

Equipment Acquisition and Service Agreement: The Procurement Perspective

Dr. Ezekiel AKINTUNDE
Director Laboratory & Malaria Logistics

USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM

Procurement and Supply Management

8 December 2018
SLIPTA/SLMTA SYMPOSIUM



USAID
FROM THE AMERICAN PEOPLE



PEPFAR
U.S. President's Emergency Plan for AIDS Relief



USAID
FROM THE AMERICAN PEOPLE



U.S. President's Malaria Initiative

Lab Equipment Procurement

Lab equipment procurement models:

- Buying
- Leasing
- Renting

Factors to consider

- Need for maintenance services
- Tenure of equipment usage
- Frequency of usage
- Necessity to upgrade equipment
- Cost



A "one size fits all" strategy is not suggested for choosing the procurement model

The Process

What makes equipment procurement unique?

- Installation,
- Users' training
- Service maintenance and warranty

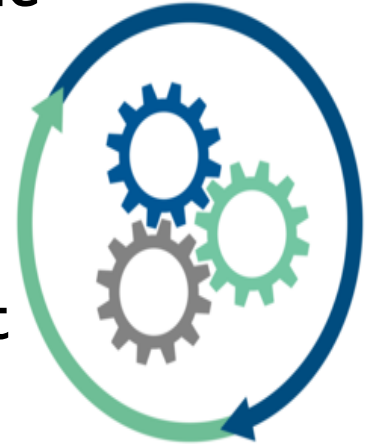
Before procurement, do you have answers?

- Is the approved budget in the work plan sufficient to finance the procurement?
- Is the equipment on the national /country-approved list?
- Is the strategic document of deployment available?



The Process

- Do you have the instrument deployment plan if the request is for new locations?
- Do you know the current estimated diagnostic capability?
- Is your selection appropriate based on instrument capacity vs diagnostic demand?
- Are infrastructure needs in place before equipment delivery?
- Has the additional cost of reagents, staff training, maintenance been considered?
- After the warranty expires, will the required Preventive Maintenance Service (Extended Warranty) elapse?



The Process

- Is there a local Authorized Manufacturer Distributor available in-country to service the equipment?
- Do you have a Maintenance Service Agreement (MSA) in place for similar equipment you have on hand?
- Do you have appropriate storage requirements (conditions and capacity) for reagents?

If the answers are *YES*, then:

- ✓ Submit the procurement request to the procurement unit for the RFQ/RFP.
- ✓ Evaluate the quotes/proposals that are within the approved budget.
- ✓ Oversee a seamless equipment delivery.

RFP Requirements

A well-developed RFP requires due diligence.

Due Diligence Level 1:

- Price
- Equipment service contract
- Duration of the manufacturer's warranty
- Availability of parts and consumables
- Technical support
- System updates



RFP Requirements

Due Diligence Level 2 – Equipment Maintenance: Working with

- In-house teams
- Third-party service providers
- Original equipment manufacturers
- Multiservice providers.

Due Diligence Level 3 – Information Gathering on Potential Suppliers:

- Financial viability
- Track record of previous performance on similar job, where available,

Procurement Challenges



- Developing the specifications
 - Sole sourced requires more efforts to justify the procurement.
- Procuring based on DDP (Delivered Duty Paid)
 - Shipping cost depends largely on what the vendor quotes with no alternative.
- Coordinating delivery (Vendor wants payment)
 - Infrastructure requirements have not been completed at the site.