



SUPPLIER SUMMIT

**USAID Global Health
Supply Chain Program
Supplier Summit
February 21-23, 2017**

SUPPLIER SUMMIT

USAID Global Health Supply Chain Program



CONTRACTING WITH GHSC-PSM

Solicitation and Contract Management



USAID
FROM THE AMERICAN PEOPLE



PEPFAR
U.S. President's Emergency Plan for AIDS Relief



USAID
FROM THE AMERICAN PEOPLE



U.S. President's Malaria Initiative

OVERVIEW OF TODAY'S SESSION

**SUPPLIER
SUMMIT**

USAID Global Health Supply Chain Program Supplier Summit

TOPICS

- GHSC-PSM Project and Guiding Sourcing Principles
- GHSC-PSM Procurement Authority
- U.S. Federal and Government Regulations
- Solicitation Process
 - Representations and Certifications
 - Technical and Price Offers
 - Evaluation and Award
- Key Subcontract Provisions
 - Long-term vs. Defined Order Subcontracts

USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM - PROCUREMENT AND SUPPLY MANAGEMENT PROJECT

Vision: One end-to-end, comprehensive health supply chain

Goal: Improve availability of health commodities and provide supply chain technical assistance.

How?

- Commodity quality assurance
- Market dynamics information
- Commodity procurement
- Logistics
- Technical assistance to strengthen supply chains

GHSC-PSM SOURCING AND SOLICITATION: GUIDING PRINCIPLES

- Serves as a **single supply chain** through which USAID will procure and provide health commodities for USAID health programs including HIV/AIDS, malaria, family planning, and maternal & child health.
- Provides a **consistent approach** to quantification and forecasting, procurement, transportation, warehousing, and information systems for commodities across USAID program areas.
- Utilizes a procurement system **compliant** with U.S. federal regulations and USAID policies and procedures
- Drives **efficiencies and continual improvement** through long-term agreements and web-based procurement mechanisms

WHAT IS GHSC-PSM?

USAID Global Health Supply Chain Program-
Procurement and Supply Management (GHSC-PSM)

Single Award Indefinite Delivery Indefinite Quantity
(IDIQ) and Task Orders

- Task Order 1: HIV/AIDS (PEPFAR)
- Task Order 2: Malaria (PMI)
- Task Order 3: Family Planning/Reproductive Health
- Task Order 4: Maternal and Child Health

SINGLE AWARD INDEFINITE DELIVERY INDEFINITE QUANTITY (IDIQ) CONTRACT

AWARD/CONTRACT		1 THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)	RATING	PAGE OF PAGES 1 157
2. CONTRACT (Proc. Inst. Ident.) NO. AID-OAA-I-15-00004			3 EFFECTIVE DATE See Block 20C	4 REQUISITION/PURCHASE REQUEST/PROJECT NO. REQ-GH-13-000042
5. ISSUED BY	CODE	GH/OHA	6 ADMINISTERED BY (If other than Item 5)	CODE
GH - Office of HIV-AIDS			Not Applicable	
7. NAME AND ADDRESS OF CONTRACTOR (No., Street, City, Country, State and ZIP Code)			8 DELIVERY	
CHEMONICS 1717 H ST NW STE 1 WASHINGTON DC 20006-3900			<input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)	
			9 DISCOUNT FOR PROMPT PAYMENT	
			10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN	
			ITEM	

“The contractor must implement a global procurement and logistics program that is compliant with Federal regulations and USAID policies and procedures that is cost-effective, high-performing, transparent, and flexible and provides the best value for the USG.”

GHSC-PSM CONSORTIUM



CHEMONICS INTERNATIONAL INC.

- Established in 1975: ISO 9001 Certified since 2009
- 100% employee-owned since 2011
- Work in \approx 70 countries around the world, with a total contract value of about \$8B, including GHSC-PSM
- \approx 4,000 local professional and support employees around the world
- \approx 640 Chemonics employees in our DC Home Office
- \approx 220 SCS and GHSC-PSM employees (Chemonics + GHSC-PSM Partner staff) in our Crystal City headquarters

CHEMONICS IS USAID'S PROCUREMENT AGENT

- USAID, or other donor, identifies procurement needs and authorizes action
- Funding comes directly from the client
- All procurements must follow U.S. Government Procurement Regulations
- **Chemonics is not a commercial wholesaler, distributor, or marketer**

STANDARD CONTRACTUAL REQUIREMENTS

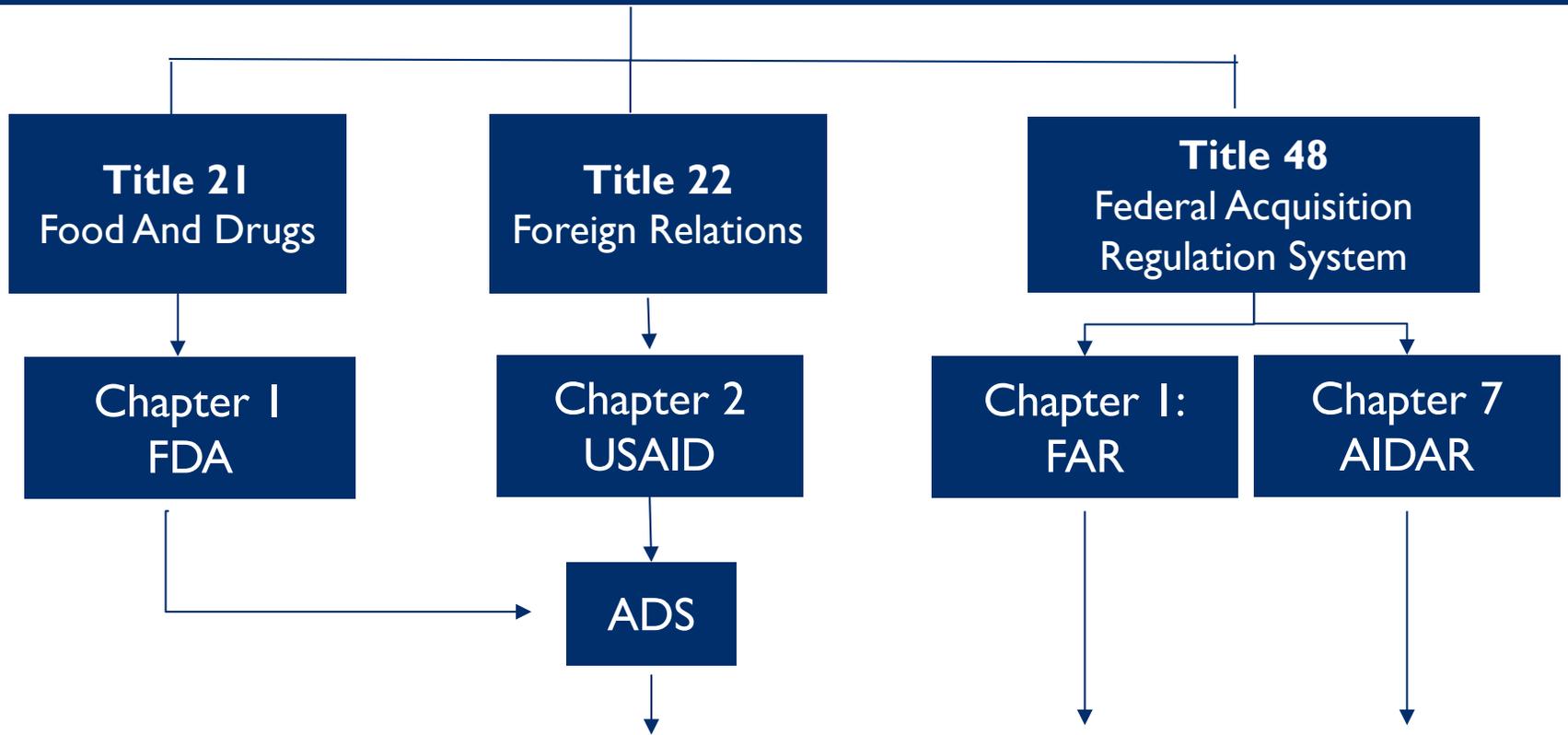
- Solicitation requirements tied to FAR and prime contract
- Federal Acquisition Regulation (FAR), USAID Acquisition Regulation (AIDAR), USAID's Automated Directives System (ADS) policies and procedures, Code of Federal Regulations (CFR), Executive Orders (EO), and other regulations
- Technical and eligibility requirements tied to health areas

REGULATIONS - DECIPHERING THE ACRONYM SOUP

- USC – United States Code
- CFR – Code of Federal Regulations
- FAR – Federal Acquisition Regulations
- AIDAR – Agency for International Development Acquisition Regulations
- ADS – Automated Directives System



Code of Federal Regulations (CFR)



Organization's Policy

DIFFERENT HEALTH AREAS – DIFFERENT ELIGIBILITY

- Antiretrovirals (ARVs)
- Essential Medicines
- Food by Prescription
- HIV-Rapid Test Kits (through RMI)
- Male and Female Condoms and Personal Lubricants
- Non-HIV Rapid Test Kits
- Laboratory Supplies
- Voluntary Medical Male Circumcision Kits
- Antimalarial medicines
- Rapid Diagnostic Tests
- Long-Lasting Insecticidal Nets
- Vitamins
- Neonatal Devices
- Contraceptives
- Intrauterine Devices
- Fertility-Awareness-based Methods

THE FAR GUIDES PROCUREMENTS

- Applicable to all government contracting (acquisitions) with appropriated funds.
- FAR Part 52: solicitation provisions & contract clauses
 - Certification of Independent Price Determination – (FAR 52.203-2)
 - Subcontractor Certification and Disclosure Regarding Payment to Influence Certain Federal Transactions – (FAR 52.203-11)
 - Subcontractor Certification and Disclosure Regarding Payment to Influence Certain Federal Transactions – (FAR 52.203-11)
 - Documentation for Financial and Technical Responsibility

CFR

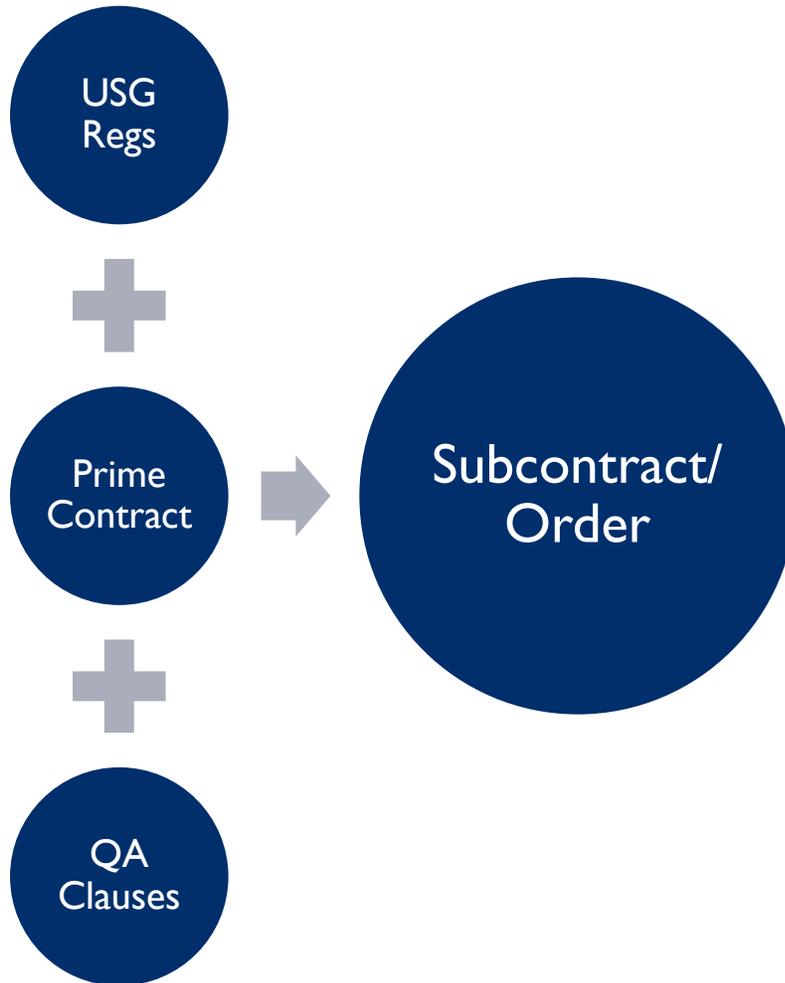
Title 48
Federal Acquisition
Regulation System

Chapter I
FAR

FAR Part
52

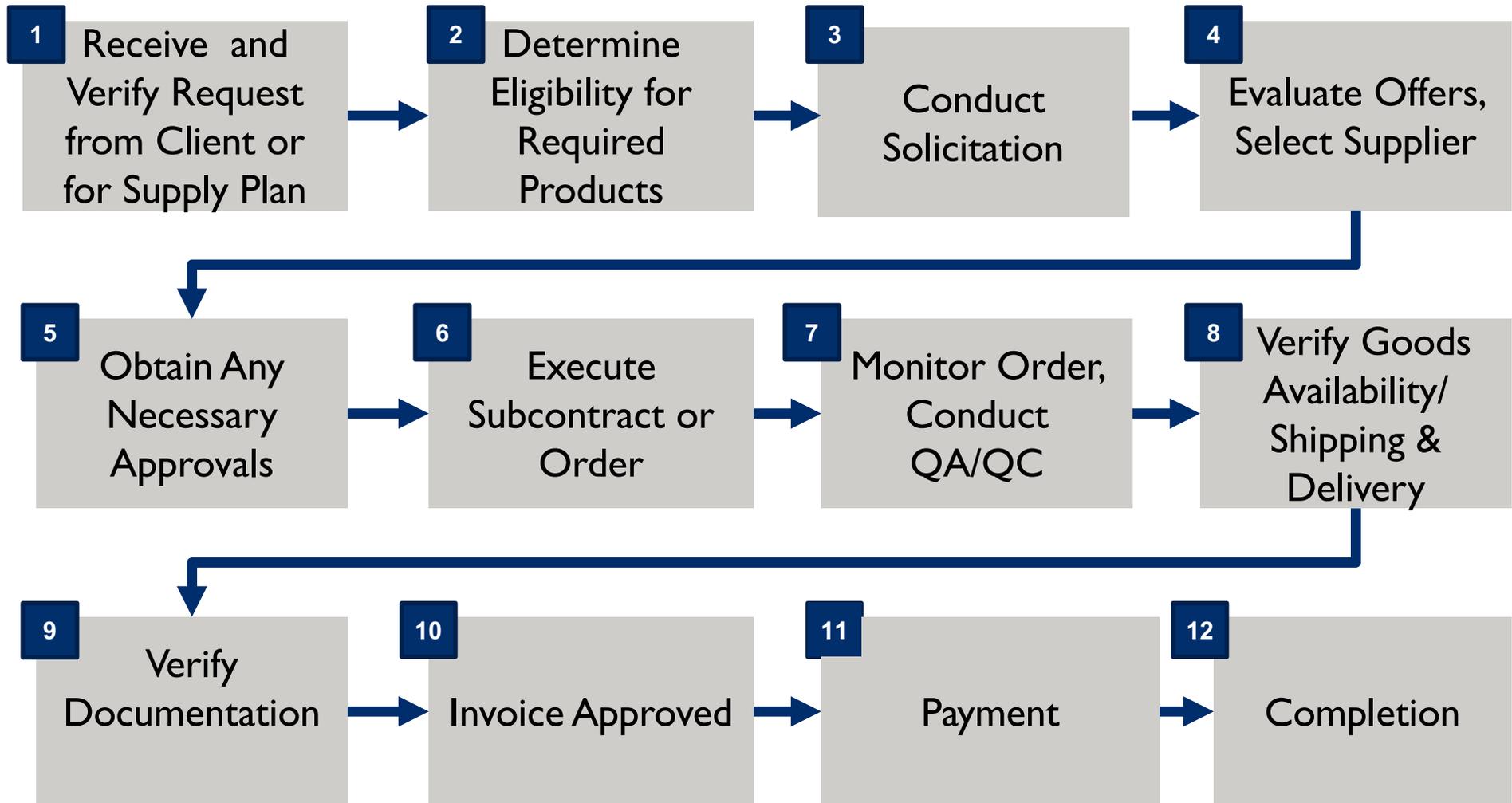
Subpart
52.244-2

STANDARD TERMS LINKED TO USAID PRIME CONTRACT



- Contract is between Chemonics and the Supplier
- Standard terms “flow down” requirements from the prime award to a purchase
 - Regulatory
 - Quality and Performance

OVERVIEW OF THE PROCUREMENT CYCLE



REQUIREMENT DRIVES SOLICITATION FORM

Defined Order and Timeline

- Fixed Prices
- Subcontract
- Purchase Order
- IDIQ/Order

Indefinite Delivery and Quantity

- Forecasted need for a period of time
 - IDIQ with fixed prices
 - IDIQ with ceiling prices
- No forecast/Low value per order
 - Blanket Purchase Agreement

TOWARD EFFICIENCY IN PROCUREMENTS

- Long-term agreements for competitive IDIQ awards and BPAs
 - Allow for faster sourcing based on lead time and country registration
 - Periodic price adjustments to ensure competitive best value
- Procurement Portal - ARTMIS
 - Supplier Profile Management Functionality
 - Improved Tracking of Certifications by Vendor
 - Improved Tracking of Product Registration

ETHICAL AND HONEST BUSINESS PRACTICES

- Chemonics staff are prohibited from engaging in false or fraudulent behavior
- Evaluation and selection of suppliers will be based on objective, business-related criteria
- Real or perceived conflicts of interest are managed through reasonable organizational and management approaches
- Kickbacks or bribes are not acceptable in any form and will result in disqualification and report to USAID Office of Inspector General
- Report questionable behavior to GHSC-PSM or the Chemonics Office of Business Conduct

PROCUREMENT CONTROLS

Conflict and Monitoring Controls Include:

- Segregation of duties between tender development and bid evaluation
- Limited access to procurement files
- Sourcing authority limited to designated procurement staff
- Prequalified and pre-approved vendor lists for specific product areas
- Communications and all decisions monitored by independent sourcing supervisors

MANAGEMENT OF PERCEIVED ORGANIZATIONAL CONFLICTS OF INTEREST

Access to data related to a pending/active procurement or solicitation event for commercial services/supplies* provided by the partner firm.

*QA, Logistics, Commodities, Warehousing, Transportation

- **Partner-level organizational policies and procedures**
- **GHSC-PSM organizational structure**
- **GHSC-PSM policies and procedures**
- **Sourcing event COI mitigation**
- **Verification process; issue escalation process**

Gita Maitra
Program Operations Director
GHSC-PSM
gmaitra@ghsc-psm.org

The USAID Global Health Supply Chain-Procurement and Supply Management project provides commodity procurement and logistics services, strengthens supply chain systems, and promotes commodity security. We support USAID programs and Presidential Initiatives in Africa, Asia, Latin America, and the Caribbean, focusing on HIV/AIDS, malaria, maternal and child health, and population and reproductive health commodities.

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