

CALLDOWN CONTRACT

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 Purchase Order Number:	7453

I refer to the above mentioned Framework Agreement dated 27th February 2009

and I confirm that DFID requires you to provide the Services (Annex A), under the Terms and Conditions of the Framework Agreement which shall apply to this Call-down Contract as if expressly incorporated herein.

1. Commencement and Duration of the Services

1.1 The Supplier shall start the Services no later than 11th of January 2016 ("the Start Date") and the Services shall be completed by 31st of June 2016 ("the End Date") unless the Call-down Contract is terminated earlier in accordance with the Terms and Conditions of the Framework Agreement.

2. Recipient

2.1 DFID requires the Supplier to provide the Services to the Government of Sierra Leone ("the Recipient").

3. Financial Limit

3.1 Payments under this Call-down Contract shall not, exceed £2,300,000 ("the Financial Limit") and is exclusive of any government tax, if applicable as detailed in Annex C.

4. DFID Officials

4.1 The Project Officer is:

4.2 The Contract Officer is:

5. Reports

5.1 The Supplier shall submit project reports in accordance with the Terms of Reference/Scope of Work at Annex A.

6. Call-down Contract Signature

6.1 If the original Form of Call-down Contract is not returned to the Contract Officer (as identified at clause 4 above) duly completed, signed and dated on behalf of the Supplier within 5 working days of the date of signature on behalf of DFID, DFID will be entitled, at its sole discretion, to declare this Call-down Contract void.

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

Name:

Position: Procurement Manager

Signature:

Date: 29th January 2016

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

Name:

Position:

Signature:

Date:

DFID Sierra Leone December 2015

Annexes

- Annex A ToRs for the distribution of Free Health Care Initiative supplies
- Annex B IPA proposal
- Annex C Estimated budget
- Annex D Drugs and commodities to be supplied for the FHCI
- Annex E Health facilities (hospitals and PHU's) to be supplied
- Annex F Communications matrix
- Annex G SLA
- Annex H Duty of Care

ANNEX A

ToRs for the distribution of Free Health Care Initiative supplies

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 5, 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 within two years, 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 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. A copy of the proposal and estimated budget are attached as annexes B and C.

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 is 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.

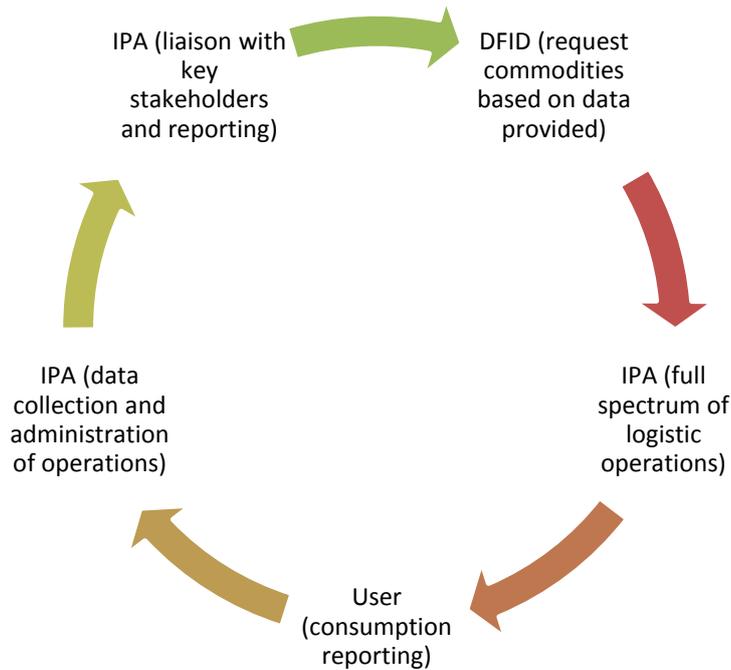
7. DFID's Framework PA for Sierra Leone is the International Procurement Agent (IPA).

Objectives of the consultancy

8. 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 is intending to enter into an agreement with 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 to PHUs, using established NPPU distribution infrastructure for the last mile delivery. The items to be distributed are outlined in Annex C, to facilities as directed by DFID.

9. To mitigate against corruption and fraud, IPA are to liaise directly with NPPU and 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, following a standard 'push' system.

10. 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

11. 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

12. This distribution service will be required for a period until end June 2016 or until stipulated by DFID. The procurement agent will be expected to:

- 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 and issues including lead times, and other requirements needed to efficiently and effectively distribute the pharmaceuticals and medical consumables.
- d) IPA will monitor the deliveries and pipeline of the procured items by UNICEF and agree with DFID the cut-off date, after which IPA will start the pick- and pack operations at the Ferry Junction Facilities in Freetown, Sierra Leone. If delivery timelines are not met, the pick- and

pack operations can be delayed as well as the scheduled NPPU distribution to the local PHU's.

- e)
- f) 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.
- g) Upon completion 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 and DMS's in the various districts of Sierra Leone.
- h) NPPU is responsible for the distribution of the pre-packed and sealed kits from the DMS's to the PHU's in the districts.
- i) 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.
- j) The number of PHU's to be visited will be based on previous experience the scope of similar output based audits where the sample will cover about 35%, in this case, the number of PHU's participating in the FHCI programme, and about 40% of the value of distributed pharmaceuticals and medical consumables.
- k) 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 (PHUs)
 - Information quality and needs at facility, district and central level
 - Liaison reports with key stakeholders
- l) Maintain physical security through all stages of operations.
- m) Transportation assurance and/or alternate means of distribution or contingency plans in case of transportation failure.

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 SL Logistics team and Health Advisers will be kept informed of all relevant issues that are likely to affect the implementation of the programme.

16. The Procurement Agent will also:

- a) Initiate regular meetings with the DFID Health Adviser, Programme Officer and Procurement and Commercial Manager 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 for the implementation of the distribution and the management of the programme will be made in monthly instalments, supported by the relevant supporting documentation. Payment will be made based on actuals.

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 the PA. 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. The PA 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. The PA will report to the Health Advisor 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 PA'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. The TOR will become operational on January 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 PA to discuss programme and financial progress when deemed necessary.

32. A communication matrix is attached in Annex F

Duty of Care

33. 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.

34. DFID will share available information with IPA on security status and developments in-country where appropriate. The country duty of care assessment is attached in Annex H.

35. 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.

36. 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.

37. 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.

38. This Distribution will require IPA to operate in conflict-affected areas and parts of it are highly insecure. Travel to many zones within the region will be subject to travel clearance from the UK government in advance. 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).

39. 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.

Annex E – Health facilities (hospitals and PHUs) to be supplied

ERCs:

ERC	
TOTAL:	1189
Bo	122
Bombali	104
Bonthe	53
Kailahun	81
Kambia	66
Kenema	121
Koinadugu	70
Kono	85
Moyamba	100
Port Loko	104
Pujehun	76
Tonkolili	104
Western Area	103

NPPUs:

NPPU		Sep-15
Confirm	TOTAL:	1209
X	Bo	124
X	Bombali	102
X	Bonthe	55
X	Kailahun	82
X	Kambia	68
X	Kenema	123
X	Koinadugu	72
X	Kono	86
X	Moyamba	100
X	Port Loko	107
	Pujehun	75
X	Tonkolili	106
X	Western Area	109