REQUEST FOR PROPOSAL (RFP)
#UKRSAFEMED041A

RFP Title:	**Implementation of a supply chain information system to support demand & supply planning, and transportation management for the distribution of pharmaceuticals and medical equipment in Ukraine**

RFP Issue Date:	January 26, 2021
Due Date and Time for Questions:	February 8, 2021 by 6:00 pm Kyiv time
Quote Due Date and Time:	February 22, 2021 by 10:00 am Kyiv time
Contact details:	ua-safemed-procure@safemedua.org

Complete Description of Need/Scope of Work/Specifications

Management Sciences for Health (MSH) Inc. that leads USAID's SAFEMed Activity in Ukraine is calling for submission of proposals from well-qualified vendors for the implementation of a supply chain information system for the cost-efficient management of demand, supply and transportation planning of pharmaceuticals and medical equipment in Ukraine.

Proponents are able to provide both in-house or out-sourced solutions for each of the systems mentioned below.

DESCRIPTION OF SERVICES

1. Development of a Demand & Supply Planning System (DSPS)

    a. Development of a Demand and Supply Planning System to enhance demand planning, including collection and verification from each Health facility, improve interface with regional health authorities, set inventory targets, and create efficient order processing from suppliers to meet those targets, while reducing delays and back-orders.
    b. The objective of the DSPS is to balance supply and demand in a manner that achieves the financial and service objectives of the enterprise.
    c. The demand plan is a sum of all the patient requirements at all health care facilities across Ukraine for a defined period of time into the future (forecast).
    d. Supply planning is the component of supply chain management involved with determining how to best fulfill the requirements created from the demand plan. The system will automatically allocate the demand plan to the location where the specific demand items for a specific heath facility will be fulfilled from.
    e. The supply plan includes all item related attributes and data such as on-hand quantities, open and planned orders, open and planned supplier orders, lead times, minimum order quantities, safety stocks, level loading and demand chase.
    f. Once the supply plan is complete, the system enables the user to run a requirements review and capacity review to assess the impact of the demand and supply plan on resources. If required, the

plan may be changed to address any constraints such as inventory capacity, transportation capacity, etc.

g. The Demand & Supply Planning System (DSPS) will automate and streamline order processing and provide constant updated inventory information on incoming shipments, estimated delivery times, and anticipated stockouts, a database of suppliers, a database of health care facilities, a record of returns and refunds, information on billing and payments, order processing records and general ledger information.

h. The DSPS must provide the following fundamental functions:
   i. *Forecasting:* Statistical monitoring of long- and short-term forecasting techniques to help inform decisions about the scheduling of orders, inventory targets and planned deliveries to regional health authorities.
   ii. *Supply Plan:* The supply plan includes all item related attributes and data such as on-hand quantities, open and planned customer orders, open and planned shop orders, lead times, minimum order quantities, safety stocks, level loading and demand chase. The supply plan is run to generate a finished goods product ordering schedule by item and by location.
   iii. *Product Ordering Plan:* The DSPS controls supplier purchase orders and procurements based on the demand plan, lead times and the availability of products. It creates cost optimized ordering patterns and allows orders to be placed directly with suppliers through system integration. The ultimate goal of the production ordering function is that it strives to meet inventory levels at a central, regional and final delivery point level.

i. Develop a roadmap for the DSPS system including functionality such as forecasting, inventory targets, order flows, expecting warehousing labor requirements, and integration with other supplier systems.

j. The system should consider constraints such as cold chain requirements in developing the supply and product ordering plan, whereby vaccines and medicines are kept within a specific temperature range from the moment of manufacture to the point they are administered at hospitals.

k. Integration with existing local Warehouse Management Systems that meet all needed functionality (if any).

l. MSH welcomes both outsourced and inhouse solutions. If the winning proponent will develop an inhouse solution they are expected to write code to develop the functional requirements based on the roadmap and required features.

2. <u>Development of a Transportation Management System (TMS)</u>

   a. Development of a Transportation Management system to support supply chain operations centered on transportation logistics. A transportation management system (TMS) is a specialized software for planning, executing and optimizing the shipment of goods transported on ground. In the case of CPA, the movement of goods will mainly be domestically within Ukraine through the use of carriers/transporters to final destination points through a variety of available routes and/or for further handling/sorting facilities should there be a need to do so prior to final delivery.

   b. The TMS will have a repository of detailed information about carriers/transporters, but also has transactional and communication capabilities that enable users to plan, execute and control shipments. To do all of those things, it must have integration and interoperability capacity with any carrier/transporter systems and data sources for access to real-time carrier/transporter information. The TMS must also integrate with the order management system (OMS) and the warehouse management system (WMS) described further below as the transportation module will be a bridge

between order fulfilment and actual delivery at the warehouse(s)/hospitals.

c. The TMS must provide the following three fundamental functions:
   i. *Planning:* The TMS system finds and compares the rates (prices) and services of carriers/transporters available to ship/transport to healthcare facilities route and adequate incoterm. It develops the transportation plan according to the number of cargos, available capacity on delivery routes, orders from healthcare facilities, and/or other unique handling requirements, etc.
   ii. *Execution:* The TMS system will book the shipment for delivery and regulate the way cargo is being moved to ensure a seamless flow of goods. It checks the schedule, accuracy of the carrier/transporters, past performance, product safety, and other product transportation requirements of the cargo. These are only some of the main checkpoints in the process of transportation.
   iii. *Control:* The TMS will track the movement of delivery and perform administrative tasks needed to successfully get the shipment to its destination. This may include but not limited to getting customs clearance, documents verification, workflow facilitation, etc.
d. Develop a roadmap for the TMS system including functionality such as but not limited to: shipping facilitation, cargo tracking, freight settlement, proof of delivery, flagging and managing unexpected circumstances and exceptions, performance ratings, safe passage provision, drivers online support.
e. The system should consider constraints such as cold chain requirements in developing the supply and product ordering plan, whereby vaccines and medicines are kept within a specific temperature range from the moment of manufacture to the point they are administered at Hospitals.
f. Integration with existing local Warehouse Management Systems that meet all needed functionality (if any).
g. MSH welcomes both outsourced and inhouse solutions. If the winning proponent will develop an inhouse solution they are expected to write code to develop the functional requirements based on the roadmap and required features.

3. Other Requirements:
   a. The system will provide a set of standard report(s) readily available and also have enhanced business intelligence reporting functionality for customized reporting needs.
   b. The system will provide a user interface in both Ukrainian and English languages.
   c. Provide access points (up to 40 workplaces for CPA, MOH, and SAFEMed) to the systems for usability, with the possibility of expansion, by staff/consultants who will be trained by the selected supplier in its use.
   d. Making the client aware of other services and actions that may lead to greater success.
   e. Monitoring the client's budget, explaining costs, and negotiating new terms if necessary.
   f. Providing progress reports to clients and upper management at the Central Procurement Agency of Ukraine.
   g. Provide training sessions to CPA staff on all system functions along with required training manual and other materials.

IMPLEMENTATION PLAN

Each proponent shall provide an implementation plan based on the two phases, namely, Design and Implementation as distinct deliverables with a total of 7 milestones. Each proposal shall include a detailed implementation plan that

illustrates the ability to deliver on each phase and subsequent milestone. Proponent shall also assign bilingual English-Ukrainian Account Manager to respond to additional SAFEMed inquiries in a timely manner acting as a liaison between the client and departments within the company to convey information, ensure understanding, and make certain everything gets done in an accurate, timely manner

Phase 1: Design

a. *Brainstorming and planning*: this milestone includes determining the scope of the project, defining means and ways for the new system to meet business strategic objectives, resource availability, cost-related issues, timeframes and determining solutions in collaboration with the project team personal from both CPA and MSH.
b. *Requirements and feasibility analysis*: in this milestone the project is defined in details and the analysis of the project's feasibility is carried out. The feasibility analysis displays all the technical and economical aspects impacting the application development process: time, resources and tasks and involvement estimates from the team members help calculate ROI and determine project cost and profit. Requirements analysis also helps identify the risks at the very start so that risk mitigation strategies can be worked out from the very beginning.
c. *System Design Blueprints:* During this milestone, the actual conceptualizing of the solution is created, that is the detailed software architecture meeting specific project requirements is created. Custom tailored software design by software architects and engineers sets definite workflows and standards and encompasses clear overall solution/product design together with database structure and design.

Phase 2 : Implementation

a. *Development & coding:* The development milestone is about writing code and converting design documentation into the actual software within the software development process. This stage of Software Development Lifecycle (SDLC) is generally the longest as it is the backbone of the whole process and there are a number of vital things to pay attention to. The software engineering team has to make sure their code meets the software requirements specifications and conforms to the stakeholders' requirements.
b. *Integration and testing:* The Quality Assurance team conducts a series of pilots and tests including functionality testing, systems integration, and interoperability as well as user acceptance testing in order to ensure the code is clean and business goals of the solution are met.
c. *Implementation and deployment:* This is a stage when the actual installation of the crafted solution takes place. The newly built and tested application is moved to production including data and components transfer, through a series of pilots, while during the next releases only the specific changes will be deployed.
d. *Operations and maintenance:* The final stage of Software Development Lifecycle (SDLC) includes maintenance and regular updates. The phase is treated with the utmost attention since during the stage the product is polished, upgraded, enhanced and fine-tuned according to the real-world feedback on its performance.

The winning proponent shall develop each milestone in consultation with MSH and use Agile processes and other development tools. The 'System Design Blueprints' developed in the Design Phase, and referred to the Implementation Plan section of this document, shall include hardware and software specifications; performance specifications; a narrative description of the system; a description of all input data (such as type, size, range of expected values, and relationship to other data); a description and pictures of all screens, including sequence diagrams; and definitions and descriptions of all outputs and reports to be generated and the process for generating them. The winning proponent shall deliver the completed System Design Blueprints to MSH no later than 90 days

after the Effective Date. MSH shall have thirty (30) working days after receipt thereof to accept or reject the System Design Specification in writing. If MSH rejects the System Design Specification, MSH shall specify in writing the grounds for rejection and the winning proponent shall use its best efforts to correct the design within twenty (20) working days after notice of rejection.

DATA OWNERSHIP

The Parties acknowledge that any software and/or hardware provided by the winning proponent is and remains the property of the Management Science for Health (MSH).

QUALIFICATION REQUIREMENTS

- The company has at least 5 years of experience in Information Technology (IT), specifically in the development of supply chain systems.
- Availability of bilingual English-Ukrainian Account Manager for this project;
- Availability of bilingual English-Ukrainian Contract;
- Validity of the proposal for 90 calendar days;
- Acceptable payment terms (VAT exemption, post payment during 10 banking days after providing services and invoice issue).
- Compliance with Section 889 of the National Defense Authorization Act (NDAA) 2019, a United States federal law. Please see Attachment A. Please note that a signed copy of Attachment A must be included in your submission.

USAID SAFEMed Activity Address	17 Reitarska street., 5th floor, suite 23, Kyiv 01030, Ukraine
Payment conditions:	**Bank transfer without VAT.** **Payment during 10 business days from the date of invoice and provision of services.**
	Safe, Affordable, and Effective Medicines for Ukrainians (SAFEMed) is a USAID funded international technical assistance activity implemented in Ukraine (Contract № AID-121-C-17-00004), in accordance with the Agreement between the Government of Ukraine and the Government of the United States of America regarding humanitarian and technical economic cooperation as of May 7, 1992 (herein after referred to as the Agreement). The Activity procures goods, works and services from the Awardee according to the Agreement mentioned above and Procedure for the of the use and monitoring international technical assistance approved by the Decree of the Cabinet of Ministers of Ukraine as of February 15, 2002, No. 153 (153-2002-п) On the unified system of the use and monitoring international technical assistance. The cost of such goods, works and services is exempt from Value Added Tax. Goods, works and services are procured with international technical

	assistance activity funds and are in line with the categories (types) of goods, works and services set out in the Procurement Plan. That is why SAFEMed Activity pays for goods, works and services without VAT. The Activity provides the Awardee a copy of stamped Procurement Plan according to which the goods, works and services are procured, as well as a copy of Project Registration Card #3755-03 as of July 14, 2020 issued by the Cabinet of Ministers of Ukraine. Additional clarifications about VAT exemption can be provided by SAFEMed Accountant upon request.

Concurrent Negotiations and BAFO

1. Initial Ranking of Proponents: After the completion of procurement process based on the due date set out above, an MSH evaluation committee will score each proponent's proposal against the evaluation criteria set our below. All scores will be added together and the proponents will be initially ranked based on their total scores.
2. Concurrent Negotiations and Best and Final Offer (BAFO) Process: MSH intends to invite the top three ranked proponents to enter into concurrent negotiations. During these concurrent negotiations, MSH will provide each proponent with any additional information and will seek further information and proposal improvements from each proponent. After the expiration of the concurrent negotiation period, each proponent will be invited to revise its initial proposal and submit its BAFO to MSH.
3. Evaluation of BAFO and Final Ranking of Proponents: Each BAFO will be evaluated against the rated criteria set out under Final Evaluation Criteria set out below and will be assigned a final ranking using the same process set out above. The top-ranked proponent based on the evaluation of the BAFOs will receive a written invitation to enter into a final round of negotiations to finalize the agreement with the MSH. In the event of a tie, the selected proponent will be the proponent selected by way of a coin toss.

In order to be considered quotes must be valid for at least 90 days and must include all of the following:

1. Technical Proposal (30 page limit, excluding the cover letter)

- Complete vendor information – including vendor's physical address, full legal name, VAT registration number and copies of the registration documents.
- Company's portfolio: a brief description of the relevant experience and CVs of the project manager and other key staff on the project.
- Contact information for at least 3 current/past clients that can serve as references.
- Information about at least 2 (two) years of cooperation with US Government agencies (for instance, US Centers for Disease Control and Prevention (CDC), US Agency for International Development (USAID) or international technical assistance projects), and/or the Commonwealth of Nations (for instance, the United Kingdom) agencies, and/or MOH of Ukraine and/or its departments.

2. Cost proposal (5 page limit)

- This RFP is non-binding and in no way obligates MSH to award any contract. MSH reserves the right to make an award in whole or in part, or not to make an award, in accordance with the best interests of MSH. Firm commitment to award a contract is not established until MSH issues a written contract. Award of a contract is dependent upon available funding and donor approval, as applicable.
- *Price Options:* All proponents will include the maximum possible price to MSH for the completion of each module/system for each phase. MSH may choose to award each module/system and/or each phase separately at its sole discretion. MSH may also choose not to award any of the module/system development for any of the phases to any proponent at its sole discretion.

Module/System	Design or Setup Costs	Implementation or Annual Cost	TOTAL
Demand & Supply Planning System			
Transportation Management System			
TOTAL			

- Note: Design Costs are costs related to developing the blueprints of a potential in-house system and Set-up costs are associated with the initial setup of an outsourced systems. Moreover, Implementation costs are related to the development of an in-house system whereby the annual cost would be the yearly cost of utilizing an outsourced system.
- *Other requirements:* All quotes should be prepared and submitted in English or in both languages (English and Ukrainian) and must be in USD currency.

Quotes will be evaluated based on the following evaluation criteria:

Evaluation Criteria	Maximum Possible Points
A. Past Experience and ability to meet the scope of work	
Ability to Meet the Scope of Work	15
Implementation Plan should demonstrate a deep understanding of the required tasks, critical path items and address mitigation strategies for potential risks and a Gantt chart in their proposal. Proponents should provide an organization chart and a list of CVs for the proposed project team and associated LOE (full time or % of part-time), including the project manager, and clearly demonstrate the mechanism for collaboration, communication and reporting. Proponents that illustrate their experience and ability in developing a project management plan and meeting its required financial and timeline targets will be given extra points.	5
Demonstrated ability of all Required Qualifications Listed in this RFP: • The company has at least 5 years of experience in the development and implementation of supply chain systems, preferably in the pharmaceutical market; • Applicable experience demonstrable on the CVs of the project manager and other key staff on the project; • Availability of bilingual English-Ukrainian Account Manager for this project; • Availability of bilingual English-Ukrainian Contract;	10

• Validity of the proposal for 90 calendar days; • Acceptable payment terms (VAT exemption, post payment during 10 banking days after providing services and invoice issue).	
Past Performance/References • Offeror's portfolio and successful proven past experience in performing similar assignments; • References: full contact details of three current/previous clients/organizations.	10
B. Price Best value principle	60
Maximum Total Score	**100**

The winning proponent must also be able to demonstrate that Employee's based in Ukraine that will be working on the project are authorized to work in the Ukraine. MSH will not provide any relocation support.

MSH holds its tenders on the basis of value for money principle, therefore none of the criteria is prevailing.
All quotes will be considered and evaluated based on the aggregate criteria.

- *Quotes submitted after the deadline has passed or that do not include all of the information requested will be rejected.*
- *This RFQ is non-binding and in no way obligates MSH to award any contract. MSH reserves the right to purchase any or all of the items requested, to adjust quantities if necessary, or to make no purchase. Firm commitment to purchase is not established until a written order is issued by MSH. MSH will not pay for vendors quote preparation costs.*
- *MSH procurement staff are instructed not to request or accept any commission relating to this order, and MSH has procedures in place to detect such payments. Please do not offer or pay any such commission, as this could result in your quotation being rejected. Please report any MSH representative asking for such a payment to the following email address: auditcommittee@msh.org*

Attachment A: Attestation of NDAA Compliance

Please include a completed and signed copy of this page in your response. If you are unable to comply with the requirements of NDAA 889, please be advised that MSH cannot consider your proposal. Responses received without this attestation will be disqualified from consideration.

Attestation of NDAA 889 Compliance

We have conducted a review of the devices, components and/or services we are offering to Management Sciences for Health (MSH) in response to this RFQ/RFP and have determined that none of them contain or rely on "covered telecommunications equipment or services" under the John S. McCain National Defense Authorization Act, Section 889 (or the interim rule.)

Prohibited telecommunications and security equipment and services include those designed, developed, manufactured, or supplied by entities listed below or persons affiliated with their ownership or control.

1. Huawei Technologies Company
2. Dahua Technology Company
3. Hangzhou Hikvision Digital Technology Company
4. Hytera Communication Corporation
5. ZTE Corporation
6. Any subsidiary or affiliate of the above entities

Company Name: _____

Responsible Party: _____ Title _____

Signature: _____ Date: _____

NDAA Section 889 Background and Requirements

Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232) places restrictions on U.S. Government contractors' ability to contract with or use certain Chinese telecommunications equipment or services based on U.S. national security concerns.

Covered telecommunications equipment or services are defined as all telecommunications equipment or services produced and provided by Huawei Technologies Company or ZTE Corporation, and video surveillance and telecommunications equipment or services produced and provided by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company, or any subsidiaries or affiliates of those entities.

This prohibition applies to all U.S. Government contractors, domestic and international, even if that company is not specifically selling telecommunications equipment or services to the U.S. Government. As a prime contractor, Management Sciences for Health (MSH) must conduct a reasonable inquiry of the suppliers that provide telecommunications equipment and services to MSH, regardless of whether that equipment or service is used by MSH as part of its work for the U.S. Government.

If MSH provides any telecommunications equipment or services as a subcontractor to a U.S. Government contractor, MSH may be asked whether any of that equipment or service is prohibited under Section 889. Responding to these inquiries requires MSH to inquire as to the source of supply of telecommunications equipment and services provided to MSH by its subcontractors, suppliers, and vendors.