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REDACTED
International Procurement Agency BV
P.O. Box 190
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The Netherlands

Date: 29th September 2016

Call Down Contract Amendment No: 2

FRAMEWORK AGREEMENT WITH: International Procurement Agency B.V.

FRAMEWORK AGREEMENT FOR: Procurement Agent and Capacity Development in Partner Government Services

FRAMEWORK AGREEMENT PURCHASE ORDER NUMBER: 5759

CALL DOWN CONTRACT FOR: Distribution of Free Health Care Initiative supplies in Sierra Leone

CONTRACT NUMBER: 7453

With reference to the contractual letters dated 29th January 2016 and 15th June 2016, whereby your firm was engaged to deliver the Terms of Reference detailed at Annex A of the call down contract number 7453, I confirm that the UK Government wishes to make the following amendments to the call down contract letter of 29th January 2016 and amendment 1 letter of 15th June 2016:

Please amend:

Section 1 Commencement and Duration of the Services,
Clause 1.1

DELETE: Services shall be completed by 30th September 2016 (“the End Date”)

INSERT: Services shall be completed by 30th November 2016 (“the End Date”)

Section 3 Financial Limit,
Clause 3.1

DELETE : Payments under this Call-down contract shall not exceed £4,800,000

INSERT: Payments under this Call-down contract shall not exceed £6,013,532

This amendment related to a £1,213,532 increase in the financial limit of the contract in order to finalise Q2 distribution. Emergency European funded procurement and transition to the new programme supplier, AECOM.

Section 4 DFID Officials

DELETE : Section in toto

INSERT: **4. DFID Officials**

4.1 The Project Officer is :

REDACTED

4.2 The Contract Officer is :

REDACTED

ANNEX A – ToRs for the distribution of Free Health Care Initiative supplies

DELETE: ANNEX A in toto

REPLACE: ANNEX A attached

ANNEX C – Estimated Budget

DELETE : ANNEX C in toto

REPLACE : ANNEX C attached

ANNEX F – Communication Matrix

DELETE: ANNEX F in toto

REPLACE: ANNEX F attached

2. These amendments relate to an extension to the end date of the Services, the addition of MoHS expired drugs destruction to the scope of the programme, with an increase in the financial limit.
3. Please confirm in writing by signing and returning one copy of this letter, within **15 working days** of the date of signature on behalf of DFID that you accept the amendments set out herein.
4. Please note the provision in the contractual letter that the financial limit of the UK Government's liability to the Supplier under this engagement shall not exceed the sum specified unless the amount of any such excess has been agreed by the Department for International Development in writing before the Supplier takes any action which might result in the financial limit being exceeded.

For and on behalf of the
Secretary of State
for International Development

Name: REDACTED
Position: Procurement and Commercial Manager
Signature:
Date: 29th September 2016

For and on behalf of
International Procurement Agency BV
P.O. Box 190
1400 AD Bussum
The Netherlands

Name: REDACTED
Position: Director
Signature:
Date:

Enc

CB11 (March 2014)

ANNEX A

ToRs for the distribution of Free Health Care Initiative supplies

Original Document dated December 2015
Revised and Updated June 2016
Revised and Updated September 2016

Introduction

1. Ensuring free drugs are available in primary healthcare facilities is critical to encouraging health seeking behaviour. The Free Health Care Initiative (FHCI) in Sierra Leone promises free health services (preventative and curative) to all children under five, pregnant and lactating women and Ebola survivors. DFID has supported the FHCI in Sierra Leone since its inception in 2010 through support to the procurement and distribution of supplies for the FHCI.
2. Security and constant availability of supplies have been major problems within the FHCI, Peripheral Health Units often do not have the essential drugs they need to deliver required services. Women and children are reportedly often being charged for drugs that should be free or have to purchase them from private pharmacies because they are not available in local health facilities.
3. DFID's goal is to reduce maternal and child mortality in Sierra Leone, in line with the President's FHCI. Our vision is that by the end of 2017, Sierra Leonean women and children will be able to receive primary health care services. DFID will achieve this by ensuring that there is a continual supply of free drugs and supplies in Peripheral Health Units (PHU) and by supporting training and systems to strengthen the delivery of quality Reproductive, Maternal, Neo-natal and Child Health services.
4. DFID is therefore contracting Crown Agency International Procurement Agency (IPA), as its contracted Procurement Agent (PA) in Sierra Leone, to assist the Ministry of Health to bridge the gap in essential commodities and to aid in delivering this service. This has been due to the evident failures of previously supported National Pharmaceutical Procurement Unit (NPPU), which was managed by UNICEF. UNICEF also failed to provide adequate auditable documentation, and due to these facts DFID has now sourced a pre-established and proven private contractor to provide this service.

Background

5. Sierra Leone has the lowest life expectancy in the world. One in six children die before their sixth birthday and maternal mortality is the highest in the world. Some significant progress has made since the civil war ended, but it was too slow, even before Ebola, given the scale of poverty. Now that Ebola has been coming under control, the challenge for the Government of Sierra Leone and for the international community is to continue with the same pace and determination to get Sierra Leone onto a better development path. The Ebola outbreak demonstrated the weakness of Sierra Leone's

health system to detect and respond to such an emergency. The Ebola response, co-ordinated under government leadership, via the NERC, demonstrated that supplies could be made available promptly as needed via alternative supply chains and DFID's plan is to continue this philosophy of a parallel system to ensure that essential services are provided.

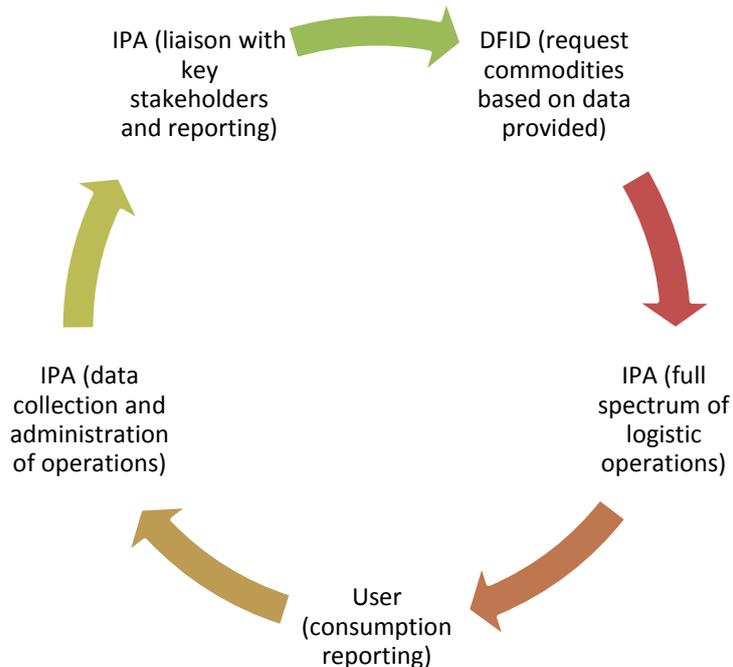
6. The Government of Sierra Leone (GoSL) produced an Early Recovery Plan to identify costed priorities for the period July 2015 – Mar 2016 which DFID and other donors have aligned with. The provision of FHCI drugs and supplies was a significant gap in this plan and DFID has committed £4m (\$6m) to fund these. The GoSL is now co-ordinating a two year plan for 2016 & 2017 which will again identify priorities and gaps.

Objectives of the consultancy

7. Due to serious delays in obtaining the respective procurement lists from NPPU / MoH, waivers for registration of pharma in Country from the Pharmacy Board and insecurity of Custom waivers for the importation of pharmaceuticals and medical consumables, DFID has decided to contract UNICEF with the procurement, international logistics and custom procedures of the required drugs and medical consumables under the FHCI. IPA's overall role is to carry out the distribution and verification of delivery of the pharmaceuticals and medical consumables at final destination, including the 'last mile'.

8. To mitigate against corruption and fraud, IPA are to liaise directly with the District Medical Stores (DMS's) regarding the delivery of drugs and medical consumables to the PHU's in the districts. IPA is to receive itemised lists per PHU in advance to initiate and organise the pick- and pack operations prior to receipt of the UNICEF procured drugs and medical consumables at the Ferry Junction Warehouse in Freetown.

9. IPA will demonstrate that its technical and commercial capacity will deliver Value for Money in the management of this programme, as well as a reliable and timely supply of essential commodities through not less than quarterly reports and timely invoicing of goods and services. IPA is also to provide a full spectrum of distribution and administration tasks necessary to carry out the scope of works outlined below. A schematic is provided below, to outline the requirement for 360 degree feedback in order to minimise the risk of fraud and corruption.



The Recipient

10. The recipient of the services is the Government of Sierra Leone. The Health Adviser in DFID Sierra Leone will act as the focal point for this contract.

The Scope

11. This distribution service will be required for a period until end November 2016 or until stipulated by DFID. The procurement agent will be expected to finalise Q22016 distribution and distribute UNICEF pre-emptive Q3 procurement through:

- a) Work closely with MoHS & NPPU to get all the necessary information on distribution data to the District Hospitals (DH's) and PHU's in all the districts of Sierra Leone.
- b) Liaise with the NPPU / UNICEF / MoHS regarding the location of the DH's and PHU's, contact details and authorised personnel to sign-off for the drugs and medical consumables delivered to the facility. Ensure best value for UK funds to distribute and verify the delivery to the facilities specified by MoHS.
- c) Advise DFID on distribution plans down to and including the last mile to PHU's and issues including lead times, and other requirements needed to efficiently and effectively distribute the pharmaceuticals and medical consumables.
- d) Upon receipt of sufficient quantities of all line-items procured by UNICEF, IPA will start the pick- and pack operations at the Ferry Junction Facilities in Freetown, Sierra Leone.

- e) Deliver the drugs and medical consumables securely in pre-packed sealed boxes (guarding against inappropriate storage conditions and theft) to DH's and PHU's detailed by NPPU/MoHS and approved by DFID.
- f) Upon completing the packing of sufficient quantities for the distribution of pharmaceuticals and medical consumables, IPA will consolidate the deliveries in safe and lockable containers and deliver the supplies directly to the DH's, DMS's and PHU's in the various districts of Sierra Leone.
- g) Through physical checks at PHU level, IPA will audit and verify the timely delivery of pharmaceuticals and medical consumables. Quantities, timing of the delivery and physical storage conditions will be monitored at grass-root level and interviews with staff will be held to determine the level of service delivery under the FHCI programme.
- h) The number of PHU's to be visited is in line with international audit requirements and will cover about 35% of the number of PHU's participating in the FHCI programme and about 40% of the value of distributed pharmaceuticals and medical consumables.
- i) Provide monthly progress updates to DFID and a final narrative report highlighting:
 - Management of risk and security of commodities down to and at grass root facility level
 - Information quality and needs at facility, district and central level
 - Liaison reports with key stakeholders
- j) Maintain physical security through all stages of operations.
- k) Transportation assurance and/or alternate means of distribution or contingency plans in case of transportation failure.
- l) Destroy MoHS expired and close to expired stocks.
- m) Work closely with DFID new Procurement Supplier to ensure a smooth transition to the programme, without any service disruption and stock outs to the communities, including the provision of all information requested or an explanation if the information is not available. All requests and information to be copied to DFID.
- n) Work closely with DFID new Procurement Supplier to rationalise the distribution of multiple rounds, through sharing of transportation means for example. Report to DFID on the distribution and the number of journeys made.

Methodology

- 12. IPA will set up a Project Team which will coordinate the effective management and monitoring of the programme with the DFID health and logistics teams.
- 13. Clear communication channels, reporting timelines and/or approval processes will be

established between IPA and DFID no later than the timelines outlined in this document. Any other requirements will be agreed in the Inception report at the end of the first month.

14. A variety of considered solutions to programmatic and management challenges, identifying the advantages and disadvantages of each course, will be presented to DFID for final decision making, as detailed by DFID.

15. The DFID Project officer will be kept informed of all relevant issues that are likely to affect the implementation of the programme.

16. IPA will also:

- a) Initiate regular meetings with the DFID Project Officer and agree in writing on the exact needs and specifications of the requirements that align with the project proposal and the estimated cost.
- b) Agree in writing with the Programme Officer an implementation plan that clearly defines the distribution and a realistic delivery time table, as part of the Inception report.

Financial Management

17. Payments will be linked to outputs. Outputs shall be explained in details in the project implementation plan, along with associated budget and timeframe.

18. IPA will be required to maintain a record of all expenditures incurred in the programme activities and keep original copies for the record for the entire duration of the programme. An electronic copy of all expenditures is to be provided to DFID upon submission of invoices.

19. An inventory of all assets procured under the programme will be maintained by IPA. At the end of the programme period or once the contract has been completed, DFID SL will decide in consultation with key stakeholders how best to dispose of assets acquired with DFID funding.

Reporting

20. IPA will be contracted by DFID. The Sierra Leone DFID office will monitor progress of deliveries and will approve all reports and invoices for payment purposes. The monthly reports will include a full report on progress, detailing deliverables achieved in the preceding month and any proposed corrective action.

21. Accurate monthly financial reports and forecasts will be submitted, including a breakdown of costs for material, logistics, insurance (if any), and will be incorporated in IPA's monthly reporting to PrG Collaboration Unit.

22. IPA will report to the Programme Officer and will provide the following information:

- a) Project implementation plan clearly defining the roles and responsibilities of each party. This should be produced within a month after the IPA's call down contract is signed.
- b) Project Distribution Plan agreed and signed with District Pharmacists/District Medical Officers and Hospital Superintendents of all districts detailing roles, responsibilities and accountabilities for the commodities from when they arrive in the district to when a sealed box of supplies is delivered and opened at a facility.

23. Detailed monthly progress narrative reports will be submitted to DFID SL by IPA. In addition, IPA will submit copies of monthly progress reports and pipeline, stock and delivery.

Project completion review

24. At the end of the programme, IPA and DFID SL will undertake a joint Project Completion Review (PCR) process to confirm the results achieved, Value for Money, success of the programme in delivering outputs, lessons learnt and challenges encountered. This PCR will include a final financial report. The timing for the PCR process on DFID's Activities Reporting Information Electronic System (ARIES) will begin three months prior to the programme's end date. The PCR will be done in accordance with DFID's PCR procedures and using DFID's PCR templates and later will be incorporated in the overall reporting on DFID's Transition Fund

25. IPA will provide information disclosure to the PCR process including full support to any consultant and/or auditor that might be employed directly by DFID to undertake the PCR as part of the joint review team.

Media and communication

26. IPA will be supporting any media questions related to the management of the DFID funds. They are to consult with DFID, and/or other relevant parties as appropriate.

27. Whenever appropriate IPA will acknowledge that DFID is providing the funding for this programme and will work with DFID and other key stakeholders when necessary to promote the programme.

Timeframe

28. This TOR will become operational on 1 October 2016 and go through to the end of the programme outlined previously.

29. Subject to approval, DFID may extend this arrangement with not less than two weeks' notice.

DFID Coordination

30. The DFID Programme Manager, will have overall responsibility for the programme,

financial management and administration of the project. The DFID Health Adviser will be responsible for all technical and policy aspects of the project.

31. DFID will have full access to IPA sites and has the authority to convene ad hoc meetings with the IPA to discuss programme and financial progress when deemed necessary.

Duty of Care

32. The Supplier is responsible for the safety and well-being of their Personnel and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

33. DFID will share available information with IPA on security status and developments in-country where appropriate.

34. All IPA's Personnel will be offered a security briefing by the British Embassy/DFID on arrival. All such Personnel must register with their respective Embassies to ensure that they are included in emergency procedures.

35. A copy of the DFID visitor notes (and a further copy each time these are updated) will be provided to IPA, which may be used to brief their Personnel upon arrival.

36. IPA is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and IPA must ensure they (and their Personnel) are up to date with the latest position.

37. This Distribution will require IPA to operate in insecure areas. The security situation is volatile and subject to change at short notice. IPA should be comfortable working in such an environment and should be capable of deploying to any areas required within the region in order to deliver the Contract (subject to travel clearance being granted).

38. IPA is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their Personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the Contract (such as working in dangerous, fragile and hostile environments etc.). IPA must ensure their Personnel receive the required level of training and [where appropriate] complete a UK government approved hostile environment or safety in the field training prior to deployment.