

# KENYA MEDICAL SUPPLIES AUTHORITY

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*All Correspondence should be addressed to Chief Executive Officer*

When replying please quote our ref:

**GF ATM HIV NFM-20/21-OIT-013**

**Date: 15<sup>th</sup> February 2021**

## ADDENDUM 1:

**Attn.: All Prospective Bidders,**

**RE: TENDER: GF ATM HIV NFM-20/21-OIT-013 Supply of ARV Medicines – Adults II (TLD 300/300/50MG)**

In accordance with ITT Clause 12 (Amendment of Tender Documents) of the Open International Tender (OIT) issued under the above reference, we hereby amend Evaluation Criteria for Financial Evaluation to include;

**Delivery Schedule - 6 Weeks from effective date of Contract signing. (MANDATORY).**  
*Failure to comply with Mandatory requirements will lead to disqualification.*

See attached revised Evaluation Criteria.

**All other terms and Conditions remain the same.**

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'Edward Buluma', written over a circular stamp or seal.

**EDWARD BULUMA**

**FOR: Ag. CHIEF EXECUTIVE OFFICER**

## **A) Preliminary Examination**

**Tenderers are required to comply with the followings;**

1. Bidding documents must be paginated/serialized. All bidders are required to submit their documents paginated in a continuous ascending order from the first page to the last in this format; (i.e. 1, 2, 3..... n where n is the last page) **(MANDATORY)**.
2. Copy of Certificate of incorporation/registration **(MANDATORY)**.
3. Copy of current Tax Compliance Certificate (For local bidders only) **(MANDATORY)**.
4. Tender form dully completed and signed by the tenderer or his authorized agent **(MANDATORY)**.
5. Original Bid Security provided and valid for 150 days from date of tender opening. Value of Bid Security should be **USD 30,000.00 or KES 3,000,000.00**. **(MANDATORY)**.
6. Declaration of Undertaking (Integrity Statement) must be dully filled and signed **(MANDATORY)**
7. Dully filled and signed Supplier Data Record

**NOTE:** Failure to comply with Mandatory requirements will lead to disqualification. Only bidders who are successful at this stage will proceed to the next stage of evaluation.

## **B) Technical Evaluation**

### **1) Documents Examination**

- i) Provide dully signed Manufacturer's Authorization letter (if Tenderer is not a Manufacturer) **(MANDATORY)**.
- ii) Product and Manufacturing Site must be WHO prequalified/SRA approved. **(MANDATORY)**
- iii) Product must be compliant with the Global Fund Quality Assurance Policy and appears in the latest Global Fund classification list. **(MANDATORY)**.
- iv) Current Good Manufacturing Practice (GMP) certificate **(MANDATORY)**.
- v) Current and valid Product registration and retention certificates with QR codes from the Kenya Pharmacy and Poisons Board **(MANDATORY)**.

**NOTE:** Failure to comply with Mandatory requirements will lead to disqualification. Only bidders who are successful at this stage will proceed to the next stage of evaluation.

### **2) Product Evaluation**

The technical evaluation will involve the product evaluation, packaging evaluation and labeling evaluation. The evaluation will be based on product type, product form i.e. the physical configuration and shape, product ingredients i.e. content, components and composition, measurements i.e. dimension and weight, elasticity where applicable, absorbency where applicable, texture where applicable and the packaging criteria will be based on securely wrapped, quality of packaging material, unit package, individual package, presence of peel off sign and peel ability



(ease of opening the package), presence of tamper-proof seal, Manufacturer details, Batch No Mfg date and Expiry date while the labeling criteria will be drawn from the technical specifications spelt out in the tender document.

The evaluation will be on a “**Yes/No**” basis.

**NOTE:** Only bidders who are successful at this stage will proceed to the next stage of evaluation.

### **C) Financial Evaluation**

Tenderers who are successful at preceding stages will have their prices and delivery period compared and award recommended to the lowest evaluated responsive bid.

**Delivery Schedule - 6 Weeks from effective date of Contract signing. (MANDATORY).** *Failure to comply with Mandatory requirements will lead to disqualification.*

### **D) Post Qualification**

In line with ITT 34 Sub clause 34.2 and 34.3, the tenderer/s selected as having submitted the lowest evaluated responsive bids will be subjected to post qualification to determine if they are qualified to perform the contract satisfactorily.

1. Minimum number of 3 (three) supply contracts for medical commodities within the past 3 years. The Tenderer should provide documentary evidence in support of the experience of previous supply (**Contracts, Purchase Orders, Reference letters and Contact details of previous supply contracts**).
2. Average annual turnover in the last three (3) years at least two times the value of the items offered. (Provide certified audited financial statements for the past immediate three (3) years).
3. Statement of annual production capacity by manufacturing firm, (should be at least twice the quantity of the item offered).

### **E) PAST PERFORMANCE**

A supplier performance measurement tool with detailed performance indicators has been developed and will be used to measure the performance of contracted suppliers. Suppliers who will have had unsatisfactory past performance on specific items of less than 80% shall not be recommended for award of similar items in subsequent tenders.

#### **PERFORMANCE INDICATORS**

The performance of suppliers, contractors, service providers and consultants are monitored at contract level to ensure the terms and conditions of the contract are met. The extent of performance monitoring applied shall be determined by the level of risk and the nature of the items. Good monitoring of suppliers anticipates, identifies and facilitates correction of shortcomings before the relationship with the supplier is adversely affected and before compromising value for money.

#### **1. Time**

The time indicator measures the duration in days for the supplier to deliver or complete the task as specified in the contract. The required data to be captured from the source documents into the

performance tool shall include: **Item code, item description, contract number, purchase order number, supplier name, contract signing date, contract effective date, contractual delivery date, earliest delivery date, extended delivery date, actual delivery date, supplier offered delivery date, and latest delivery date.** For each item, the earliest delivery date and the latest delivery date are derived from the issued tender document. The supplier offered delivery date is derived from the bid.

**Contract Delivery Period:** The number of calendar days from the date of signing the contract to the date the delivery is required per the contract. If a contract is extended, the additional days are confirmed through addendum (letter) to the contract and the duration added to the Contract Delivery Period. In call-off orders under framework contracts, Contract Delivery Period is the number of calendar days from the date of call-off order to the required delivery date.

**Actual Delivery Period:** The number of calendar days from the contract effective date to the actual delivery date. Where call off orders apply, the Actual Delivery Period is the number of calendar days from the date of call-off order to actual delivery date. For staggered deliveries under definite quantity contracts, actual delivery period is the number of calendar days from date of notification of the required quantity.

**Delivery on Time:** Delivery of goods on or within the Contract Delivery Period yields a Delivery on Time indicator score of 100%. Delivery after the Contract Delivery Period yields a Delivery on Time indicator score of less than 100%, as prorated. *Example:* If the Contract Delivery Period is 90 days but Actual Delivery Period is 120 days, the Delivery on Time indicator is  $(90 \times 100) / 120 = 75\%$ .

## 2. Quantity

The supplier is required to deliver the ordered quantity of the product in full. Contractors should deliver the product per the required specifications.

Sometimes, due to practical reasons, a supplier may be requested in writing to deliver a portion of the order. In that event, the measurement will be done after substantial completion of contracted quantity. The quantity indicator measures Delivery in Full, which is the difference between the quantity of the product in the purchase order or contract and the quantity that is certified received.

**Delivery in Full:** The indicator is measured by the percentage of the ordered quantity which is actually certified received. *Example:* If the purchase order quantity was 200,000 units. Of this, the quantity received was 190,000 units. The indicator of Delivery in Full is computed as  $(190,000 / 200,000) \times 100 = 95\%$ . The target performance score for Delivery in Full indicator is 100%. The required data are order quantity, delivered quantity, and deferred quantity.

## 3. Cost

The historical unit prices for each item are captured in the ERP system. The **Award Price** arise from recommendations for award and signed supplier contract. The **Final Price** is the award price plus the price variation that is approved at contract implementation; excluding those from the application of a price adjustment formula if provided for in the signed contract.



The **Price Ratio** is defined as **[Award Price x 100/Final Price]**; which should be 100% where the Final Price is equal to the Award Price. Where the Final Price is higher than the Award Price, the performance score is prorated. *Example:* if the Final Price is KES2,700, Award Price is KES2,400, then the Price Ratio is  $[2,400 \times 100 / 2700 = 89\%]$ . The data to be captured in the ERP system include the following: Item Code, Item Description, Contract Number, Order Number, Supplier Name, Plan Price, Award Price, Price Variation, Final Price.

#### 4. Quality

The contract provides the technical specifications. At the delivery point, the products are inspected and tested to ensure they comply with the quality specifications. An assessment shall be made to check if the quality parameters have been met as shown in Table 1. Product means goods by suppliers. It should be noted that if a supplier has consistently failed to deliver the required products or the products are often subject of recalls, they shall be referred to the PPRA for debarment proceedings and exclusion from participation in public procurement in the country.

Table 1. Quality performance measures (Yes=100%; No=0%)

#	Indicator	Description of measure	Score (%)
1	Specification	The product complied with the specifications	100
2	Damage	The product delivery was done without damages	100
3	Packaging	There was suitable product packaging and labelling	0
4	Shelflife	The product shelf life was to the required level	100
5	Surveillance	There have not been product recalls	100
6	Sample	The sample was acceptable on first tests	100
<b>Quality Index (%)</b>			<b>83</b>

The required data and records are the specifications, inspection test certificates, damage reports, visual inspection of packaging and labeling, check of the shelf life, surveillance reports.

#### 5. Ratings and Scores

The supplier contract performance scores provide a structured way of rating suppliers with an aim of identifying areas of improvement and a basis for future engagement depending on historical performance. The scorecard will be used to measure, rate and rank suppliers with the aim of ensuring suppliers consistently meet and surpass their contractual obligations. Table 3 summarizes the ratings and scores.

Table 3. Ratings and scores measurement system

Rating	Range	Performance Description	Rating
1	0-20	<b>Falls far below expectations:</b> Performance jeopardized the achievement of contract requirements, despite contract administrative interventions.	Very Poor

2	21-40	<b>Missed expectations:</b> There are a number of performance issues that required KEMSA to provide additional contract administrative interventions to ensure that contract requirements are met.	Poor
3	41-60	<b>Mostly meets expectations:</b> There are performance issues but supplier has otherwise met the contract requirements.	Fair
4	61-80	<b>Consistently meets expectations:</b> There are minor performance issues but the supplier has largely met the contract requirements	Good
5	81-100	<b>Exceeds Expectations:</b> Supplier has demonstrated a performance level in measurable within contract requirements	Very Good

## 6. Performance Index

The Performance Index combines the indices for (1) time, (2) quantity, (3) cost and (4) quality (see example in Table 4). Each of the four performance indicators is scored out of 100%. The overall Supplier Performance Index is an average of the four scores (two decimal places).

**Table 4. Supplier Performance Index (Example)**

#	Indicator	Score (%)	Rating
1	Time	75.00	Good
2	Quantity	95.00	Very Good
3	Cost	89.00	Very Good
4	Quality	83.00	Very Good
<b>Supplier Performance Index</b>		<b>85.50</b>	<b>Very Good</b>

## 8. Performance Decision

A supplier with a **Performance Index Score** of less than **80%** shall not be eligible for award of contracts by KEMSA in the immediate subsequent tenders for that item. This information shall form part of the Qualification Criteria in the tender document stated unless non-performance of a contract did not occur as a result of supplier default.

The Procurement Directorate shall debrief the supplier and prepare minutes to record the debriefing, which shall form part of the permanent records. After the end of the contract period, the supplier shall receive debriefing. The outcome of the performance measurement will be used as post qualification requirement in subsequent tenders.