

The World Bank



**An Assessment Tool for Public Procurement Agencies in
Health Sector in India**

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An Assessment Tool for Public Procurement Agencies in Health Sector in India

Background

1. The Government of India (GoI) under its Common Minimum Program is enhancing central funding to states for effective delivery of essential health services to underserved populations residing in the rural areas of the country. Flexible financing is being provided to states under the National Rural Health Mission (NRHM) to develop locally relevant strategies to improve service delivery and implement evidence-based interventions to enhance health outcomes of centrally sponsored schemes in the health sector. Such rapid scaling-up of central allocations for different health sector schemes will involve massive procurement of health sector goods by the states and districts that have capacity constraints to undertake health sector procurement. The NRHM framework notes that continued central procurement is not a solution and proposes a phased decentralization of procurement to states and districts¹. This note supports the proposed approach of phased decentralization through development of an assessment tool for systematically identifying the procurement capacity constraints at state level.

2. The rules for regulation of medical consumables in India are relatively well developed, but effective enforcement remains a challenge. Therefore, organizations that procure medicines and medical supplies in India are compelled to create their own quality assurance systems to address areas that are not adequately covered by the statutory bodies in charge of enforcing regulations. Another weak area is the procurement of medical equipment, particularly in the area of technical specifications development and checking compliance of the bids to technical specifications.

3. The supreme audit institution of Government of India (Comptroller and Auditor General of India) has also noted some deficiencies in procurement of health sector goods in a recent report². Though there are some good examples of efficient procurement in the health sector in Indian states that have established their own agencies for undertaking transparent procurement complemented by appropriate quality assurance and logistic supply systems (such as Tamil Nadu Medical Services Corporation or TNMSC), so far there is no consistent standard against which the performance of such state procurement agencies could be measured.

4. This note provide the list of standards that need to be assessed before considering an agency for handling the procurement of health sector goods. This tool is intended to:

- Identify strengths and weaknesses of a procurement agency
- Develop appropriate capacity-building plans to address the identified weaknesses
- Monitor the improvement over the time

¹ NRHM Framework for Implementation (2005-2012), Ministry of Health and Family Welfare, Government of India

² Performance Audit Report for Ministry of Health and Family Welfare (2007), Comptroller and Auditor General of India

5. The assessment tool is based on available national/international standards and best practices, and has been further customized for Indian conditions. The tool is modular in nature and though it is initially meant for procurement of goods (including drugs, pharmaceuticals, equipment, commodities, medical and non-medical supplies), additional modules could be added for using it for procurement of services and civil works as well. Similarly, a separate module (based on good storage and distribution practices such as those described by WHO³) may be included in the tool to assess supply chain, logistics and inventory management aspects. This is particularly important for state public sector agencies which are also responsible for these functions while handling procurement for their home states

6. The draft assessment tool was validated by the study team by applying it on TNMSC before it was finalized. However, it is important to keep this assessment tool dynamic so that the standards could be periodically reviewed and raised once the agencies achieve the minimum standards. Also it is intended that the agencies scoring lower scores could initially be assigned less complex/risky procurement while they could simultaneously work on addressing their weaknesses.

7. Though the assessment tool has been designed for India, it could be used with some modifications for other developing countries also. The procurement agencies should be encouraged to voluntarily conduct their self assessment using this tool for achieving continuous improvement in their operations.

Assessment Tool Description and Applications

8. The assessment tool (Appendix 1) includes eight modules with two of the modules further divided into sub-modules. The modules assess 156 standards and out of them, 32 (noted in the tool with the symbol “**M**”) are considered mandatory requiring full compliance to these standards (either during the assessment or subsequently based on the capacity-building action plan) is required for an agency to be considered for handling tendering. For the remaining standards, a variable scoring system (described in detail below) is proposed which allows for flexibility in determining the agency’s eligibility to undertake procurements.

9. The specific assessment tool modules and sub-modules include the following:

- General requirements
 - Physical resources
 - Organization, structure, and functions
- Transparency
- Procurement cycle management
 - Procurement planning
 - Bidding documents
 - Pre- and post-qualification of bidders
 - Advertisement and sale of bid document
 - Communication during the bidding process

³ World Health Organization. 2006. *Good Distribution Practices for Pharmaceutical Products*. WHO Technical Report Series, No. 937, Annex 5. Geneva: WHO.

- Receipt of bids and bid opening
- Bid evaluation
- Contract award
- Contract administration
- Support and control systems
- Record-keeping
- Human resources and personnel
- General risk assessment
- Supplier perception assessment

10. The tool format includes columns for standards, compliance rating, assessor observations and comments, and instructions for assessors. A four-scale scoring system (0, 1, 2, 3) displayed under the column heading “Compliance Rating” is used by the assessor to provide a quantitative basis for rating compliance to each standard. For mandatory 32 standards, only a two-scale compliant rating (not compliant: “0” or completely compliant: “3”) has been provided. Thus for these standards, the assessor’s rating is restricted to either completely compliant or noncompliant/unacceptable.

11. For each module or sub-module, a total minimum score is given at the end of that particular module. This score is based on a minimum rating of “substantial compliance” to all standards, and full or complete compliance for those that are mandatory indicated by a “0” or “3” rating and followed by the symbol (**M**). Assessor’s combined total score for all modules must be equal to or greater than the total minimum score to meet the acceptable standards for procurement. If an agency’s total score is less than the acceptable level, a phased approach is recommended linked to an action plan for capacity-building.

12. By designing the tool with modules and sub-modules and assigning minimum scores to each, the strengths and weaknesses of the Agency become readily apparent. The identification of weaknesses requiring significant corrective action (i.e., a compliance rating of “1”) within individual modules can, particularly in the context of Agencies where deficiencies noted are not widespread, serve as areas to focus for strengthening activities. When implementation of such activities is successful, the Agency could commence tendering in line with internationally accepted best practices.

13. The purpose of this assessment is not to “pass” or “fail” an Agency by strictly applying the scoring tool. The tool may find greater utility as a means to identify agencies that have a reasonable possibility of addressing identified weaknesses progressively leading to internationally acceptable procurement standards.

Approach to Conducting an Assessment

Following important points need to be kept in mind when conducting an assessment:

The assessment team requires right composition

Considering the comprehensive nature of the tool and an evaluation system that depends on professional judgment for several indicators, assessors should possess an extensive international or domestic procurement experience, or both. Since the assessment is concerned with procurement of medicines, supplies, and medical equipment, it would be helpful, if not mandatory, for at least one team member to have a background in medicine or pharmacy and biomedical engineering. At least one of the team members should also have experience with and understanding of the internal controls and systemic aspects of procurement. A team of three such experts will be able to complete the assessment in one week. Finally, due consideration should be given to real or potential conflicts of interest while selecting the assessment team members.

Advance communication is necessary

To make the most efficient use of assessor and Agency staff time, the assessment team should send a message to the agency before the visit regarding the data and documents required for the assessment and should ask the agency to have pertinent files and documents ready for review by the assessment team upon their arrival. These documents include, for example, complete files for recently executed tenders for medicines, supplies, and medical equipment as well as agency policies and procedures for all procurement-related activities, financial statements, internal and external audits, and any state laws and regulations pertaining to procurement. In addition, the team should request that personnel involved with key procurement functions [e.g., overall management, finance, administrative (i.e., contract management), the tender process (i.e., issuance, evaluation, and award), quality control, and management information systems] are available for interviews when they are visiting the Agency. The questionnaire prepared by the Bank⁴ with suitable modifications may be used for gathering information.

Assessment of a agency is an iterative process—not just the physical application of the tool

As one would expect, the team should become thoroughly familiar with local and country procurement laws and regulations, the assessment tool and criteria before arriving at the agency. A team leader should be appointed, and based on the background of team members; sections of the tool should be assigned to each of them. It is important not to immediately embark on assessing compliance to standards during the site visit. The tool should be set aside for the initial work period in favor of conducting a thorough review of a number of recent tenders in order to understand the process, any specific issues arising from the review of those tenders, and how the decisions were arrived at. This review may take one or two days depending on the clarity of the records and the availability of key staff for interviews and questioning. Once this review has been completed, each assessor should move through his or her respective sections of the tool to summarize his or her evaluation, standard by standard. Continuous discussion between assessment team members are also vital to think and talk through complex issues to ensure that they are evaluated judiciously through a consultative process rather than individual judgment. At the end of this phase, it is expected that residual gaps in information and imperfections in assessor understanding will be cleared which guide the next steps including additional data and information gathering from records and interviews. This iterative process of triangulating

⁴ Available on <http://go.worldbank.org/2GBDECUNIO>

conclusions and data as necessary should be continued until the evaluation is complete for each of the criteria.

Willingness of the agency to share the information and introduce improvement is a must

The assessment cannot be conducted unless the procurement agency shares the information and documentation required, participates in interviews and discussions, and is open to introducing improvements to address the areas of weaknesses identified during the assessment.

Credible action plan to build the agency's capacity is essential

Finally, the team must help the agency in designing an action plan to address the areas of weaknesses identified in a time bound manner. The action plan should also include additional technical assistance and likely resources required and the mechanism to monitor the progress on capacity building plan (reassessment may be needed in some cases to monitor the progress).

Delegation of procurement needs to be phased as every agency will have some or other areas of weakness.

Although one must not discount the importance of the overall scoring, it is acknowledged that none of the agencies may meet all the criteria listed in the tool. Hence, the final decision to delegate the procurement to the assessed agencies should be taken based on the quality of the action plan proposed to address the weaknesses as well as agency's willingness and track record of introducing the changes. Once the agreement on action plan is reached, less complex procurement may initially be delegated with intensive supervision and handholding from the Principal. Further delegation of complex procurement should be linked to the history of successful performance for initial procurement assigned and also achieving agreed milestones in the action plan.

Appendix-1: Assessment Tool Matrix

Ratings: Compliance to Standards
Completely Compliant = 3 points
Substantially compliant with minor corrective action required = 2 points
Some compliance and significant corrective action required = 1 point
Noncompliant/unacceptable = 0 points

Name of Procurement Agency:

Date of Assessment:

Members of Assessment Team:

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
	Circle compliance rating; For mandatory standards only two ratings are shown: 0 or 3	Assessor comments are to be used for justification of rating.	
1.0 General Requirements			
1.1 Physical Resources			
1.1.1 Premises			

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
1.1.1.1 Office is conveniently located for personnel and has sufficient storage space for documentation records, reports, product samples and other records relating to all procurement activities.	0 / 1 / 2 / 3		There is unencumbered work space available for employees. Records are stored in an orderly and easily retrievable fashion (records/documents should all be filed); a lockable file/container is available for storing vendor bids until bid opening. If medicine samples are stored at the agency, storage is secure and temperature controlled.
1.1.1.1.1 Office space is available for arranging pre-bid meeting, managing receipt of bids and public bid opening.	0 / 1 / 2 / 3		An office sufficient to seat typical number of bidders (based upon review of procurement records for past 2 years) is available.
1.1.1.2 Computers are available to facilitate procurement procedures.	0 / 3 <i>M</i>		Computers and monitors are in good operating condition and available to procurement personnel.
1.1.1.2.1 If computers are available, software is appropriate for the activities performed, staff is adequately trained in their use, security systems are in place to prevent unauthorized access, back-up systems are in place to prevent loss of data, firewall is installed, and virus protection software is available and updated regularly.	0 / 1 / 2 / 3		Minimally, the office has Microsoft 2000 operating system (or equivalent) with word processing and spreadsheet software; financial management, purchase order processing, and sales order processing software or system is available. Observe personnel using computers and software, and determine from interviews their familiarity with software. Document computer security and backup systems. Document if organization utilizes e-tendering and/or e-procurement, and if so, confirm via interview(s) that staff are familiar with procedures.
1.1.1.2.2 Computer technical support personnel are either available onsite or are available locally.	0 / 1 / 2 / 3		If support personnel are not onsite, does agency have a contract for technical support, or is there a record of support by a local company?

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
1.1.1.2.3 Computer hardware is sufficient to operate software efficiently; there is sufficient capacity and memory for intended use; printers are available and in proper working order.	0 / 1 / 2 / 3		Interview computer operators; request information concerning frequency of computer crashes or downtime and operating condition of printers.
1.1.1.2.4 Computer maintenance is performed regularly	0 / 1 / 2 / 3		Verify that there are computer maintenance records and/or personnel are familiar with general computer maintenance programs (i.e. Microsoft or equivalent system tools such as defragmenter, antiviral program) and that they are up to date.
1.1.1.3 There is adequate access to telephone and facsimile, and if computers are available, e-mail and broadband connectivity to the Internet is available 24 hours per day.	0 / 1 / 2 / 3		Personnel with job responsibilities requiring access to phone or e-mail have easy access to equipment.
1.1.1.4 Office equipment (e.g., copying machines, scanner, paper shredder), supplies (e.g., stationery, computer supplies, printing paper), and office furniture meet requirements of the procurement office.	0 / 1 / 2 / 3		Verify that routinely needed office equipment, furniture, and supplies are available [i.e., copier(s), desks, chairs, filing cabinets that can be secured, printers, computer paper and supplies such as CDs, printer ribbon, computer backup device, forms, paper punch, stapler(s)] are available onsite.
1.1.1.5 Transport required for performance of official duties is available or expenditure is reimbursed to the staff.	0 / 1 / 2 / 3		The agency has a policy for travel reimbursement or transport is provided by the agency.
MINIMUM SCORE FOR RESOURCES	21		
ACTUAL SCORE FOR RESOURCES			
1.2 Organization, Structure, and Functions			

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
1.2.1 The agency holds legal status (i.e., government department, state corporation, registered society) and is accountable to the government.	0 / 3 <i>M</i>		State the status.
1.2.2 Written standard operating procedures (SOPs) and policies are available for all procurement-related activities and are reviewed or updated regularly (annually, at a minimum).			The organization has its own written procurement rules and regulations and/or follows government legislated rules and regulations. The policies and associated SOPs enumerated below shall be available for review. Assessor shall comment on policy and SOP availability and document annual review and/or revision, if any. If no formal written policy or procedures are available, assessor will evaluate any available documentation relative to the above. In addition, interviews with key personnel will be used to determine working knowledge of policies and SOPs. In rating compliance to standards for policy and SOP, only a written SOP together with supporting documentation <i>and</i> interviews indicative of adherence to the SOP shall be scored as completely compliant ("3"). The maximum score shall be 2 points (substantially compliant) when a written SOP is unavailable but other documentation exists to indicate there is a policy and an SOP in place AND interviews with key personnel indicate adherence to a less than formalized SOP. These instructions apply to 1.2.2.1 through 1.2.2.11.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor						
1.2.2.1 SOP for Supplier and product prequalification including facility inspection and product quality (prior to tender or as part of tender process)	0 / 1 / 2 / 3								
1.2.2.2 SOP for Advertisement of tenders	0 / 1 / 2 / 3								
1.2.2.3 SOP for Bidder questions and requests for clarification prior to bid opening	0 / 1 / 2 / 3								
1.2.2.4 SOP for Bid opening	0 / 1 / 2 / 3								
1.2.2.5 T SOP for tender evaluation and award	0 / 1 / 2 / 3								
1.2.2.6 SOP for Contract and price negotiation	0 / 1 / 2 / 3								
1.2.2.7 SOP for Supplier dispute or complaint resolution	0 / 1 / 2 / 3								
1.2.2.8 SOP for Quality assurance for products procured and operations	0 / 1 / 2 / 3								
1.2.2.9 SOP for Contract management	0 / 1 / 2 / 3								
1.2.2.10 SOP for Internal and external audits	0 / 1 / 2 / 3								
1.2.2.11 SOP for Code of conduct and conflict of interest	0 / 1 / 2 / 3								
1.2.3 Agency personnel have experience with health commodity procurement for the commodity categories below (1.2.3.1–1.2.3.2)									
1.2.3.1 Medicines, supplies including laboratory and medical supplies and test kits	0 / 1 / 2 / 3		<table border="0"> <tr> <td><u>Meets Standard</u></td> <td><u>Subst. Meets</u></td> <td><u>Min. Meets</u></td> </tr> <tr> <td>>USD 10 M</td> <td>USD 500K–10M</td> <td>USD 250K–500K</td> </tr> </table>	<u>Meets Standard</u>	<u>Subst. Meets</u>	<u>Min. Meets</u>	>USD 10 M	USD 500K–10M	USD 250K–500K
<u>Meets Standard</u>	<u>Subst. Meets</u>	<u>Min. Meets</u>							
>USD 10 M	USD 500K–10M	USD 250K–500K							
1.2.3.2 Medical equipment	0 / 1 / 2 / 3		<table border="0"> <tr> <td><u>Meets Standard</u></td> <td><u>Subst. Meets</u></td> <td><u>Min. Meets</u></td> </tr> <tr> <td>>USD 10 M</td> <td>USD 500K–10M</td> <td>USD 250K–500K</td> </tr> </table>	<u>Meets Standard</u>	<u>Subst. Meets</u>	<u>Min. Meets</u>	>USD 10 M	USD 500K–10M	USD 250K–500K
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>USD 10 M	USD 500K–10M	USD 250K–500K							

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
1.2.4 Delegation of thresholds for contracting powers within the organization (invitation and acceptance of bids) are available and regularly updated.	0 / 1 / 2 / 3		If written documentation not available, assessor must determine thresholds from interview with managing director (or equivalent) or finance director (or equivalent).
1.2.5 Records of all operations are maintained in a secure, easily retrievable manner and access is limited to only authorized individuals.	0 / 1 / 2 / 3		Assessor must verify that procurement records are filed in an organized fashion and secure (in a locked cabinet); if electronic records are maintained, ensure that they are password protected.
1.2.6 The finance staff follows procedures to ensure that available funds are used efficiently and are allocated/ earmarked before tender is issued and released as per the approved purchase contract.	0 / 1 / 2 / 3		Procurement plan and records reflect availability of funds and payment.
1.2.7 The quality staff assures that all categories of products procured are of acceptable quality and meet standards required by the funding agency. If none are specified, meet agency's in-house standards. For all products procured, testing for quality is carried out in accordance with Principal's (GoI or the state, whoever is using the services of the agency) instructions. If none are specified, the agency has a quality policy in place. For health products for which state or nationally approved testing facilities are available to perform analysis against product specification, such testing is carried out.	0 / 1 / 2 / 3		For all products procured, quality assurance is carried out in accordance with terms dictated by the Principal. If not specified, internal quality policy for health commodities provide for comprehensive quality assessment including visual inspection and laboratory analysis where applicable.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
1.2.8 A management oversight committee with financial, legal and technical expertise reviews contract disputes	0 / 1 / 2 / 3		Committee or equivalent is in place with written policies and procedures.
MINIMUM SCORE FOR ORGANIZATION, STRUCTURE, AND FUNCTIONS	39	<i>Note:</i> Minimum score per standard for 1.2.3.1 and 1.2.3.2 is 1 point	
ACTUAL SCORE ORGANIZATION, STRUCTURE, AND FUNCTIONS			
MINIMUM TOTAL SCORE FOR GENERAL REQUIREMENTS	60		
ACTUAL TOTAL SCORE FOR GENERAL REQUIREMENTS			
2.0 Transparency			
2.1 Detailed records of all procurement proceedings are maintained.	0 / 1 / 2 / 3		Randomly review a minimum of two recent procurements (at least one for medicines that includes several dozen items and one for equipment), and document if detailed records are available describing, pre-bid conference (if any), bid opening, pre- and post-qualification, tender committee meetings, and contract award proceedings.
2.2 Bid openings are open to the public (i.e., the bidders), and all bidders receive an invitation to bid openings.	0 / 1 / 2 / 3		Randomly review the record of at least two bid openings to confirm all bidders received an invitation to attend.
2.3 The organization does not normally conduct discussions or financial negotiations with bidders after opening of the price bids.	0 / 1 / 2 / 3		Random review of two procurement records reveals price negotiation does not normally take place on a routine basis.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
2.3.1 If discussion or financial negotiations take place after bids are opened, written rules and procedures are strictly adhered to and a record is available to ensure that such negotiation is a fair and transparent process.	0 / 1 / 2 / 3		Written rules and procedures are available and random review of three procurement records reveals adherence to rules.
2.3.2 The contract award information is disclosed to all companies who have submitted the bids following review by the competent authority.	0 / 1 / 2 / 3		Review of two randomly chosen procurement records confirm adherence to standard.
2.4 Open competitive bidding is the preferred or default procurement method unless the organization carries out a supplier pre-qualification process. If manufacturer pre-qualification is standard, restricted tender shall be the default method.	0 / 1 / 2 / 3		Policy statement is available.
2.5 Direct- or single-source procurement without tender process is utilized in instances where there is only one pre-qualified source for the product or in case of extreme emergency. In such a case, historical "reasonable" pricing is used to negotiate price with supplier.	0 / 1 / 2 / 3		Request copies of single-source procurement documents and verify that the record reveals only one pre-qualified (or not) source was available and that the price compares favorably with historical price or current market price.
2.6 Requirements for bid submission and bid and performance securities are required of all bidders.	0 / 3 M		Written (preferable) documentation is available. If state law requires exemption for bid security, rating is 3
2.7 If agency does not carry out pre-qualification of bidders, all suppliers are eligible to bid.	0 / 3 M		Policy should state that all tenders are "open."

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
2.8 The process of bid examination and evaluation is rational and fair.	0 / 3 <i>M</i>		Bid examination procedures that do not provide opportunity for bidder discrimination are available, and a random review of tender evaluation committee minutes reveals adherence to procedures.
2.9 There are rules and procedures for bidder suspension and debarment (i.e., blacklisting) and these are known to suppliers.	0 / 1 / 2 / 3		Rules should also be specified in the procurement contract and the bid document.
2.10 Public disclosure of the complete procurement process is freely available (except for the commercially confidential information).	0 / 1 / 2 / 3		Verify, that disclosure is as prescribed by the Right to Information Act, state law or policy or agency policy
2.11 Regular meetings with the business community are held or are available to the business community to discuss procurement issues. A record of such meetings is maintained and includes follow-up actions, if any.	0 / 1 / 2 / 3		Verify record of meetings.
MINIMUM SCORE FOR TRANSPARENCY	29		
ACTUAL SCORE FOR TRANSPARENCY			
3.0 Procurement Cycle Management			
3.1 Procurement Planning			
3.1.1 The hierarchy of sources for procurement rules is well-established (i.e., laws, government regulations and procedures, the organization's own rules and procedures).	0 / 1 / 2 / 3		State the hierarchy.
3.1.2 The agency is or can be allowed by its mandate to act as a procurement agent and follow the procurement procedures of the Principal (i.e., GoI, or other states or donors in case of externally aided projects).	0 / 3 <i>M</i>		The mandate to act as a procurement agent is evident from the business rules or articles of association.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.1.3 The agency has a procurement plan template that is closely adhered to after a procurement request is received; the plan should include, at a minimum, a schedule for advertising the tender, receipt of bids, bid opening, bid evaluation, and contract award.	0 / 1 / 2 / 3		Agency follows a predetermined procurement plan and examples are available for inspection.
3.1.3.1 There is a designated employee or team to prepare/monitor the procurement plan that includes, at a minimum, scheduling of activities.	0 / 1 / 2 / 3		Employee or team is in place and interview reveals understanding of procurement planning.
3.1.4. There is a designated employee assigned to approve each stage of the procurement cycle and an overall director (or equivalent) responsible for managing the complete process.	0 / 1 / 2 / 3		Personnel are in place.
3.1.5 There is general adherence to the dates indicated in the procurement plans.	0 / 1 / 2 / 3		At least two procurement plans selected at random and reviewed indicate adherence to the plan.
MINIMUM SCORE FOR PROCUREMENT PLANNING	13		
ACTUAL SCORE FOR PROCUREMENT PLANNING			
3.2 Bidding Documents			
3.2.1 Standard bidding documents are used for procurement of health sector goods.	0 / 1 / 2 / 3		Bidding documents are available.
3.2.1.1 Bidding documents are readily adaptable to specific contract situations (i.e., modifications made through a bid data sheet, special conditions of contract, or similar).	0 / 1 / 2 / 3		Examples are available.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.2.2 Procurement staff are knowledgeable in preparation and modification of bidding documents.	0 / 1 / 2 / 3		Interviews with procurement staff reveal familiarity with preparation and modification of standard bidding documents.
3.2.2.1 Procurement staff is familiar with the procurement policies, guidelines, and standard bidding documents of the Principal and has demonstrated experience with correctly completing the bid data sheet and drafting special conditions of contract.	0 / 3 <i>M</i>		Interview procurement staff and check the correspondence with Principal, if already handling Principal-funded procurement.
3.2.3 Technical specifications for health commodity products are clear, generic, neutral, updated and accurate.	0 / 1 / 2 / 3		Perform random review of specifications for medicines, medical supplies and kits, equipment, and consumables.
3.2.3.1 Technical specifications are prepared by a committee that includes expert knowledge concerning products to be procured.	0 / 1 / 2 / 3		Technical specifications are provided by the Principal, internal staff, outside committee, or a combination of internal and external experts.
3.2.3.2 Technical specifications for medicines are issued by the Principal and are included in bid documents. Pharmacy expertise is available for specification review and to request clarifications of specifications issued by the Principal. When specifications are not provided, specifications are prepared with input from staff or consultants with pharmacy expertise.	0 / 3 <i>M</i>		Specification includes International Pharmacopoeia, British Pharmacopoeia, or United States Pharmacopoeia standard. Document if pharmacy expertise is available in-house or from an outside source.
3.2.3.2.1 Shelf life consideration is included in technical specifications for medicines or other supplies where applicable.	0 / 3 <i>M</i>		Shelf life is included among contract terms.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.2.3.3 Technical specifications for medical equipment and supplies or test kits are provided by the Principal and are included in the bid document. Equipment and supply expertise is available for specification review and to request clarification(s) for specifications issued by the Principal.	0 / 3 <i>M</i>		Review of tenders includes technical specifications. Document if medical equipment and supply expertise is available in-house or from an outside source.
3.2.4 Instructions to bidders contain all information necessary to prepare responsive bids (i.e., they provide a clear understanding of eligibility requirements and how evaluation criteria will be applied).	0 / 1 / 2 / 3		Bidder instructions are complete for equipment , supplies, and pharmaceutical contracts.
3.2.4.1 Bid security required in bidding instructions as a condition of responsiveness is appropriate (e.g., sliding scale but no more than 3% of total value). An absolute amount is used rather than percentage of bid amount	0 / 1 / 2 / 3		Review the bidding instructions.
MINIMUM SCORE FOR BIDDING DOCUMENTS	26		
ACTUAL SCORE FOR BIDDING DOCUMENTS			
3.3 Pre- and Post-qualification of Bidders			
3.3.1 Supplier and product pre-qualification and/or post-qualification is carried out prior to award of any health sector contract.	0 / 1 / 2 / 3		Written pre- and post-qualification policy and procedures for suppliers are available. A review of three randomly selected procurements reveals documentation that pre- and/or post-qualification was carried out in accordance with policy and procedures.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.1.1.1 Pre- and/or post-qualification requirements are clear and completely describe all requisites for submitting a responsive application and qualification requirements.	0 / 1 / 2 / 3		Detailed product specifications and pre- and post-qualification guidelines for submitting company and product information including agency evaluation criteria are stated in the bid invitation or solicitation. At least one bid invitation for each health sector product category (i.e., pharmaceutical, medical supply or kit, medical equipment) where an agency procures such products shall be reviewed for comprehensiveness.
3.3.1.2 The pre- and/or post-qualification process is carried out in a fair and transparent manner and decisions are made promptly.	0 / 1 / 2 / 3		A review of process procedures reveals transparency, and a review of actual procurements reveals that prescribed policies and procedures were followed.
3.3.1.3 Pre- and/or post-qualification includes assessment of technical and financial capacity to supply required value of product(s).	0 / 1 / 2 / 3		Documentation exists that technical and financial capacity to supply requirement(s) is assessed as part of the pre- and post-qualification process.
3.3.1.4 All evaluations and inspections are carried out by qualified evaluators who have signed a declaration of interest (i.e., no situations of real, potential, or apparent conflict of interest are known to them) preferably with participation of external experts.	0 / 1 / 2 / 3		Pharmaceutical and medical supply inspections are carried out by personnel trained to perform such inspections. Inspections are carried out by a team of at least two people. Medical equipment evaluation shall be carried out by a biomedical engineer.
3.3.1.5 For medicines and medical supplies or kits, evaluation includes preparation of manufacturer site master file and product files that include existing certificates of inspection and/or quality (i.e., WHO GMP, Schedule M, ISO, most current inspection report).	0 / 1 / 2 / 3		Document the adherence to standards.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.3.2 Planning and preparation for manufacturer inspection includes notification of inspection date, completion of a site master file by the manufacturer, and agency familiarity with product information submitted by manufacturer.	0 / 1 / 2 / 3		Documentation available and interview with representative inspector reveals understanding of planning and preparation procedures.
3.3.3 Inspections are carried out in accordance with written procedures and include all aspects of GMP in line with GMP guidelines.	0 / 1 / 2 / 3		Inspection is carried out by a team of at least two inspectors; inspection may be outsourced to a competent agency including State Drug Control Authority..
3.3.3.1 Waiving of inspections for procurement of pharmaceuticals is permissible only if an inspection has been carried out by a Stringent Drug Regulatory Authority - SDRA (i.e., International Conference on Harmonization or Pharmaceutical Inspection Cooperation Scheme member country) in the past 36 months and a GMP certificate has been issued without conditions (copy of inspection report and certificate is on file with the agency) <i>or</i> if the agency has carried out a GMP inspection in line with WHO GMP standards at the manufacturing facility in the past 36 months with the finding of no deficiencies <i>and</i> there have been no major changes to premises, equipment , or key personnel since the inspection (the latter applies to inspection by a SDRA as well).	0 / 3 M		Review waiver policy to determine if in line with standard and if waivers have been issued, waiver is appropriately issued.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.3.4 Once all pre/post qualification data is collected and evaluation committee (or equivalent) recommends qualification of a bidder/product, final approval is issued by the Agency's appointed management authority.	0 / 1 / 2 / 3		Record of prequalification evaluation is available and is approved by the recognized agency competent authority.
3.3.5 Agency inspection report is communicated to the manufacturer and includes noncompliance observed and recommended corrective actions.	0 / 1 / 2 / 3		Review three examples of agency inspection reports and verify that reports include observed and recommended corrective actions and that reports have been forwarded to respective manufacturer.
3.3.6 Qualitative or physical and laboratory analysis are performed as per pharmaceutical product specifications on samples for all batches by a laboratory operating in line with Good Practices for National Pharmaceutical Laboratories.	0 / 1 / 2 / 3		Records reveal that as part of the pre-qualification process, manufacturer samples are tested and meet specifications by a laboratory equipped to perform pharmaceutical analysis and certified by a national or international organization (e.g., WHO) recognized for its certification competency.
3.3.6.1 Agency has records to demonstrate that samples from medicine batches supplied by the manufacturer have undergone and passed the same testing used for samples during prequalification phase. <i>Note:</i> This requirement applies only if pre-qualification is carried out and sampling is included. If pre-qualification sampling is not carried out, agency has documentation that for batches received; full pharmacopoeial analysis is carried on a random basis as a minimum.	0 / 1 / 2 / 3		Procedure for sampling of batches received is documented, and records are available that reveal adherence to procedure.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.3.7 There is evidence that pre/post qualified manufacturers and products are re-evaluated at a minimum of every three years.	0 / 1 / 2 / 3		Obtain a list of pharmaceutical or supply manufacturers who have responded to tenders for more than three years, and verify that records are available documenting re-evaluation or inspection of manufacturing location and products.
3.3.8 The agency maintains a list of registered and qualified suppliers that is updated at least annually.	0 / 1 / 2 / 3		Verify that such a list is available and has been updated annually.
3.3.4.1 Evidence is available that, over the past two years, manufacturers have been added and/or deleted and/or temporarily disbarred for participation in agency procurements.	0 / 1 / 2 / 3		Documentation is available.
MINIMUM SCORE FOR PRE- AND POST-QUALIFICATION OF BIDDERS	33		
ACTUAL SCORE FOR PRE- AND POST-QUALIFICATION OF BIDDERS			
3.4 Advertisement and Sale of Bid Document			
3.4.1 Contracts awarded on the basis of competitive bidding are advertised publicly in at least one national newspaper (in addition to local or internet advertising). If the agency does not have its own website, it has access to one that is freely accessible for publishing invitation for bids.	0 / 3 <i>M</i>		Written policy (may be included in state legislation) is available that mandates competitive bidding, and a copy of an ad placed in at least one national newspaper is available for review. Interview with procurement personnel confirms adherence to policy.
3.4.2 Sufficient time (at least four weeks) is provided to bidders for obtaining documents and preparation of bids.	0 / 1 / 2 / 3		Advertisement of tenders includes sufficient time for bidders to obtain documents.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.4.3 If an open tender process is utilized, sale of bid documents are available to all who request them, and the price of bid document is reasonable.	0 / 3 <i>M</i>		Required
3.4.3.1 Bid documents are always available on the date specified in the advertised notice	0 / 1 / 2 / 3		Required
3.4.3.2 Bid documents are available for sale or available (e.g., from agency website) until the day of the bid opening.	0 / 3 <i>M</i>		Required
MINIMUM SCORE FOR ADVERTISEMENT AND SALE OF BID DOCUMENT	13		
ACTUAL SCORE ADVERTISEMENT AND SALE OF BID DOCUMENT			
3.5 Communications during the Bidding Process			
3.5.1 Requests for clarifications are promptly and completely provided in writing and shared with all bidders of record.	0 / 1 / 2 / 3		Prompt, written clarification is required by agency policy. Sampling of at least three procurement records reveals that clarifications and responses to questions are provided within five days and shared with all bidders of record (i.e., a copy of the response is sent to all bidders is available).
3.5.2 Clarifications, minutes of the pre-bid conference, if any, and modifications to the bid documents are promptly communicated to all prospective bidders.	0 / 1 / 2 / 3		Records are available.
3.5.2.1 Bidders are provided ample opportunity to revise their bids following a modification to bidding documents.	0 / 1 / 2 / 3		When a major bid modification occurs, agency policy provides bidders with additional time to submit bids. Confirm this provision during interview with procurement personnel.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.5.3 The agency maintains accurate records of all communications with bidders prior to and after the deadline for submission.	0 / 1 / 2 / 3		Review the records.
MINIMUM SCORE FOR COMMUNICATIONS DURING BIDDING PROCESS	8		
ACTUAL SCORE FOR COMMUNICATIONS DURING BIDDING PROCESS			
3.6 Receipt of Bids and Bid Opening			
3.6.1 Bids received prior to the deadline are securely stored and procedures are in place to ensure that no tampering can occur.	0 / 3 <i>M</i>		A secured "bid box" is available and access is limited to no more than two high-level agency officials.
3.6.2 The time elapsed between final day for submission of bids and opening of bids shall be minimal and preferably shall occur on the same day.	0 / 1 / 2 / 3		Time elapsed should be no more than one week.
3.6.3 All bid openings are conducted publicly, and all firms that submitted a bid receive invitations to attend.	0 / 3 <i>M</i>		Required
3.6.3.1 The names of all bidders and the price quoted by them are read aloud to bid opening participants, or this information is provided in written or electronic form and then recorded in a bid register.	0 / 3 <i>M</i>		The bid opening procedure is followed. Bids are recorded in a register and available for review by all bidders and the public.
3.6.4 Bids received after the deadline for submission are returned unopened to bidders.	0 / 3 <i>M</i>		Required

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.6.5 Bid procedure follows a single-envelope process where technical and price bid are provided unless otherwise <i>permitted by</i> state legislation. If a two-envelope system is used, the price bid is securely stored until the technical bids are evaluated and opened in presence of technically qualified bidders.	0 / 3 <i>M</i>		If state legislation requires bid procedure other than single-envelope process (technical and price together), so state.
MINIMUM SCORE FOR RECEIPT OF BIDS AND BID OPENING	17		
ACTUAL SCORE FOR RECEIPT OF BIDS AND BID OPENING			
3.7 Bid Evaluation			
3.7.1 For every procurement, bid evaluation is conducted by a committee composed of qualified members with expertise in pharmaceuticals and/or clinical medicine, other health care professionals, educators, medical equipment technical experts (for equipment procurements). Some external members are desirable.	0 / 1 / 2 / 3		Document the list of committee members and background for evaluating the following types of procurement: (1) medicines s, (2) medical supplies and test kits, (3) medical equipment, and (4) consumable supplies. State in comment section if there are external members on the team. A rating of complete compliance requires external members.
3.7.2 Bid responsiveness is determined solely on the basis of meeting all requirements in the bid documents.	0 / 3 <i>M</i>		A review of tender documents reveals that a technical responsiveness checklist is available, and the checklist reveals that all technical requirements have been received.
3.7.3 Among all bidders who meet previously specified technical requirements, the lowest bidder is selected for award.	0 / 3 <i>M</i>		Required

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.7.3.1 There shall be no negotiations with any bidder including the lowest bidder unless this bid exceeds known current market price, is higher than historical pricing, or is otherwise permitted by state law.	0 / 3 <i>M</i>		Required
3.7.3.2 In the event of default or inability to supply as per contract by the lowest bidder, the second lowest bidder shall be notified and awarded the contract. The same system shall apply for the third lowest bidder in the event the second defaults or cannot supply, and so on.	0 / 3 <i>M</i>		Required, unless state law specifies otherwise
3.7.4 The managing director, tender committee, or other committee charged with this responsibility approves the award. If the Principal requires a "no objection," it shall be obtained prior to final approval.	0 / 3 <i>M</i>		Required
3.7.5 A bid evaluation report is prepared for all procurements, and it includes all essential information including a complete description of the evaluation process, reasons for rejecting bids as nonresponsive, the methodology for applying evaluation criteria, and verification of successful bidder's qualifications.	0 / 1 / 2 / 3		Review a minimum of two bid evaluation reports, and verify documentation.
3.7.5.1 The bid evaluation report is maintained on file for the duration of the contract at a minimum, and reasons for rejection of bids are provided to unsuccessful bidders, if requested.	0 / 3 <i>M</i>		Required

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.7.6 The agency shall provide the following information to the assessor: total number and value of contracts awarded in the past five years (or less, if in operation less than five years) through ICB (global tender), NCB (open tender), limited tender, and single tender. Value shall be supplied separately for categories of medicines or supplies and medical equipment or nonmedical supplies.			Assign point value as follows: 3 points if at least one contract within category is awarded annually with a value of at least USD 1 million; 2 points if at least one contract within category is awarded annually with a value per category of USD 50K–1M; 1 point if at least USD 50K; 0 point if less than USD 50 K.
3.7.6.1 Medicines, medical supplies or kits	0 / 1 / 2 / 3		Assess on the basis of total value of tender.
3.7.6.2 Medical equipment or nonmedical supplies	0 / 1 / 2 / 3		Assess on the basis of total value of tender.
3.7.7 The agency shall provide an average time from date of bid opening to award of contract for each category <i>and</i> shall list the number of contracts awarded under each category within (1) the initial validity period, (2) 60 days after initial bid validity, and (3) beyond 60 days after initial bid validity.	0 / 1 / 2 / 3		Assess point value as follows: 1 point awarded if the majority of contracts are awarded 60 days beyond validity period, 2 points if they are awarded up to 60 days, and 3 points if they are awarded within the initial validity period.
MINIMUM SCORE FOR BID EVALUATION	28	Note: Minimum score per standard for 3.7.6.1. and 3.7.6.2 is 1 point.	
ACTUAL SCORE FOR BID EVALUATION			
3.8 Contract Award			
3.8.1 The agency shall have a standard contract form, which will be part of the bid document.	0 / 1 / 2 / 3		Verify the availability and use of a standard contract form.
3.8.2 If the agency performs "shopping" (i.e., for emergency or very low value procurements), a standard quotation form and purchase order form is available.	0 / 1 / 2 / 3		Verify the availability and use of a standard quotation form.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.8.3 Procurement rules dictate award to the lowest qualified bidder unless otherwise countermanded by state law (e.g., regulation pertaining to state-owned bidder or preference discount for suppliers operating within the state).	0 / 3 <i>M</i>		Rules shall be written and adherence is evidenced by review of three procurement records.
3.8.3.1 Should a low bidder be disqualified, this disqualification is documented in the tender record.	0 / 1 / 2 / 3		During interview with management staff, ask if a low bidder has ever been disqualified (i.e., due to quality issues). If affirmative, verify this disqualification is recorded in the tender record.
3.8.4 Unless otherwise directed by state or national legislation, there is no negotiation with bidders regarding technical terms and conditions.	0 / 3 <i>M</i>		Required
3.8.5 Performance security is required in an appropriate amount and format.	0 / 1 / 2 / 3		Required
3.8.6 Rules for repeat order system limit an increase in contract value to no more than 25% with proper justification.	0 / 1 / 2 / 3		Required
MINIMUM SCORE FOR CONTRACT AWARD	16		
ACTUAL SCORE CONTRACT AWARD			
3.9 Contract Administration			
3.9.1 A. manual or computerized procurement process and contract monitoring is carried out (i.e. , monitoring of direct and indirect product costs, receipt monitoring [damage], quality monitoring, monitoring of adherence to delivery schedules, complaint monitoring).	0 / 1 / 2 / 3		Verify that there is an SOP for supplier performance monitoring. Request that the agency provide examples of companies issuing a complaint, and verify that the complaint and action taken is documented.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.9.2 The normal time lapse from invoice submission to final payment indicates that payment is generally made on time.	0 / 1 / 2 / 3		Randomly select three awards and determine if payment is made in accordance with contract term.
3.9.3 Contract changes or variations are not permitted after award, unless they are in line with the provisions of contract.	0 / 3 <i>M</i>		Required
3.9.4 Supplier claims are handled fairly and in accordance with contract terms.	0 / 1 / 2 / 3		Required; review the complaints register.
3.9.4.1 Procuring entities normally make a good faith effort to resolve disagreements through informal negotiations, if it is permitted as per the dispute resolution procedure included in the contract.	0 / 1 / 2 / 3		Determine, if possible, the number of disagreements handled by formal negotiation or arbitration.
3.9.4.2 If informal negotiations fail, there are established formal arbitration procedures which are described in the contract	0 / 1 / 2 / 3		Document the procedures.
3.9.5 Contracts are completed on schedule and within the approved contract price.	0 / 1 / 2 / 3		Review three randomly selected contracts and verify adherence.
3.9.6 Rejection of goods due to substandard quality are referred to the Drug Control Authority for disposition.	0 / 1 / 2 / 3		Required
3.9.6.1 Contract terms include rejection of goods with compensation and/or blacklisting of supplier if evaluation findings of product complaint(s) received from an end user reveals a defective/ substandard product (confirmed by Drug Control Authority).	0 / 1 / 2 / 3		There is a product complaints registry or equivalent and review of records reveal that complaints are handled promptly (i.e., within 30 days) and disposition of complaint is recorded; all complaints are thoroughly investigated as evidenced by a written record and reported to the Drug Control Authority for further evaluation and disposition.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
3.9.7 There shall be a formal contract closing procedure.	0 / 1 / 2 / 3		Written procedure is available.
MINIMUM SCORE FOR CONTRACT ADMINISTRATION	21		
ACTUAL SCORE CONTRACT ADMINISTRATION			
MINIMUM TOTAL SCORE FOR PROCUREMENT CYCLE MANAGEMENT	175		
ACTUAL TOTAL SCORE FOR PROCUREMENT CYCLE MANAGEMENT			
4.0 Support and Control Systems			
4.1 Internal and external auditing arrangements are in place and established and overall audit plan is available that describes audit goals, schedules, staffing, and reporting; audit reports are available for inspection (and are preferably published on the website).	0 / 1 / 2 / 3		Audit plan is available; internal and external audits take place.
4.1.1 Internal audits include at a minimum: (1) operational audits (e.g., compliance with procurement policies and procedures), (2) financial audits (e.g., review of agency's financial statements to determine whether financial statements fairly present the financial position as of a certain date), and (3) information technology audits (assess the controls, accuracy, and integrity of an institution's electronic data processing and computer areas).	0 / 1 / 2 / 3		Document the level of adherence. Assess point value as follows: Completely compliant for all three audit types = 3; substantially compliant for all three audit types = 2; some compliance for one or more audit types = 1 point; noncompliant for any type of audit = 0 points.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
4.1.2 Audit reports contain a concise summary of key results and conclusions, including identification of root causes of significant weaknesses, audit scope and objectives, detailed audit results, recommendations (if any), and management's commitments to correct material weaknesses.	0 / 1 / 2 / 3		Document the level of adherence
4.1.2.1 When audit recommendations are provided, appropriate action(s) are taken and recorded. There is demonstrated support from senior management/board on resolution of audit findings. Audit committee at Board level (headed by an independent director) is also desirable.	0 / 1 / 2 / 3		Document the level of adherence.
4.1.2.2 An external audit program performed by an outside independent auditor provides a financial statement audit, substantiation of internal controls over financial reporting, or other external audit procedures.	0 / 1 / 2 / 3		Document the level of adherence.
4.1.2.3 Procurement audits shall be carried out by the Accountant General's office or contracted third party. A copy of all audits is maintained in the agency office and is available for public inspection unless otherwise specified by the auditing authority.	0 / 1 / 2 / 3		Document the level of adherence.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
4.2 Internal auditors are independent of activities they audit and possess necessary knowledge and skill to successfully implement the audit program in a proficient and professional manner. Internal audits shall encompass compliance with financial, procurement, and information technology procedures.	0 / 3 <i>M</i>		Required
4.3 The agency shall demonstrate that it has made arrangement for access to quality legal advice and input.	0 / 1 / 2 / 3		Agency shall have an attorney of record.
MINIMUM TOTAL SCORE FOR SUPPORT AND CONTROL SYSTEMS	17		
ACTUAL TOTAL SCORE FOR SUPPORT AND CONTROL SYSTEMS			
5.0 Record-Keeping			
5.1. The agency maintains a detailed contract award record for all competitive bids including (1) copies of all public advertisement, (2) the pre-qualification evaluation report, (3) bidding documents, (4) a record of any pre-bid meetings, (5) minutes of bid opening, (6) a bid evaluation report including reasons for acceptance and rejection of bids, (7) appeals against procedures or award recommendations, (8) a signed copy of the final contract, (9) performance and advance payment securities issued, and (10) cross references to pertinent files.	0 / 1 / 2 / 3		Obtain list of contract awards and randomly select three awards for review; document availability of these 10 documents as per standard.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
5.2 Contract administration records are maintained and include at a minimum: (1) contractual notices issued by the supplier; (2) a detailed record of all change or variation orders issued affecting the scope, quantities, timing, or price of the contract; (3) records of invoice and payments; (4) progress reports; (5) certificates of inspection, acceptance, and completion; and (6) records of claims, disputes, and disputes outcome.	0 / 1 / 2 / 3		Review a minimum of three contract administration records; document the degree of adherence.
5.3 Periodic management reports are prepared summarizing overall procurement activities for a defined period of time (e.g., quarterly, semiannually, annually) and such reports are available for review.	0 / 1 / 2 / 3		Records are available.
5.4 A record of contract prices is maintained and the procurement unit regularly conducts periodic supplier market surveys or reviews available survey information (including international price reference sources) to update knowledge of product sources and prices for health sector goods.	0 / 1 / 2 / 3		Verify the contract price record is maintained; ensure that, at a minimum, prices can be easily retrieved.
5.5 Historical contract prices along with adjustment for subsequent changes are used to evaluate new bids.	0 / 1 / 2 / 3		To be determined from procurement policy and/or interview with personnel
MINIMUM SCORE FOR RECORD-KEEPING	10		
ACTUAL TOTAL SCORE FOR RECORD-KEEPING			

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
6.0 Human Resources and Personnel			
6.1 The procurement agency organization includes sufficient management-level and support positions for all key procurement functions: overall management (managing director or chief executive officer), financial, internal audit, contract administration and management, tender process (to issue, evaluate, and award), quality control, and management of administrative staff (i.e., management information systems and support staff). Reporting lines are clearly delineated (attach organizational chart).	0 / 1 / 2 / 3		There are offices, departments, committees, or technical experts to carry out the Agency mandate. There is a full-time managing director or equivalent and at least one employee is assigned to each key procurement function. (<i>Note:</i> Ensure that the same employee is not assigned to more than one key procurement function.)
6.1.1 Personnel responsible for specific procurement functions have written job descriptions describing their tasks and responsibilities and are familiar with applicable SOPs and policies (see 1.2.1). Staff is updated as to changes in rules and thresholds and other issues relevant to their assigned responsibilities.	0 / 1 / 2 / 3		Department includes minimum of five key staff where there is one lead for management of product specification, pre- or post-qualification, tender evaluation, quality assurance, and contract management. Review job descriptions and interview a minimum of three procurement employees to determine familiarity with SOPs; if there are no written SOPs, conduct interviews to determine employees' familiarity with job responsibilities and procurement thresholds.
6.1.2 For each category of commodity procurement (drugs, medical supplies / test kits, medical equipment, consumables), there is at least one employee or contracted outside consultant with requisite expertise to handle each respective commodity category undertaken by the agency.	0 / 1 / 2 / 3		Review employees' and consultants' CVs to determine background and experience and utilize interviews to confirm that the employee's or consultant's status is current; if the CV is not on file, probe for background and experience. Assessor shall include in comments any commodity categories not procured by the agency.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
6.1.3 For the volume of business, there are sufficient personnel who are appropriately trained, educated, and experienced to perform key activities including pre-qualification, quality assurance and management, finance and administration, procurement, and management information services.	0 / 1 / 2 / 3		There is no indication that procurement operations are impeded by lack of personnel (e.g., delays in awarding contracts, supplier complaints regarding contract management, or an unusual number of emergency procurements). If current staffing is insufficient to satisfy additional procurement volumes, assessor to determine agency flexibility to hire additional staff and provide compensation at market linked remuneration.
6.2 The pre- or post-qualification employee or office is independent from the purchasing employee or office and is carried out by a team of qualified personnel.	0 / 3 <i>M</i>		Required
6.3 The product evaluation employee or office is independent from manufacturer inspection employee office.	0 / 3 <i>M</i>		Product evaluation responsibilities include receipt of product information, screening and evaluation of product information, and communication of the results of product evaluation to the manufacturer.
6.4 An on-the-job training program or outside training exists for all staff for promotion of professional development.	0 / 1 / 2 / 3		Based upon interviews with employees, determine if such programs fit one of the following categories: well-organized, somewhat available, occasional training provided, or no training provided.
6.5 Procurement staff is experienced in international procurement, if they handle global tendering.	0 / 1 / 2 / 3		Determine the level of experience (i.e., highly experienced, moderate, little, none).
6.6 Procurement staff and other staff have training or exposure in detecting indicators of fraud and corruption/collusion in the procurement process	0 / 1 / 2 / 3		Determine the level of expertise (i.e., highly experienced, moderate, little, none).

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
MINIMUM TOTAL SCORE FOR HUMAN RESOURCES AND PERSONNEL	20		
ACTUAL TOTAL SCORE FOR HUMAN RESOURCES AND PERSONNEL			
7.0 General Risk Assessment			
7.1 The agency shall be able to demonstrate that they have taken steps to curb or control corruption (i.e., employees sign conflict of interest statements and provide annual returns of assets held by them).	0 / 1 / 2 / 3		Declaration of interest and code of ethics or conduct are in place. Interviews with a minimum of three key employees directly involved with procurement reveal that there is a mechanism to report corrupt activities and that there is no fear of repercussion should anyone do so. Declaration of Interest form is available and inspectors or evaluators have a current, signed declaration on file (assessor to verify) stating that no real, potential, or apparent conflict of interest situations are known to them and that have disclosed if they have a financial or other interest in and/or relationship with parties who may have vested commercial interest in obtaining access to any confidential information disclosed to them.
7.1.1 The agency includes in its bid documents and contracts a provision describing steps that will be taken in the event of confirmed attempt of bribery or corrupt practice by a contractor or agency employee.	0 / 1 / 2 / 3		Review bid documents for contract terms concerning bribery or corrupt practice.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
7.1.2 There are no unreasonable supplier disqualifications and/or noncompliance notices issued.	0 / 1 / 2 / 3		Request a list of manufacturers that have been disqualified from consideration of bid or to whom a notice of noncompliance has been issued. Review the records, and document reason(s) for disqualification or noncompliance. Are they trivial? Are they authorized by competent authority in the agency?
7.1.3 Agency analyzes individual supplier bids for similarities in bid language, bid rotation, and/or prices to other bidders.	0 / 1 / 2 / 3		Agency tender analysis SOP discusses analysis of bids for similarities in language and/or price. If no written policy exists, determine from interviews with at least two members of tender evaluation committee that this is a consideration. Review three manufacturer bid proposals for the same tender (look at three tenders), and determine if similarities in language or price.
7.1.4 Contract prices do not normally exceed agency estimates.	0 / 1 / 2 / 3		For 10 randomly selected contract prices, compare price to estimate. If the contract price far exceeds the estimate, it may be evidence of profiteering and corruption or lack of skills or information for preparing estimates.
7.2 Procurement staff members are held in high regard within the agency.	0 / 1 / 2 / 3		Base this evaluation upon private sector interviews.
7.3 Powers related to procurement are clearly delegated to the agency carrying out the procurement process, and procurement procedures are clearly defined.	0 / 1 / 2 / 3		Written policy and procedures are available; if not written, personnel are aware of where powers are delegated.

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
7.4 The agency operates independently and is not required to consult/seek guidance from state government in its day-to-day operation.	0 / 1 / 2 / 3		The agency has operational policies that do not require or include state government approval (except for contract award or if the state has not authorized an independent procurement agency).
7.4.1 Any violation that comes to the attention of the agency or government is promptly investigated and recorded, and a public record of the complaint and disposition is maintained.	0 / 1 / 2 / 3		A procedure is in place for handling bidder, contractor, or supplier representations or complaints before or after contract award. All complaints whether settled informally or formally are documented.
7.4.1.1 A complaints registry exists within the agency.	0 / 1 / 2 / 3		There is an easily retrievable complaints registry or equivalent and review of records reveals that complaints are handled promptly (i.e., within 30 days); dispensation of the complaint is recorded. All bidder, contractor, or supplier complaints are recorded in the registry
7.5 There is a mechanism in place that allows for reporting of bribes and solicitation or extortion by procurement officials.	0 / 1 / 2 / 3		A "whistle blowing" policy or equivalent is available.
7.6 If the agency has previous experience of handling procurement on behalf of Principal, no or only minor issues have been documented with regard to timeliness, transparency, misprocurement, incidence of complaint, or reversal of decisions by the Principal	0 / 3 <i>M</i>		Review previous Principal funded procurements (three, if possible) for a record of complaints.
MINIMUM TOTAL SCORE FOR GENERAL RISK ASSESSMENT	25		

Standard	Compliance Rating	Assessor Observations/Comments	Instructions for Assessor
ACTUAL TOTAL SCORE FOR GENERAL RISK ASSESSMENT			
8.0 Supplier perception assessment			
8.1 The agency procurement system is viewed as generally efficient and predictable.	0 / 1 / 2 / 3		Base the evaluation on interviews with at least 10 private sector organizations that have been successful and unsuccessful in obtaining awards from the agency.
8.2 The procurement process is transparent in all regards.	0 / 1 / 2 / 3		
8.3 Contract management is straightforward and understandable, and the agency has a record of releasing payment within the time period stipulated in the contract.	0 / 1 / 2 / 3		Interviews with private sector organizations confirm that contract management is reasonable, and a review of contract records reveals that payments are made as stipulated in the contract.
8.4 The agency is viewed as free of corruption.	0 / 1 / 2 / 3		
MINIMUM TOTAL SCORE FOR SUPPLIER PERCEPTION ASSESSMENT	8		
ACTUAL SCORE FOR PRIVATE SUPPLIER PERCEPTION ASSESSMENT			
MINIMUM ASSESSMENT TOTAL SCORE	344		
ACTUAL ASSESSMENT TOTAL SCORE			

Note:

- 1) There is a possibility that an agency does not presently procure medicines (and vice versa equipment, nonmedical supplies, or medical supplies and test kits) or that an agency utilizes only a particular procurement method (e.g., national tender or limited tender). In such circumstances, the standards that are not applicable should not be assessed, and for each standard not assessed, 2 points should be deducted from the total minimum required score.

- 2) *Standards where scoring appears with the symbol **M** are mandatory (total compliance required either during assessment or agreement to comply with the same in the Action Plan to be prepared to address the areas of weakness)*

Recommended Reading for Assessors

1. World Health Organization. 2006. Annex: A Model Quality Assurance System For Procurement Agencies. In *Recommendations for Quality Assurance Systems Focusing on Prequalification of Products and Manufacturers, Purchasing, Storage and Distribution of Products*. WHO Technical Report Series, No. 937. Geneva: WHO.
2. World Health Organization. 2003. Annex 6: Procedure for Assessing the Acceptability. In *Principle, of Procurement Agencies for use By United Nations Agencies*, Technical Report Series, No. 917. Geneva: WHO.
3. World Bank. 2002. *Revised Country Assessment Procurement Report Procedures (CPARs), May 2002*. Washington, DC: The World Bank.
4. Union and state government's procurement legislations, rules and manuals – particularly for the state where the agency being assessed is located - various