



## **SCOPE OF WORK: Provision of Pharmaceutical and Surgical Products to Debswana Operations**

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### **CONFIDENTIALITY**

ALL INFORMATION CONTAINED WITHIN THIS DOCUMENT IS CONFIDENTIAL AND IS PROVIDED ONLY TO GIVE BIDDERS AN ADEQUATE UNDERSTANDING OF DEBSWANA DIAMOND COMPANY REQUIREMENTS. UNDER NO CIRCUMSTANCES SHOULD INFORMATION BE DISCLOSED TO ANY OUTSIDE PARTY.

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## Introduction

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This document is intended to provide Bidders with sufficient information regarding the scope of supply to enable them to submit responsive bids. It is important that bidders provide detailed information regarding capabilities and an indication, in broad terms, as to how they would approach working with Debswana to achieve the objectives set out in this document.

## Background on Debswana

Debswana Diamond Company (Pty) Ltd is a partnership between the Government of the Republic of Botswana and The De Beers Group of Companies. The main purpose of the company is to mine, recover and sort diamonds. It is one of the world's leading diamond producers by value and volume. Debswana operates four diamond mines in Orapa, Letlhakane, Damtshaa and Jwaneng.

Jwaneng mine is located roughly 160km south west of the capital Gaborone whereas Orapa, Letlhakane and Damtshaa mines are located about 500km north west of the capital city and are within a radius of 50km from each other.

As part of employee welfare and Corporate Social Investment, the company operates two hospitals, one in Jwaneng and the other in Orapa. Both hospitals are well established hospital and managed by a Hospital Superintendent to provide health care services to Debswana employees and the surrounding communities.

## Project Overview

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Debswana is focused on ensuring optimum returns and efficiencies with regard to spend and usage on all Goods and Services it procures. Debswana procures various medical supplies through the mine run hospitals in the areas it operates which provides service to its workforce and the surrounding communities.

Debswana made a decision to contract medical procurement so as to address the following challenges of sourcing through various non-contracted suppliers:

1. Processing/handling of numerous transactions;
2. Too many suppliers to manage
3. Erratic delivery levels and therefore reducing the availability of critical medical supplies
4. Disparate standards and control (redundancies and obsolescence)
5. Fragmenting of the budget and loss of volume discounts; etc.

The current contract for the supply of pharmaceutical, laboratory and surgical products is coming to an end. The company desires to enter into a new supply contract(s) with reputable vendor(s) for medical supplies as per the lots below:

## Structure of Enquiry

Bidders are notified that the tender is divided into two (2) separate lots as below and bidders may bid for either one or more of the lots. Each lot shall be evaluated and awarded separately as one contract. Where a bidder is successful in more than one lot, the company may decide, in its entirety, to enter into one consolidated contract (more than one lot) with the bidder. The company might also decide to enter into a contract to supply products based on Geographical location (i.e. Jwaneng only or Orapa, Letlhakane and Damtshaa Mine Hospital only) this will be at the sole discretion of Debswana.

Below are the lots available for bidders to bid on:

- i. Lot 1: Pharmaceutical products
- ii. Lot 2: Surgical products

### Pre Bid Meeting

Prospective bidders are required to attend a Compulsory Pre-Bid Meeting in order to get more clarity on the scope of services and the conditions under which the services are to be executed. Bidders will also have an opportunity to ask questions on the scope of services. Owing to the on-going COVID-19, pandemic, the Pre-Bid Meeting will be conducted via Microsoft Teams® platform in lieu of Site Visits. The invitation to participate in the Pre-Bid meeting will be sent to bidders who have registered their interest to participate in the tender. Below are details of the Pre-Bid Meeting:

**Date:** 18 November 2020

**Time:** 10:00 – 1200 hrs

**Venue:** N/A (Microsoft Teams ® Meeting)

### Purpose of Contract

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The aim of the contract(s) is to deliver maximum value and superior customer service to Debswana hospitals by establishing partnership(s) with vendor(s) capable of increasing the availability of medical supplies to Debswana health facilities at reduced total cost. The resulting contract(s) shall be for a fixed period of 3 years.

Debswana requires to partner with a service provider for the various lots of Medical Supplies as per, but not necessarily restricted to the attached schedule of requirements.

### The Bidder

All interested parties responding to the tender should be legally registered companies compliant with all relevant existing laws, regulations and bye-laws, etc (i.e. company law, tax law and trade laws, etc). Where, the bidder is a consortium, joint venture or such, all documents for members of the joint venture, consortium, etc shall be submitted for evaluation. Such joint ventures, consortiums etc, shall clearly indicate the principal member and a clear responsibility matrix for all the member companies.

It is a requirement that the 'provision of medical supplies' is a major business function of the bidder or principal bidder (in the case of joint venture or consortium, etc). Bidders are also required to be properly certified by appropriate regulatory authorities and submit proof of such registration with their bid. In the event a bidder being successful, they shall undertake to maintain the relevant certification throughout the contract.

The bidder should also demonstrate that they have:

- Minimum turnover of +P1m annually
- Availability of a fully functioning storage facility
- Ability to hold minimum 3 months stock based on Debswana consumption (+/- P1.7m a month)

### Technical Requirements

#### Overview

The scope of contract covers supply of medical products (pharmaceuticals and surgical products) to the two mine hospitals, being Jwaneng and Orapa. The successful bidder/s shall be responsible for maintaining pre-agreed stock levels across the different categories of medicals on the hospital shelves by balancing medical requirements and redundancy/obsolescence risk. At the commencement of the contract, Debswana shall provide the successful bidder(s) with Average Monthly Consumption (AMC) figures to assist the successful vendor(s) to plan adequately plan for requirements. Going forward, it shall be the responsibility of the supplier to keep track of Debswana spending pattern on medical items under their contract. The successful bidder will be expected to hold 3 months' worth of consignment stock to be held as a minimum in their offsite facility.

## Quality

Suppliers shall be required to supply specified brands for pharmaceutical products. It is imperative that the suppliers ensure that their pricing is for the specified brands. In instances where the mine requires generics, this shall be made clear and brand substitutions will not be routinely accepted unless prior communicated and an understanding of impact on pricing prior approved.

Substitution of brands after tender award will be treated as tendering in bad faith ( ie can't win award on quotation of one brand then supply different brand after award )

For surgical products, bidders are requested to quote for the brands specified or any 'equal and approved' brand in terms of quality. It is expected that once the proposed quality quoted for by the supplier/s is accepted, the supplier/s shall be expected to consistently supply that quality and not switch to alternative products without the written consent of the respective pharmacy manager.

Pharmaceutical or surgical products that do not meet the defined quality standards shall be rejected and the supplier expected to replace them at their cost.

## Hybrid Consignment Stock

In a bid to minimize redundancies and obsolescence of medical products on the hospital shelves, the successful supplier(s) shall be required to operate a hybrid consignment model where critical and essential items are kept at the supplier's storage facility for Debswana use. It is therefore a requisite that the Bidder must have a suitable warehouse located within Botswana with the capacity to store all critical and essential items under the contract.

Bidders shall propose the amount of stock holding they believe is adequate to meet Debswana requirements. Consignment stock for Debswana at the supplier's premises shall be kept separate and marked as such and available for inspection by Debswana as and when requested. Bidders are requested to also highlight the cost of consignment either (i) as a fixed percentage of the consignment stock held for Debswana, or (ii) as a percentage of the items under contract.

Note: Consignment stock kept at the supplier' premises shall remain the property of the Supplier until ordered and delivered to Debswana hospital.

## Delivery:

The supplier shall be responsible for delivery of orders to the mine hospitals. Bidders must therefore demonstrate that they have the capacity and ability to deliver orders to all Debswana hospitals and treatment centers within 24 hours of receiving orders from the hospitals and detail existing back-up transport arrangements.

In addition to standard transportation requirements to service the contract, bidders must prove that they have the capacity to deliver certain medical requirements under special conditions, i.e. prescribed temperatures or medical emergencies, etc.

**Resources:**

Bidders are requested to present a clear project organogram detailing the resources that are proposed to be utilized on the project. The bidder shall clearly define the roles and responsibilities of the resources on the team and how they interface with Debswana.

**Service Level Agreement**

A Service Level Agreement (SLA) shall be jointly developed by Debswana and the supplier(s) to measure the performance of both parties under the contract. The SLA shall clearly articulate the contract Key Performance Indicators (KPIs) to be measured on a monthly basis and the targets. The SLA shall be the primary indicator of the supplier's performance.

The SLA shall generally cover the following areas:

1. Order Delivery Performance: On-time and in full (OTIF)
  - a. Category A – Critical items
  - b. Category B – Essential items
2. Quality and Conformance to User Specification
  - a. % returns
  - b. % of items properly coded on the source list
  - c. Price variance - Correct pricing on invoice as per contract
3. Documentation and Reporting
  - a. Timely submission of invoices
  - b. Production of timely monthly report on usage, spend, SLA performance and exceptions

**Reporting:**

The successful bidder(s) shall be required produce a monthly report on spend and usage as determined in the SLA. The monthly report shall highlight the account activity for the month in terms of volumes ordered, volumes held in consignment and any other pertinent issues such as order fulfillment, returns and challenges experienced in the month.

The report shall be submitted to the Strategic Sourcing Manager within 7 working days after the last business day of the month.

**Pricing:**

Bidders shall submit comprehensive pricing for all the products under the relevant lots. Bidders are further required to break-down their pricing into so as to give an indication of their pricing structure in relation to the 'clean cost' of the medical items. The breakdown should clearly indicate the cost of an item, administrative cost, cost of keeping consignment for Debswana, supplier's mark up and any other relevant costs. The various costs additional to the cost of an item should be highlighted in separate columns and summed to give the selling price of the item to Debswana.

Bidders are also requested to separate consignment cost from the price of medical items. The cost of keeping consignment for Debswana at the supplier's premises shall be detailed as a separate item.

**Proposal Submission:**

The proposal shall include the following:

1. Details of Company registration and ownership (Certificate of Incorporation and Share Certificate)
2. Tax Clearance Certificate
3. Trade license
4. Audited Financial Statements for the last 2 years
5. Company Organogram and proposed project organogram
6. Curriculum Vitae of Key Personnel
7. Proposed methodology for the Project
8. Previous relevant experience on comparable projects
9. Traceable References for Previous Work

Note: The above submissions are in addition to those specified elsewhere in the enquiry document.

### *General Response Requirements*

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Submission requirements are as per Instructions to Tenderers, Section A of the enquiry document.

The scope described herein is agreed to by the accountable officials from each operation. By signing this document, the senior managers give a mandate to proceed with the RFP as defined herein, and that this scope will address the immediate requirements for each hospital.