TERMS OF REFERENCE

PROVISION OF PROCUREMENT, WAREHOUSING AND DISTRIBUTION SERVICES FOR HEALTH PRODUCTS (HIV PREVENTION PROGRAMME)

1 OCTOBER 2022 - 31 MARCH 2025

CALL FOR PROPOSALS | July 2022
REFERENCE: **CFP-05-JPR1-07-2022**

SUMMARY	
Title	Provision of procurement, warehousing, and distribution services for health products (HIV Prevention Programme)
Call reference	CFP-05-JPR1-07-2022
Description	AFSA, Beyond Zero and NACOSA (Three Principal Recipients of a Global Fund HIV grant in South Africa) seek to appoint a service provider(s) to procure, warehouse and deliver health products to their sub-recipient sites.
Questions by email only to	queries@nacosa.org.za
Submission by email to	Proposals@nacosa.org.za
Submission must include	Cover letter together with 1. Completed Invitation to bid form 2. a) Company profile b) Company documents CCs or Sole Proprietorship incl AFS not older than 2 years 3. Legislative requirements 4. a) PIN for Tax clearance b) VAT registration 5. Valid B-BBEE Certification 6. Completed and Signed Declaration of Interest 7. Signed Code of Conduct for Suppliers of services related to Global Fund financing 8. Project Proposal with Implementation Plan 9. Pricing Schedule 10. Banking Details 11. Reference Letters/Testimonials on company letterheads 12. SOP Manual 13. Proof of own fleet or Letter/contract with courier company
Deadline for submission	**13h00 on Thursday, 2 AUGUST 2022**

INDEX

ACRONYMS

AFSA	AIDS Foundation of South Africa
ART (ARV)	Antiretroviral therapy
AIDS	Acquired Immune Deficiency Syndrome
AYP	Adolescents and young people
BZ	Beyond Zero
GDP	Good Distribution Practice
GF	Global Fund
GPP	Good Pharmacy Practice
GWP	Good Warehousing Practice
Health products	(i) pharmaceutical products e.g., scheduled medicines, (ii) durable and non-durable in-vitro diagnostic products, microscopes and imaging equipment e.g., rapid diagnostic tests (iii) vector control products; and (iv) consumable/single-use health products (e.g., condoms, therapeutic nutritional support, general laboratory items and injection syringes).
HIVSS	HIV self-screening
HTS	HIV testing services
LMIS	Logistics management and Information System
NACOSA	Networking HIV & AIDS Community of Southern Africa
NDoH	National Department of Health
NSP	National Strategic Plan on HIV, TB and STIs, 2017 – 2022
POD	Proof of delivery
PR	Principal Recipient
PrEP	Pre-exposure prophylaxis
RDT	Rapid diagnostic test
SAHPRA	South African Health Products Regulatory Authority
SAPC	South African Pharmacy Council
SP	Service provider/Bidder
WHO	World Health Organization

1|BACKGROUND

The AIDS Foundation of South Africa (AFSA), Beyond Zero (BZ) and the Networking HIV/AIDS Community of Southern Africa (NACOSA) are three principal recipients (PRs) of the Global Fund to Fight AIDS, TB and Malaria (GF) investments that will implement HIV and TB programmes in South Africa over a 3-year period covering April 2022 to March 2025. HIV prevention and treatment programmes implemented by these PRs and their sub-recipients include Adolescent and Young People's (AYP) Programme, Male Sexual Partners Programme (MSP), Sex Worker Programme (SW), People who use/inject drugs (PWUD/PWID) Programme, Men who have sex with men (MSM) Programme, Transgender Programme and Human Rights and Advocacy Programme. The programmes are implemented by contracted local sub-recipients across thirty-one district municipalities in all nine provinces of South Africa.

The health products offered and used in the grant programmes include but are not limited to rapid diagnostic tests (RDTs) for HIV, pre-exposure prophylaxis (PrEP), HIV self-screening (HIVSS), and Personal Protective Equipment (PPE). The rationale is to ensure optimisation of the UNAIDS 95-95-95[1] strategy to end the AIDS epidemic as a public health threat by 2030. The programmes align with the following National Strategic Plan (NSP) on HIV, TB and STIs, 2017 – 2022 goals:

- GOAL 1: Accelerate prevention to reduce new HIV and TB infections and STIs.
- GOAL 3: Reach all key and vulnerable populations with customised and targeted interventions.
- GOAL 4: Address the social and structural drivers of HIV, TB and STIs, and link these efforts to the National Development Plan (NDP).

The purpose of this call for proposals is to invite service providers (SP) who comply with South African regulations to bid their services to procure, warehouse and distribute the above-mentioned health products on behalf of the three PRs for a period of 30 months starting October 2022 to March 2025. The terms of reference provide detailed information on the services required by selected bidders/service providers (SPs).

2|SCOPE OF WORK

This Section describes the work that is required by bidders for the 30-month period between October 2022 to March 2025. The work required by the three PRs for each of the sub-sections may differ slightly and this must be considered when costing the services.

2.1 Procurement of HIV Prevention commodities and pharmaceuticals

The PRs will procure health products directly from health product manufacturers or suppliers. However, for PrEP the SP may have to assist the PR to open accounts and place orders with the suppliers/manufacturers. Each PR will sign a separate contract with the Service Provider. As such, in each contract between the PR and

[1] To diagnose **95**% of all HIV-positive persons, provide ART for **95**% of those diagnosed, and achieve viral suppression for **95**% of those treated.

the service provider, details of the procurement process will be outlined. In such instance, the payment for the health products will be settled directly by the PR.

Under Pharmaceuticals, the PRs will procure PrEP and Gender Affirming Hormones which include both masculinising and feminising Hormones. The frequency of procurement will be dependent on the Stock on Hand volumes in the warehouse however, in a 12-month period it is anticipated that the PRs will place orders bi-annually. During contracting the Service Provider will be provided a list of pharmaceutical suppliers that the PR will procure these medicines from.

The PRs will also procure RDTs by placing orders directly with the suppliers. Suppliers will deliver the RDTs to the premises of the SP for warehousing. The SPs will be required to warehouse these health products as set out in section 2.2. In general,

- PRs will procure buffer stock of RDTs to be stored by the selected SPs and distributed to SRs during emergencies where the relevant provincial Department of Health (DoH) stock is not available.
- PRs will procure HIVSS via the National Department of Health (NDoH) on a quarterly basis to be stored by the SPs and distributed to SRs as required.

2.2 Storage and Stock Management of HIV Prevention health products

Each PR is responsible for implementing a specific programme under the grant. As such the mix of health products that each PR will procure will differ. These specific lists of health products per PR will be outlined in the separate contract that each PR will sign with the SP. Nonetheless, during the 30-month period, the SP will be required to warehouse the following health products.

HEALTH PRODUCT
HIV Rapid Diagnostic Tests (RDT) kits
HIV self-screening tests kits
PrEP Medication
Gender affirming hormones
Personal protective equipment

Inbounding of stock will therefore need to be separate for each PR. On receipt of the stock the SP must sign and stamp the Proof of Delivery (POD) documentation. The POD should include the number of cartons received, name of the person receiving the shipment, the date and time of receipt. Any signs of visible damage should be recorded on the POD and further investigated.

The suppliers will be required to submit copies of Certificate of Analysis and Quality Assurance testing post product importation for the batch delivered to the SP. The SPs will be required to verify that the batch number on the QA results is the same batch number of the stock received.

In cases where there are shortages, damages or discrepancies noted in the QA documentation vs Batch received, the SP will be expected to generate an incident Reference Report within 24 Hours and alert the PR before further escalating to the supplier who is implicated. Photos will be required as evidence to be attached to the incidence report.

During inbounding the SP will be expected to also check the expiry date of the stock received. Stock with an expiry date of less than 12 months should be rejected.

All stock needs to be uploaded on the SP's warehouse management system within 12 Hours of receipt.

The SPs should note that products will be procured from different suppliers and packaging with quantities per carton may differ.

- RDTs are delivered in boxes of various dimensions, depending on the RDT brand. Boxes will be small. Bidder to cost per pallet storage. Volumes are provided in Appendix A.
- HIVSS are delivered in boxes of 250, DIMS 58 x 45 x 44. Volumes are provided in Appendix A.
- PrEP is delivered in boxes holding 144 x 28-pill bottles, size 32cm (L) x 29 cm (W) x 25cm (H) 15 kg. Volumes are provided in Appendix A. The dimensions of the boxes from different PrEP suppliers in Appendix A are assumed to be the same but may differ slightly in reality.
- At least 3 months of stock (except for RDTs) per PR must be available from the SPs, at any given time.
- The quantities to be stored may increase or decrease by up to 30% without such deviation affecting the pricing agreed upon in the contract.
- The SPs are responsible to insure health products for storage and transit.
- The SPs are responsible for maintaining appropriate receiving, storage, and dispatching conditions to protect the health products from contamination and deterioration, including protection from excessive local heating undue exposure to direct sunlight, dirt, dust, and moisture in line with the South African Guide on Good Warehousing Practices for Wholesalers (GWP)[2]. Any damaged stock will be for the SP's account.
- The SPs are responsible for the management of health and pharmaceutical product expiry dates: The SP must not receive health products with a shelf life of less than twelve months. If health products stored by the SPs reach a shelf life of twelve months, the SP must notify the PR within 7 days of health products reaching twelve months to expiration or use by date. Any short-dated stock remaining at the end of period will be for the account of the SPs.
- **Stock adjustments:** For every stock adjustment, the SPs will send a request to the PR with the reason for the adjustment. Only the signature of the PR can authorise the stock adjustment in the stock management system. Every authorised stock adjustment must be registered.

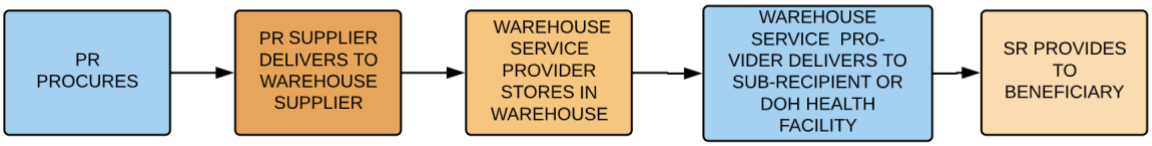
2.3 Distribution of health products

The selected SPs will be required to distribute the health products to local implementing sub-recipients as required by the PRs. Distribution will likely take place quarterly based on estimated quantities which may later be amended as necessary. Delivery of RDTs and HIVSS will be to sub-recipient sites while PrEP will be delivered to pharmacies at health facilities, or to an identified private pharmacy or to SRs with NIMART nurses holding Dispensing licenses.

[2] https://www.sahpra.org.za/wp-content/uploads/2020/02/SA-Guide-for-GWP-Jul2016_v2-FINAL-NOV-2019-1.pdf

The procurement and supply chain management process for these health products is shown in the diagram below.

PROCUREMENT AND SUPPLY CHAIN FLOW FOR HEALTH PRODUCTS (PrEP, HIV RDTs AND HIVSS)



The SPs will be required to distribute health products from the warehouse to different points of delivery throughout the country as provided in Appendix B. Every order will be accompanied by a detailed distribution plan.

Please note:

- The SPs are responsible for the management of expiry of health products.
    - When generating the delivery lists, the SPs will ensure that the health products are picked according to the "first expiry-first out" principle. The SPs will include a delivery note with expiry dates for each delivered product.
    - It is the responsibility of the SPs to ensure that the health products, upon delivery, remain with at least 12 months of shelf-life.
- PRs will send a written instruction/order for all deliveries. The SPs will not be allowed to initiate deliveries without a written order from PRs. Delivery of health products will be made in accordance with the details appearing on the order. All deliveries will be accompanied by a delivery note stating the instruction/order number against which the delivery is made.
- SPs are expected to deliver the health products within 72 hours of receiving the order.
- PRs retain the right to ask for shipment of any quantity.
- Where possible, the SPs will supply the health products in the original secondary packaging supplied by the manufacturer. If, for whatever reason, alternative packaging must be used, the SPs will use corrugated carton boxes of good quality.
- The packaging should be able to withstand the mechanical hazards of handling and transport, prevent leakage, and provide an appropriate level of protection from environmental conditions.
- All cold chain items will be packed using appropriate methods and/or devices to control and monitor and maintain the temperature during transport.
- Shipment and deliveries - Each shipper pack will carry a label with the following minimum information:
    - Shipment or delivery note number
    - Name or code of point of delivery
    - Weight of carton
    - Carton number
    - Total number of cartons in shipment
- The health products will be transported in secure and safe conditions whereby “secure” and “safe” are defined as follows:
    - Secure: The SP has taken reasonable measures to minimize the risk of theft during transport.

- Safe: The transporter has taken reasonable measures to minimize the risk that the health products or their packaging will be adversely affected during transport.
- The conditions of the container must be acceptable to the recipient at the point of delivery; (ensure package was still sealed; in good condition and ensure it was not tampered with).
- The transport must be cool in temperature to maintain the integrity of the health products according to manufacturer specification.

- Delivery documentation: Each delivery must be accompanied by the following documentation:
  - Delivery note, 3 copies. The delivery note should contain at least the following information:
    - Invoice number
    - PR order/instruction number – One copy of the PR written order/instruction and one copy of the delivery note remain at the point of delivery. The two remaining copies (both signed and stamped for receipt by the recipient) will be returned to the SPs.
    - Date of packing
    - Date of dispatch
    - Name of dispatcher
    - List of health products with quantities, batch numbers and expiry dates
    - Date of receipt
    - Full name and Designation of Recipient
    - The need for any special transport and/or storage conditions should be stated on the label.
    - Space for delivery comments, if necessary, by the recipient, on the delivery

- For each completed delivery, the following documentation must be sent to the PR:
  - One e-copy of the signed and stamped delivery note, with the name of the recipient or name of the facility.
  - One hard copy of the signed delivery note from SPs.
  - The SPs and the PR will agree in the contract on the frequency of exchange of these documents.

3|SERVICE PROVIDER REQUIREMENTS

The successful SPs must have the demonstrated ability to procure, store, warehouse and distribute health products as described in Section 2 by complying with the following requirements:

3.1 Licensed by the:

• NDOH as a pharmacy wholesaler to be recorded by the South African Pharmacy Council (SAPC).

• South African Health Products Regulatory Authority (SAHPRA)[3] to render pharmaceutical warehousing and distribution.

• SAHPRA to render medical device warehousing and distribution.

3.2 Implement and comply with the following South African good practice guidelines and legislation:

- Good Wholesaling Practice for Wholesalers (GWP) guidelines for wholesalers[4]

[3] https://www.sahpra.org.za/
[4] https://www.sahpra.org.za/wp-content/uploads/2020/02/SA-Guide-for-GWP-Jul2016_v2-FINAL-NOV-2019-1.pdf

- Good Pharmacy Practice (GPP) rules and standards[5]
- South African Pharmacy Council (SAPC) legislative and human resources regulations and rules[4]
- Good Distribution Practice (GDP) guidelines[6]
- Occupational Health and Safety Act.[7]
- PRs retain the right to apply the World Health Organisation's (WHO) rules and regulations on good warehousing practices over and above the SAHPRA rules and regulations.[8]

3.3 The SP should have a standard operating procedures (SOPs) manual in place describing the procedures that are in place in its organisation and covering all aspects required under GWP, GPP and GDP. The PRs reserve the right to verify the existence and validity of the SOPs.

3.4 The SPs should use an industry-acceptable warehouse management system to reduce warehousing errors. The SP will be expected to undertake bi-weekly monthly cyclical counts to ensure inventory accuracy. A record of all cyclical counts should be in file for review by the PRs during site sites which could be announced or unannounced. The SPs will grant PRs access to this software, if possible. The SPs will submit receipt, storage, and dispatch and distribution data reports with PRs at least once a month or as requested by PRs. The format and the detailed contents of the management information report will be defined in the contract.

3.5 Manage the expiry dates (including stock rotation) and advise the PR on expiry dates, 12 months prior to expiry to support adequate rotation. Failure to report timeously will require SPs to dispose of the expired health products at the cost of the SP. This cost will include the cost of the expired health products as well as that of the disposal.

3.6 The SPs must have systems in place for recalls, returns and quality assurance.

3.7 The SPs agrees to report on and be measured according to several key performance indicators developed by the PRs. The PR will evaluate the SPs on a regular basis and notify the SPs about any underperformance which may affect the contractual relationship between the PR and the SPs. Detailed definitions and the ways of calculating or measuring the performance indicators will be included in the contract.

3.8 The Service Provider will be required to have a Quality Management System in place.

3.9 The Service Provider should have a fleet management system that complies with all regulations under Fleet Requirements.

3.10 The service provider should demonstrate experience in undertaking projects of a similar scope of work that is required in this project.

[5] https://www.pharmcouncil.co.za/Legislation_Rules
[6] https://www.sgs.co.za/en/logistics/packaging-and-handling/good-distribution-practices-gdp-certification-for-pharmaceutical-industry
[7] https://www.labour.gov.za/DocumentCenter/Pages/Acts.aspx
[8] https://www.who.int/publications/i/item/9789240001824 Specifically Annex 7

4|SUBMISSION OF BIDS

4.1 Bidder eligibility

- All South African based SPs that comply with the requirements listed in this Terms of Reference may apply.
- SPs may apply to deliver the services from a national basis only or from several provincial bases if they have this in place at the time of bidding. Bidders may indicate how they will set up in a new district if they have plans to do so.

4.2 Submission dates

To submit the application, write an e-mail to Proposals@nacosa.org.za with *CFP-05-JPR1-07-2022* in the subject line.

All proposals to be submitted by e-mail to Proposals@nacosa.org.za on **Tuesday 2 August 2022** no later than 13:00. No late proposals will be accepted.

For all applications please ensure:

- Timely submission of all documents and reports if requested as part of the assessment of the entity's ability to implement the service.
- That appropriate staff are available on site if, and when an on-site capacity assessment visit is done.

4.3 Proposal details

The Bidder's proposal must include the following documents and annexes. Please use this table as a checklist before submitting the pack of information. Please label annexures clearly.

Cover letter	On business letterhead and signed, including Contact Person, Email address and Contact numbers	
Annex 1*	Completed Invitation to bid form	
Annex 2a*	Company profile: Provide an overview of the company's history, geography and essential information on its people and portfolio of services	

Annex 2b*	**Applicable for Company or CC** Company documents (if applicable). The following is required for applications from companies or CCs: • Certified copy of Company Registration Document that reflect Company Name, Registration number, date of registration and list of active Directors or Members; • Certified copy of ID documents of the Directors or Members • Most recent year's (not older than 2 years) financial statements showing comparative figures. If older than 2 years, then submit management accounts prepared by an external financial consultant accredited by SAIPA or equivalent) • Proof of Public Indemnity Cover for minimum of R1 million A certificate(s) of insurance as written evidence of ability to meet the insurance requirements in accordance with the provisions listed in Section 2 and Section 3 of this document. ***OR*** **Applicable for Sole Proprietorship** Owner documents (if applicable). The following is required for applications from Sole Proprietorship: • Certified copy of ID documents of the Owner • Most recent year's (not older than 2 years) financial statements showing comparative figures. If older than 2 years, then submit management accounts prepared by an external financial consultant accredited by SAIPA or equivalent) • Proof of Public Indemnity Cover for minimum of R1 million A certificate(s) of insurance as written evidence of ability to meet the insurance requirements in accordance with the provisions listed in Section 2 and Section 3 of this document.	
Annex 3*	Legislative requirements, including • SAHPRA Certificate • NDOH License as a pharmaceutical wholesaler • SAPC Certificate as a pharmaceutical wholesaler • SAPC Certificate of Responsible Pharmacist	
Annex 4a and 4b*	a) PIN for Tax clearance certificate verification (verification will be done with SARS eFiling). b) Proof of VAT registration	
Annex 5*	Valid B-BBEE Certification: • Copy of a certificate from a SANAS accredited Verification Agency; or • A signed Exempt Micro Enterprise (EME) affidavit with the required information; or • A signed Qualifying Small Enterprise (QSE) affidavit with the required information. Any EME or QSE is only required to obtain an affidavit on an annual basis, confirming: • Annual Total Revenue of R10 Million or less for EME or between R10 Million and R50 Million for QSE. • Level of Black Ownership ANY MISREPRESENTATION IN TERMS OF THE ABOVE CONSTITUTES A CRIMINAL OFFENCE as set out in the B-BBEE Act.	

Annex 6*	Completed and Signed **Declaration of Interest**	
Annex 7	Signed Code of Conduct for Suppliers of services related to Global Fund financing (sign each page): https://www.nacosa.org.za/2017/03/14/code-of-conduct-for-suppliers	
Annex 8	**Project** Proposal with Implementation **Plan** A thorough narrative supported by references to the Scope of Work in Section 2 and the Technical requirements in Section 3 of this document, including an implementation plan for the contract period. Simply providing short, non-descriptive responses is insufficient – additional annexes (numbered 8.1 etc) may be attached.	
Annex 9	**Pricing Schedule:** Bidders should quote a price for each of the services required, these include: • Procurement management • Health products received • Health products warehoused and stored, including insurance costs. • Health products picked for delivery • Health products delivered to the various points provided, including insurance costs. Bidders to analyse the storage needs of the three PRs together and optimize storage space for discounted prices as far as possible. Prices should be quoted in South African Rand. VAT should be shown separately. Bidders must provide transparency in respect of their pricing approach by indicating the basis upon which they have calculated their prices – also refer application template Annex 9. There must be no hidden costs. Prices submitted for this bid will be regarded as firm.	
Annex 10	Confirmation of Banking Details not older than 3 months, by means of a stamped letter from the bank or bank statement.	
Annex 11	Reference Letters and Testimonials on company letterheads, including three external references from clients who have utilised the Bidder as a health product warehousing and distribution service provider in the last 2 years, who are willing to validate the Bidder's past performance on similar projects of size and scope. Each client reference must include the following information: 1. Name of the contact person 2. Name of the company or governmental entity 3. Address of the contact person 4. Contact details including Telephone number and Email address of contact person 5. A description of the health products/services provided and dates the products/services were provided/ letter commending the quality of services	
Annex 12	SOP Manual for warehousing and distribution arrangements, including an SOP(s) on recalls, returns and quality assurance.	
Annex 13	**Distribution capacity** Letter/contract with courier company and/or proof of own fleet	

* Annex 1-6: These documents form part of pre-qualification requirements and if not included, the bid will be rejected without being submitted to the technical or financial evaluation.

5|PROPOSAL SUPPORT

Questions about this call for proposals may be submitted by email up to 20 July 2022 at 13h00. Please direct questions/queries in writing (only) to queries@nacosa.org.za with the subject line "CFP-05-JPR1-07-2022 - Bid Query."

The questions will be anonymised and published together with answers on NACOSA's website at http://www.nacosa.org.za/proposals no later than 22 July 2022.

To ensure fairness, no personal communication with any PR staff about the proposal will be entertained.

6|EVALUATION OF BIDS AND AWARDING OF CONTRACT

The evaluation process will be conducted in three stages as described below:

6.1 Evaluation Stage 1 – Eligibility Assessment

- Assessment of compliance with pre-qualification/eligibility criteria. Applications that do not comply will be disqualified.

6.2 Evaluation Stage 2 – Technical Assessment

The Bid Evaluation Committee assesses the technical competency of eligible bidders using the criteria set out below.

FUNCTION	RATING	WEIGHTING
Demonstrable organizational maturity and stability shown by organization's age. (Annex 2)	**1 point** = 0 – 1 year **2 points** = 2-3 years **3 points** = 3-4 years **4 points** = 4- 5 years **5 points** = >5 years	15%
Demonstrable experience with the scope of work and proof of compliance with requirements in Section 3 (Annex 2, 3, 8, and 11)	**1 point = Satisfies the requirement with major reservations**. Considerable reservations about Bidder capability to meet the requirements, with little or no evidence to support the response**.** **2 points = Satisfies the requirement with minor reservations.** Some minor reservations about Bidder capability to meet this requirement, with limited or no evidence to support the response. **3 points = Satisfies the requirement.** Demonstration by the Bidder to meet this requirement with limited to no evidence to support the response. **4 points = Satisfies the requirement with minor additional benefits.** Above average demonstration by the Bidder of how	30%

	they will meet this requirement by showing their capability with evidence to support the response including factors that demonstrate added value, with evidence to support the response. **5 points = Exceeds the requirement.** Exceptional demonstration by the Bidder of how they will meet this requirement by showing their capability including factors that demonstrate exceptional added value.	
Demonstrable experience with supply of health products in large volumes for health programmes. • *Proven experience must be clearly demonstrated in the proposal by means of a list of projects and high-level detailed scope, Purchase orders and/or Tenders awarded.* • *Contactable/ verifiable references, in a letter format, must include comprehensive tender/contract/project details, telephone or cell phone numbers, email address and contact names.*	**1 point** = Completion Certificates or 1 Testimonials/reference letters submitted but providing insufficient evidence of scope and orders/tenders awarded. **2 points** = Completion Certificates or 2 Testimonials/reference letters submitted but providing some evidence of scope and orders/tenders awarded. **3 points** = Completion Certificates or 3 Testimonials/reference letters submitted but providing required evidence of scope and orders/tenders awarded. **4 points** = Completion Certificates or 4 Testimonials/reference letters submitted but providing required evidence of scope and orders/tenders awarded. **5 points** = Completion Certificates or more than 4 Testimonials/reference letters submitted but providing comprehensive and detailed evidence of scope and orders/tenders awarded.	25%
Capacity to deliver nation-wide The bidding organisation must be able to demonstrate that they have the capacity to distribute health products nation-wide as per geographical areas annexed in Appendix B, including evidence of a relationship with a courier company/network(s) or have own capacity to support the delivery plan to all sites. (Annex 13)	**1 point** = Inadequate coverage of the required districts **2 points** = Limited coverage of the required districts **3 points** = Coverage of the required districts with limitations **4 points** = Evidence of previous coverage of the required districts and/or delivery plan in place **5 points** = Evidence of full previous coverage of the required districts with own fleet or agreement with at least one courier company and/or delivery plan in place.	30%
TOTAL		**100 %**

Applicants must achieve a score of at least 70% on technical competency requirements to be shortlisted for Stage 3 assessment. Bidders who score 60-69% may be assessed by the Bid Evaluation Committee in the event of too few bidders being shortlisted. Bidders may be invited to present their bids to the Bid Evaluation Committee to clarify their bids.

6.3 Evaluation Stage 3 – Price Assessment

Shortlisted bidders will be assessed with the 80/20 Preference Point System (PPS). *A maximum of 80 points is allocated for price on the following basis:*

Criteria	Number of Points
Price	80
B-BBEE	20
Total Points	**100**

Price point assessment

The calculation formula for price points will be conducted as follows:

$$PS = P\left[(1 - \frac{(Pt - Pmin)}{Pmin})\right]$$

Where:

PS = Points scored for comparative price of tender/offer under consideration

P = Maximum points

Pt = Comparative price of tender/offer under consideration

Pmin = Comparative price of lowest acceptable tender/offer. Points scored will be rounded-off to the nearest 2 decimal places

Example

P = Maximum points to be obtained is 80.

Pt = Comparative price of tender/offer under consideration, for example John Smith Inc. quoted R520 000.00.

Pmin = Comparative price of lowest acceptable tender/offer, for example Jane Wesson Inc. quoted R430 000.

$$PS = 80\left[(1 - \frac{(520\,000 - 430\,000)}{430\,000}\right]$$

PS = 63.26 scored out of 80 for John Smith Inc.

B-BBEE Assessment

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS ALLOCATED
1	20
2	18
3	16
4	12
5	8

6	6
7	4
8	2
Non-compliant contributor	0

The standard B-BBEE points calculation is used as follows:

6.4 Awarding of Contract

Additional information linked to awards are listed below:

- The PRs are not bound to accept the lowest or any proposal.
- The Committee may, entirely at its discretion, decide to –
  - award contracts to different bidders for different sections of the scope of work or for different geographic areas or for different PRs
  - award contracts for particular sections of the scope of work, but invite new proposals for other sections of the work
  - delay the award contracts for certain sections of the scope of work (considering, among others, timing of funding availability)
  - subject the award of contracts to specific conditions as the PRs may determine at the stage of awarding the contract
- This TOR does not commit the PRs to award, nor does it commit the PRs to pay any cost incurred in the submission of the Proposal, or in making necessary studies or designs for the preparation thereof, nor procure or contract for services or supplies. Further, no reimbursable cost may be incurred in anticipation of a contract award.