

**REQUEST FOR PROPOSALS**

**FEASIBILITY STUDY FOR THE**

**PHARMACEUTICAL SUPPLY CHAIN**

Submission Deadline: **4:00 PM**

**LOCAL TIME**

**OCTOBER 7, 2010**

Submission Place: **Minister of Health Technical Office**  
**3 Magles El Shaab St.**  
**Cairo, Egypt**  
**Attention: Dr. Ramy Mohamed Gaber**  
**Assistant Director of Technical Office of the Minister**  
**Tel: +20 110117979**

SEALED PROPOSALS SHALL BE CLEARLY MARKED AND RECEIVED PRIOR TO THE TIME AND DATE SPECIFIED ABOVE. PROPOSALS RECEIVED AFTER SAID TIME AND DATE WILL NOT BE ACCEPTED OR CONSIDERED.

**N.B.: Any and all questions pertaining to the RFP should be sent to Nina Patel, USTDA,  
1000 Wilson Blvd, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357,  
Fax: (703) 875-4009, [npatel@ustda.gov](mailto:npatel@ustda.gov)**

## REQUEST FOR PROPOSALS

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## **Section 1: INTRODUCTION**

The U.S. Trade and Development Agency (USTDA) has provided a grant in the amount of US\$557,704 to the Arab Republic of Egypt acting through its Ministry of Health (the "Grantee") in accordance with a grant agreement dated August 15, 2010 (the "Grant Agreement"). USTDA has provided a grant to the Grantee for a Feasibility Study (FS) for the Pharmaceutical Supply Chain Project. The Grant Agreement is attached at Annex 4 for reference. The Grantee is soliciting technical proposals from qualified U.S. firms to provide expert consulting services to perform the Feasibility Study.

### **1.1 BACKGROUND SUMMARY**

Given its large population of 81 million, Egypt's health sector is expected to grow at 10% a year for the next five years. According to the Government of Egypt's plan for 2002-2007, approximately \$1.5 billion was allocated for upgrading medical facilities and healthcare services. These upgrades included the construction of eight new hospitals, enhancing medical services in urban and remote areas, broadening the training of physicians, increasing the number of nurses, supplying hospitals and medical centers with modern equipment, and increasing the budget for research and development (R&D) at universities and research centers.

In addition to these upgrades, the Egyptian Ministry of Health's health reforms aim to provide cost effective and improved services, of which efficient supply chain management can play a major role. The pharmaceutical supply chain in Egypt encompasses all processes and practices impacting the logistical arrangements for pharmaceuticals procured by the government, focusing in particular on the interface between warehouses and hospitals as well as primary care units. The Ministry has recognized the need to reform the current system to achieve an optimum allocation of existing resources, and to improve the quality of service at a minimum cost.

The objective of the pharmaceutical supply chain project is to increase communication throughout the entire supply chain so that pharmaceutical products are delivered in the needed quantities, to the right location at the required time, and at the lowest possible cost to the intended patient. The feasibility study will provide strategic and technical advisory services to the Ministry regarding upgrading the pharmaceutical supply chain across all health directorates, which includes primary care units, hospitals, warehouses, and the Ministry's Central Administration of Pharmaceutical Affairs, which is part of the Ministry of Health. The study will also design a pilot project for two chosen governorates within Egypt that will test the key assumptions of the study. Implementation of the pharmaceutical supply chain project is expected to lead to a reduction in pharmaceutical expenditure and will improve the quality of service offered to patients using the public health system in Egypt.

An excerpt of the background Definitional Mission is provided for reference in Annex 2.

## 1.2 OBJECTIVE

The Terms of Reference (TOR) for this Feasibility Study are attached as Annex 5.

## 1.3 PROPOSALS TO BE SUBMITTED

Technical proposals are solicited from interested and qualified U.S. firms. The administrative and technical requirements as detailed throughout the Request for Proposals (RFP) will apply. Specific proposal format and content requirements are detailed in Section 3.

The amount for the contract has been established by a USTDA grant of US\$557,704. **The USTDA grant of US\$557,704 is a fixed amount. Accordingly, COST will not be a factor in the evaluation and therefore, cost proposals should not be submitted.** Upon detailed evaluation of technical proposals, the Grantee shall select one firm for contract negotiations.

## 1.4 CONTRACT FUNDED BY USTDA

In accordance with the terms and conditions of the Grant Agreement, USTDA has provided a grant in the amount of US\$557,704 to the Grantee. The funding provided under the Grant Agreement shall be used to fund the costs of the contract between the Grantee and the U.S. firm selected by the Grantee to perform the TOR. The contract must include certain USTDA Mandatory Contract Clauses relating to nationality, taxes, payment, reporting, and other matters. The USTDA nationality requirements and the USTDA Mandatory Contract Clauses are attached at Annexes 3 and 4, respectively, for reference.

## **Section 2: INSTRUCTIONS TO OFFERORS**

### **2.1 PROJECT TITLE**

The project is called Pharmaceutical Supply Chain Feasibility Study.

### **2.2 DEFINITIONS**

Please note the following definitions of terms as used in this RFP.

The term "Request for Proposals" means this solicitation of a formal technical proposal, including qualifications statement.

The term "Offeror" means the U.S. firm, including any and all subcontractors, which responds to the RFP and submits a formal proposal and which may or may not be successful in being awarded this procurement.

### **2.3 DEFINITIONAL MISSION REPORT**

USTDA sponsored a Definitional Mission to address technical, financial, sociopolitical, environmental and other aspects of the proposed project. An excerpt of the report is attached at Annex 2 for background information only. The Definitional Mission report is available from the USTDA library (Activity No. 2009-21034A). However, please note that the TOR referenced in the report are not the final approved version. The final approved TOR are included in this RFP as Annex 5.

### **2.4 EXAMINATION OF DOCUMENTS**

Offerors should carefully examine this RFP. It will be assumed that Offerors have done such inspection and that through examinations, inquiries and investigation they have become familiarized with local conditions and the nature of problems to be solved during the execution of the Feasibility Study.

Offerors shall address all items as specified in this RFP. Failure to adhere to this format may disqualify an Offeror from further consideration.

Submission of a proposal shall constitute evidence that the Offeror has made all the above mentioned examinations and investigations, and is free of any uncertainty with respect to conditions which would affect the execution and completion of the Feasibility Study.

## **2.5 PROJECT FUNDING SOURCE**

The Feasibility Study will be funded under a grant from USTDA. The total amount of the grant is not to exceed US\$557,704.

## **2.6 RESPONSIBILITY FOR COSTS**

Offeror shall be fully responsible for all costs incurred in the development and submission of the proposal. Neither USTDA nor the Grantee assumes any obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by an Offeror, the evaluation of proposals, final selection or negotiation of a contract.

## **2.7 TAXES**

Offerors should submit proposals that note that in accordance with the USTDA Mandatory Contract Clauses, USTDA grant funds shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in the Host Country.

## **2.8 CONFIDENTIALITY**

The Grantee will preserve the confidentiality of any business proprietary or confidential information submitted by the Offeror, which is clearly designated as such by the Offeror, to the extent permitted by the laws of the Host Country.

## **2.9 ECONOMY OF PROPOSALS**

Proposal documents should be prepared simply and economically, providing a comprehensive yet concise description of the Offeror's capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

## **2.10 OFFEROR CERTIFICATIONS**

The Offeror shall certify (a) that its proposal is genuine and is not made in the interest of, or on behalf of, any undisclosed person, firm, or corporation, and is not submitted in conformity with, and agreement of, any undisclosed group, association, organization, or corporation; (b) that it has not directly or indirectly induced or solicited any other Offeror to put in a false proposal; (c) that it has not solicited or induced any other person, firm, or corporation to refrain from submitting a proposal; and (d) that it has not sought by collusion to obtain for itself any advantage over any other Offeror or over the Grantee or USTDA or any employee thereof.

## **2.11 CONDITIONS REQUIRED FOR PARTICIPATION**

Only U.S. firms are eligible to participate in this tender. However, U.S. firms may utilize subcontractors from the Host Country for up to 20 percent of the amount of the USTDA grant for

specific services from the TOR identified in the subcontract. USTDA's nationality requirements, including definitions, are detailed in Annex 3.

## **2.12 LANGUAGE OF PROPOSAL**

All proposal documents shall be prepared and submitted in English, and only English.

## **2.13 PROPOSAL SUBMISSION REQUIREMENTS**

The **Cover Letter** in the proposal must be addressed to:

**Minister of Health Technical Office  
3 Magles El Shaab St.  
Cairo, Egypt  
Attention: Dr. Ramy Mohamed Gaber  
Assistant Director of Technical Office of the Minister  
Tel: +20 110117979**

**An Original and eight (8) copies of your proposal must be received at the above address no later than 4:00 PM LOCAL TIME, on OCTOBER 7, 2010.**

Proposals may be either sent by mail, overnight courier, or hand-delivered. Whether the proposal is sent by mail, courier or hand-delivered, the Offeror shall be responsible for actual delivery of the proposal to the above address before the deadline. Any proposal received after the deadline will be returned unopened. The Grantee will promptly notify any Offeror if its proposal was received late.

Upon timely receipt, all proposals become the property of the Grantee.

## **2.14 PACKAGING**

The original and each copy of the proposal must be sealed to ensure confidentiality of the information. The proposals should be individually wrapped and sealed, and labeled for content including "original" or "copy number x"; the original and eight (8) copies should be collectively wrapped and sealed, and clearly labeled.

Neither USTDA nor the Grantee will be responsible for premature opening of proposals not properly wrapped, sealed and labeled.

## **2.15 AUTHORIZED SIGNATURE**

The proposal must contain the signature of a duly authorized officer or agent of the Offeror empowered with the right to bind the Offeror.

## **2.16 EFFECTIVE PERIOD OF PROPOSAL**

## **2.16 EFFECTIVE PERIOD OF PROPOSAL**

The proposal shall be binding upon the Offeror for NINETY (90) days after the proposal due date, and Offeror may withdraw or modify this proposal at any time prior to the due date upon written request, signed in the same manner and by the same person who signed the original proposal.

## **2.17 EXCEPTIONS**

All Offerors agree by their response to this RFP announcement to abide by the procedures set forth herein. No exceptions shall be permitted.

## **2.18 OFFEROR QUALIFICATIONS**

As provided in Section 3, Offerors shall submit evidence that they have relevant past experience and have previously delivered advisory, feasibility study and/or other services similar to those required in the TOR, as applicable.

## **2.19 RIGHT TO REJECT PROPOSALS**

The Grantee reserves the right to reject any and all proposals.

## **2.20 PRIME CONTRACTOR RESPONSIBILITY**

Offerors have the option of subcontracting parts of the services they propose. The Offeror's proposal must include a description of any anticipated subcontracting arrangements, including the name, address, and qualifications of any subcontractors. USTDA nationality provisions apply to the use of subcontractors and are set forth in detail in Annex 3. The successful Offeror shall cause appropriate provisions of its contract, including all of the applicable USTDA Mandatory Contract Clauses, to be inserted in any subcontract funded or partially funded by USTDA grant funds.

## **2.21 AWARD**

The Grantee shall make an award resulting from this RFP to the best qualified Offeror, on the basis of the evaluation factors set forth herein. The Grantee reserves the right to reject any and all proposals received and, in all cases, the Grantee will be the judge as to whether a proposal has or has not satisfactorily met the requirements of this RFP.

## **2.22 COMPLETE SERVICES**

The successful Offeror shall be required to (a) provide local transportation, office space and secretarial support required to perform the TOR if such support is not provided by the Grantee; (b) provide and perform all necessary labor, supervision and services; and (c) in accordance with best technical and business practice, and in accordance with the requirements, stipulations, provisions and conditions of this RFP and the resultant contract, execute and complete the TOR to the satisfaction of the Grantee and USTDA.

## **2.23 INVOICING AND PAYMENT**

Deliverables under the contract shall be delivered on a schedule to be agreed upon in a contract with the Grantee. The Contractor may submit invoices to the designated Grantee Project Director in accordance with a schedule to be negotiated and included in the contract. After the Grantee's approval of each invoice, the Grantee will forward the invoice to USTDA. If all of the requirements of USTDA's Mandatory Contract Clauses are met, USTDA shall make its respective disbursement of the grant funds directly to the U.S. firm in the United States. All payments by USTDA under the Grant Agreement will be made in U.S. currency. Detailed provisions with respect to invoicing and disbursement of grant funds are set forth in the USTDA Mandatory Contract Clauses attached in Annex 4.

### **Section 3: PROPOSAL FORMAT AND CONTENT**

To expedite proposal review and evaluation, and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section.

Proposal sections and pages shall be appropriately numbered and the proposal shall include a Table of Contents. Offerors are encouraged to submit concise and clear responses to the RFP. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content are given in this section. The Grantee reserves the right to include any part of the selected proposal in the final contract.

The proposal shall consist of a technical proposal only. A cost proposal is NOT required because the amount for the contract has been established by a USTDA grant of US\$557,704, which is a fixed amount.

Offerors shall submit one (1) original and eight (8) copies of the proposal. Proposals received by fax cannot be accepted.

Each proposal must include the following:

- Transmittal Letter,
- Cover/Title Page,
- Table of Contents,
- Executive Summary,
- Company Information,
- Organizational Structure, Management Plan, and Key Personnel,
- Technical Approach and Work Plan, and
- Experience and Qualifications.

Detailed requirements and directions for the preparation of the proposal are presented below.

#### **3.1 EXECUTIVE SUMMARY**

An Executive Summary should be prepared describing the major elements of the proposal, including any conclusions, assumptions, and general recommendations the Offeror desires to make. Offerors are requested to make every effort to limit the length of the Executive Summary to no more than five (5) pages.

## **3.2 COMPANY INFORMATION**

For convenience, the information required in this Section 3.2 may be submitted in the form attached in Annex 6 hereto.

### **3.2.1 Company Profile**

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information requested in sections 3.2.5 and 3.2.6 below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).
3. Type of ownership (e.g. public, private or closely held).
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (\*) next to the names of those principal officers who will be involved in the Feasibility Study.
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).
7. Project Manager's name, address, telephone number, e-mail address and fax number.

### **3.2.2 Offeror's Authorized Negotiator**

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

### **3.2.3 Negotiation Prerequisites**

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.
2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

### 3.2.4 Offeror's Representations

If any of the following representations cannot be made, or if there are exceptions, the Offeror must provide an explanation.

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of \_\_\_\_\_. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

Signed: \_\_\_\_\_  
(Authorized Representative)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### **3.2.5 Subcontractor Profile**

1. Name of firm and business address (street address only), including telephone and fax numbers.
2. Year established (include predecessor companies and year(s) established, if appropriate).

### **3.2.6 Subcontractor's Representations**

If any of the following representations cannot be made, or if there are exceptions, the Subcontractor must provide an explanation.

1. Subcontractor is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_. The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Feasibility Study and to perform the Feasibility Study. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.
2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.

3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

Signed: \_\_\_\_\_  
(Authorized Representative)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### **3.3 ORGANIZATIONAL STRUCTURE, MANAGEMENT, AND KEY PERSONNEL**

Describe the Offeror's proposed project organizational structure. Discuss how the project will be managed including the principal and key staff assignments for this Feasibility Study. Identify the Project Manager who will be the individual responsible for this project. The Project Manager shall have the responsibility and authority to act on behalf of the Offeror in all matters related to the Feasibility Study.

Provide a listing of personnel (including subcontractors) to be engaged in the project, including both U.S. and local subcontractors, with the following information for key staff: position in the project; pertinent experience, curriculum vitae; other relevant information. If subcontractors are to be used, the Offeror shall describe the organizational relationship, if any, between the Offeror and the subcontractor.

A manpower schedule and the level of effort for the project period, by activities and tasks, as detailed under the Technical Approach and Work Plan shall be submitted. A statement confirming the availability of the proposed project manager and key staff over the duration of the project must be included in the proposal.

### **3.4 TECHNICAL APPROACH AND WORK PLAN**

Describe in detail the proposed Technical Approach and Work Plan (the "Work Plan"). Discuss the Offeror's methodology for completing the project requirements. Include a brief narrative of the Offeror's methodology for completing the tasks within each activity series. Begin with the information gathering phase and continue through delivery and approval of all required reports.

Prepare a detailed schedule of performance that describes all activities and tasks within the Work Plan, including periodic reporting or review points, incremental delivery dates, and other project milestones.

Based on the Work Plan, and previous project experience, describe any support that the Offeror will require from the Grantee. Detail the amount of staff time required by the Grantee or other participating agencies and any work space or facilities needed to complete the Feasibility Study.

### **3.5 EXPERIENCE AND QUALIFICATIONS**

Provide a discussion of the Offeror's experience and qualifications that are relevant to the objectives and TOR for the Feasibility Study. If a subcontractor(s) is being used, similar information must be provided for the prime and each subcontractor firm proposed for the project. The Offeror shall provide information with respect to relevant experience and qualifications of key staff proposed. The Offeror shall include letters of commitment from the individuals proposed confirming their availability for contract performance.

As many as possible but not more than six (6) relevant and verifiable project references must be provided for each of the Offeror and any subcontractor, including the following information:

- Project name,
- Name and address of client (indicate if joint venture),
- Client contact person (name/ position/ current phone and fax numbers),
- Period of Contract,
- Description of services provided,
- Dollar amount of Contract, and
- Status and comments.

Offerors are strongly encouraged to include in their experience summary primarily those projects that are similar to or larger in scope than the Feasibility Study as described in this RFP.

#### **Section 4: AWARD CRITERIA**

Individual proposals will be initially evaluated by a Procurement Selection Committee of representatives from the Grantee. The Committee will then conduct a final evaluation and completion of ranking of qualified Offerors. The Grantee will notify USTDA of the best qualified Offeror, and upon receipt of USTDA's no-objection letter, the Grantee shall promptly notify all Offerors of the award and negotiate a contract with the best qualified Offeror. If a satisfactory contract cannot be negotiated with the best qualified Offeror, negotiations will be formally terminated. Negotiations may then be undertaken with the second most qualified Offeror and so forth.

The selection of the Contractor will be based on the following criteria:

1. Firms' specific experience related to the assignment: 25 points maximum
  - Firms' overall experience: 15 points
  - Firms' overseas experience: 10 points
2. Adequacy of proposed work plan and methodology in response to the TOR: 25 points maximum
  - Knowledge of proposed work and understanding of service: 10 points
  - Appropriateness of proposed methodology and workplan: 15 points
3. Qualifications and competence of the key staff for the assignment: 30 points maximum
  - Project Leader with experience in developing, designing and implementing supply chain management projects, experience and knowledge in developing economies, experience consulting and advising medium to large-size companies, and experience in helping clients to maximize the strategic value of their supply chains: 5 points
  - Pharmaceutical Specialist with experience in procurement related to pharmaceuticals and experience in similar projects: 5 points
  - Supply Chain and Logistics Specialist with experience in supply chains and logistics and experience in similar projects: 5 points
  - Human Resources Development Specialist experience human resources development and experience in similar projects: 5 points
  - Economist / Financial Analyst with experience in financial modeling and forecasting for medical facilities projects, infrastructure and payment structures, working with organizations involved in the financing of medical facilities, and experience with similar projects: 5 points
  - Legal Expert with experience working with organizations regulating medical facilities and experience in similar projects: 5 points

4. Past performance: 20 points maximum

- Six relevant and verifiable projects: 20 points
- Five relevant and verifiable projects: 16 points
- Four relevant and verifiable projects: 12 points
- Three relevant and verifiable projects: 8 points
- Two relevant and verifiable projects: 4 points

Proposals that do not include all requested information may be considered non-responsive.

Price will not be a factor in contractor selection.

# ANNEX 1

MINISTRY OF HEALTH TECHNICAL OFFICE, 3 MAGLES EL SHAAB ST., CAIRO, EGYPT, ATTENTION: DR. RAMY MOHAMMED GABER, ASSISTANT DIRECTOR OF TECHNICAL OFFICE OF THE MINISTER, TEL: +20 110117979

EGYPT: PHARMACEUTICAL SUPPLY CHAIN FEASIBILITY STUDY

POC: Nina Patel, USTDA, 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901, Tel: (703) 875-4357, Fax: (703) 875-4009. Pharmaceutical Supply Chain Feasibility Study. The Grantee invites submission of qualifications and proposal data (collectively referred to as the "Proposal") from interested U.S. firms that are qualified on the basis of experience and capability to develop a feasibility study for the Pharmaceutical Supply Chain project.

Given its large population of 81 million, Egypt's health sector is expected to grow at 10% a year for the next five years. According to the Government of Egypt's plan for 2002-2007, approximately \$1.5 billion was allocated for upgrading medical facilities and healthcare services. These upgrades included the construction of eight new hospitals, enhancing medical services in urban and remote areas, broadening the training of physicians, increasing the number of nurses, supplying hospitals and medical centers with modern equipment, and increasing the budget for research and development (R&D) at universities and research centers.

In addition to these upgrades, the Egyptian Ministry of Health's health reforms aim to provide cost effective and improved services, of which efficient supply chain management can play a major role. The pharmaceutical supply chain in Egypt encompasses all processes and practices impacting the logistical arrangements for pharmaceuticals procured by the government, focusing in particular on the interface between warehouses and hospitals as well as primary care units. The Ministry has recognized the need to reform the current system to achieve an optimum allocation of existing resources, and to improve the quality of service at a minimum cost.

The objective of the pharmaceutical supply chain project is to increase communication throughout the entire supply chain so that pharmaceutical products are delivered in the needed quantities, to the right location at the required time, and at the lowest possible cost to the intended patient. The feasibility study will provide strategic and technical advisory services to the Ministry regarding upgrading the pharmaceutical supply chain across all health directorates, which includes primary care units, hospitals, warehouses, and the Ministry's Central Administration of Pharmaceutical Affairs, which is part of the Ministry of Health. The study will also design a pilot project for two chosen governorates within Egypt that will test the key assumptions of the study. Implementation of the pharmaceutical supply chain project is expected to lead to a reduction in pharmaceutical expenditure and will improve the quality of service offered to patients using the public health system in Egypt.

The U.S. firm selected will be paid in U.S. dollars from a \$557,704 grant to the Grantee from the U.S. Trade and Development Agency (USTDA).

A detailed Request for Proposals (RFP), which includes requirements for the Proposal, the Terms of Reference, and a background definitional mission/desk study report are available from USTDA, at 1000 Wilson Boulevard, Suite 1600, Arlington, VA 22209-3901. To request the RFP in PDF format, please go to:

<https://www.ustda.gov/businessopps/rfpform.asp>. Requests for a mailed hardcopy version of the RFP may also be faxed to the IRC, USTDA at 703-875-4009. In the fax, please include your firm's name, contact person, address, and telephone number. Some firms have found that RFP materials sent by U.S. mail do not reach them in time for preparation of an adequate response. Firms that want USTDA to use an overnight delivery service should include the name of the delivery service and your firm's account number in the request for the RFP. Firms that want to send a courier to USTDA to retrieve the RFP should allow one hour after faxing the request to USTDA before scheduling a pick-up. Please note that no telephone requests for the RFP will be honored. Please check your internal fax verification receipt. Because of the large number of RFP requests, USTDA cannot respond to requests for fax verification. Requests for RFPs received before 4:00 PM will be mailed the same day. Requests received after 4:00 PM will be mailed the following day. Please check with your courier and/or mail room before calling USTDA.

Only U.S. firms and individuals may bid on this USTDA financed activity. Interested firms, their subcontractors and employees of all participants must qualify under USTDA's nationality requirements as of the due date for submission of qualifications and proposals and, if selected to carry out the USTDA-financed activity, must continue to meet such requirements throughout the duration of the USTDA-financed activity. All goods and services to be provided by the selected firm shall have their nationality, source and origin in the U.S. or host country. The U.S. firm may use subcontractors from the host country for up to 20 percent of the USTDA grant amount. Details of USTDA's nationality requirements and mandatory contract clauses are also included in the RFP.

Interested U.S. firms should submit their Proposal in English directly to the Grantee by **4:00 PM Local Time** on **October 7, 2010** at the above address. Evaluation criteria for the Proposal are included in the RFP. Price will not be a factor in contractor selection, and therefore, cost proposals should NOT be submitted. The Grantee reserves the right to reject any and/or all Proposals. The Grantee also reserves the right to contract with the selected firm for subsequent work related to the project. The Grantee is not bound to pay for any costs associated with the preparation and submission of Proposals.

# ANNEX 2

### 3.3 Technical Assistance and Capacity Building of Pharmaceutical Supply Chain Project-Egypt

Pharmaceutical Supply Chain in Egypt has been facing many challenges for many years, which has resulted in a lack of visibility among the relevant stakeholders. In other words, a particular party in the chain is currently not aware of the status of upstream as well as downstream levels of inventory and flow of goods. Consequently, this inefficient system has led to inaccurate assessment of needs, defective inventory management along with overstock or stock-out problems, and creation of silos in the system without effective communication.

Moreover, the system is suffering from other related problems that have affected its sustainability and efficiency such as lack of accurate data, efficient order management, process standardization in purchasing and inventory management, and collaboration among all parties.

The Pharmaceutical Supply Chain Project intends to address these problems on multiple phases aiming to achieve the status of full visibility throughout the chain. That implies that data on inward-moving goods, work-in-progress, outward-moving products, logistics, warehousing, and all other activities that lead to customer demand are available to all parties in the supply chain. Eventually, all parties in the system will have the ability to forecast their future drug needs and plan ahead. Unforeseeable events, if visible, allow timely corrective actions and finally impact customer satisfaction.

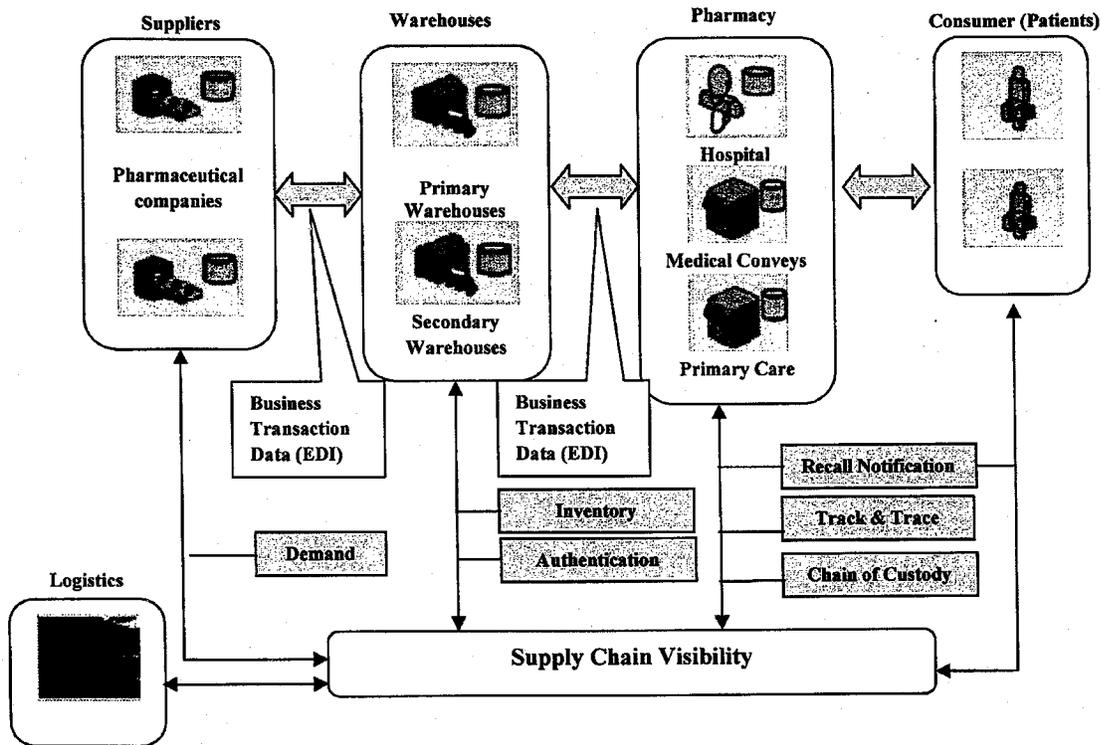


Figure 1. Drug Supply Chain and the Visibility throughout the System as an Ultimate Goal of the Project

The pharmaceutical supply chain project encompasses all processes and practices impacting the logistical arrangements for pharmaceuticals in the governmental procurement, focusing in particular on the interface between warehouses and hospitals as well as primary care units. The overarching goal of the project is to be able to have the appropriate pharmaceutical products in the needed quantities, delivered to the right location at the right moment; all at minimal cost to the intended patient.

The pharmaceutical supply chain project aims to improve the following criteria:

- Time and Cost
  - Improved order/invoice accuracy through increased precision of needs assessment across the supply chain
  - Potential procurement savings through improved decision making and inventory reductions
  - Implementation of more efficient delivery arrangements
  - Reduction of waste and returns through the pharmaceutical supply chain
- Quality
  - Improve patient care by having the right product of the right quality at the right time
  - Measure and manage performance within the supply chain through improved performance management
- Human Resources
  - Identification of essential system functionality changes
  - Work force capacity building to implement this project in all governorates
  - Staff preparation and education

### **3.3.1 Current Plan of Action for the Pharmaceutical Supply Chain Project**

The pharmaceutical supply chain will pass through four main sequential phases:

#### **Phase I: (Situational Analysis)**

The team will gather information from the key stakeholders through planned visits of a sample of the directorates, warehouses, hospitals, and primary care units. Based on the collected information, the team will map the process of the current work flow, and assess the current situation then generate options for consideration.

#### **Phase II: (Recommendations)**

The team will develop recommendation and establish the work stream to be implemented in the pilot project.

#### **Phase III: (Pilot)**

The team will conduct a feasibility study through a pilot project in two of the governorates.

#### **Phase IV: (Roll Out)**

The project will be rolled out nationwide

For a two-step implementation of the project, two levels of assistance and resources are required;

The first step will include a feasibility study followed by a pilot in a chosen governorate(s). For that level the requirements are;

1. A consultant for conducting the feasibility study, preparing the business plan and providing the technical assistance during the pilot
2. Funding of the pilot

The second level involves the timed rolling out of the project nationally, for which the following resources will be required:

I- Software that includes the following 9 modules,

- **Drug Formulary Book Module:** concerns with building and maintaining the drug list and all related lists.
- **Drug Acquisition Module:** concerns with all system functions related to needs assessment, acquisition procedures, and supply.
- **Drug Dispense Module:** concerns with dispensing the drug in all levels until the drug reaches to the end point of chain.
- **Stock Control and Management Module:** concerns with, but not limited to, entering transaction order, keeping track of current balance, handling re-order level, handling stagnate balances, preparing stocktaking lists, entering the actual balance, and handling end-of-year procedures. The stock control module should comply with FIFO principle and zero stock methodology.
- **Customer Care Module:** concerns with customer satisfaction, the module encloses a set of e-functions to support the companies and consumers, the module functions will include, but not limited to, electronic payment, customer feedback, claims handling, poor quality reporting, useful links and notification.
- **Vendor Accounting Module:** concerns with keeping track of vendors and manufactures information, reviewing payable sheets, preparing payment sheets, and maintains vendors black list.
- **System Control Module:** concerns with security rules handling the user account (user authentication, user available options, security policies, and privileges-responsibility (for each user and usage rules). In addition the module monitors the DB access and the different data transactions, the system should generate a set of log files to track the important transactions.
- **Logistic and Trace and Track module:** concerns with distribution and transportation of drugs throughout the whole chain.
- **Online Help Module**
- **Decision Support Module:** concerns with providing managers with a specialized problem solving expertise stored as facts, rules, procedures, or in similar structure.

II- Infrastructure and Computing Environment

- Hardware (PCs, printers, scanners, bar code scanner) with optimal hardware configuration required to utilize the proposed software
- Environment (HVAC compliance, temperature control, fire alarm, electric power, etc.)
- Communications and Internet Connectivity
- System Security and Protection
- Administration and Management

III- Training of Staff

IV- Equipped vehicles

**3.3.2 The Project Rationale**

Representatives in the Egyptian Ministry of Health and Population (MoHP) sought the help of USTDA to perform a feasibility study to provide strategic and technical services to the MoHP regarding upgrading the pharmaceutical supply chain across governorates of Egypt. The Upgrading of the pharmaceutical supply chain should lead to a reduction in cost, as well as an increase in the variety of pharmaceuticals available to patients using the public health system.

Also the MoHP will need assistance to design a pilot project in a chosen governorate(s). The feasibility study will provide a consultant for preparing the business plan and providing the technical assistance during the pilot. The feasibility study will support the established action plan of the pharmaceutical supply chain project in phase III. Phase III of the plan is to conduct a feasibility study through a pilot project in one of the governorates.

The idea of conducting such a project is based on the observations and data analysis completed by the Cairo Health Directorate for the achievements accomplished by Suez Health Directorate reached in the field of supply chain. Achievements were as follows;

1- Cost saving as a result of implementing stock management in Suez:

Stock management in Suez has been applied since last March 2009, and it includes only the main warehouse and 22 PCUs. The project consists of excel sheets modified with special calculations to trace the daily consumed drugs in PCUs and warehouse with alarming functions included when the stock decrease to the re-order point. Continuous monitoring is done by the project team to ensure that the out stock and overstock problems have resolved. However, the system is very primitive (only excel sheet), and a complete package should be introduced soon.

2- Due to controlled consumption behavior, estimation of annual needs matches consumption.

3- Introduction of new important drug categories and subcategories (drug list increased from 90 to 320 drugs).

4- Consumption is controlled and predictable, and consequently can be planned upon.

5- A preliminary analysis was done for 4 months' consumption (Oct. to Dec. 2008) of the PCUs before the new system, with the same period in 2009 with the new system running. It revealed that 18.059% of drugs' cost has been saved due to rational consumption. Moreover, the allocated budget for drugs in Suez has increased 0.5% in 2009 compared to 2008, however, the varieties of drugs has increased in 2009, because of the rational use by 394%. That means a better allocation of the budget has been achieved.

### 3.3.3 Requested Scenarios

Based on the observations and data analysis done in the Cairo Health Directorate and Suez Health Directorate case studies, it was concluded that the proposed assistance would address four main challenges. Those are process automation and inventory management, logistics, human resources, and infrastructure. To effectively run the pilot program, two possible scenarios of action were derived to address either one or more of faced challenges.

The first scenario concludes that the implementation will be done within the current existing facilities without reallocation of infrastructure. That means that PCUs, Hospitals and their respective warehouses will be connected together with the Health Directorate in each Governorate. The second scenario is to re-engineer the whole process. That means to start in a big governorate such as Cairo which has 27 geographical districts. Each district has its own system of supply chain; warehouses, PCUs and Hospitals (decentralized system). The recommendation will be to implement a Hybrid system, which means to consolidate and reallocate the existing resources and facilities. However, the above mentioned scenarios could be used together nationwide; Scenario one could fit one governorate and Scenario two could fit another as long the same outcome will be achieved.

# ANNEX 3



**U.S. TRADE AND DEVELOPMENT AGENCY  
Arlington, VA 22209-2131**

**NATIONALITY, SOURCE, AND ORIGIN REQUIREMENTS**

The purpose of USTDA's nationality, source, and origin requirements is to assure the maximum practicable participation of American contractors, technology, equipment and materials in the prefeasibility, feasibility, and implementation stages of a project.

**USTDA STANDARD RULE (GRANT AGREEMENT STANDARD LANGUAGE):**

Except as USTDA may otherwise agree, each of the following provisions shall apply to the delivery of goods and services funded by USTDA under this Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from host country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for implementation of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in host country are not subject to the above restrictions. USTDA will make available further details concerning these standards of eligibility upon request.

**NATIONALITY:**

1) Rule

Except as USTDA may otherwise agree, the Contractor for USTDA funded activities must be either a U.S. firm or a U.S. individual. Prime contractors may utilize U.S.

subcontractors without limitation, but the use of host country subcontractors is limited to 20% of the USTDA grant amount.

## 2) Application

Accordingly, only a U.S. firm or U.S. individual may submit proposals on USTDA funded activities. Although those proposals may include subcontracting arrangements with host country firms or individuals for up to 20% of the USTDA grant amount, they may not include subcontracts with third country entities. U.S. firms submitting proposals must ensure that the professional services funded by the USTDA grant, to the extent not subcontracted to host country entities, are supplied by employees of the firm or employees of U.S. subcontractor firms who are U.S. individuals.

Interested U.S. firms and consultants who submit proposals must meet USTDA nationality requirements as of the due date for the submission of proposals and, if selected, must continue to meet such requirements throughout the duration of the USTDA-financed activity. These nationality provisions apply to whatever portion of the Terms of Reference is funded with the USTDA grant.

## 3) Definitions

A "U.S. individual" is (a) a U.S. citizen, or (b) a non-U.S. citizen lawfully admitted for permanent residence in the U.S. (a green card holder).

A "U.S. firm" is a privately owned firm which is incorporated in the U.S., with its principal place of business in the U.S., and which is either (a) more than 50% owned by U.S. individuals, or (b) has been incorporated in the U.S. for more than three (3) years prior to the issuance date of the request for proposals; has performed similar services in the U.S. for that three (3) year period; employs U.S. citizens in more than half of its permanent full-time positions in the U.S.; and has the existing capability in the U.S. to perform the work in question.

A partnership, organized in the U.S. with its principal place of business in the U.S., may also qualify as a "U.S. firm" as would a joint venture organized or incorporated in the United States consisting entirely of U.S. firms and/or U.S. individuals.

A nonprofit organization, such as an educational institution, foundation, or association may also qualify as a "U.S. firm" if it is incorporated in the United States and managed by a governing body, a majority of whose members are U.S. individuals.

## SOURCE AND ORIGIN:

### 1) Rule

In addition to the nationality requirement stated above, any goods (e.g., equipment and materials) and services related to their shipment (e.g., international transportation and insurance) funded under the USTDA Grant Agreement must have their source and origin in the United States, unless USTDA otherwise agrees. However, necessary purchases of goods and project support services which are unavailable from a U.S. source (e.g., local food, housing and transportation) are eligible without specific USTDA approval.

### 2) Application

Accordingly, the prime contractor must be able to demonstrate that all goods and services purchased in the host country to carry out the Terms of Reference for a USTDA Grant Agreement that were not of U.S. source and origin were unavailable in the United States.

### 3) Definitions

"Source" means the country from which shipment is made.

"Origin" means the place of production, through manufacturing, assembly or otherwise.

*Questions regarding these nationality, source and origin requirements may be addressed to the USTDA Office of General Counsel.*

# ANNEX 4

## GRANT AGREEMENT

This Grant Agreement is entered into between the Government of the United States of America, acting through the U.S. Trade and Development Agency ("USTDA") and the Arab Republic of Egypt acting through its Ministry of Health ("Grantee"). USTDA agrees to provide the Grantee under the terms of this Agreement US\$557,704 ("USTDA Grant") to fund the cost of goods and services required for a feasibility study ("Study") on the proposed Pharmaceutical Supply Chain ("Project") in Egypt ("Host Country").

### 1. USTDA Funding

The funding to be provided under this Grant Agreement shall be used to fund the costs of a contract between the Grantee and the U.S. firm selected by the Grantee ("Contractor") under which the Contractor will perform the Study ("Contract"). Payment to the Contractor will be made directly by USTDA on behalf of the Grantee with the USTDA Grant funds provided under this Grant Agreement.

### 2. Terms of Reference

The Terms of Reference for the Study ("Terms of Reference") are attached as Annex I and are hereby made a part of this Grant Agreement. The Study will examine the technical, financial, environmental, and other critical aspects of the proposed Project. The Terms of Reference for the Study shall also be included in the Contract.

### 3. Standards of Conduct

USTDA and the Grantee recognize the existence of standards of conduct for public officials, and commercial entities, in their respective countries. The parties to this Grant Agreement and the Contractor shall observe these standards, which include not accepting payment of money or anything of value, directly or indirectly, from any person for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study.

### 4. Grantee Responsibilities

The Grantee shall undertake its best efforts to provide reasonable support for the Contractor, such as local transportation, office space, and secretarial support.

## **5. USTDA as Financier**

### **(A) USTDA Approval of Competitive Selection Procedures**

Selection of the U.S. Contractor shall be carried out by the Grantee according to its established procedures for the competitive selection of contractors with advance notice of the procurement published online through *Federal Business Opportunities* ([www.fedbizopps.gov](http://www.fedbizopps.gov)). Upon request, the Grantee will submit these contracting procedures and related documents to USTDA for information. USTDA may use such information in determining whether to approve the Contractor selected to perform the Study.

### **(B) USTDA Approval of Contractor Selection**

The Grantee shall notify USTDA at the address of record set forth in Article 17 below upon selection of the Contractor to perform the Study. Upon approval of this selection by USTDA, the Grantee and the Contractor shall then enter into a contract for performance of the Study. The Grantee shall notify in writing the U.S. firms that submitted unsuccessful proposals to perform the Study that they were not selected.

### **(C) USTDA Approval of Contract Between Grantee and Contractor**

The Grantee and the Contractor shall enter into a contract for performance of the Study. This contract, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing. To expedite this approval, the Grantee (or the Contractor on the Grantee's behalf) shall transmit to USTDA, at the address set forth in Article 17 below, a photocopy of an English language version of the signed contract or a final negotiated draft version of the contract.

### **(D) USTDA Not a Party to the Contract**

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of the contract and any amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of funding the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Grantee or USTDA from asserting any right they

might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Grantee or USTDA.

**(E) Grant Agreement Controlling**

Regardless of USTDA approval, the rights and obligations of any party to the contract or subcontract thereunder must be consistent with this Grant Agreement. In the event of any inconsistency between the Grant Agreement and any contract or subcontract funded by the Grant Agreement, the Grant Agreement shall be controlling.

**6. Disbursement Procedures**

**(A) USTDA Approval of Contract Required**

USTDA will make disbursements of Grant funds directly to the Contractor only after USTDA approves the Grantee's contract with the Contractor.

**(B) Contractor Invoice Requirements**

The Grantee should request disbursement of funds by USTDA to the Contractor for performance of the Study by submitting invoices in accordance with the procedures set forth in the USTDA Mandatory Clauses in Annex II.

**7. Effective Date**

The effective date of this Grant Agreement ("Effective Date") shall be the date of signature by both parties or, if the parties sign on different dates, the date of the last signature.

**8. Study Schedule**

**(A) Study Completion Date**

The completion date for the Study, which is October 25, 2011, is the date by which the parties estimate that the Study will have been completed.

**(B) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this Grant Agreement for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

**9. USTDA Mandatory Clauses**

All contracts funded under this Grant Agreement shall include the USTDA mandatory clauses set forth in Annex II to this Grant Agreement. All subcontracts funded or partially funded

with USTDA Grant funds shall include the USTDA mandatory clauses, except for clauses B(1), G, H, I, and J.

#### **10. Use of U.S. Carriers**

##### **(A) Air**

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

##### **(B) Marine**

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

#### **11. Nationality, Source and Origin**

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

#### **12. Taxes**

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Grantee nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

### **13. Cooperation Between Parties and Follow-Up**

The parties will cooperate to assure that the purposes of the Grant Agreement are accomplished. For five (5) years following receipt by USTDA of the Final Report (as defined in Clause I of Annex II), the Grantee agrees to respond to any reasonable inquiries from USTDA about the status of the Project.

### **14. Implementation Letters**

To assist the Grantee in the implementation of the Study, USTDA may, from time to time, issue implementation letters that will provide additional information about matters covered by the Grant Agreement. The parties may also use jointly agreed upon implementation letters to confirm and record their mutual understanding of matters covered by the Grant Agreement.

### **15. Recordkeeping and Audit**

The Grantee agrees to maintain books, records, and other documents relating to the Study and the Grant Agreement adequate to demonstrate implementation of its responsibilities under the Grant Agreement, including the selection of contractors, receipt and approval of contract deliverables, and approval or disapproval of contractor invoices for payment by USTDA. Such books, records, and other documents shall be separately maintained for three (3) years after the date of the final disbursement by USTDA. The Grantee shall afford USTDA or its authorized representatives the opportunity at reasonable times to review books, records, and other documents relating to the Study and the Grant Agreement.

### **16. Representation of Parties**

For all purposes relevant to the Grant Agreement, the Government of the United States of America will be represented by the U. S. Ambassador to Host Country or USTDA and Grantee will be represented by the Minister of Health. The parties hereto may, by written notice, designate additional representatives for all purposes under the Grant Agreement.

### **17. Addresses of Record for Parties**

Any notice, request, document, or other communication submitted by either party to the other under the Grant Agreement shall be in writing or through a wire or electronic medium which produces a tangible record of the transmission, such as a telegram, cable or facsimile, and will be deemed duly given or sent when delivered to such party at the following:

To: Minister's Technical Office  
Ministry of Health  
3 Magles Elshaab st.  
Kasr El Eini  
Cairo, Egypt

Phone and Fax: 202 2795 7492

To: U.S. Trade and Development Agency  
1000 Wilson Boulevard, Suite 1600  
Arlington, Virginia 22209-3901  
USA

Phone: (703) 875-4357  
Fax: (703) 875-4009

All such communications shall be in English, unless the parties otherwise agree in writing. In addition, the Grantee shall provide the Commercial Section of the U.S. Embassy in Host Country with a copy of each communication sent to USTDA.

Any communication relating to this Grant Agreement shall include the following fiscal data:

Appropriation No.: 11 10/11 1001  
Activity No.: 2010-21032A  
Reservation No.: 2010-210032  
Grant No.: GH 2010-210014

#### **18. Termination Clause**

Either party may terminate the Grant Agreement by giving the other party thirty (30) days advance written notice. The termination of the Grant Agreement will end any obligations of the parties to provide financial or other resources for the Study, except as may be required under Clause H(4) of the USTDA mandatory contract clauses set forth in Annex II to this Grant Agreement.

#### **19. Non-waiver of Rights and Remedies**

No delay in exercising any right or remedy accruing to either party in connection with the Grant Agreement shall be construed as a waiver of such right or remedy.

#### **20. U.S. Technology and Equipment**

By funding this Study, USTDA seeks to promote the project objectives of the Host Country through the use of U.S. technology, goods, and services. In recognition of this purpose, the Grantee agrees that it will allow U.S. suppliers to compete in the procurement of technology, goods and services needed for Project implementation.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Government of the United States of America and the Ministry of Health of the Arab Republic of Egypt, each acting through its duly authorized representative, have caused this Agreement to be signed in the English language in their names and delivered as of the day and year written below. In the event that this Grant Agreement is signed in more than one language, the English language version shall govern.

For the United States of America

By: Margaret Scooby

Title: Ambassador

Date: Aug 15, 2010

Witnessed:

Margaret Alkhalifa  
By: \_\_\_\_\_

For the Arab Republic of Egypt

By: K. Sabra

Title: Assist. Min. for Health

Date: 15/08/10

Witnessed: Ramy Mohamed Gaber

By: Ramy Gaber

Annex I -- Terms of Reference

Annex II -- USTDA Mandatory Clauses

## Annex II

### USTDA Mandatory Contract Clauses

#### A. USTDA Mandatory Clauses Controlling

The parties to this contract acknowledge that this contract is funded in whole by the U.S. Trade and Development Agency ("USTDA") under the Grant Agreement between the Government of the United States of America acting through USTDA and the Arab Republic of Egypt acting through its Ministry of Health ("Client"), dated \_\_\_\_\_ ("Grant Agreement"). The Client has selected \_\_\_\_\_ ("Contractor") to perform the feasibility study ("Study") for the Pharmaceutical Supply Chain project ("Project") in Egypt ("Host Country"). Notwithstanding any other provisions of this contract, the following USTDA mandatory contract clauses shall govern. All subcontracts entered into by Contractor funded or partially funded with USTDA Grant funds shall include these USTDA mandatory contract clauses, except for clauses B(1), G, H, I, and J. In addition, in the event of any inconsistency between the Grant Agreement and any contract or subcontract thereunder, the Grant Agreement shall be controlling.

#### B. USTDA as Financier

##### (1) USTDA Approval of Contract

All contracts funded under the Grant Agreement, and any amendments thereto, including assignments and changes in the Terms of Reference, must be approved by USTDA in writing in order to be effective with respect to the expenditure of USTDA Grant funds. USTDA will not authorize the disbursement of USTDA Grant funds until the contract has been formally approved by USTDA or until the contract conforms to modifications required by USTDA during the contract review process.

##### (2) USTDA Not a Party to the Contract

It is understood by the parties that USTDA has reserved certain rights such as, but not limited to, the right to approve the terms of this contract and amendments thereto, including assignments, the selection of all contractors, the Terms of Reference, the Final Report, and any and all documents related to any contract funded under the Grant Agreement. The parties hereto further understand and agree that USTDA, in reserving any or all of the foregoing approval rights, has acted solely as a financing entity to assure the proper use of United States Government funds, and that any decision by USTDA to exercise or refrain from exercising these approval rights shall be made as a financier in the course of financing the Study and shall not be construed as making USTDA a party to the contract. The parties hereto understand and agree that USTDA may, from time to time, exercise the foregoing approval rights, or discuss matters related to these rights and the Project with the parties to the contract or any subcontract, jointly or separately, without thereby incurring any responsibility

or liability to such parties. Any approval or failure to approve by USTDA shall not bar the Client or USTDA from asserting any right they might have against the Contractor, or relieve the Contractor of any liability which the Contractor might otherwise have to the Client or USTDA.

### **C. Nationality, Source and Origin**

Except as USTDA may otherwise agree, the following provisions shall govern the delivery of goods and services funded by USTDA under the Grant Agreement: (a) for professional services, the Contractor must be either a U.S. firm or U.S. individual; (b) the Contractor may use U.S. subcontractors without limitation, but the use of subcontractors from Host Country may not exceed twenty percent (20%) of the USTDA Grant amount and may only be used for specific services from the Terms of Reference identified in the subcontract; (c) employees of U.S. Contractor or U.S. subcontractor firms responsible for professional services shall be U.S. citizens or non-U.S. citizens lawfully admitted for permanent residence in the U.S.; (d) goods purchased for performance of the Study and associated delivery services (e.g., international transportation and insurance) must have their nationality, source and origin in the United States; and (e) goods and services incidental to Study support (e.g., local lodging, food, and transportation) in Host Country are not subject to the above restrictions. USTDA will make available further details concerning these provisions upon request.

### **D. Recordkeeping and Audit**

The Contractor and subcontractors funded under the Grant Agreement shall maintain, in accordance with generally accepted accounting procedures, books, records, and other documents, sufficient to reflect properly all transactions under or in connection with the contract. These books, records, and other documents shall clearly identify and track the use and expenditure of USTDA funds, separately from other funding sources. Such books, records, and documents shall be maintained during the contract term and for a period of three (3) years after final disbursement by USTDA. The Contractor and subcontractors shall afford USTDA, or its authorized representatives, the opportunity at reasonable times for inspection and audit of such books, records, and other documentation.

### **E. U.S. Carriers**

#### **(1) Air**

Transportation by air of persons or property funded under the Grant Agreement shall be on U.S. flag carriers in accordance with the Fly America Act, 49 U.S.C. 40118, to the extent service by such carriers is available, as provided under applicable U.S. Government regulations.

#### **(2) Marine**

Transportation by sea of property funded under the Grant Agreement shall be on U.S. carriers in accordance with U.S. cargo preference law.

#### **F. Workman's Compensation Insurance**

The Contractor shall provide adequate Workman's Compensation Insurance coverage for work performed under this Contract.

#### **G. Reporting Requirements**

The Contractor shall advise USTDA by letter as to the status of the Project on March 1st annually for a period of two (2) years after completion of the Study. In addition, if at any time the Contractor receives follow-on work from the Client, the Contractor shall so notify USTDA and designate the Contractor's contact point including name, telephone, and fax number. Since this information may be made publicly available by USTDA, any information which is confidential shall be designated as such by the Contractor and provided separately to USTDA. USTDA will maintain the confidentiality of such information in accordance with applicable law.

#### **H. Disbursement Procedures**

##### **(1) USTDA Approval of Contract**

Disbursement of Grant funds will be made only after USTDA approval of this contract. To make this review in a timely fashion, USTDA must receive from either the Client or the Contractor a photocopy of an English language version of a signed contract or a final negotiated draft version to the attention of the General Counsel's office at USTDA's address listed in Clause M below.

##### **(2) Payment Schedule Requirements**

A payment schedule for disbursement of Grant funds to the Contractor shall be included in this Contract. Such payment schedule must conform to the following USTDA requirements: (1) up to twenty percent (20%) of the total USTDA Grant amount may be used as a mobilization payment; (2) all other payments, with the exception of the final payment, shall be based upon contract performance milestones; and (3) the final payment may be no less than fifteen percent (15%) of the total USTDA Grant amount, payable upon receipt by USTDA of an approved Final Report in accordance with the specifications and quantities set forth in Clause I below. Invoicing procedures for all payments are described below.

##### **(3) Contractor Invoice Requirements**

USTDA will make all disbursements of USTDA Grant funds directly to the Contractor. The Contractor must provide USTDA with an ACH Vendor Enrollment Form (available from USTDA) with the first invoice. The Client shall request disbursement of funds by

USTDA to the Contractor for performance of the contract by submitting the following to USTDA:

**(a) Contractor's Invoice**

The Contractor's invoice shall include reference to an item listed in the Contract payment schedule, the requested payment amount, and an appropriate certification by the Contractor, as follows:

(i) For a mobilization payment (if any):

"As a condition for this mobilization payment, the Contractor certifies that it will perform all work in accordance with the terms of its Contract with the Client. To the extent that the Contractor does not comply with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(ii) For contract performance milestone payments:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

(iii) For final payment:

"The Contractor has performed the work described in this invoice in accordance with the terms of its contract with the Client and is entitled to payment thereunder. Specifically, the Contractor has submitted the Final Report to the Client, as required by the Contract, and received the Client's approval of the Final Report. To the extent the Contractor has not complied with the terms and conditions of the Contract, including the USTDA mandatory provisions contained therein, it will, upon USTDA's request, make an appropriate refund to USTDA."

**(b) Client's Approval of the Contractor's Invoice**

(i) The invoice for a mobilization payment must be approved in writing by the Client.

(ii) For contract performance milestone payments, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and the terms and conditions of the USTDA Grant Agreement."

(iii) For final payment, the following certification by the Client must be provided on the invoice or separately:

"The services for which disbursement is requested by the Contractor have been performed satisfactorily, in accordance with applicable Contract provisions and terms and conditions of the USTDA Grant Agreement. The Final Report submitted by the Contractor has been reviewed and approved by the Client. "

**(c) USTDA Address for Disbursement Requests**

Requests for disbursement shall be submitted by courier or mail to the attention of the Finance Department at USTDA's address listed in Clause M below.

**(4) Termination**

In the event that the Contract is terminated prior to completion, the Contractor will be eligible, subject to USTDA approval, for reasonable and documented costs which have been incurred in performing the Terms of Reference prior to termination, as well as reasonable wind down expenses. Reimbursement for such costs shall not exceed the total amount of undisbursed Grant funds. Likewise, in the event of such termination, USTDA is entitled to receive from the Contractor all USTDA Grant funds previously disbursed to the Contractor (including but not limited to mobilization payments) which exceed the reasonable and documented costs incurred in performing the Terms of Reference prior to termination.

**I. USTDA Final Report**

**(1) Definition**

"Final Report" shall mean the Final Report described in the attached Annex I Terms of Reference or, if no such "Final Report" is described therein, "Final Report" shall mean a substantive and comprehensive report of work performed in accordance with the attached Annex I Terms of Reference, including any documents delivered to the Client.

**(2) Final Report Submission Requirements**

The Contractor shall provide the following to USTDA:

(a) One (1) complete version of the Final Report for USTDA's records. This version shall have been approved by the Client in writing and must be in the English language. It is the responsibility of the Contractor to ensure that confidential information, if any, contained in this version be clearly marked. USTDA will maintain the confidentiality of such information in accordance with applicable law.

(b) One (1) copy of the Final Report suitable for public distribution ("Public Version"). The Public Version shall have been approved by the Client in writing and must be in the English language. As this version will be available for public distribution, it must not contain any confidential information. If the report in (a) above contains no confidential information, it may be used as the Public Version. In any event, the Public Version must be informative and contain sufficient project detail to be useful to prospective equipment and service providers.

and

(c) Two (2) CD-ROMs, each containing a complete copy of the Public Version of the Final Report. The electronic files on the CD-ROMs shall be submitted in a commonly accessible read-only format. As these CD-ROMs will be available for public distribution, they must not contain any confidential information. It is the responsibility of the Contractor to ensure that no confidential information is contained on the CD-ROMs.

The Contractor shall also provide one (1) copy of the Public Version of the Final Report to the Foreign Commercial Service Officer or the Economic Section of the U.S. Embassy in Host Country for informational purposes.

### **(3) Final Report Presentation**

All Final Reports submitted to USTDA must be paginated and include the following:

(a) The front cover of every Final Report shall contain the name of the Client, the name of the Contractor who prepared the report, a report title, USTDA's logo, USTDA's mailing and delivery addresses. If the complete version of the Final Report contains confidential information, the Contractor shall be responsible for labeling the front cover of that version of the Final Report with the term "Confidential Version." The Contractor shall be responsible for labeling the front cover of the Public Version of the Final Report with the term "Public Version." The front cover of every Final Report shall also contain the following disclaimer:

"This report was funded by the U.S. Trade and Development Agency (USTDA), an agency of the U. S. Government. The opinions, findings, conclusions or recommendations expressed in this document are those of the author(s) and do not necessarily represent the official position or policies of USTDA. USTDA makes no representation about, nor does it accept responsibility for, the accuracy or completeness of the information contained in this report."

(b) The inside front cover of every Final Report shall contain USTDA's logo, USTDA's mailing and delivery addresses, and USTDA's mission statement.

Camera-ready copy of USTDA Final Report specifications will be available from USTDA upon request.

(c) The Contractor shall affix to the front of the CD-ROM a label identifying the Host Country, USTDA Activity Number, the name of the Client, the name of the Contractor who prepared the report, a report title, and the following language:

“The Contractor certifies that this CD-ROM contains the Public Version of the Final Report and that all contents are suitable for public distribution.”

(d) The Contractor and any subcontractors that perform work pursuant to the Grant Agreement must be clearly identified in the Final Report. Business name, point of contact, address, telephone and fax numbers shall be included for Contractor and each subcontractor.

(e) The Final Report, while aiming at optimum specifications and characteristics for the Project, shall identify the availability of prospective U.S. sources of supply. Business name, point of contact, address, telephone and fax numbers shall be included for each commercial source.

(f) The Final Report shall be accompanied by a letter or other notation by the Client which states that the Client approves the Final Report. A certification by the Client to this effect provided on or with the invoice for final payment will meet this requirement.

#### **J. Modifications**

All changes, modifications, assignments or amendments to this contract, including the appendices, shall be made only by written agreement by the parties hereto, subject to written USTDA approval.

#### **K. Study Schedule**

##### **(1) Study Completion Date**

The completion date for the Study, which is October 25, 2011, is the date by which the parties estimate that the Study will have been completed.

## **(2) Time Limitation on Disbursement of USTDA Grant Funds**

Except as USTDA may otherwise agree, (a) no USTDA funds may be disbursed under this contract for goods and services which are provided prior to the Effective Date of the Grant Agreement; and (b) all funds made available under the Grant Agreement must be disbursed within four (4) years from the Effective Date of the Grant Agreement.

## **L. Business Practices**

The Contractor agrees not to pay, promise to pay, or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a governmental official or private individual) for the purpose of illegally or improperly inducing anyone to take any action favorable to any party in connection with the Study. The Client agrees not to receive any such payment. The Contractor and the Client agree that each will require that any agent or representative hired to represent them in connection with the Study will comply with this paragraph and all laws which apply to activities and obligations of each party under this Contract, including but not limited to those laws and obligations dealing with improper payments as described above.

## **M. USTDA Address and Fiscal Data**

Any communication with USTDA regarding this Contract shall be sent to the following address and include the fiscal data listed below:

U.S. Trade and Development Agency  
1000 Wilson Boulevard, Suite 1600  
Arlington, Virginia 22209-3901  
USA

Phone: (703) 875-4357

Fax: (703) 875-4009

### Fiscal Data:

Appropriation No.: 11 10/11 1001

Activity No.: 2010-21032A

Reservation No.: 2010-210032

Grant No.: GH 2010-210014

## **N. Definitions**

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Grant Agreement.

**O. Taxes**

USTDA funds provided under the Grant Agreement shall not be used to pay any taxes, tariffs, duties, fees or other levies imposed under laws in effect in Host Country. Neither the Client nor the Contractor will seek reimbursement from USTDA for such taxes, tariffs, duties, fees or other levies.

# ANNEX 5

## Annex I

### Terms of Reference

The objective of this Study is to provide strategic and technical advisory services to the Grantee regarding upgrading the pharmaceutical supply chain across all governorates of Egypt. The upgrading of the pharmaceutical supply chain should lead to a reduction in the cost of pharmaceuticals' supply and increase in the variety of pharmaceuticals available to patients using the public health system, as well as appropriate use of drugs.

The Grantee shall assign a contact officer who will facilitate the process of collecting data and information by contacting the relevant entities within the Ministry, Primary Care Units (PCU), warehouses, etc. In addition, the Grantee shall to assign 2 to 3 middle level employees that will assist the Contractor in conducting visits to the relevant stakeholders to collect needed information and data as determined by the Contractor.

#### **Task 1: Project Start-Up and Kick-off**

The Contractor shall travel to Cairo, Egypt to meet with the Grantee to discuss the basis for the project and its objectives. The Grantee will brief the Contractor on the current status of upgrading the pharmaceutical supply chain. The Contractor shall meet with other stakeholders to gather information on the wider operating environment. The stakeholders shall include representatives from the PCUs at the -central and governorate levels, representatives from the hospitals at the central and governorate levels, representatives from the warehouses at the central and governorate levels, and the directors of the governorates. This will include the governorates listed in the table under Task 2.

As part of this task, the Contractor shall:

- Meet with Grantee staff to discuss the overall project strategy, objectives, and deliverables.
- Discuss arrangements by which the Grantee will facilitate the work. The Grantee has committed to facilitating all data collection efforts and to contributing in the data collection activity. The Grantee shall also provide all recent data collection and situation analysis materials that have been conducted in the past as needed
- Collect and review existing analysis, documentation, and data already prepared by the Grantee including the existing situation analysis for Cairo governorate which covers financial data and drug flow rates at different facilities.
- Prepare and discuss a work plan that includes a time table for the data collection effort, and a detailed description of the data to be collected. This discussion shall begin before the Contractor's arrival in Egypt so that the Grantee can assist in assembling any previously collected information. The data to be collected by the Grantee in advance of the Contractor's visit shall include the following:

- Annual statistics on the volumes and types of drugs channelled through the supply chain (preferably at least a 3 year history),
- Geographic distribution of supply of drugs to the various governorates including quantities,
- Details on the current logistics arrangements related to the distribution of drugs,
- Details on current inventory systems used,
- Details on processes involved in the supply chain (e.g., requests, approval of requests, budgeting, transport, delivery, etc.),
- Information related to automation,
- Information on staffing and human resources at the study sites,
- Information related to infrastructure at the study sites, Other information as revealed during the kick-off meeting.

**Deliverable:** The Contractor shall prepare an Inception Report, which describes the work performed under this Task one and describes the project methodology and timeline agreed to with the Grantee.

#### **Task 2: Site Visits and Situation Analysis Review**

The Contractor shall develop a detailed description of the current practices as it relates to the pharmaceutical supply chain. The Contractor shall establish a clear and detailed description of the status quo conditions with a focus on defining the problems in four main areas:

1. Process automation (if any),
2. Inventory management and logistics,
3. Human resources, and
4. Infrastructure.

The Contractor shall describe any other major problems affecting the pharmaceuticals supply chain outside of these four areas. To meet this objective, it is envisaged that the Contractor shall spend two days in each of the governorates to be visited. During those visits, the Contractor shall conduct visits to approximately 2 to 3 PCUs, one hospital, and one warehouse in each of those governorates. The following table lays out the specific requirements in terms of site visits and assessments:

### Selected Governorates for the Situation Analysis Phase

Governorates	No. of sampled PCUs	No. of sampled Hospitals	No. of Sampled warehouses
Cairo	2-3	1	1
El Menia	2-3	1	1
Monoufia	2-3	1	1
PortSaid	2-3	1	1
Suez	2-3	1	1
Luxor	2-3	1	1

In addition to gathering the information required to develop a detailed description of the current conditions, the Contractor shall collect the type of information needed to complete the analyses outlined in Task 3. The data required for Task 3 shall include the following:

- Information and data related to the institutional and operational set ups at the visited entities (i.e., PCUs, Hospitals, etc.),
- Details and information related to IT systems used,
- Details on available infrastructure (e.g., access, utilities, buildings, etc.),
- Details on available human resources including qualifications, expertise, technical capacity, etc., and
- Physical inspection of the various facilities to give an overall judgment on the buildings' conditions and suitability.

The Contractor shall collect data through observation and interview, including panel interviews.

The Contractor shall provide clear, written instructions regarding what additional data collection is required. The Grantee shall make 3 individuals available for a 5-day period for a grand total of 15 person-days of data collection.

**Deliverable:** The Contractor shall prepare a report describing the work performed under this Task 2, including the site visits and all data collected.

### Task 3: Solution Formulation

The Contractor shall analyze in detail the information collected under Task 2. The areas of analysis shall include the following:

**Sub-Task 3.1 Operational and Institutional Assessment:** The Contractor shall analyze the current operational and institutional arrangements as established under Task 2. The Contractor shall identify the broad areas and actionable steps for improving the operations of the pharmaceutical supply chain referencing international best practice

within the main areas being investigated under this study (i.e., process automation, inventory management and logistics, human resources, and infrastructure). The Contractor shall also consider the current state of the pharmaceutical supply chain to ensure the recommended steps are realistic. In addition, the Contractor shall analyze the potential for providing components of the supply chain through private sector participation.

**Sub-Task 3.2 IT Assessment:** The Contractor shall analyze options for IT solutions to improve supply chain management. The Contractor shall examine a variety of software packages for managing the supply chain as well as the variations in configuring the modules. The Contractor shall examine the importance of adopting the following modules given the current situation as well as the feasibility of successful execution given staff skills and existing hardware:

- Drug Formulary Book Module:*** This module assists in building and maintaining the drug list and all related Grantee requirements and instructions for using drugs rationally according to the national guidelines.
- Drug Acquisition Module:*** This module concerns all system functions related to needs assessment, acquisition procedures, and supply.
- Drug Dispense Module:*** This module assists with moving the drugs at all stages (e.g., from warehouse, to PCU, to pharmacy, etc.) until the drug reaches to the end point of chain.
- Stock Control and Management Module:*** This module is charged with, but not limited to, entering transaction order, keeping track of current balance, handling re-order level, handling stagnate balances, preparing stocktaking lists, entering the actual balance, and handling end-of-year procedures. The stock control module should comply with First in First out (FIFO) principle and zero stock methodology, and other internationally accepted inventory management systems.
- Customer Care Module:*** This module deals with customer satisfaction. The module encloses a set of e-functions to support the providers and suppliers of drugs, and consumers (i.e., PCUs, hospitals, patients, as well as intermediary channels such as warehouses). The module functions will include, but not be limited to, electronic payment, customer feedback, claims handling, poor quality reporting, useful links and notification.
- Vendor Accounting Module:*** This module assists with the tracking of vendors' and manufacturers' information, reviewing payable sheets, preparing payment sheets, and maintaining vendors' back list.
- System Control Module:*** This module deals with security rules, user accounts (user authentication, user available options, security policies, and privileges-responsibility) and the proposed system's usage security rules. In addition, the module monitors the database access and the different data transactions. The system shall generate a set of log files to track the important transactions.

- Logistic and Trace and Track module:* This module monitors the distribution and transportation of drugs throughout the whole chain.
- Online Help Module*
- Decision Support Module:* This module provides managers with a specialized problem solving expertise, stored as facts, rules, procedures, or similar structure.

The Contractor shall prepare an overall approach for the above modules rather than the specific details for each module.

The Contractor shall also examine the IT capacities of the Grantee and its staff to assess the requirements for IT support during the pilot project. The Contractor shall prepare an overall description of the support requirements in terms of human resources and infrastructure that will be provided during the pilot project.

The Contractor shall recommend a preferred IT solution and prepare all technical specifications required for the Grantee to tender the software licenses and support services during the pilot project. The recommendation may need to include multiple options depending on the final site selection for the pilot.

#### **Sub-Task 3.3 Infrastructure Assessment**

The Contractor shall analyze the infrastructure needs for improved pharmaceutical supply chain management given the current assets (such as warehouses, Primary Care Units, Hospitals, and vehicle). The Contractor shall conduct two stages of analysis as follows:

1. The Contractor shall assess the overall infrastructure needs of the assessed sites. As part of Task 2, the Contractor will have conducted a physical inspection of each site.
2. The Contractor shall also recommend the infrastructure changes required in each Governorate that is required to upgrade its pharmaceutical supply chain.

#### **Sub-Task 3.4 Human Resources Assessment**

The Contractor shall assess the capacity of current Grantee staff to operate and maintain an improved pharmaceutical supply chain. The Contractor shall analyze the following data collected under Task 2:

1. Interviews with facility level staff who would operate the system on a day-to-day basis including staff of warehouses, PCUs, and hospitals. The Contractor shall establish the ability of staff to efficiently use the system and ensure accurate records are created. The Contractor shall interview an average of 12 representatives from each of the selected governorates for this activity. It is expected that the Contractor shall conduct those interviews in a Panel or Focus Group arrangement with 4 to 5 participants per meeting.

2. Interviews with managers who will use the data produced to make budgeting, stocking, and other decisions. The Contractor shall establish the ability of managers to access and interpret the data produced. The Contractor shall interview no fewer than 10 manager level individuals.

From the assessment of staff and managers, the Contractor shall develop a capacity building and knowledge transfer plan for the pilot projects.

### **Sub-Task 3.5 Draft Pilot Descriptions**

The Contractor shall make recommendations as to which two sites would constitute the best candidates for the pilots. The Contractor shall, in coordination with the Grantee and with their approval, select the two sites that are to be studied in further detail.

For each of the two sites, the Contractor shall assemble a Draft Pilot Description taking into account the analysis conducted in earlier tasks and consultations with the Grantee. The pilot shall package solutions to address the areas of operations/institutions, IT, infrastructure, HR, and any other major need identified.

The Contractor shall ensure that the Draft Pilot Descriptions will achieve the following outcomes:

1. **Learning:** the pilot provides clarification regarding the key assumptions for the national roll-out.
2. **Experience:** the pilot provides practical experience for the Grantee so that they are better prepared to execute the improvements on a larger scale.
3. **Immediate Improvements:** the pilot achieves significant improvements in the efficiency of the pharmaceutical supply chain and benefits to stakeholders regardless of actions taken to effectuate a roll-out.

It is anticipated that the approach proposed may be identical in the two governorates; however, the approach may differ in order to address outstanding questions or cater to unique characteristics of the governorates chosen. The proposed solutions shall cater to the specific needs of the governorate where the pilots are selected. The Contractor shall develop two pilot descriptions; one for each site.

**Deliverable:** The Contractor shall prepare a report describing the work performed under this Task 3, including the recommended upgrades for the pharmaceutical supply chain and the draft pilot descriptions.

### **Task 4: Financial and Economic Analysis**

The Contractor shall conduct a financial and economic analysis for the two pilots described in Task 3.

**Sub-Task 4.1 Financial Projection:** Based on the Draft Pilot Descriptions, the Contractor shall prepare and describe:

- Investment cost for establishing the new solutions including, but not limited to:

- Cost of implementation and advisory services
- New infrastructure cost
- Rehabilitation of infrastructure cost
- New equipment cost
- IT hardware cost
- IT license cost
- Training and capacity building cost
- Operation costs including but not limited to:
  - Licensing renewal
  - Maintenance costs
  - Incremental labor costs
- "Revenue" generated by the pilot, including but not limited to:
  - Reduced cost of logistics (storing, transporting etc.)
  - Reduced cost of pharmaceutical supply due to decreased wastage
  - Reduced cost from the rational use of medicine.
- Describe the investment costs, operation costs, and "revenue" for each pilot alternative and calculate a net present value (NPV) using a discount rate agreed to with the Grantee and an internal rate of return (IRR) for each alternative.
- Identify risk factors and assumptions in the financial analysis and test the sensitivity of the Project to them ("sensitivity analysis").
- Prepare a spreadsheet model that clearly documents all assumptions made and sources of data.

**Sub-Task 4.2 Economic Projection:** Based on the Draft Pilot Descriptions the Contractor shall describe:

- Full economic benefit including but not limited to:
  - o "Revenue" (cost savings) from the financial analysis
  - o Value of improved health from greater variety of drugs and any reduction in prescription errors, and counterfeit drugs.
  - o Other economic benefits
- The NPV considering economic benefits and the Economic Rate of Return (ERR, an IRR with economic benefits).

The Contractor shall also:

- Prepare a cost-effectiveness statistic for increased drug variety (financial cost/number of drugs available).

- Prepare a spreadsheet model that clearly documents all assumptions made and sources of data.

**Deliverable:** The Contractor shall prepare a report describing the economic and financial analysis.

#### **Task 5: Preliminary Environmental and Social Assessment**

Although the project is not expected to have adverse environmental impacts, the Contractor, shall conduct a preliminary environmental and social assessment, focusing on potential impacts of the project on (a) water resource, ecological resources including flora and fauna, (b) cultural heritage sites and relics, ((b) soil erosion (c) local community disturbances from construction activities, and (d) possible changes in land use. The Contractor shall prepare this preliminary assessment based on the Draft Pilot Descriptions with reference to local requirements and those of multilateral lending agencies (such as the World Bank). The Contractor shall identify potential negative impacts, discuss the extent to which they can be mitigated, and develop plans for a full environmental and social impact assessment if and when the Project moves forward to the implementation stage.

**Deliverable:** The Contractor shall prepare a preliminary environmental and social assessment report.

#### **Task 6: Development Impact Assessment**

Based on the Draft Pilot Descriptions, the Contractor shall conduct a host country development impact analysis. The host country development impacts analysis is intended to provide the Project's decision-makers and interested parties with a broader view of the Project's potential effects on the host country. The Contractor shall focus their analysis on what development impact is likely if the Project is implemented according to the study recommendations. While specific focus shall be paid to the immediate impact of the Project, analysis shall include any additional developmental benefits that may result from the Project's implementation, including spin-off and demonstration effects. The factors to be considered will include but are not limited to the following:

- Infrastructure** - The Contractor shall discuss the infrastructure created and analyze the impact that the infrastructure changes will have both on Egypt nationally and on the locations where the pilot projects are proposed.
- Market-Oriented Reform** - The Contractor shall provide a description of any regulation, laws, or institutional changes that are recommended and the effect they would have if implemented.
- Human Capacity Building** - The Contractor shall assess the number and type of local positions that would be needed to operate the proposed Project. The

Contractor shall estimate the number of local people who would need to receive training as well as describe such additional training programs.

**Technology Transfer and Productivity Enhancement** - The Contractor shall include a description of any advanced technologies that would be utilized and/or developed as a result of the Project. The Contractor shall also describe any efficiency gains as a result of the Project.

**Other** – The Contractor shall describe any other developmental impacts or benefits that would result from the Project.

The Contractor shall analyze and consider the magnitude of the above effects from both the pilot and the full roll-out of the Project.

**Deliverable:** The Contractor shall prepare a developmental impact assessment report.

#### **Task 7: Pilot Design Terms of Reference**

After a thorough review and discussion of the Draft Pilot Descriptions with the Grantee, the Contractor shall develop the final descriptions for the two pilots by preparing a detailed Terms of Reference and tender documents for a contractor to implement the pilot projects. The Contractor shall prepare a Terms of Reference for the pilot projects that shall address, but not be limited to, the following issues:

- Geographic scope of the pilots, including the specific facilities to be included,
- Operational and institutional arrangements to be modified,
- Technical specifications of the IT platform and modules to be adopted,
- Infrastructure to be provided/constructed,
- Training and knowledge transfer arrangements for staff and managers,
- Any measures required to mitigate environmental impacts,
- Definition of key issues to be clarified and lessons to be learned from the pilot study,
- Definition of the key performance indicators (KPIs) to be measured before and after the pilot.

**Deliverable:** The Contractor shall prepare a report describing the term of reference for the pilot program.

#### **Task 8: Pilot Evaluation Criteria**

The Contractor shall prepare detailed evaluation criteria for the Grantee or independent entity to assess the results of the pilot project. The evaluation criteria shall address the following issues, but not be limited to:

- KPIs to be measured before and after the pilot,
- Data collection before, during, and after the evaluation,
- Analyzing and reporting the results of the pilot project,
- Required qualifications of the implementing Contractor
- Timetable requirements

**Deliverable:** The Contractor shall prepare a report that describes the evaluation criteria for the pilot program.

#### **Task 9: US Sources of Supply**

For both the pilot study and the full roll-out of pharmaceutical supply chain improvements, the Contractor shall develop a best estimate of potential supply of U.S. goods and services. This estimate shall be supported by a breakdown by category and an illustrative list of potential U.S. suppliers for equipment, supplies, and services for the proposed equipment services, and software.

**Deliverable:** The Contractor shall prepare a report that describes the potential U.S. sources of supply.

#### **Task 10: Final Report and Workshop**

The Contractor shall conduct a one-day workshop for stakeholders in Egypt at Grantee headquarters explaining the results of the Study and outlining the recommendations for the pilot project and the Study. The Contractor shall prepare and deliver to the Grantee and USTDA a substantive and comprehensive final report of all work performed under these Terms of Reference ("Final Report"). The Final Report shall be organized according to the above tasks, and shall include all deliverables and documents that have been provided to the Grantee. The Final Report shall be prepared in accordance with Clause I of Annex II of the Grant Agreement. The Contractor shall provide the Grantee with 6 copies (each) of the final report on CD-ROM both in English and in Arabic.

#### **Notes:**

- (1) The Contractor is responsible for compliance with U.S. export licensing requirements, if applicable, in the performance of the Terms of Reference.

- (2) The Contractor and the Grantee shall be careful to ensure that the public version of the Final Report contains no security or confidential information.
- (3) The Grantee and USTDA shall have an irrevocable, worldwide, royalty-free, non-exclusive right to (a) use the Final Report and all work product that is developed under these Terms of Reference, and (b) distribute the public version of the Final Report.

# ANNEX 6

## COMPANY INFORMATION

### A. Company Profile

Provide the information listed below relative to the Offeror's firm. If the Offeror is proposing to subcontract some of the proposed work to another firm(s), the information below must be provided for each subcontractor.

1. Name of firm and business address (street address only), including telephone and fax numbers:
  
  
  
  
  
  
  
  
  
  
2. Year established (include predecessor companies and year(s) established, if appropriate).
  
  
  
  
  
  
  
  
  
  
3. Type of ownership (e.g. public, private or closely held).
  
  
  
  
  
  
  
  
  
  
4. If private or closely held company, provide list of shareholders and the percentage of their ownership.
  
  
  
  
  
  
  
  
  
  
5. List of directors and principal officers (President, Chief Executive Officer, Vice-President(s), Secretary and Treasurer; provide full names including first, middle and last). Please place an asterisk (\*) next to the names of those principal officers who will be involved in the Feasibility Study.
  
  
  
  
  
  
  
  
  
  
6. If Offeror is a subsidiary, indicate if Offeror is a wholly-owned or partially-owned subsidiary. Provide the information requested in items 1 through 5 above for the Offeror's parent(s).

7. Project Manager's name, address, telephone number, e-mail address and fax number .

**B. Offeror's Authorized Negotiator**

Provide name, title, address, telephone number, e-mail address and fax number of the Offeror's authorized negotiator. The person cited shall be empowered to make binding commitments for the Offeror and its subcontractors, if any.

**C. Negotiation Prerequisites**

1. Discuss any current or anticipated commitments which may impact the ability of the Offeror or its subcontractors to complete the Feasibility Study as proposed and reflect such impact within the project schedule.

2. Identify any specific information which is needed from the Grantee before commencing contract negotiations.

**D. Offeror's Representations**

Please provide exceptions and/or explanations in the event that any of the following representations cannot be made:

1. Offeror is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_ . The Offeror has all the requisite corporate power and authority to conduct its business as presently conducted, to submit this proposal, and if selected, to execute and deliver a contract to the Grantee for the performance of the Feasibility Study. The Offeror is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment, or ineligible for the award of contracts by any federal or state governmental agency or authority.

2. The Offeror has included, with this proposal, a certified copy of its Articles of Incorporation, and a certificate of good standing issued within one month of the date of its proposal by the State of \_\_\_\_\_. The Offeror commits to notify USTDA and the Grantee if they become aware of any change in their status in the state in which they are incorporated. USTDA retains the right to request an updated certificate of good standing.
3. Neither the Offeror nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.
4. Neither the Offeror, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 3 above.
5. There are no federal or state tax liens pending against the assets, property or business of the Offeror. The Offeror, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
6. The Offeror has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The Offeror has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected Offeror shall notify the Grantee and USTDA if any of the representations included in its proposal are no longer true and correct at the time of its entry into a contract with the Grantee.

Signed: \_\_\_\_\_  
(Authorized Representative)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Subcontractor Profile**

1. Name of firm and business address (street address only), including telephone and fax numbers.
  
  
  
  
  
  
  
  
  
  
2. Year established (include predecessor companies and year(s) established, if appropriate).

## **E. Subcontractor's Representations**

If any of the following representations cannot be made, or if there are exceptions, the subcontractor must provide an explanation.

1. Subcontractor is a corporation [*insert applicable type of entity if not a corporation*] duly organized, validly existing and in good standing under the laws of the State of \_\_\_\_\_ . The subcontractor has all the requisite corporate power and authority to conduct its business as presently conducted, to participate in this proposal, and if the Offeror is selected, to execute and deliver a subcontract to the Offeror for the performance of the Feasibility Study and to perform the Feasibility Study. The subcontractor is not debarred, suspended, or to the best of its knowledge or belief, proposed for debarment or ineligible for the award of contracts by any federal or state governmental agency or authority.
  
2. Neither the subcontractor nor any of its principal officers have, within the three-year period preceding this RFP, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a federal, state or local government contract or subcontract; violation of federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal or state criminal tax laws, or receiving stolen property.

3. Neither the subcontractor, nor any of its principal officers, is presently indicted for, or otherwise criminally or civilly charged with, commission of any of the offenses enumerated in paragraph 2 above.
4. There are no federal or state tax liens pending against the assets, property or business of the subcontractor. The subcontractor, has not, within the three-year period preceding this RFP, been notified of any delinquent federal or state taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied. Taxes are considered delinquent if (a) the tax liability has been fully determined, with no pending administrative or judicial appeals; and (b) a taxpayer has failed to pay the tax liability when full payment is due and required.
5. The subcontractor has not commenced a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law. The subcontractor has not had filed against it an involuntary petition under any bankruptcy, insolvency or similar law.

The selected subcontractor shall notify the Offeror, Grantee and USTDA if any of the representations included in this proposal are no longer true and correct at the time of the Offeror's entry into a contract with the Grantee.

Signed: \_\_\_\_\_  
(Authorized Representative)

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_