistics estimate & services (including leadtimes) to meet the requisition request, submitting the details back through the wambo.org platform to the PR;
 - iv. Where the manufacturer is not allocated by Global Fund (non-Global Fund FA):
 - 1. The PSA must source manufacturer/supplier through a competitive procurement process or leverage from other framework agreements in place, as previously agreed with Global Fund, best value and competitive prices of products that can meet the Global Fund Health Products requirements and service levels. Submitting all details back to PR (including required lead-times) through wambo.org platform;
 - 2. The PSA must provide competitive logistics estimates & services to meet the requisition request, submitting the details back to PR through wambo.org platform; and
 - 3. Global Fund will provide direction as to which Health Products must be controlled by the PSA through a product catalogue.
 - v. Upon issuance of the instruction to the PSA, the PSA must confirm all orders and bookings to enable the Health Product shipments to be delivered as per the required delivery date. This will involve but is not limited to:
 - 1. The PSA raising PO's and paying the Health Product suppliers;
 - 2. The PSA raising PO's and paying the logistics service providers; and
 - 3. Managing the shipment(s) customs clearance processes (including the waiver process) according to the Incoterm selected.

NB – The price quote is a signed contractual agreement between the PSA and PR.

- vi. All processes, except currently, a Rapid Supply Mechanism process, are conducted through wambo.org platform. However, the PSA must have a manual process available, as a back-up including SOPs, templates for order request, price quote etc. See Schedule G: Illustrative Overview of a Rapid Supply Mechanism Process for a highlevel illustrative overview of such a process; and
 - vii. The PSA must have the capability to source and supply Health Products to the market within a 4 week time period, from receiving the order. This Rapid Supply Mechanism process is required on an exceptional basis and currently operates ‘outside’ of wambo.org platform.
4. PO management and execution
- a. The PSA must manage and provide end-to-end PO execution visibility through a track-and-trace system that can be accessed by individual users from Global Fund and PRs;
 - b. Global Fund operate on a premise of continuously improving its processes (from a value and time efficiency perspective), therefore it is encouraged for the PSA to continuously investigate ways of improving the PO management processes. Currently:
 - i. For non-RSM POs - The PSA will manage and enable delivery of that PO, including performance, any required revisions and performance, in order to meet agreed KPIs;
 - ii. For RSM POs - The PSA will manage and enable delivery of that PO, including performance, any required revisions and performance, in order to meet the agreed KPIs for RSM, pick-up within 14 days of PO placement;
 - iii. Provide a process or system to enable Global Fund to have visibility of the transaction from PO instruction to delivery of the Health Products to the PR. This process or system must include but not be limited to a dashboard related to PO placement to manufacturers, pick-up date, and freight forwarders info;
 - iv. Master data management:
 - 1. The PSA must manage all master and transaction data as per Global Fund’s direction;
 - 2. PSA data must be shared with Global Fund sent on second working day of the week;
 - 3. Global Fund is responsible for the master data item list and will inform the PSA of any updates;
 - 4. The PSA must use in its systems the latest master data item list and provide feedback to Global Fund weekly or as necessary. Changes are only made to the PSA implemented master data item list as directed by Global Fund; and
 - 5. Global Fund will share with the PSA all required information to enable the PO management to operate, such as prices and any arrangements related to implementation of Global Fund / manufacturer Framework Agreements, but Global Fund does not share those Framework Agreements with the PSA.
 - c. Managing queries and escalations from all parties from PO placement to delivery (Global Fund, PR, manufacturer, freight provider etc.);
 - d. The PSA must establish a process for communication between all parties. Currently this is conducted through wambo.org platform and emails (to the necessary Global Fund responsible party); and

- e. The PSA must adhere to, and implement accordingly, Global Fund's procurement and Quality Assurance Policies for all Health Products that they provide a service for.
5. Logistics
 - a. The PSA must be able to adhere to Section 03.E, in order to manage the shipments' compliant OTIF delivery. The PSA will work with Global Fund in order to develop the relevant SOPs; and
 - b. The Health Products' shipping temperature requirements are directed by the manufacturer and/or PR.
NB - The freight category is expected to be removed from being a PSA FA and incorporated into a Global Fund FA through the 2019/20 period.

C. Quality Assurance Requirements

1. The PSA must ensure compliance with the prevailing Global Fund Policies on Procurement and Supply Management of Health Products. (<https://www.theglobalfund.org/en/sourcing-management/policies-principles/>)
2. The PSA must implement a quality system for Quality Assurance activities related to procurement of Health Products and provide periodic reports on implementation, including details of personnel and subcontractors approved by the Global Fund.
3. The PSA must ensure the implementation of Good Distribution Practices (GDP), Good Storage Practices (GSP) throughout the supply chain including transportation and any intermediate storage points.
4. Coordinate the sampling and testing of Health Products for pre-shipment Quality Control where required by the Global Funds Quality Assurance Policies or other sampling as directed by the Global Fund. The PSA must either establish agreements with qualified QC laboratories as defined in the Global Funds QA Policy or may be required to use laboratories contracted under Framework Agreements contracted by the Global Fund.
5. Manage any Quality or safety related reports or Incidents related to the manufacture of the Health Products and/or exposure in the supply chain (whether country or manufacturer initiated recalls) in a timely manner in collaboration with Global Fund.
6. For product categories without specific Quality requirements defined by the Global Fund, the PSA must:
 - a. Implement a QA category strategy approved by the Global Fund;
 - b. This QA category strategy should include a continuous assessment of risks related to the Health Products, manufacturers, wholesalers and/or distributors and include implementation of corrective measures including assessment of compliance with GMP regulations; and
 - c. Provide periodic reports on implementation of the QA category strategy

D. Finance Services Requirements

1. Global Fund Finance Commitments to the PSA
 - a. In order to efficiently manage the overall PPM mechanism, the Global Fund will issue an annual Letter of Commitment to each PSA as a guarantee for grant related PPM

- procurement. The Letter of Commitment is based on the estimated consolidated forecast of Health Products to be procured through PPM;
- b. Payments to PSAs for the procurement and delivery of health products and their services under the PPM shall be made from available grant funds of participating PRs. Payments to PSAs are governed by the payment terms stipulated in their respective Framework agreements and will be made based on electronic invoices submitted via the wambo.org platform; and
 - c. The approved PPM related orders and related payments will reduce the open value of the Letter of Commitment.
2. Financial Management System
- a. Treasury management
 - i. The PSA must submit monthly, within 15 days after month end, (including listing of bank names, account numbers and individual account balances) the statement of fund/cash balances. Note: This is required to track open advances made to the PSA as working capital; and
 - ii. The PSA must submit monthly, within 15 days after month end, the statement of reconciliation of fund/cash balances and bank statements.
 - b. Forecasting
 - i. The PSA must submit monthly, within 15 days after month end, the Aggregated forecast of expenditure (based on invoicing), disbursements to suppliers and cash requirements; and
 - ii. The PSA must submit monthly, within 15 days after month end, the financial forecast with granularity by price quote, grant, implementation period, product invoice amount, PSM invoice amount, total price quote, total invoiced, total open balances pending delivery, Global Fund disbursements and closing grant balances.
 - c. Invoicing and reporting
 - i. The PSA must deliver the Health Products and the associated charges must be executed within the grant implementation period. Invoicing of Health Products and charges must occur per grant account statement defined in Section 03.D.2.c.ii. Any exceptions to this article must be approved by the Global Fund;
 - ii. The PSA must submit monthly, within 15 days after month end, the Grant Account Statement which includes the invoiced amounts with granularity by price quote, grant, implementation period, product invoice amount, PSM invoice amount, total price quote, total invoiced, total open balances pending delivery, Global Fund disbursements and closing grant balances; and
 - iii. The PSA must submit the closure of price quotes and subsequent closure reports within 60 days after the end of the grant end date period.
 - d. External audit and assurance
 - i. The PSA must submit annually within 3 months after the end of the PSA's financial year to the Global Fund the PSA's (company or consortium) external audit report;
 - ii. The PSA must submit semi-annually within 30 days after period end of the implementation of external audit recommendations (per audit management letter); and
 - iii. The PSA must submit annually within 30 days after the PSA's financial year the Risk Management policy document, this should reflect the latest version and include the date of latest revision.
 - e. Financial capability and stability

- i. The PSA must provide a declaration annually to the Global Fund by a company (or consortium) Director proving financial liquidity of the company (or consortium), with a current ratio of at least 1.

E. Freight & Logistics Requirements

1. A simple summary of the PSA's freight and logistics requirements and how they align to Figure 7 is:
 - a. The PR (through the wambo.org platform) requests a logistics price estimate (for shipping Health Products);
 - b. The PSA provides the logistics price estimate through the wambo.org platform;
 - c. Once the logistics price estimate has been confirmed (by the Global Fund and PR), the PSA is informed and makes all freight & logistics bookings;
 - d. Concurrently with other associated and/or required activities, the PSA arranges all freight and logistics details for the shipment; such as collecting the shipment from the manufacturer, documentation, waiver process preparations, shipping instructions, packaging requirements and checking, shipment mode, monitoring of shipments transit and delivery & associated requirements;
 - e. The PSA is responsible for the shipment arriving OTIF whilst adhering to all shipping instruction requirements (such as QA); and
 - f. PSA's responsibilities continue until the PR accepts the shipment.

Note: The PSA will typically source the Health Products (as directed by Global Fund and on behalf of the PR) from the manufacturer on an exworks Incoterm and transact the Health Products shipment to the PR on a 'D' based Incoterm (such as DAP).
2. The PSA must have an approach in place (with corresponding policies and procedures) in order to ensure shipments adhere to the shipping instructions and all applicable PR and Global Fund requirements.
3. The PSA is responsible to ensure the goods and documentation for the shipments are suitable for the shipments' transit, adhering to all requirements in this document. The activities given to the PSA are to be executed by the PSA or any subcontractors.
4. The PSA utilise technical and economical solutions, whilst ensuring tracking of shipments continues, to Global Fund to guarantee an efficient and performing service; through the use of differentiated services:
 - a. Air, ocean, rail and road freight – The PSA must use a differentiated service model (active temperature controlled, passive temperature controlled, general cargo etc.) in order to ensure the Health Products are transported as per their shipping instructions. The service requirements and shipping instructions per Health Product are advised by the manufacturer and/or PR; and
 - b. The PSA must to be able to offer service solutions to meet each differentiated service.
5. Indicative volumes are included in Schedule D2.
6. Documentation
 - a. The PSA will be responsible and accountable for the collation of all shipping documentation from manufacturer, PR, subcontractors and themselves.
7. Shipment service

- a. The PSA will be responsible and accountable for any shipment repacking requirements according to the shipping instructions (as directed by PR and manufacturers/suppliers, and/or Global Fund).
8. Insurance
 - a. The PSA must have adequate insurance coverage for all Health Products until delivery and acceptance by the PR; and
 - b. Global Fund's shipment values are typically up to US\$10m per shipment, but on occasion can exceed this value, and it is expected that the PSA must support all freight movements.
9. Claims and incident management
 - a. Claims and Incidents must be investigated by the PSA in a timely manner, as per agreed timings for complaints handling. Following investigation corrective and preventative actions (CAPA) must be documented and actioned, when and if applicable; and
 - b. The PSA will act as the first carrier for any Claim. The PSA will be held responsible for any subcontractors used.
10. Sustainability
 - a. Global Fund recognizes the importance of environmentally and socially responsibility;
https://www.theglobalfund.org/media/7314/psm_responsibleprocurement_state_ment_en.pdf?u=6366259941300000000
 - b. Global Fund will expect in the future the PSA to communicate its annual environmental performance through publication of verified corporate reports; and
 - c. The PSA must report to Global Fund any sustainability initiatives that impact the Global Fund freight & logistics activities.
11. Physical Infrastructure
 - a. The PSA must have the ability to mobilize facilities to meet the ad hoc needs of the Global Fund freight & logistics activities;
 - i. Such as in many locations the shipments will require the ability to 'transit through' a facility with no specific need for pre- or post- shipment storage. All costs associated with required storage should be stated in the freight and logistics estimates and invoices, when provided during the logistics price estimate.
 - b. The PSA must ensure that any mobilized facilities are fully licensed as per the local governing regulations and the requirements of Section 03.C;

- c. The PSA must ensure that any mobilized facilities are able to load and unload airfreight shipments and ocean freight containers within a secure site, as and where required during transit and/or at destination; and
 - d. The PSA must negotiate with appropriate parties to provide reasonable free storage days (detention and demurrage) in necessary locations for air and ocean freight shipments in order to prevent unnecessary cost being incurred by Global Fund and the PRs.
- 12. Routing
 - a. The PSA must select globally or regionally recognized and reliable subcontractors and suitable routes to meet the shipping instructions for the Health Products;
 - b. The PSA must ensure that they have a range of subcontractors for each shipment route available (at least 2 subcontractors) to use at the agreed rate and service levels in order to provide continuity of options to Global Fund; and
 - c. Global Fund reserves the right to mandate, exclude specific routes and/or subcontractors at Global Fund's sole discretion.
- 13. Consolidation and optimization
 - a. The PSA must have the ability (where applicable) to move air freight shipments on a consolidated service basis or optimize multiple shipments;
 - b. Global Fund reserves the right to mandate non consolidation shipments at Global Fund's discretion; and
 - c. The PSA must only move partial containers at the Global Fund's written confirmation. The Global Fund does not typically utilise partial containers.
- 14. Transit lead-times
 - a. The PSA must publish six monthly the transit time schedules for air, ocean and road freight routes in order to to allow Global Fund to align deliveries to expected dates of service and to track performance vs. the agreed transit times/schedules; and
 - b. The PSA must provide an annual port (ocean and air) congestion forecast on all routes to anticipate seasonal delays.
- 15. Dangerous goods
 - a. A limited number of Health Products are classified as dangerous goods;
 - b. Global Fund can provide a list of these Health Products and their dangerous goods classification during PSA implementation phase;
 - c. The PSA must have the capability to handle any dangerous goods cargo shipments; and

- d. The manufacturer/supplier should pack the shipments according to the required standards for dangerous goods cargo transportation. However, the PSA must have the ability to mobilize capabilities to provide this packing service (repack, label, document etc.), as and if required.
16. Supply Chain Network
 - a. Global Fund's demand profile continues to change, and this is driven by the grant cycle, seasonality and Health Products chosen by the PRs; and
 - b. As a result the supply chain network can change annually geographically, as well as the types and volumes of the Health Products. Global Fund will work with the PSA to manage these changes.
 17. Import authorization and clearance
 - a. PSA shall comply with national laws and procedures with regards to import authorizations and customs clearance. In countries where the Global Fund and/or the PR have privileges and immunities the Health Products may be exempt from customs duties and/or subject to special import and customs procedures. In such cases the PSA shall follow the applicable dedicated rules and procedures. The PSA must have experience and be skilled in a timely adherence to import and customs procedures, to prevent shipments being delayed and/or incurring additional costs; and
 - b. The PSA must escalate and provide reports at an appropriate frequency of shipments incurring delays due to customs issues (including the waiver process) to Global Fund.
 18. Charges and invoicing
 - a. All freight and logistics costs (including full Health Product insurance costs) must be charged to the PR 'at cost'; and
 - b. The PSA must submit all freight and logistics invoices for the relevant shipment by 30 days after the acceptance of the shipment by the PR.

F. Risk, Ethics & Compliance Requirements

1. The PSA must have a suitable internal control environment, including but not limited to the management of finances, contracts, supply, performance, information, data and technology.
2. The PSA is to adhere to all Global Fund policies as stated in Section 02.A.2.
3. The PSA must notify Global Fund if any conflict of interest or any ethical situation that arises during the course of this tender.

4. The PSA must develop a risk matrix and management processes; including risk mitigation measures, the monitoring and reporting against agreed timeframes and the establishment of an efficient escalation process and communication.

G. IT & Data Reporting Requirements

1. PSAs must have a valid email address and have attended wambo.org platform's training sessions in order to be able to use the wambo.org platform.
2. Should a PSA want to use the Global Fund's automated integration for purchase order transmission and/or invoicing (cXML integration), then the PSA must:
 - a. Be able to enable their ERP system to accept POs via cXML integration for both standard and custom information (extrinsic);
 - b. Be able to receive and send cXML documents through a secure HTTP connection;
 - c. Support the standard cXML OrderRequest document and the synchronous Request-Response Transaction (Status Code 200);
 - d. Provide a Secure Order Posting URL for their TEST instance and for their PRODUCTION instance;
 - e. Provide a Supplier Domaine / identity (i.e. DUNS 12345678) for their TEST instance and for their PRODUCTION instance; and
 - f. Complete a brief cXML configuration questionnaire in order to enable connection setup.
3. The PSA will have to submit accurate data to Global Fund on a timely weekly basis as per the defined format, with associated milestones, stated in Schedule D: Weekly Data Reporting Template & Shipment Volumes File
4. The PSA is responsible for its data integrity, quality and management, which the Global Fund reserves the right to audit.
5. The PSA must ensure that the data reflects end-to-end process visibility, from request receipt to shipment final delivery including all the steps and time stamps.
6. The PSA must be able to provide dashboards (business intelligence tools), such as but not limited to:
 - a. Supplier/spend analysis, PO placement, deliveries;
 - b. Agreed KPIs' reporting;
 - c. Provide critical live dashboards to identify performance issues in each step along end-to-end process, inform decision making to mitigate any issues associated with supply and delivery;
 - d. The dashboards access must be able to be expanded across the Global Fund and PRs, as required; and
 - e. Timely provide data support for ad hoc Global Fund and PRs requirements.
7. Price and Quality Reporting System: As per the Global Fund requirements, the PSA will be required to enter all required information regarding the procurement of the following Health Products on behalf of the relevant PR after proof of delivery into the Global Fund's Price and Quality Reporting system (PQR). Details of the tool and requirements can be found at <https://www.theglobalfund.org/en/sourcing-management/price-quality-reporting/>.

H.Relationship Management

1. There are 5 key elements of Global Fund's PSA (Supplier) Relationship Management (SRM) approach, between Global Fund and the PSA:
 - a. Relationship model - The categorisation of the suppliers' relationships and associated commercial, operational and behavioural interactions;
 - b. Governance - The organization of the teams and the levels of interactions (inc. meetings); operational to strategic and, centrally, globally and locally (PSA & Global Fund). As a minimum Global Fund will conduct the following meetings with the PSA:
 - i. Operations Meetings
 1. These will involve the category leads and operational teams within both organizations to drive the execution of service delivery at the tactical level and ensure adherence to the service requirements and delivery.
 - ii. Quarterly Business Reviews
 1. These will be at the management level to drive transformation / continuous improvement, PSA strategy, KPI trend awareness, risks & issue escalation, and compliance.
 - iii. Annual Business Reviews

This is an annual senior leadership strategic meeting to provide:

 1. An overview of annual performance;
 2. Strategic direction (of both organizations);
 3. Transformation/continuous improvement activities ;
 4. An opportunity to unlock challenging aspects of the operations or relationship; and
 5. A focus on corporate investments, direction and relationship management.
 - c. Performance management
 - i. Global Fund will manage the optimization of services provided through the governance meetings, weekly and/or monthly data provided and tracking KPIs. Global Fund expect, from the PSA:
 1. Accurate and timely data for all performance reporting;
 2. Reports on all agreed KPI's on a timely basis, identify the root causes and proposed mitigation actions;
 3. The ability to drive weekly, monthly, quarterly and annual performance review meetings with suitable people from across both Global Fund and PSA organizations in order to drive the correct decisions and actions; and
 4. Naturally, potential shipment delays, service issues, Incidents and Claims must be addressed immediately to prevent any service delivery impact. Subsequently, root cause analysis must be conducted to prevent the same incidents occurring in the future.
 - d. Risk and issue management
 - i. Both the management of and escalation of risks to service delivery, whether from Global Fund or the PSA (see also Section 03.F.4).
 - e. Continuous improvement
 - i. Global Fund is committed to improving the efficiency and effectiveness of the end-to-end process. Hence Global Fund is keen to keep abreast of and understand how these improvements and innovations can maximize value and cut out inefficiencies in the end-to-end process; and
 - ii. Subsequent Annual Business Reviews of the Framework Agreement implementation between the Global Fund and the PSA, Global Fund will

review the PSA's performance. Based on this review, Global Fund at its sole discretion can reallocate Health Products and services.

The Global Fund expect the PSA to conduct all of its procurement activities in a responsible manner aligned with the policies stated in Conditions for Participation (Section 02.A) and manage its suppliers/subcontractors/manufacturers adhering to similar approach of SRM to Global Fund that aligns with their category strategies and business operations; to be agreed post- PSA(s) selection.

I. Key Performance Indicators

The below are the current view of the KPIs, this may change due to the Global Fund's want to continually improve:

KPI Category	KPI Metrics	Target
OTIF	Shipments delivered OTIF (Promised Date vs. Actual Delivery Date - Gross performance (all))	75%
	Volume of order delivered OTIF (Promised Date vs. Actual Delivery Date - Gross performance (all))	TBC
PE Turnaround	Time taken by the PSA for them to get a shipment's (product &/or logistics) Price Estimate (PE): - From receiving the request for a PE (request actionable date) - To sending request (from the manufacturer (for the product) and logistics service provider (for delivered logistics costs)) back to the Global Fund (with product(s) pickup date(s) etc)	Non- Global Fund FA: = 7 calendar days Logistics = 3 calendar days FA: Logistics = 3 calendar days
PO Turnaround	Time taken by the PSA for them to get a shipment's purchase order (PO): - From PO receipt (or accepted) - To sending a PO to the manufacturer (for the product) and logistics service provider (for delivered logistics costs)	3 calendar days
Freight Leadtime	For 75% all shipments, the freight actual leadtime should be <=5% of the PSA's initial quoted leadtime (Gross) This included issues that are within and outside of the PSAs' control.	<=5% for 75%
	For all shipments, the freight actual leadtime must be within +/-10% of the PSA's initial quoted leadtime (Gross) This included issues that are within and outside of the PSAs' control.	+/-10%
	For 75% all shipments, the freight actual leadtime should be <=5% of the PSA's initial quoted leadtime (Net) This included issues that are within the PSA's control, based on Global Fund & PSAs' agreed reason codes.	<=5% for 75%
	For all shipments, the freight actual leadtime must be within +/-10% of the PSA's initial quoted leadtime (Net) This included issues that are within the PSA's control, based on Global Fund & PSA's agreed reason codes.	+/-10%
Freight Cost	For 80% of all shipments, the freight actual cost should be <=5% of the PSA's initial quoted cost	<=5% for 80%
	For all shipments, the freight actual must be within +/-10% of the PSA's initial quoted cost	+/-10%
Claims	Shipments incident within specifications (Raised & settled within a period of time tbc)	100%
Invoicing	Number of invoices submitted without error	TBC
Innovation	Number of proposed realistic/tangible improvement plans (continuous) - cost/sustainability/efficiencies	TBC

04 Legal Matters

1. The Bidder must notify Global Fund of any compliance or unethical action or report that arises during this tender process.
2. By submitting a proposal for this RFP, including the Officer's Certificate of Conformance and Acknowledgement contained in Schedule A, the Bidder agrees to the terms and conditions of this RFP and terms and conditions of all documents stated in Conditions for Participation (Section 02.A), and to the following terms:
 - a. The Global Fund makes no offer of a contract by posting this RFP or evaluating any proposals submitted in response to it, and there is no legal agreement or relationship, whether in contract (express, implied or collateral) or tort, created by this RFP process between the Global Fund and any bidder, with the sole exception of the provisions of Sections 02.A and 04;
 - b. The Global Fund may, at its discretion, change the scheduled time of the key activities of this RFP, or revise this RFP and any of its Schedules, by issuing an amendment to this RFP. All Amendments to this RFP will be posted on the Global Fund website at <http://www.theglobalfund.org/en/business/solicitations/> and will be issued to Bidders that have confirmed intention to participate through the Global Fund Sourcing Application. It is the Bidder's responsibility to consult the Global Fund's website to ensure that it is aware of amendments to, and additional information for, this RFP;
 - c. The Global Fund expressly reserves the right to amend, withdraw, or cancel this RFP process and/or its sourcing strategy, change the timeline, and to reject any or all proposals, in whole or in part, at any time and for any reason, without liability or penalty to any party;
 - d. This RFP shall not be construed as a contract or a commitment of any kind. This RFP in no way obligates the Global Fund to award a contract, nor does it commit the Global Fund to pay any cost incurred in the preparation and submission of the proposal(s). Participation in this RFP is subject to the terms and conditions contained herein;
 - e. Bidders shall be solely responsible for their own expenses, if any, in preparing and submitting a proposal in response to this RFP. This includes any costs incurred during functional demonstrations and subsequent meetings, workshops and negotiations;
 - f. The Global Fund will be under no obligation to reveal, or discuss with any Bidder or anyone outside of the Global Fund how a proposal was scored or assessed, or to provide any other information relative to the selection process. Bidders whose proposals are not selected will be notified in writing of this fact, and shall have no claim whatsoever for any kind of compensation;
 - g. The Global Fund may, at any stage of this RFP: (a) reject any or all proposals or price submissions; (b) accept for award a proposal or price submission other than the lowest cost proposal or price submission; (c) accept more than one proposal or price submission; (d) accept alternate proposals or price submissions; (e) accept part of a proposal or price submission; (f) waive informalities and minor irregularities in proposals or price submissions received; (g) cancel this RFP;
 - h. There are no other arrangements or understandings between any Bidder and the Global Fund with respect to this RFP other than the text contained herein;
 - i. This RFP is subject to the terms contained in this RFP Package, the Global Fund Procurement Policy and the Global Fund Procurement Regulations to the exclusion of any national law;
 - j. Any dispute, controversy, claim, or issue arising out of this RFP or surrounding this process, shall be finally settled by arbitration conducted in accordance with the United Nations Commission on International Trade Law (UNCITRAL). The number

- of arbitrators shall be three, the place of arbitration shall be Geneva, Switzerland, and the language used at the arbitration shall be English;
- k. The investigative, decision-making, and sanctions policies and processes of the Global Fund, including the activities of its Inspector General, the Global Fund's Code of Conduct for Suppliers, and consideration of any findings of fraud or abuse by the Global Fund Sanctions Panel, should the Global Fund in its sole discretion choose to refer the matter to the Sanctions Panel, can and shall apply to (i) this RFP and (ii) any other matter relating to procurement of Outsourced Services to Support the Implementation of PPM pursuant to this RFP, and these processes may include, without limitation, public disclosure at the Global Fund's full discretion of any findings and/or decisions;
 - l. The Global Fund has full discretion to investigate any potential fraud or abuse, whether occurring in the past, present or future, associated with the procurement of Outsourced Services to Support the Implementation of PPM, and the Global Fund at its full discretion may publish the findings of such investigations; through participation in this RFP process, the Bidder acknowledges these processes and shall not challenge in any setting the investigation by the Global Fund of potential fraud or abuse associated with the procurement of Outsourced Services to Support the Implementation of PPM pursuant to this RFP, the dissemination of investigation findings and the responses undertaken by the Global Fund to findings of fraud or abuse, in all cases whether occurring in the past, present or future; and
 - m. Nothing contained in this RFP may be construed as a waiver, express or implied, of the privileges and immunities accorded to the Global Fund, whether as of the date of this RFP or accorded thereafter.

Schedule A: Officer's Certificate of Conformance and Acknowledgement

See file: *GF_18_048_Schedule A_OCC&A_1 Jun 2018*

Schedule B: Form of Confidentiality Agreement

See file: *GF_18_048_Schedule B_Confidentiality Agreement_1 Jun 2018*

Schedule C: Draft of Framework Agreement between the Global Fund and PSA

See file: *GF_18_048_Schedule C_FA Template_6 Jul 2018*

Note: This schedule will be issued separately on 27 July 2018

Schedule D: Weekly Data Reporting Template & Shipment Volumes File

D1: The data template that the PSA must submit to Global Fund on a weekly basis, see file:
GF_18_048_Schedule_D1_Monthly_Data_Reporting_Template

D2: The product categories, volumes and country-to-country routes is for illustrative purposes only, and covers the 2015/18 period, see file:
GF_18_048_Schedule_D2_Shipment_Volumes_File_Final

Schedule E: Technical & Commercial Response Templates

E1: GF Proposal Template: Technical Proposal, see file:
GF_18_048_Schedule E1_Proposal_Questions_Final.docx

E2: GF Proposal Template: Commercial Proposal, see file:
GF_18_048_Schedule E2_Operational_Team_Pricing_Template_Final.xlsx

E3: GF Proposal Template: Due Diligence Questionnaire, see file:
GF_18_048_Schedule E3_Due Diligence Questionnaire_Template.docx

Schedule F: Pooled Procurement Mechanism Process Flow

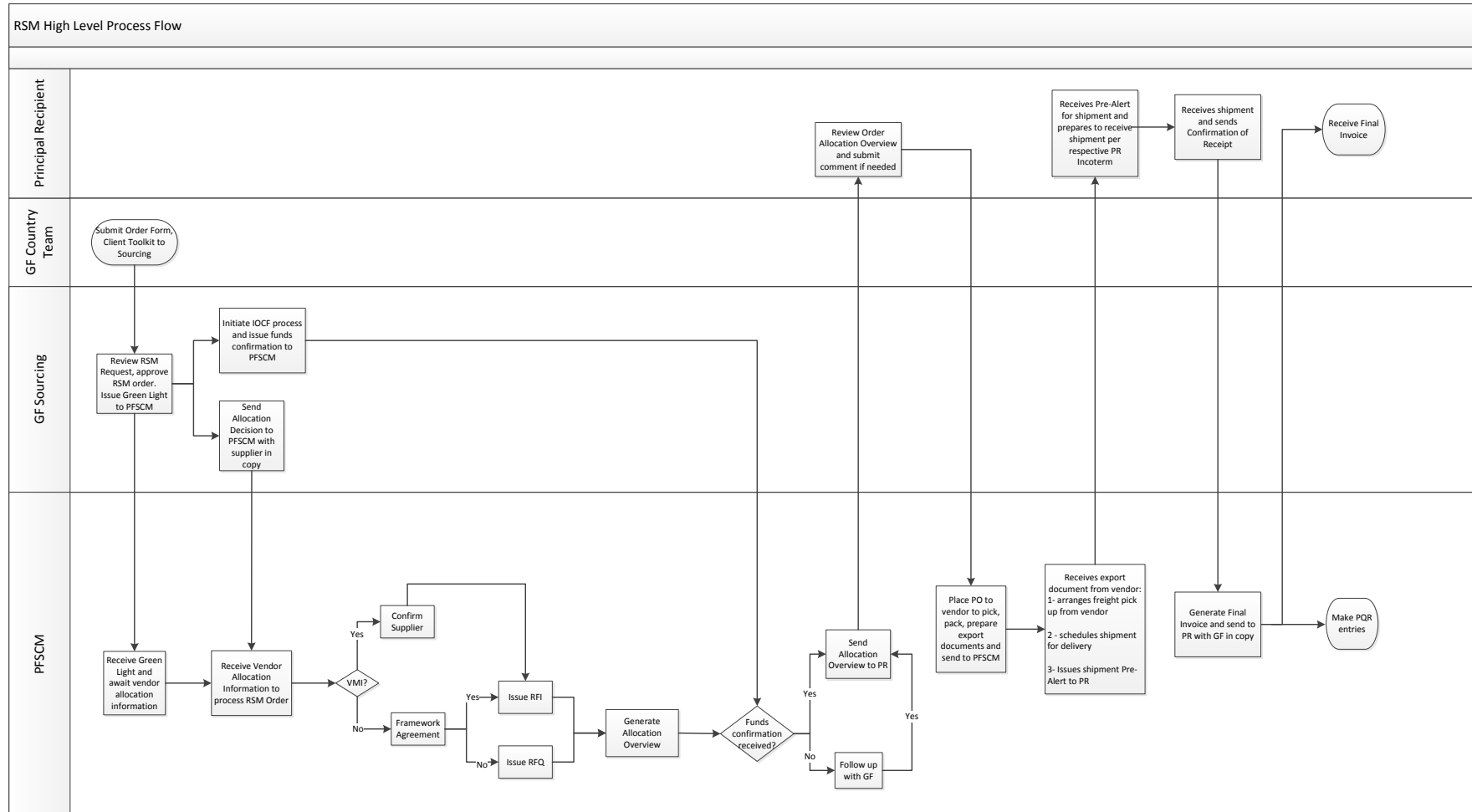
See file:

*GF_18_048_Schedule_F_FYI_GF's_Pooled_Procurement_Mechanism_Process_Flow_RFP Info
Version.vsd*

Note: This is an overview representation of the Global Fund's PPM process and is to be used as a guide only. It is not a fully exhaustive process flow and no questions will be answered on the detail of this document.

Schedule G: Illustrative Overview of a Rapid Supply Mechanism Process

This is a high-level illustrative overview of a rapid supply mechanism process Global Fund would be expecting and is to be used as a guide only. It is not a fully exhaustive process flow and no questions will be answered on the detail of this document.



Schedule H: Glossary of Terms

1. **Actual Delivery Date:** The actual delivery date of the shipment to the PR, by the PSA, with signed proof of delivery note.
2. **ARV:** Antiretroviral medicines.
3. **ANTM:** Antimalarial medicines.
4. **Bidder:** Service provider submitting a proposal by the deadline in response to this RFP; who if successfully selected by the Global Fund would act as an agent on behalf of Principal Recipients in the procurement of Health Products through the Pooled Procurement Mechanism.
5. **Claim:** Is where an Incident has occurred and relevant insurance companies are investigating.
6. **EID:** Early Infant Diagnostics
7. **FA or Framework Agreement:** When referencing Bidder/PSA and Global Fund this is Schedule C: Draft of Framework Agreement between the Global Fund and PSA, either in draft form or when agreed between Global Fund and Bidder (as applicable). When referencing the Bidder/PSA or Global Fund's relationship with another party (supplier, manufacturer, sub-contractor etc.) this is defined as the contractual agreement between those specific parties.
8. **Global Fund:** The Global Fund to Fight AIDS, Tuberculosis and Malaria. More information is available here: <http://www.theglobalfund.org/en/>.
9. **GMP:** Good Manufacturing Practice.
10. **Health Products:** All products being transacted, shipped and managed by the PSA as part of the RFP activity and eventually through services provided (for the PR) as stated in the FA between the PSA and Global Fund.
11. **IRS:** Insecticides for Indoor Residual Spraying.
12. **Incident:** Is where a shipment deviates in any way from the schedule service, for example but not limited to shipments' temperature excursions, routing changes, service level changes.
13. **Lab:** Laboratory equipment and supplies, medical consumables, etc.
14. **LLINs:** Long-Lasting Insecticide treated Nets.
15. **OTIF:** Shipments are delivered On Time In Full at the destination location, that is measured through the KPIs in Section 03.I.
16. **Partner Organizations:** A Partner Organization is a United Nations system organization, a public international organization or a donor Government Agency.
17. **PPM or Pooled Procurement Mechanism:** Program managed by the Global Fund that aggregates order volumes on behalf of participating Principal Recipients of Global Fund grant funding in order to negotiate best prices and delivery conditions with FPP Panel Suppliers. More information is available at: <https://www.theglobalfund.org/en/sourcing-management/health-products/>.

18. **PR or Principal Recipient:** Entity nominated to implement a program designed to utilize Global Fund grant funds to fight against the diseases of HIV/AIDS, tuberculosis and/or malaria, including strengthening of related health systems, in a country.
19. **Promised Date:** The committed delivery date of the shipment to the PR, by the PSA.
20. **PSA or Procurement Services Agent:** The service provider(s) who are contracted by the Global Fund to perform the Outsourced Services to Support the Implementation of the Global Fund's Pooled Procurement Mechanism, as a result of this RFP GF-18-048 process.
21. **Quality Assurance Policy:** As defined in Section 02.A.2.f.
22. **QA:** Quality Assurance.
23. **QC:** Quality Control.
24. **RDT:** Rapid Diagnostic Tests.
25. **Request for Proposal or RFP:** This Request for Proposals GF-18-048.
26. **RSM:** Rapid Supply Mechanism.

Schedule I: PPM Health Product Breakdown

Enclosed below are the 2017 Health Product categories under Global Fund Sourcing management, whether through Global Fund or the PSA's FA:

Scope of Global Fund QA policy and Sourcing per product category at June 2018

			# of eligible suppliers	# of eligible products	Specific Quality Policy	Global Fund Supplier Allocation	Sourcing / selection of Suppliers
FA Product Groups	Pharma	ARV	30	113	Yes	Yes	
		ANTM	20	29	Yes	Yes	
	Health Technology	LLINs	13	19	Yes	Yes	
		Viral Load/EID	11	99	Yes	Yes	
Non-FA Product Groups (some further categories will transition to GF Framework Agreements in 2018/2019)	Pharma	Essential medicines	No GF List of Eligible Products		PSA QA System	No	Yes
	Health Technology	HIV RDTs	18	35	Yes	No	
		Malaria RDTs	16	75	Yes	No	
		Other diagnostics	No GF List of Eligible Products for most diagnostics		PSA QA System	No	Mostly
		Lab and medical supplies	No GF List of Eligible Products		PSA QA System	No	Yes
		Condoms	24	27	Yes	No	
		Indoor residual spray	12	11	Yes	No	

Indicative scope of transactions: supply & demand

			# of countries supplied	# of requests	# of suppliers utilized*	# of products ordered*	Value (USD)	# of POs	# of shipments
FA Product Groups	Pharma	ARV	40	160	11	59	400 M	787	1124
		ANTM	24	77	9	30	76 M	178	236
	Health Technology	LLINs	28	45	10	36	215 M	114	376
		Viral Load/EID	20	46	10	55	16 M	121	128
Non-FA Product Groups (some further categories will transition to GF Framework Agreements in 2018/2019)	Pharma	Essential medicines	18	38	18	83	25 M	122	120
	Health Technology	HIV RDTs	35	72	11	20	58 M	206	261
		Malaria RDTs	25	38	4	7	25 M	59	71
		Other diagnostics	32	86	42	648	38 M	531	497
		Lab and medical supplies	34	91	45	438	16 M	306	267
		Condoms	19	27	7	13	9 M	52	62
		Indoor residual spray	8	19	10	6	22 M	35	42

*Includes suppliers with and without Global Fund framework agreements and product pack variations Note: Figures are average of 2015-2016 values and can vary as program structure evolves.

*Note: This page is intentionally blank and is the final page of the Outsourced Services to
Support the Implementation of PPM RFP 2018 Document*
