

# DRUGS, VACCINES & EQUIPMENT DIVISION

## PROCUREMENT PROCEDURES

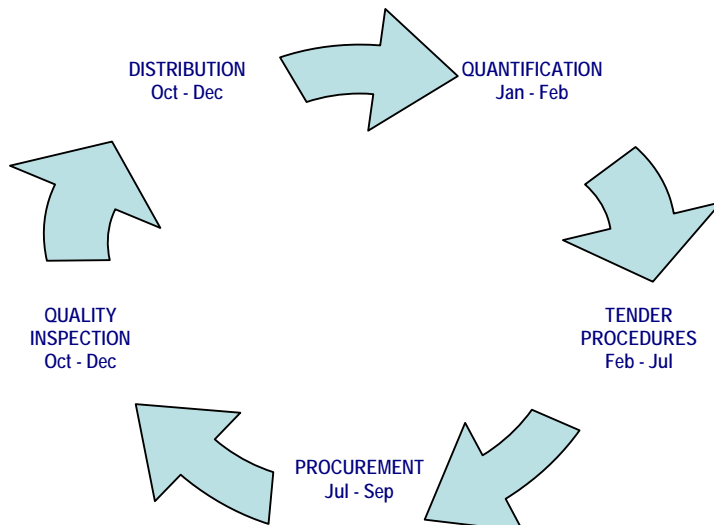
The procurement system is a major determinant of availability of essential drugs and other medical supplies. The key principles of good procurement include:

- Procurement by generic name (drugs);
- Limitation of procurement to the essential drugs list or standard list of medical supplies;
- Procurement in bulk;
- Formal supplier pre-qualification and registration;
- Supplier performance rating;
- Competitive procurement;
- Order quantities based on reliable estimate of actual need;
- Reliable payment and good financial management;
- Separation of key functions;
- Product quality assurance program;
- Transparency and written procedures

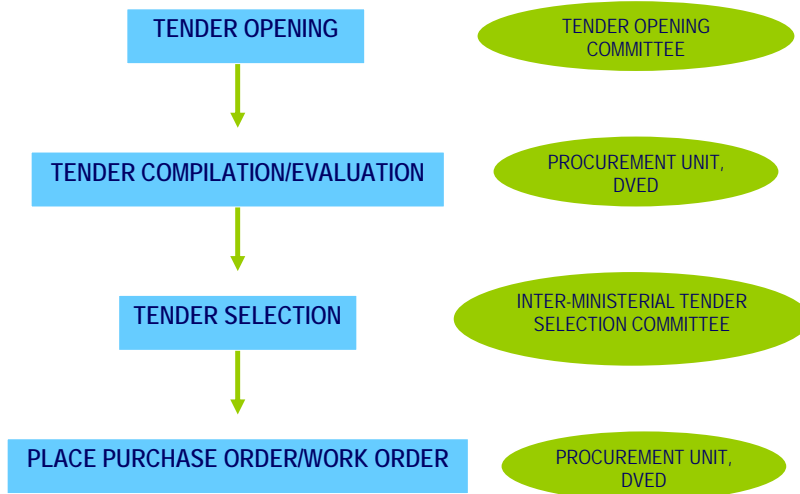
### *Procurement Method*

The major procurement methods are open tender, restricted tender, competitive negotiation, and direct procurement. The DVED follows a global restricted tender whereby tender is floated to only those suppliers previously registered with the DVED.

### *The Procurement Cycle*



## ***The Tender Process***



## ***Tender Selection Committee - Terms of Reference***

The tender selection committee is chaired by the Hon'ble Secretary, Ministry of Health and is comprised of representatives from the Ministry of Finance, Economic Affairs, Department of Medical Services, AFD, QASD, JDWNRH and relevant clinical departments.

1. To endorse the amendments in the tender terms and conditions, as proposed by DVED
2. To make evidence-based selection of lowest evaluated bids
3. To guide DVED on all issues related to tender process
4. To approve the registration of new suppliers or blacklisting of defaulters
5. To discuss and resolve any other issues

## ***Registration of Suppliers***

There are basically two main types of suppliers: (i) principal manufacturers who participate in the tender directly and (ii) dealers or agents who acquire dealership certificates from various manufacturers and quote on their behalf.

Dealer or agents interested to register as potential supplier can do so by submitting a letter of interest, supported by the following documents:

- Company profile
- Trade license
- Types of products they would like to supply

However, principal manufacturers will be required to submit the following:

- Company profile
- Manufacturing license
- Licensed product list
- Product catalogues
- GMP Certificate / ISO certificate
- Proof of registration/supply to other countries

*Please note that all drugs must be first registered with the Drug Regulatory Authority (DRA) and a copy of the registration certificate must be submitted along with the tender.*

***Number of registered suppliers as of June 2008***

	<b>National</b>	<b>Non-National</b>	<b>Total</b>
<b>Drugs</b>	15	25	40
<b>Non-drugs</b>	17	12	29

***Supplier Performance Rating***

At the end of each financial year, suppliers are assessed and rated for their performance in the past year, using the following criteria:

- Delivery within the deadline
- Delivery of the full quantity
- Delivery of products with required shelf-life
- Delivery of products with no quality problems

***Evaluation and selection of bids***

The evaluation stage is comprised of technical evaluation during which those bids not conforming to the required specifications will be screened out and a financial bid compilation. Bid selection is done, taking into consideration the following factors:

- Specifications such as dosage form, strength etc.
- Pack size
- Shelf-life
- Catalogue/sample
- Compatibility/brand (equipments and consumables)
- Supplier's performance rating / past experience
- Cost

## ***Quality inspection***

All goods are subjected to quality inspection upon receipt at Medical Supply Depot, Phuentsholing. The composition of the quality inspection team varies depending on the nature of goods but is usually comprised of representatives from various sectors.

For pharmaceuticals, in addition to the above, randomly selected samples are sent for QC testing to an identified drug testing laboratory i.e. Ministry of Public Health, Thailand.

## ***Categories of medical supplies procured***

### ***Drugs***

1. Essential drugs (361 items as of 2008)
2. ICU drugs
3. Anti-retroviral drugs
4. Vital drugs for named patients
5. Haemodialysis supplies
6. CT/MRI drugs

7. VIP drugs (branded)

8. Anti-malarial insecticides

### ***Non-drugs***

1. Equipments and consumables for 16 departments - 4480 items
2. Program-related supplies e.g. World Bank, GFATM, UNICEF etc.

## ***Key Dates/Months***

- Jan: receive annual indent from the health centres
- Feb: floating of drugs tender
- Mar: floating of non-drugs tender
- Apr: deadline for submission of drugs tender followed by tender opening
- May: deadline for submission of drugs tender followed by tender opening
- Apr - Jun: bid evaluation and compilation - drugs
- May - Aug: bid evaluation and compilation - non drugs
- Jun: drugs tender selection
- Jul: Placement of purchase order - drugs
- Aug: non-drugs tender selection
- Aug-Sep: Placement of purchase order - non drugs