Standard Operating Procedures (SOP) for Procurement with Three Diseases Fund grants

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Version 4.1
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2. INTRODUCTION

The Three Diseases Fund (3DF) aims to reduce the burden of communicable disease mortality and morbidity for tuberculosis, malaria and AIDS in Myanmar. The 3DF is a pooled funding mechanism established by a consortium of international donors to address the three diseases in close cooperation with key actors. Supported by Australia, Denmark, the European Commission, the Netherlands, Norway, Sweden and the United Kingdom, the 3DF received pledges of more than US$ 125 million over five years for the three diseases.

All grant recipients, the Fund’s partners, are responsible for ensuring that procurement with funding from the 3DF is undertaken according to the Fund’s policies and principles.

The Fund Manager (FM), the United Nations Office for Project Services (UNOPS), is expected to comply with all regulations, rules, and public procurement principles.

The principles of UNOPS procurement policies and procedures form the basis of the current 3DF Standard Operating Procedures (SOP) for the supply of pharmaceutical and health-related commodities for and by 3DF grant recipients in Myanmar.

The SOP shall guarantee the application of the best value for money principle in the procurement process. This does not necessarily mean selecting the lowest initial price option, but requires an integrated assessment of technical, organizational, and pricing factors in light of their relative importance. The SOP should, however, aim at reducing the overall procurement costs, and at ensuring the efficiency and reliability of the supply chain.

The SOP aim to guide 3DF partners in procurement activities. They describe standard procedures to be followed by the Fund Manager, when procuring on behalf of partners. It is envisaged that these SOP will be updated regularly to ensure that they remain relevant to UNOPS business and 3DF donor requirements and in line with best practices in public procurement. This manual will be updated accordingly as the need arises.

The SOP consists of eight sections including the Introduction and the Annexes. Section 3 starts by outlining the strategic objectives for good quality pharmaceutical procurement; this is expanded in the Annexes with the operational principles. Section 4 deals with special considerations such as budget adjustment, small orders, ad hoc considerations and exceptions. Section 5 provides a detailed description of the steps to be followed in a procurement process.

For the purposes of this document, the definition of pharmaceuticals and drugs is as follows:

All substances that in one way or another (oral, through the skin, injectable, etc.) enter the body and are intended to influence and/or stimulate the normal function of the body beyond normal nutrition and hygiene.
This manual contains links to other documents, such as forms and resource documents. To ensure these links continue to work the document should be copied with the relevant folders, named: “Forms” and “Resources”.

Links in this document are underlined in blue and preceded by the following icons:

- 📖 Links to a related sample, form or template
- 📚 Links to a resource document
- 🌐 Links to a website with relevant information
3. **Strategic Objectives**

The following four strategic objectives are relevant to any drugs supply system:

1. **Procure the most cost-effective drugs in the right quantities**
2. **Select reliable suppliers of high-quality products**
3. **Ensure timely delivery**
4. **Achieve the lowest possible total cost**

3.1 **Procure the Most Cost-effective Drugs in the Right Quantities**

All agencies active in procurement shall maintain a list of essential drugs to ensure that only the most cost-effective drugs are purchased. Procedures that accurately estimate procurement quantities must be in place, in order to ensure continued availability of the selected products without accumulating excess stock.

3.2 **Select Reliable Suppliers of High-quality Drugs**

Reliable suppliers of high-quality drugs must be pre-selected and active quality assurance programmes involving surveillance and testing shall be implemented by the supplier.

3.3 **Ensure Timely Delivery**

Procurement and distribution systems must ensure timely delivery of appropriate quantities to central or district stores and adequate distribution to health facilities/service delivery points where the products are needed.

3.4 **Achieve the Lowest Possible Costs**

The lowest possible costs must be achieved considering four main criteria:

1. The actual purchase price of the drugs
2. Hidden costs due to poor product quality, poor supplier distribution or short shelf-life
3. Inventory holding costs at various levels of the supply system
4. Operating costs and capital loss by management and administration of the procurement and distribution system
4. SPECIAL CONSIDERATIONS

4.1 URGENT REQUIREMENTS

The Fund Manager should be contacted in cases of urgent need (for example drugs needed within four months and which cannot be supplied through an international procurement action). The Fund Manager is often able to facilitate communication between partners to assist in sharing stocks.

4.2 BUDGET ADJUSTMENT

In most cases, international procurement is a cheaper option than local procurement, since national taxes as well as profit margins of local distributors can be avoided. Only locally-manufactured items may be cheaper than imported, but locally-manufactured pharmaceuticals are not approved for procurement with 3DF grants. In cases where a budget has been calculated based on local prices or where the initial budget appears to be insufficient to comply with the Fund’s procurement policies, a new estimate can be submitted with adjusted prices for those items for which international procurement increases the costs of the items. The Fund Manager will then take this into consideration, although it cannot make any commitment for the allocation of additional funds.

4.3 VERY SMALL QUANTITIES

International procurement of very small quantities is not possible, since international suppliers need a minimum order value to make the supply financially interesting. The Fund Manager will try to provide necessary support for partners who want to process small orders that they would otherwise not be able to obtain from the international market. This requires that partners synchronize orders in time and frequency. The Fund Manager will request these partners to submit their requirements and will provide them with a timeline for delivery.

As a short-term solution, partners with very small orders should try and obtain stock from other 3DF partners. When this is not possible, they may contact the Fund Manager for assistance.

4.4 AD HOC REQUIREMENTS

Partners are required to use their sound judgment when it comes to ad hoc requirements; it is not possible to provide written guidelines that cover all possible eventualities.

4.5 PARTNERS OWN PROCUREMENT GUIDELINES VERSUS 3DF SOP

The SOP describes standard procedures to be followed by the Fund Manager when procuring on behalf of partners. For those partners undertaking their own procurement, they should follow their organization’s internal guidelines where available. These guidelines should have been issued by the headquarters from the organization, furthermore they should be documented and well established within the organization. In case there are no documented guidelines issued by the headquarters regarding procurement procedures, 3DF guidelines shall prevail.
4.6 **Exceptions for local procurement**

All pharmaceuticals are to be procured internationally, but some health commodities have been approved for local procurement (see Section 5.2, Phase 2, Step 2: Check if items can be sourced locally or only internationally). It may not be possible to generate a comprehensive list of items that can and cannot be procured locally. In situations where partners wish to consider local procurement for specific items, the Fund Manager should be consulted in order to add these items to a list of exceptions.

Local procurement is to be carried out by partners themselves. In cases where international procurement is carried out by the Fund Manager on behalf of a partner, the partner is to ensure that those funds required for local purchases are not incorporated in the international budget line, since the funds in this budget line are not disbursed to the partner but remain with the Fund Manager.

4.7 **Procurement in the final year of a Memorandum of Agreement.**

Procurement requisitions need to be submitted at least 12 months prior to the end of the partner’s Memorandum of Agreement with the 3DF. Since procurement actions require approximately four to six months from start to full delivery, it is too late to initiate a procurement action within six months of the contract end since the supplies would be delivered too close to the end of contract. In exceptional circumstances, exemptions may be made with approval from the Fund Manager.

4.8 **Importation assistance**

Partners carrying out their own procurement can still receive support from the Fund Manager for importation of the procured commodities. The Fund Manager does not require an import licence for clearing health commodities through customs. For each and every consignment to be cleared by the Fund Manager, a separate contract will have to be established (see SAMPLE – Import Assistance Agreement). For details on the procedure if clearance is undertaken by the Fund Manager, partners are referred to SOP Clearance and Reception of International Consignments (below).

4.9 **Guidelines on the selection of Malaria Rapid Diagnostic Tests**

There are many different Rapid Diagnostic Tests (RDTs) available in the market. To assist partners in the selection of the most appropriate and qualified RDT, the Fund Manager has developed a guideline based on publications from WHO of test results on the performance of the different RDTs. Partners are referred to SOP – 3DF guideline on the selection of Malaria RFTs (below).

- [SOP - 3DF guideline on the selection of Malaria RDTs](#)
- [SOP - Clearance and Reception of International Consignments](#)

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1 For example: laboratory reagents are in general to be purchased internationally, however some reagents are very stable and of low cost, and therefore may be procured locally.
5. PROCUREMENT PROCESS

5.1 PROCUREMENT CAPACITY ASSESSMENT

The capability of each partner to undertake direct procurement of pharmaceutical and medical commodities will be assessed. When a partner is considered to have this capability, the Fund Manager will allow direct procurement. In such case, the Fund Manager is still available to provide assistance on request on the following matters:

- **QUOTATIONS:** The Fund Manager can request international suppliers for quotations of pharmaceutical and medical commodities.

- **CUSTOMS CLEARANCE:** With the exception of narcotic and psychotropic pharmaceuticals the Fund Manager does not need import licences for customs clearance of pharmaceutical and medical commodities and therefore can assist in this matter. In cases where a partner would like to procure narcotic or psychotropic pharmaceuticals on the international market, it is the partner’s responsibility to obtain two original import licences and present these prior to an order being placed with a supplier.

- **TAX EXEMPTION:** Tax exemption for pharmaceutical and medical commodities can be obtained with the assistance of the Fund Manager, but only if the Fund Manager is the consignee of the shipment concerned.

A partner can initiate a procurement assessment by contacting the Fund Manager (Procurement Unit). In such case, the form *Questionnaire Supply Assessment* should be completed prior to requesting the assessment.

When partners have been evaluated as capable to procure pharmaceutical and medical commodities directly, the Fund Manager will monitor the quality of the procurement process. This includes competitive bidding, quality assurance, distribution and storage.

If the assessment indicates that the partner does not have sufficient capacity to carry out their own international procurement, the Fund Manager will undertake the procurement. In this case the partner is requested to sign an *International Procurement Assistance Agreement (IPAA)*. This agreement is an addendum to the original Memorandum of Agreement. It clarifies under which conditions the Fund Manager will undertake the procurement and describes issues such as liability and the responsibilities for both parties.

- [SAMPLE - International Procurement Assistance Agreement (IPAA)]
- [FORM - Questionnaire Supply Assessment]
- [FORM – Planning Check List]
5.2 PROCUREMENT DONE BY THE FUND MANAGER OR PARTNERS

Phase 1: Assess Requirements

Any procurement action will start by defining the requirements; in most cases this is done by the partner. Should the partner need assistance, the Fund Manager can either provide technical support or refer the partner to others who have the technical knowledge to assist.

Partners may submit requisitions at any time, but to prevent inefficient operations some limitations are necessary:

- Only one requisition can be submitted every nine months, to avoid multiple small orders which could otherwise be combined into one larger purchase order;
- Orders have to be submitted at least 12 months prior to the end of a Memorandum of Agreement, to prevent stock arriving towards the end of contracts.

This phase has three steps:

**Step 1**: Reviewing and revising the requirements
**Step 2**: Ensuring the availability of funds
**Step 3**: Finalising the requirements with the partner

**Step 1: Reviewing and revising the requirements**

To ensure economies of scale, the Fund Manager will try to synchronise orders for several partners. This might require adjustments in time and frequency of orders from 3DF partners, especially for those requiring small quantities.

The Fund Manager will request all partners to submit their requirements at least four but preferably five to six months prior to delivery. This period of time is necessary to review the requirements, to request quotations, or if the quantities require, to float a tender and to allow for the supplier’s delivery lead time. The requirements should be submitted using the 3DF Standard Drugs Order List form.

As a minimum, a requisition should include the following information:

- A detailed description of the goods sought
- Confirmation of availability of funds
- Quantity to be procured
- Required delivery date
- Delivery location
- Estimated price
- Any additional information (for example standardisation, preferred method of shipment, etc.).
The Fund Manager will provide the Standard Drugs Order List form, which lists all pharmaceuticals approved for procurement with 3DF grants and gives indicative prices excluding freight charges. Freight charges should be added separately, and in case of air freight, as a rule of thumb 20% of the value of the commodities to be ordered should suffice. The Standard Drugs Order List is prepared from the National Treatment Protocols from the Ministry of Health and partners are restricted to pharmaceuticals included in this list. If a partner would like to order pharmaceuticals not included in the Standard Drugs Order List, a request including a justification should be submitted to the 3DF Program Unit. The Program Unit will then determine whether or not approval for procurement can be given.

The Standard Drugs Order List can be used to order directly from the 3DF, or function as a reference for those partners undertaking their own procurement. The list allows users to filter so that only those pharmaceuticals related to specific activities agreed upon in the Memorandum of Agreement between the partner and 3DF are visible. Selection of pharmaceuticals is restricted to only those directly related to the partner’s activities as agreed in the Memorandum of Agreement with the 3DF.

If the procurement is to be done by the 3DF, the partner should complete all fields and enter the requested quantities for the different commodities in the list. After completion of the requirements, the original file should be submitted to the Fund Manager in electronic copy.

Setting the requirements should be done with the utmost care, as errors in this part of the process may delay the delivery, or result in discrepancies between the original requirements and the delivery. It is important to include an estimation of the total costs, since this will determine the method of solicitation.

**IMPORTANT:** Requirements should include only *generic names* and no specific *brand names* or other unnecessary restrictions should be requested, unless this cannot be avoided.

- [FORM - Standard Drugs Order List (Excel 2003)]
- [FORM - Standard Drugs Order List (Excel 2007)]

- **UNOPS - Procurement Manual chapter 2.5 Requirements definition** (only accessible by UNOPS Staff)
- **UNOPS - Guideline - Preparation of specifications**

**Step 2 : Ensuring the Availability of Funds**

When a partner enters into a Memorandum of Agreement (MoA) with the 3DF, they can request that procurement of medical commodities be done by the Fund Manager. Where procurement is to be undertaken by the Fund Manager the disbursement schedule should reflect this. Funds budgeted for procurement, although part of partner’s budget, should not be included in the disbursement schedule, but shall remain with the Fund Manager to be used for the payment of the procured commodities. The value of the total procurement can never
exceed the funds remaining with the Fund Manager. In exceptional cases the budget can be amended if more funds are needed than initially reserved by the partner for procurement. No procurement actions can be undertaken unless the disbursement schedule in the Memorandum of Agreement shows that the amount reserved for procurement by the Fund Manager will not be disbursed to the partner. Any funds remaining after the procurement has been completed will remain with the Fund Manager unless additional procurement actions are undertaken to utilise these remaining funds.

Prior to the procurement action, the partner will be asked to confirm that resources are sufficient for the procurement. The amount shall be indicated in the Standard Drugs Order List form sent to the Procurement Unit in the Fund Management Office. The Fund Manager will verify that the funds are still available under the established Memorandum of Agreement.

**Step 3: Finalizing the requirements with the partner**

The requisition will be evaluated by the Fund Manager and checked against the following:

- Correct specified needs, without over-specification or under-specification
- Realistic delivery dates
- Descriptions of commodities are sufficiently specified
- In case of pharmaceuticals, adherence to the national (treatment) guidelines
- The presence of brand names
- The presence of restricted pharmaceuticals such as narcotic or psychotropic drugs, as these require import licences and can delay deliveries.

The (revised) Standard Drugs Order List will be returned to the partner for final confirmation of the requirements.

**Phase 2: Sourcing, quotations, valid long term agreements (LTAs)**

A decision needs to be taken on whether the required items can be sourced locally or only internationally. Local purchases can then be carried out by partners themselves, using proper procurement procedures. For local purchase, the method of solicitation can be decided depending upon the value of the purchase. In cases where the Fund Manager will take care of the procurement, the order will be placed by the Fund Management Office in Yangon. The following steps should be followed:

**Step 1:** Final verification that the commodities are approved for procurement for the specific activity which is agreed upon in the Memorandum of Agreement

**Step 2:** Check if items can be sourced locally or only internationally

**Step 3:** Check whether a relevant Long Term Agreement (LTA) exists

**Step 4:** Select the solicitation method based on the nature and value of the goods to be purchased

**Step 5:** Prepare a Request for Quotation (RFQ)
Step 1: Check if the items are approved for procurement with Three Diseases Fund grants

In order to harmonize the procurement of drugs funded by the 3DF, the Standard Drugs Order List has been prepared of pharmaceuticals included in the respective national guidelines for:

- ART treatment
- Clinical management of HIV infection
- Home Based Care for AIDS patients
- Treatment of sexually transmitted infections
- Treatment for malaria
- Treatment for tuberculosis

The guidelines to be used for the selection of pharmaceuticals are:

- The latest version of the national treatment guidelines approved by the Government of Myanmar for the specific disease, or;
- If no national treatment guidelines are available, refer to the latest version of the global WHO guidelines.

All the pharmaceuticals mentioned in the national treatment guidelines have been included in the Standard Drugs Order List by disease category. The Standard Drugs Order List shall be used as the requisition list for procurement of pharmaceuticals to be approved by the Fund Manager and based on the scope of work agreed between Fund Manager and the respective partner.

The Fund Manager will not approve the use of 3DF grants for the purchase of any pharmaceutical not included in the Standard Drugs Order List, regardless of whether the procurement is done directly by the partners or through the Fund Management Office, unless specific approval is granted by the Program Unit after justification from the partner for a specific pharmaceutical.

FORM - Standard Drugs Order List (Excel 2003)
FORM - Standard Drugs Order List (Excel 2007)

Step 2: Check if items can be sourced locally or only internationally

Depending on the nature of the commodities, local procurement may be possible or even preferred in the case of non-medical commodities and non-life-saving equipment. Pharmaceuticals should always be procured internationally to ensure that qualified drugs are purchased.

In order to ensure procurement of qualified pharmaceuticals the following regulations should always be respected:

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2 Local procurement of equipment can sometimes be preferable to international procurement in cases where there are locally available support services.
(a) The pharmaceuticals should be produced in a WHO pre-qualified manufacturing site, or;

(b) The pharmaceuticals should be products registered in countries with Stringent Regulatory Authorities as defined by the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), or;

(c) The pharmaceuticals should be produced by companies that meet the requirements laid down by WHO in the Good Manufacturing Practices (GMP); this should either be verified or certificated.

For specifics see Regulatory Authorities. The table below shows items that should always be procured internationally and those that can be procured locally.

<table>
<thead>
<tr>
<th>Always international procurement</th>
<th>Local procurement allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals (all medicines)</td>
<td>Non-medical commodities (IT equipment, office supplies, etc.)</td>
</tr>
<tr>
<td>Medical test kits (malaria test kits, HIV test kits, etc.)</td>
<td>Non-sterile medical materials (bandages, cotton wool, thermometers, sphygmomanometers, etc.)</td>
</tr>
<tr>
<td>Sterile medical materials (syringes and needles, infusion sets, etc.)</td>
<td>Non-life-saving medical equipment (examination lights, tables etc.)</td>
</tr>
<tr>
<td>Laboratory reagents</td>
<td>Laboratory equipment (microscope, spectrophotometers, etc.)</td>
</tr>
</tbody>
</table>

In exceptional cases, local procurement of the items in the left column of the above table may be acceptable after approval from the Fund Manager. In such cases, the following rules apply at all times:

(a) The pharmaceutical item in question must:

1) be produced in a WHO pre-qualified manufacturing site, or
2) be registered in a country with “stringent regulatory authorities”, or
3) have WHO-GMP certification or verification;

(b) Supplies should be fresh, no procurement from in-country stocks is permitted;

(c) The manufacturer should provide all required certificates with the specific lot numbers of the batch(es) including expiry dates to allow verification that the specific batches have indeed been supplied by the manufacturer. This information should be requested by the partner directly from the manufacturer; the reseller should not be involved in this part of the procurement process. The manufacturer should send the documents directly to the partner, again not involving the reseller.

The steps listed above ensure that the purchased drugs are indeed supplied by the correct manufacturer. If international procurement is done by the Fund Manager on behalf of a partner, the requirements will be processed by the Fund Management Office.
For some specific medical commodities, for example methanol, local procurement is approved without the need to contact the Fund Manager. These items are identified in the Standard Drugs Order List by a tick mark in the local procurement column.

In a few cases, for example 3ml syringes packed with needles, local suppliers have been pre-qualified to ensure their products meet international quality standards.

For the reasons above, it is essential that partners contact the Fund Manager if they wish to do local purchase of items that are not indicated as already approved for local purchase.

**Step 3 : Check whether a relevant LTA exists**

This step especially applies when the Fund Manager is undertaking the procurement process on behalf of a partner. A Long Term Agreement (LTA) is an agreement entered into with one or more suppliers to provide goods or services at a given price over a predefined period of time. LTAs shorten the procurement process because they avoid the Invitations for Bidding step, even if the total amount is higher than US$ 50,000.

A Request for Quotation is prepared by the Fund Management Office in Yangon on the basis of the finalised requirements from the partner. Typically the response time allowed to a supplier is set to ten days when requesting a quotation under an LTA.

- **UNOPS - Guideline LTAs**
- **UNOPS - List of UNOPS LTAs** (only accessible by UNOPS Staff)

**Step 4 : Select the solicitation method based on the nature and value of the goods to be purchased**

The solicitation method will be decided based on the value of the goods to be purchased. See the table below for the different methods of solicitation related to the value.

<table>
<thead>
<tr>
<th>Value of the goods</th>
<th>Method of solicitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$ 0 – US$ 2,499</td>
<td>Competitive Shopping</td>
</tr>
<tr>
<td>US$ 2,500 – US$ 49,999</td>
<td>Request for Quotation</td>
</tr>
<tr>
<td>US$ 50,000 or above</td>
<td>Invitation to Bid</td>
</tr>
</tbody>
</table>

**Competitive Shopping** (Requirements below US$ 2,500)

Shopping is not a formal method of solicitation. It is a method based on the comparison of prices obtained from potential suppliers, received orally or in writing. Prices received orally must be written down carefully, dated and kept in the file. A written note justifying the selection of suppliers as well as the price should be included in the file. It is an appropriate method for the procurement of readily available off-the-shelf goods or standard specification commodities valued at less than US$ 2,500, or simple works or services valued at less than US$
2,500. Contracts are awarded to the supplier offering the best value for money, based on service, quality and pricing considerations.

**REQUEST FOR QUOTATION** (Requirements below US$ 50,000)

A Request for Quotation (RFQ) is not a formal method of solicitation. It is a solicitation process used for low value procurement where the requirement is clear and specific.

Additional suppliers can be added at any stage in the solicitation process. At least three firms must be invited to quote (unless valid reasons exist for inviting a lesser number of firms) and a deadline for receiving quotations must be specified. However, the Procurement Authority\(^3\) may at his/her discretion accept quotations received after the deadline. Reasons for discretion must be recorded. In the event that fewer than three companies are invited, valid reasons must be provided in writing and kept in the procurement file. Offers must be received in writing (email, fax, etc.). There is no need for a formal bid opening or for suppliers to send their offer to a dedicated fax/email or in a sealed envelope. Procurement personnel may receive the offers directly; however, a separation of duties is highly desirable if resources permit.

Contracts are awarded according to the ‘lowest priced, most technically acceptable offer’ evaluation methodology.

**INVITATION TO BID** (Requirements equal or above US$ 50,000)

An Invitation to Bid (ITB) is a formal method of solicitation. It is used for procurement of goods, services or works with standard and firm specifications that can be expressed qualitatively and quantitatively. An ITB is only required for procurement above US$ 50,000 but can also be used for low value procurement (below US$ 50,000) if requirements are complex.

All ITBs require an absolute receipt deadline and offers can only be received by personnel not involved in the procurement process. ITBs can be based on either the one-envelope (for the majority of the cases) or the two-envelope system. A one-envelope ITB defines minimum requirements or a range of acceptable requirements. Evaluation is done by verifying that an offer is compliant in all aspects. Contracts are awarded on the basis of the ‘lowest priced substantially compliant offer’ evaluation methodology, including delivery terms, and any other requirements stated in the ITB. When a two-envelope ITB is used, suppliers are requested to submit their technical and financial offers separately in two sealed envelopes. The financial proposals are then to be opened in a separate bid opening session after the completion of the technical evaluation. The financial proposals should preferably be opened by the same committee that opened the technical bid. Once the financial proposals are opened, the financial opening committee must prepare the financial bid opening report.

The purpose of the two-envelope system is to ensure that the technical evaluation can be undertaken focusing solely on the contents of the technical proposal without bias from the financial aspects of the proposals. The two-envelope system is most often used if compliance is determined according to a points system. In order to ensure fairness and transparency, it is

\(^3\) Person authorized by the organization to make commitments on behalf of the organization
extremely important that all criteria to be considered in the evaluation are clearly defined in the solicitation documents.

**Step 5 : PREPARING THE REQUEST FOR QUOTATION**

The Request for Quotation is prepared by the Fund Management Office in Yangon using the finalised requirements from the partner. Typically the response time given to a supplier when requesting a quotation under an LTA is set to ten days. After the Request for Quotation has been prepared it is submitted to the appropriate Procurement Authority for review, approval and signature.

**Phase 3: SOLICIT OFFERS**

This phase in the procurement process applies to all procurement actions regardless of the chosen method of solicitation. It serves the purpose of communicating to potential suppliers the requirements for the goods. This phase in the procurement process consists of the following steps:

**Step 1 :** Requesting quotations from suppliers  
**Step 2 :** Placing call-off order requests against single or multiple LTAs  
**Step 3 :** Requesting price and quality information from suppliers  
**Step 4 :** Responding to supplier requests for clarification

**Step 1 : REQUESTING QUOTATIONS FROM SUPPLIERS**

This step is performed by the buyer when offers are solicited through a regular Request for Quotation (RFQ). At least three written quotations are needed from potential suppliers. The 3DF’s requirements/specifications with regards to pharmaceuticals shall be clearly stipulated in the Requests for Quotations to ensure that qualified pharmaceuticals are being sourced. By incorporating the specifications as stipulated in Phase 2, Step 2: “if items can be sourced locally or only internationally”, suppliers are limited to quote only those pharmaceuticals which comply with the 3DF’s regulations.

One possible supplier is UNICEF, as it has several LTAs in place for pharmaceuticals. When UNICEF is supplying the commodities, there is no need to have three quotations because the LTAs have been established on a competitive basis. Before NGOs can order with UNICEF they have to enter into a Memorandum of Understanding with UNICEF. Be advised that advance payment is mandatory for orders placed with UNICEF.
UNICEF - Supply Services
UNGM Database - Corporate roster of suppliers

Step 2: Placing call-off order requests against single or multiple LTAs

When the Fund Manager undertakes procurement, LTAs will most likely be used; either those between UNOPS and suppliers, or LTAs from other UN agencies. If there is more than one LTA that covers the requirements, the prices of the different LTAs will be compared prior to placing a call-off order with the supplier offering the lowest overall price.

FORM - Request for Quotation template

UNOPS - General Conditions for Contracts for Goods
UNOPS - Guideline on INCOTERMS

Step 3: Requesting price and quality information from suppliers

When soliciting offers through competitive shopping, partners may contact the suppliers in writing or orally to request price and quality information. However, in most cases the price and quality information of the product is available by consulting product catalogues and/or price lists. When the information is received verbally from a supplier, the buyer should make a note and archive it in the procurement file. Shopping is a non-formal process of comparing prices from potential suppliers. Shopping shall only be used for purchases valued less than US$ 2,500 and for the following type of products:

- Readily available off-the-shelf goods
- Commodities with standard specifications
- Simple works or services

Examples of above-mentioned products could be travel tickets, office equipment and supplies, computers, small consultancy services (where you contract a company), small office works (for example installation of furniture/storage shelves, and repair works (water/electricity)). In order to ensure competitiveness of prices, a minimum of three national suppliers should be identified.

UNOPS - Procurement Manual chapter 4.1.1 Shopping (only accessible by UNOPS Staff)
UNOPS - Shopping Guideline

Step 4: Responding to supplier clarifications

During the tender period, after having requested quotations and prior to the deadline for submission of quotations, suppliers may request clarifications on the quotation documents. When suppliers request clarifications, the buyer must respond to the queries by following the instructions in the UNOPS Procurement Manual chapter 5.3 on how queries from suppliers should be handled.

UNOPS - Procurement Manual chapter 5.3 Tender period (only accessible by UNOPS Staff)
Phase 4: Evaluate Offers

This phase in the procurement process applies to all procurement actions regardless of the chosen method of solicitation. It serves the purpose of comparing all offers in accordance with the evaluation criteria and evaluation methodology specified in the solicitation documents. However, the process is more formal when it comes to the evaluation of offers solicited through an Invitation to Bid (ITB) or a Request for Proposal (RFP) than for offers solicited through shopping, a Request for Quotation (RFQ) or a call-off order request against LTAs. This phase in the procurement process is composed of the following steps:

- Step 1: Comparing quotations
- Step 2: Performing a price/quality check when shopping
- Step 3: Total order value does not exceed US$ 50,000

Step 1: Comparing Quotations

When evaluating offers solicited through an RFQ or a call-off order request against multiple LTAs, the following actions must be undertaken:

- Compare the quotations
- Choose the lowest priced, most technically acceptable offer as the winning offer
- Make a note (Request for Award) to the procurement file containing the following information:
  - The name and country of origin of every supplier from whom you requested a quotation;
  - For each supplier register if a quotation was received;
  - A justification for choosing the winning offer.

Present the note to the appropriate Procurement Authority at the time of signature of the Purchase Order.

In the case of a call-off order request against a single LTA, the buyer should check that the offer is in line with the requirements and that the quotation is in line with the prices specified in the signed LTA.

FILE - Request for award up to US$ 50,000

FILE - UNOPS - Procurement Manual chapter 6.4.10 Identification of the winning offer (only accessible by UNOPS Staff)

Step 2: Performing a Price/Quality Check When Shopping

No evaluation methodology is required when shopping. The buyer should select the lowest priced supplier that satisfies the minimum required level of quality of the goods or services you wish to buy. It is good practice to justify a choice of supplier by making a note and archiving it in the procurement file for future reference.

FILE - FORM – Note for the file
Step 3: **Total Order Value Does Not Exceed US$ 50,000?**

If the total order value for an order or series of orders to the same supplier exceeds US$ 50,000, official approval from UNOPS Local Contracts & Property Committee (LCPC) needs to be obtained prior to placing an order. This process will require an additional two weeks, assuming no objections are raised by LCPC on the submission.

**Phase 5: Issuing a Purchase Order**

In case a local purchase is executed, this is the moment where the partner issues the Purchase Order to the supplier, or the Fund Manager generates a Purchase Order in Atlas. Steps 1 and 3 are only applicable in those cases where the Fund Manager is ordering on behalf of partners. The Fund Manager will share the quotations with the partner, including a recommendation, prior to placing the final order.

**Step 1:** The Fund Manager sends an Acknowledgement Form

**Step 2:** A Purchase Order is generated

**Step 3:** Updating of the Financial Utilization Report

**Step 1: The Fund Manager Sends an Acknowledgement Form**

The Fund Manager sends the partner an Acknowledgement Form. This form lists all or part of the items from the original requisition. If not all supplies were available from one supplier, two or more purchase orders shall be placed and an Acknowledgement Form is generated for each purchase order and provided to the partner. By signing the Acknowledgement Form the partner agrees to use their procurement budget to purchase the items for the prices as listed on the Acknowledgement Form. Therefore the Acknowledgement Form should be signed by the partner’s authorized person. After receipt of the original signed Acknowledgement Form, the Fund Manager will place the order with the supplier.

**Step 2: A Purchase Order is Generated**

After receipt of the original signed Acknowledgement Form, the Fund Manager will place the order with the supplier. If the purchase order is placed with UNICEF advance payment is required and only after receipt of the transferred funds will UNICEF acknowledge the purchase order.

**Step 3: Updating the Financial Utilization Report**

As soon as the purchase order has been placed, the partner is sent a Financial Utilization Report indicating the funds that have been obligated on behalf of the partner. The Financial Utilization Report provides the partner with information on the amount of available funds for procurement and should be used for reporting the funds spend on procurement of health commodities. Each time a payment is carried out the Financial Utilization Report is updated and sent to the partner.

---

4 Atlas is the financial and procurement Management Information System used by UNOPS.
GUIDELINE - Financial Utilization Report

Phase 6: CUSTOMS CLEARANCE AND TAX EXEMPTION

The Fund Manager does not require import licences and therefore can provide assistance in importing health commodities procured with 3DF grants for partners. There are a number of prerequisites for the 3DF to provide this assistance:

- All of the health commodities to be imported should have been procured with 3DF grants. The partner is expected to confirm in writing that all commodities have been procured with 3DF funds;
- The partner has to submit a list of the items to be imported;
- No narcotics or psychotropic pharmaceuticals can be included in the shipment, unless the partner can provide an import licence for these specific items;
- The shipment should be consigned to the 3DF Procurement Unit.

**IMPORTANT:** To ensure that the Fund Manager can provide the necessary assistance, it is essential that the Fund Manager be assigned as consignee in those cases where the partner is undertaking the procurement. If this is not done, the Fund Manager will not be able to assist in clearing the shipment without import licence, or to assist the partner in obtaining tax exemption.

The correct consignee address is:

Peter BOLLEN  
Procurement Officer  
UNOPS - Three Diseases Fund  
137/1, Than Lwin Road, Kamayut Township  
Yangon, Myanmar  
Tel: +95-1-534498 (ext. 304), Tel/fax: +95-1-504832  
Mobile: +95-9-5180659

It should be made clear that the above pre-requisites are mandatory and no exceptions will be made.

A number of steps in the following procedures only apply when the shipment is related to a purchase order placed by the Fund Manager, for example the Reception Inspection Report. Where this is the case, it has been indicated in the text.

The Fund Manager will keep the partner informed about delivery schedules and any changes will be reported as soon as possible. The partner will be responsible for clearance of the consignment upon arrival in the harbour or airport. The Fund Manager will request tax exemption, for which the Fund Manager will generate the necessary documents and submit to the Ministry of Health.

After receiving the original shipping documents three actions are to be taken:
Step 1: Reception of the shipping documents
Step 2: Initiate payment to the supplier (only for Fund Manager purchase orders)
Step 3: Request for tax exemption and clearance of the shipment

Step 1: Reception of the shipping documents.

Especially with sea freight, the shipping documents normally should arrive well in advance of the consignment and the tax exemption request and payment can be carried out without delay. In case of air freight, normally the documents and freight arrive about the same time. In this case, first the tax exemption is requested and a decision needs to be made on whether or not a Special Order (SO) is issued. A Special Order allows clearance of the consignment pending tax exemption approval. With the Special Order the consignment can be cleared immediately. If no Special Order is used the consignment can only be cleared after the tax exemption approval has been received. The process for tax exemption normally requires around three to four weeks and during that time the consignment will remain with the customs department. The Government of Myanmar allows a maximum of ten Special Orders to be open simultaneously. The first priority where Special Orders are to be used is for cold chain shipment, since the cold chain facilities in the airport are very limited. Immediate clearance of cold chain shipments is therefore imperative to avoid heat exposure to the commodities. The Fund Manager has decided to reserve five Special Orders for such eventualities and the remaining five Special Orders can be used for normal shipments. Hence the Fund Manager cannot guarantee the availability of Special Orders for each and every consignment.

Suppliers are required to provide pre-notification of consignments that are to arrive in Yangon sea/airport. The first thing to be checked is whether the consignment contains any cold chain items (see below).

Cold chain shipments

3DF will check for the presence of any cold chain items in the consignment. If so, the partner will be informed of the presence of cold chain items in the consignment and it is essential that either one of the following options is carried out:

1. If sufficient time is available, complete the Special Order procedure and clear the goods immediately upon arrival (a minimum of five working days are needed to process a Special Order and be able to clear on arrival).
2. Arrange for storage in the so-called cold chain facilities at the airport immediately after arrival of the goods pending their clearance. The customs department requires a minimum of two days advance notice to ensure that commodities are stored in the cold room. This option should be avoided if possible, since the cold room in Yangon airport is actually a container provided with two air conditioners and can not be classified as cold chain. If the items to be stored are “sensitive cool items” and require storage between 2 – 8° Celsius, the cold room is not an option; the items will have to be cleared upon arrival and moved to proper cold chain facilities.

If option two is selected, a clearing agent should ensure that customs staff have indeed moved the goods to the “cold room”. Arrival of consignments containing cool items should be avoided during national holidays and weekends since clearing and/or moving to the cold storage is difficult because of absence of customs staff. Whenever possible, immediately contact the supplier to postpone the arrival until the first working day.

Date: Sep 2010, Version: 4.1
ON RECEIVING THE SHIPPING DOCUMENTS FROM THE SUPPLIER

When the Fund Manager is the consignee, all original shipping-documents will arrive in the Fund Management Office in Yangon. The partner shall be informed as soon as possible about the pending arrival of a consignment. To allow the partner to select a clearing agent, copies of the airway bill (or original bill of lading in case of sea freight), invoice(s) and packing list(s) will be sent immediately for the attention of the partner.

Selection of clearing agents shall be done on a competitive basis, unless the organization in question has a Long Term Agreement in place that was established based on a competitive process. If no such LTA is in place, the partner should request a minimum of three clearing agents to provide a quotation for the clearance and delivery of the consignment. The Fund Manager can supply a list with recommended clearing agents if requested. If a clearing agent is provided with the waybill and the final in-country destination of the goods, they can usually provide a quotation within a day.

The Fund Manager does not require an import license for medical consignments. As soon as the partner has indicated which clearing agent is to be used, the Fund Manager will provide the necessary documents to the agent to clear the consignment.

COMBINED CONSIGNMENTS FOR MORE THAN ONE PARTNER

In case of combined shipments, where commodities for more than one partner have been shipped in a single consignment, the Fund Manager will carry out the selection of the clearing agent. The Fund Manager will request each partner with commodities in the consignment to indicate their preferred delivery point and subsequently ask clearing agents to provide quotes with the costs for each partner separately indicated. Upon confirmation from the partner that the costs are acceptable, the clearing agent will be provided with the necessary documents to carry out the clearance. After delivery to the partners, the clearing agent will invoice each of the partners individually for their part of the clearing charges.

Step 2: INITIATE PAYMENT OF THE SUPPLIER

(Only for Fund Manager purchase orders).

The payment terms of UNOPS stipulate that payments are to be done within 30 days after reception of the original shipping documents. The Fund Manager’s office will check the waybill, packing list(s) and invoice(s) for completeness and correctness. If the documents have been found correct, payment to the supplier will be initiated by the Fund Manager. As soon as confirmation has been received that the funds were transferred, the Financial Utilization Report is updated and sent to the partner for their records.

The following documents are to be provided to the Finance Unit to carry out a payment request:

- Original invoice from the supplier
- Original signed Purchase Order (if a partial order, the original Purchase Order is only provided with the final delivery, otherwise a copy is provided)
- Original packing list from the supplier
- Copy of the airway bill or bill of lading
- Copy of the quotation used for the order
• Copy of the quotations used for the evaluation
• Original signed award
• Original evaluation
• Original Notes for the Record related to the procurement action
• Copies of Long Term Agreements, if applicable to the procurement action
• Copy of reception number in Atlas
• Completed and signed Payment Request
• Signed payment document as proof that above documents have been handed over.

If all commodities have been delivered, the final payment request should clearly indicate that the purchase order can be closed after completion of this final payment.

**Step 3 : Requesting Tax Exemption and Clearance of the Shipment.**

After the partner has indicated (in writing or by email) which clearing agent they have selected for the clearance, the Fund Management Office generates the necessary documents for the clearance and tax exemption:

- **Authorization Letter for Clearance.** Since UNOPS is the consignee, anyone charged with clearing the goods requires a letter whereby UNOPS authorizes this party to clear on behalf of UNOPS. This document is handed over to the clearing agent and the clearing agent is required to sign for receipt of this authorization letter.

- **Special Order Request.** This document is generated by the Fund Manager and handed over to the clearing agent. With this letter the clearing agent will be able to clear goods pending tax exemption approval.

- **Tax Exemption Request Letter.** All commodities procured with 3DF grants are exempted from tax and it is the partner’s responsibility to ensure this is implemented. Where the Fund Manager is the consignee, the Fund Manager will process the tax exemption documents.

- **Reception Inspection Report Form (RIR).** (Only for Fund Manager purchase orders). This form is to be used by the partner to indicate to the Fund Manager if all goods as indicated in the freight documents have indeed arrived. The form includes instructions on how to complete it correctly. Copies of all packing lists should be attached to the RIR and signed by the partner. This form should be sent back to the Fund Management Office within two weeks after arrival of the goods, to allow for payment to the supplier.

With the authorization letter (and the Special Order) the clearing agent will clear the goods from the (air)port and deliver these to the destination(s) as indicated by the partner. The approval for tax exemption will be received by the Fund Management Office and forwarded to the clearing agent responsible for clearing the consignment to finalize the clearing process. The clearing agent is required to sign for receipt of the tax exemption approval. The Import Declaration mentions the approved tax exemption for the specific consignment. The original Import Declaration should then be sent to the Fund Management Office, thus providing proof that the case has been finalized.
When using a Special Order, the partner agrees to the following fines if the tax exemption cannot be completed within the mentioned time limits:

1. 0.06% of the various duties and taxes if not finalized within 31 to 90 days, for those goods which are free of duties and taxes,
2. 0.08% for those exceeding 91 to 180 days, and
3. 0.10% for those exceeding 181 to 360 days.

**IMPORTANT:**

1. Even though the Fund Manager submits the request for tax exemption, in case of fines resulting from delays in the approval of the tax exemption and subsequently delays in the finalizing of the clearance process, partners will be responsible for the payment of the fines.
2. It is essential to finalize the clearing process after reception of the tax exemption documents. If this is not done it may jeopardize future clearance by UNOPS of any cargo with the customs department.

**Phase 7: RECEPTION OF THE CONSIGNMENT**

The final phase consists of three steps, depending on the nature of the consignment:

**Step 1:** Checking the consignment
**Step 2:** Informing the Fund Manager about the reception
**Step 3:** Add assets to the asset inventory

**Step 1: CHECKING THE CONSIGNMENT**

The partner and/or clearing agent are responsible for checking the consignment for damages that might have occurred during transportation. Those orders placed through the Fund Manager have been insured by either UNOPS or the supplier against damages during transportation.

**IMPORTANT**

In case of damages or missing crates, firstly the partner should *refuse* to accept the consignment from the clearing agent and secondly should inform the Fund Manager immediately. The Fund Manager will then decide how to proceed; whether to accept the shipment or contact a surveyor to assess the damage.

In the event that damaged goods or short deliveries are found after opening the packing, these should be reported in the Reception and Inspection Report (RIR). Photos can be a good way to
document any damages found, and can subsequently be used to support a claim against the damaged goods from either the supplier or the marine cargo insurance.

**Step 2: INFORMING THE FUND MANAGER ABOUT THE RECEPTION**
(Only for Fund Manager purchase orders).

The Reception Inspection Report (RIR) should be completed and if there are items mentioned on the packing list but not present in the consignment this should be reflected in the RIR.

If the consignment was complete and without damage, it suffices to indicate on the RIR: “Goods received as on attached packing list”. All packing lists should be attached to the RIR and signed.

In cases where a partner has sub-recipients, the RIR should always be endorsed by the partner who has the Memorandum of Agreement with the 3DF.

The original should then be send to the Fund Management Office within **3 weeks** of the arrival of the consignment.

**Matrix of responsibilities for the clearance of consignments**

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsible</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receiving pre-notification of arriving consignments.</td>
<td>Fund Manager</td>
<td>Sometimes waybills are included but not always.</td>
</tr>
<tr>
<td>Informing partner of pending consignment.</td>
<td>Fund Manager</td>
<td>Provide any documents available at that time.</td>
</tr>
<tr>
<td>Check if consignment includes cold chain commodities.</td>
<td>Fund Manager</td>
<td>Informs partner if this is the case.</td>
</tr>
<tr>
<td>Taking action in case of cold chain items.</td>
<td>Partner/Fund Manager</td>
<td>Clear immediately or arrange cold storage at the airport.</td>
</tr>
<tr>
<td>Receiving shipping documents from supplier.</td>
<td>Fund Manager</td>
<td>Official original documents arrive.</td>
</tr>
<tr>
<td>Initiate payment to the supplier.</td>
<td>Fund Manager</td>
<td></td>
</tr>
<tr>
<td>Selecting clearing agent.</td>
<td>Partner</td>
<td>Competitive procedure or valid LTA.</td>
</tr>
<tr>
<td>Informing Operational Assistant about selected clearing agent.</td>
<td>Partner</td>
<td>By mail or email.</td>
</tr>
<tr>
<td>Generating clearance documents and tax exemption request.</td>
<td>Fund Manager</td>
<td>Tax exemption, clearance authorization, Special Order, Reception Inspection Report Form.</td>
</tr>
<tr>
<td>Clearing consignment.</td>
<td>Partner or clearing agent</td>
<td>Immediately with SO or after tax exemption has been granted.</td>
</tr>
<tr>
<td>Requesting tax exemption.</td>
<td>Fund Manager</td>
<td>Fund Manager submits request to MoH.</td>
</tr>
<tr>
<td>Finalizing clearance procedure in case of SO.</td>
<td>Partner with clearing agent</td>
<td>Clearing agent should “close” the incomplete clearance procedure and receive the “Import Declaration”. This document should be handed over to the 3DF office.</td>
</tr>
</tbody>
</table>
FORM - Receiving and Inspection Report template

UNOPS - Global Marine Cargo insurance guideline

**Step 3: ADD ASSETS TO THE ASSET INVENTORY**

All partners shall keep an inventory of the assets procured with grants from the 3DF. The definition of an asset for the purposes of the inventory is an item of economic value owned by the organization. Every such asset however may be further categorized as:

- Capital assets; or
- Non-capital assets.

Capital assets are defined as tangible property with a minimum life expectancy of at least three years and an original value of US$ 500 or more. Examples are vehicles, equipment and furniture.

Non-capital assets on the other hand, are defined as tangible property with a value of less than US$ 500, such as cameras, mobile phones, PDAs, projectors or any other items issued to an individual, which are both highly moveable and desirable and therefore at risk of theft.

For practical and maintenance purposes, standardised assets, such as personal computers, may be recorded at one level, such as PC, rather than by its components, such as CPU, monitor, keyboard and mouse. In such cases, the main or major component will be tracked.

The final submitted inventory should be signed by a representative of the partner, certifying the inventory of assets. Please also submit an unsigned softcopy to the Fund Manager.

FORM - Asset Inventory Database 3DF template
### 6. List of Definitions and Abbreviations

<table>
<thead>
<tr>
<th>Definition or Abbreviation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>award</td>
<td>Acceptance of an offer with the intention of contracting.</td>
</tr>
<tr>
<td>3DF</td>
<td>Three Diseases Fund.</td>
</tr>
<tr>
<td>FM</td>
<td>Fund Manager.</td>
</tr>
<tr>
<td>IP</td>
<td>Partner.</td>
</tr>
<tr>
<td>PIC/S</td>
<td>Pharmaceutical Inspection Cooperation Scheme.</td>
</tr>
<tr>
<td>INN</td>
<td>International Non-proprietary Name.</td>
</tr>
<tr>
<td>UNOPS</td>
<td>United Nations Office for Project Services.</td>
</tr>
<tr>
<td>ICH</td>
<td>The International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use.</td>
</tr>
<tr>
<td>best value</td>
<td>Lowest price is not necessarily the most important criterion in the procurement of goods and services; the concept of best value takes a range of criteria into account to select the optimal solution to a specific need.</td>
</tr>
<tr>
<td>bid</td>
<td>Formal response from a bidder, usually as a response to an ITB.</td>
</tr>
<tr>
<td>bid protest</td>
<td>A complaint against the methods employed or decisions made by a contracting authority in the administration of a process leading to the award of a contract.</td>
</tr>
<tr>
<td>bidder</td>
<td>Potential supplier submitting a bid as a response to an ITB.</td>
</tr>
<tr>
<td>Bill of Lading</td>
<td>The document under which cargo is carried on board vessels; may be defined as a receipt for goods, signed by a duly authorized person on behalf of the ship-owner; it constitutes a document of title to the goods specified therein.</td>
</tr>
<tr>
<td>BoQ</td>
<td>Bill of Quantities, list of priced items, usually accompanies a SOW or RFP as one of the solicitation documents when contracting works.</td>
</tr>
<tr>
<td>brand names</td>
<td>A name or trademark by which one producer distinguishes its product from similar products of other producers in the same industry. A brand name identifies both the product and the producer.</td>
</tr>
<tr>
<td>call-off-orders</td>
<td>Orders against an established LTA.</td>
</tr>
<tr>
<td>closing date</td>
<td>The deadline for all bid/proposal submissions.</td>
</tr>
<tr>
<td>contract amendment</td>
<td>An agreed addition to, deletion from, correction or modification</td>
</tr>
<tr>
<td>Definition or Abbreviation</td>
<td>Explanation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>end user</td>
<td>Ultimate beneficiary/user of the goods and services being procured under a procurement activity.</td>
</tr>
<tr>
<td>EOI</td>
<td>Expressions of Interest. Suppliers express interest in supplying to UNOPS through an expression of interest. UNOPS places notices (Calls for Expressions of Interests) to request suppliers to submit EOIs.</td>
</tr>
<tr>
<td>GSC</td>
<td>Global Service Centre.</td>
</tr>
<tr>
<td>HQ</td>
<td>Headquarters.</td>
</tr>
<tr>
<td>IAPWG</td>
<td>Inter-Agency Procurement Working Group, working group with the Heads of Procurement of more than 40 UN organizations as members.</td>
</tr>
<tr>
<td>INCOTERMS</td>
<td>INCOTERMS are international, commercial trade terms defining the obligations of the buyer and the seller relating to the shipment of goods published by ICC's (International Chamber of Commerce).</td>
</tr>
<tr>
<td>ITB</td>
<td>Invitation to Bid, a method of solicitation of offers.</td>
</tr>
<tr>
<td>LTA</td>
<td>Long Term Agreement, agreement between any organization and a supplier valid for an indefinite quantity of products or services over a defined period of time. Orders are placed by issuing call-off orders against the LTA.</td>
</tr>
<tr>
<td>offer</td>
<td>Reply (bid or proposal) received as a response to an invitation to offer presented in the solicitation documents issued to the suppliers. Constitutes a firm offer from the potential supplier to furnish deliverables fulfilling the requirements set forth in the solicitation documents. The offer can be in the form of a quotation, bid, or proposal, depending on the type of solicitation document issued (RFQ, ITB or RFP).</td>
</tr>
<tr>
<td>offeror</td>
<td>Potential supplier submitting an offer (see above).</td>
</tr>
<tr>
<td>quotation</td>
<td>The offer submitted in response to an RFQ.</td>
</tr>
<tr>
<td>requisition</td>
<td>Formal request to initiate the procurement of goods, works and services. Ref. Chapter 2.5.1.</td>
</tr>
<tr>
<td>requisitioner</td>
<td>Anyone initiating a request for goods, works and services.</td>
</tr>
<tr>
<td>RFQ</td>
<td>Request for Quotation, method of solicitation.</td>
</tr>
<tr>
<td>segregation of duties</td>
<td>Internal control mechanism to ensure that one individual does not participate in all operational steps in the procurement process.</td>
</tr>
<tr>
<td>Definition or Abbreviation</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>solicitation</td>
<td>Process of inviting suppliers to submit offers.</td>
</tr>
<tr>
<td>solicitation documents</td>
<td>Package of documents used when soliciting offers from suppliers. ITB, RFP, and RFQ are types of solicitation documents.</td>
</tr>
<tr>
<td>solicitation method</td>
<td>The method used to solicit offers from suppliers. ITB, RFP, RFQ, and shopping are methods of solicitation.</td>
</tr>
<tr>
<td>sourcing</td>
<td>The process of identification of suitable suppliers</td>
</tr>
<tr>
<td>specifications</td>
<td>Requirement definition to a product. Usually referring to the defined requirements for goods, but can also relate to the requirements for services (Terms of Reference), or works (Statement of Works).</td>
</tr>
<tr>
<td>submission</td>
<td>Reply received as a response to an invitation to offer presented in the solicitation documents issued to the suppliers. Constitutes a firm offer from the potential supplier to furnish deliverables fulfilling the requirements set forth in the solicitation documents. The submission can be in the form of a quotation, bid, or proposal, depending on the type of solicitation document issued (RFQ, ITB or RFP).</td>
</tr>
<tr>
<td>supplier</td>
<td>Any potential legal entity, commercial firm or non-commercial (NGO, CBO) provider of goods/services/works to UNOPS.</td>
</tr>
<tr>
<td>TOR</td>
<td>Terms of Reference. Requirement definition for services or complex goods.</td>
</tr>
<tr>
<td>UNCCS</td>
<td>United Nations Common Coding System, coding system classifying products (goods, works and services).</td>
</tr>
<tr>
<td>UNGM</td>
<td>United Nations Global Marketplace. Internet portal used by 16 UN agencies, including UNOPS. Includes, among other types of information, an inter-agency vendor roster. See <a href="http://www.ungm.org">www.ungm.org</a> for more information.</td>
</tr>
<tr>
<td>vendor</td>
<td>Any potential supplier of goods/services/works to UNOPS.</td>
</tr>
<tr>
<td>waiver (of competitive bidding)</td>
<td>In a procurement context, a waiver refers to the process of selecting a supplier without conducting a competitive bidding exercise. Often a waiver of competitive bidding will lead to negotiations directly with one selected supplier (sole sourcing).</td>
</tr>
</tbody>
</table>
7. **BIBLIOGRAPHY AND FURTHER READING**

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8. **Annexes**

Annex 1. **Participating Regulatory Authorities**

<table>
<thead>
<tr>
<th>Pharmaceutical Inspection Cooperation Scheme (PIC/S) Participating Regulatory Authorities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.picscheme.org">www.picscheme.org</a></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Participating Regulatory Authorities</th>
<th></th>
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**Participating regulatory authorities to the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH)**

[www.ich.org](http://www.ich.org)

- European Union member states
- Japan
- United States
Annex 2. **National Guidelines used for Standard Drugs Order List**


4. **Guidelines for Primary Health Care Services for Injecting Drug Users.** Myanmar, September 2006 - (Developed by WHO Myanmar in collaboration with government and non-governmental organizations and funded by FHAM)

5. **Guidelines on Methadone Therapy in Myanmar for Prescribers and Dispensers** - Department of Health, Ministry of Health Union of Myanmar, December 2004

6. **National Antimalarial Treatment Policy in the Union of Myanmar, September 2002**