

October 4, 2023

Request for Proposals # 465.002
In-Country Distribution of Health Commodities – Lusaka-origin

Dear Sir or Madam,

Chemonics International, Inc. (hereinafter referred to as “Chemonics”), under the USAID Program for Advancing Supply Chain Outcomes (PASCO), with USAID Contract Number 72061123C00001, is issuing a Request for Proposals (RFP) for the provision of distribution services for public health commodities in Zambia. The attached RFP, below, contains all the necessary information for interested Offerors.

The purpose of this RFP is to seek proposals from offerors for the provision of distribution services of Zambia’s Ministry of Health (MOH) health commodities between Zambia Medicines and Medical Supplies Agency (ZAMMSA) in Lusaka to hubs, district health offices, and health facilities.

Offerors may have additional questions after reading this RFP. Interested Offerors can submit questions by email to zmb-pasco-3pl-procurement@chemonics.com. If necessary, Chemonics will circulate answers and clarifications to all RFP recipients who have indicated an interest in this RFP.

This RFP does not obligate Chemonics to execute a subcontract, nor does it commit Chemonics to pay any costs incurred in the preparation and submission of the proposals. Furthermore, Chemonics reserves the right to reject any and all offers, if such action is considered to be in the best interest of Chemonics.

The following calendar summarizes important dates in the solicitation process. Offerors must strictly follow these deadlines.

RFP published	October 4, 2023
Deadline for written questions	October 11, 2023
Proposal conference pre-registration deadline	October 11, 2023
Proposal conference	October 12, 2023
Answers provided to questions/clarifications	October 16, 2023
Proposal due date	November 1, 2023
Pre-selected companies / competitive range(estimated)	November 13, 2023
Fleet evaluation (estimated)	November 20, 2023
Subcontract Award/s Notification (estimated)	December 1, 2023

The dates above may be modified at the sole discretion of Chemonics. Any relevant and significant changes will be published in an amendment to this RFP.

Sincerely,

Shane McGee

Chief of Party
 Chemonics International, Inc.
USAID Program for Advancing Supply Chain Outcomes (PASCO)

Request for Proposals (RFP)

RFP # 465.002

For the provision of

In-Country Distribution of Health Commodities – Lusaka-origin

Contracting Entity:
Chemonics International, Inc.

Funded by:
United States Agency for International Development (USAID)

Funded under:
USAID Program for Advancing Supply Chain Outcomes (PASCO)

Contract Number 72061123C00001

******* ETHICAL AND BUSINESS CONDUCT REQUIREMENTS *******

Chemonics is committed to integrity in procurement, and only selects suppliers based on objective business criteria such as price and technical merit. Chemonics expects suppliers to comply with our Standards of Business Conduct, available at <http://www.chemonics.com/OurStory/OurMissionAndValues/Pages/default.aspx>.

Chemonics does not tolerate fraud, collusion among offerors, falsified proposals/bids, bribery, or kickbacks. Any firm or individual violating these standards will be disqualified from this procurement, barred from future procurement opportunities, and may be reported to both USAID and the Office of the Inspector General.

Employees and agents of Chemonics are strictly prohibited from asking for or accepting any money, fee, commission, credit, gift, gratuity, object of value or compensation from current or potential vendors or suppliers in exchange for or as a reward for business. Employees and agents engaging in this conduct are subject to termination and will be reported to USAID and the Office of the Inspector General. In addition, Chemonics will inform USAID and the Office of the Inspector General of any supplier offers of money, fee, commission, credit, gift, gratuity, object of value or compensation to obtain business.

Offerors responding to this RFP must include the following as part of the proposal submission:

- Disclose any close, familial, or financial relationships with Chemonics or project staff. For example, if an offeror's cousin is employed by the project, the offeror must state this.
- Disclose any family or financial relationship with other offerors submitting proposals. For example, if the offeror's father owns a company that is submitting another proposal, the offeror must state this.
- Certify that the prices in the offer have been arrived at independently, without any consultation, communication, or agreement with any other offeror or competitor for the purpose of restricting competition.
- Certify that all information in the proposal and all supporting documentation are authentic and accurate.
- Certify understanding and agreement to Chemonics' prohibitions against fraud, bribery and kickbacks.

Please contact smcgee@zambiapasco.org with any questions or concerns regarding the above information or to report any potential violations. Potential violations may also be reported directly to Chemonics at BusinessConduct@chemonics.com or by phone/Skype at 888.955.6881.

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List of Acronyms

CFR	Code of Federal Regulations
COP	Chief of Party
ePOD	Electronic Proof of Delivery
FAR	Federal Acquisition Regulations
GDP	Good Distribution Practices
GIS	Geographic Information System
GPS	Global Positioning System
IQS	Indefinite Quantity Subcontract
KPI	Key Performance Indicator
MOH	Ministry of Health
MS	Microsoft
NGO	Non-governmental Organization
PASCO	Program for Advancing Supply Chain Outcomes
PO	Purchase Order
POD	Proof of Delivery
RFP	Request for Proposals
SDP	Service Delivery Point
SMS	Short Message Service
SOP	Standard Operating Procedure
SOW	Scope of Work
SUV	Sports Utility Vehicle
UEI	Unique Entity Identifier
USAID	United States Agency for International Development
USD	United States Dollar
USG	United States Government
VAT	Value Added Tax
WHO	World Health Organization
ZAMMSA	Zambia Medicines and Medical Supplies Agency
ZAMRA	Zambia Medicines Regulatory Authority
ZMW	Zambian Kwacha
ZRA	Zambian Revenue Authority

Section I. Instructions to Offerors

I.1. Introduction

Chemonics, under the USAID Program for Advancing Supply Chain Outcomes (PASCO), with USAID Contract Number 72061123C00001, is soliciting offers from companies and organizations to submit proposals for the provision of last mile distribution services of Zambia’s Ministry of Health (MOH) health commodities (excluding cold chain commodities requiring refrigerated vehicles) between Zambia Medicines and Medical Supplies Agency (ZAMMSA) in Lusaka to ZAMMSA hubs, district health offices, and health facilities. More information on the purpose of USAID PASCO, its operations in country, and specifics of the services being requested can be found in Section II Background, Scope of Work, Deliverables, and Reports.

Offerors are invited to submit proposals in response to this RFP in accordance with **Section I Instructions to Offerors**, which will not be part of the subcontract. The instructions are intended to assist interested Offerors in the preparation of their offer. Any resulting subcontract will be guided by Section II and III.

Chemonics anticipates issuing awards for the below zones of operation to multiple offerors who provide the best and most comprehensive solution to the scope of work for a reasonable cost.

Central Zone #	Origin / Point of Dispatch	Destination / Recipient
1	ZAMMSA central warehouse complex in Lusaka	(i) Bulk deliveries to hubs, district health offices, and high-volume sites throughout the country. (ii) Direct and multi-drop destinations to district health offices and health facilities in/near Lusaka Province and Central Province.

Illustrative details of the above table, with historical average volumes, vehicle sizes, and facilities services (to include available GIS and facility codes), can be found in Annex 03, Historical 3PL Data and Site List.

Awards will be in the form of multiple Indefinite Quantity Subcontracts (IQS) under which fixed pricing and terms will be established for the duration of the IQS. Under each IQS, Chemonics, at its discretion, anticipates issuing multiple firm fixed price Purchase Orders (POs) to procure distribution services. During implementation of the work solicited in this RFP, the IQS instrument will serve as the governing subcontract for the work and relationship between Chemonics and the winning Subcontractors, while the PO instrument will be used by Chemonics to order work from the IQS-holders as needed based on fixed rates (with a variable component for fuel for deliveries based on ‘per km’ pricing). Chemonics anticipates having a primary and secondary vendor for this zone, with a split in order volume of approximately 60% and 40% respectively between the primary and secondary vendor. Successful offerors will be required to ensure a minimum of 50%-75% of order lines are serviced using directly-owned fleet during implementation.

The successful Offeror(s) shall be required to adhere to the statement of work and terms and conditions of the IQS, which are incorporated in Section II Background, Scope of Work, Deliverables, and Reports and Section III Indefinite Quantity Subcontract.

The time period for the delivery of distribution services under resulting IQSs will last for one year, from approximately December 15, 2023 to November 14, 2024, with an optional one year extension period. Chemonics may choose to extend the time period at its sole discretion.

The total maximum value of this procurement (all IQSs combined) for the base period of performance is not expected to exceed **ZMW 23,400,000**.

The IQS will establish fixed price per kilometer rates for different vehicle types, with fuel included as a variable rate. For more information on pricing and how it will be included in POs, refer to section B.3 Cost Proposal and Annex 2 Guide to Creating Cost Proposal and Establishing Budget.

Payment terms under any resulting IQS will be within ten (10) business days after both a) Chemonics' approval of the Subcontractor's deliverables, and b) Chemonics' receipt of the Subcontractor's valid invoice. Invoicing shall be made in Zambia Kwacha.

Any IQSs resulting from this award are envisioned to be via tripartite agreements between Chemonics, ZAMMSA, and the awardee. Under this arrangement, management of the subcontract is shared between Chemonics and ZAMMSA, with invoicing and payment managed by Chemonics.

Please note that, all other factors being equal, local organizations with a documented regional presence in the zone of operation will be given preference. Additionally, local women-owned businesses are strongly encouraged to submit offers.

This RFP does not obligate Chemonics to execute a subcontract nor does it commit Chemonics to pay any costs incurred in the preparation and submission of the proposals. Furthermore, Chemonics reserves the right to reject any and all offers, if such action is considered to be in the best interest of Chemonics.

Unless otherwise stated, the periods named in the RFP shall be consecutive calendar days.

I.2. Offer Deadline

Offerors shall submit their offers electronically, by email, only.

Emailed offers must be submitted and received no later than 17:00 hrs on November 1, 2023 at the following email address: zmb-pasco-3pl-procurement@chemonics.com

Offerors are responsible for ensuring that their offers are received in accordance with the instructions stated herein. Late offers may be considered at the discretion of Chemonics. Chemonics cannot guarantee that late offers will be considered. For all deadlines related to this RFP, see Section I.6 Chronological List of Proposal Events.

I.3. Submission of Offers

Offerors are responsible for ensuring their proposals are received by Chemonics by the deadline stated in Section I.2.

A. Instructions for the Submission of Electronic Copies

Separate technical and cost proposals must be submitted by email to the point of contact and email address by no later than the time and date specified in I.2 Offer Deadline.

The Offeror must submit the proposal electronically with up to three (3) attachments (5 MB limit per attachment) per email compatible with MS Word, MS Excel, readable format, or Adobe Portable Document (PDF) format in a Microsoft XP environment. Offerors must submit a separate cover email without any

attachments to delineate quantity and content of emails to expect with attachments, for clarity of submission. Offerors must not submit zipped files. Those pages requiring original signatures should be signed by using e-signatures.

The technical proposal and cost proposal must be kept separate from each other. Technical proposals must not make reference to pricing data in order that the technical evaluation may be made strictly on the basis of technical merit.

I.4. Requirements

To be determined responsive, an offer must include all of the documents and sections included in I.4.A and I.4.B.

A. General Requirements

Chemonics anticipates issuing multiple subcontracts to Zambian or international companies or organizations, provided they are legally registered and recognized under the laws of Zambia and are in compliance with all applicable civil, fiscal, and other applicable regulations. Such a company or organization could include a private firm, non-profit, or civil society organization. Companies and organizations that submit proposals in response to this RFP must meet the following requirements:

- (i) Companies or organizations, whether for-profit or non-profit, must be legally registered under the laws of Zambia prior to submitting on Offer.
- (ii) Firms operated as commercial companies or other organizations or enterprises (including non-profit organizations) in which foreign governments or their agents or agencies have a controlling interest are not eligible as suppliers of commodities and services.
- (iii) Companies or organizations must have a preexisting local presence in Zambia.
- (iv) Companies or organizations, whether for-profit or non-profit, shall be requested to provide a UEI number if selected to receive a subaward valued at USD \$30,000 or more, unless exempted in accordance with information certified in the Evidence of Responsibility form included in the required certifications in Annex 4.

Offerors may present their proposals as a member of a partnership with other companies or organizations. In such cases, the subcontract will be awarded to the lead company in the partnership. The leading company shall be responsible for compliance with all subcontract terms and conditions and making all partnership arrangements, including but not limited to division of labor, invoicing, etc., with the other company(ies). A legally registered partnership is not necessary for these purposes; however the different organizations must be committed to work together in the fulfillment of the subcontract terms.

B. Required Proposal Documents

1. Cover Letter

A sample cover letter is provided in Annex 1 of this RFP. The offeror's cover letter shall include the following information:

- i. Name of the company or organization
- ii. Name and signature of authorized representative
- iii. Type of company or organization
- iv. Address
- v. Telephone

- vi. E-mail
- vii. Full names of members of the Board of Directors and Legal Representative (as appropriate)
- viii. Taxpayer Identification Number
- ix. UEI Number
- x. Official bank account information
- xi. Other required documents that shall be included as attachments to the cover letter:
 - a) Copy of registration or incorporation in the public registry, or equivalent document from the government office where the offeror is registered.
 - b) Copy of company tax registration, or equivalent document.
 - c) Copy of trade license, or equivalent document.
 - d) Evidence of Responsibility Statement, whereby the offeror certifies that it has sufficient financial, technical, and managerial resources to complete the activity described in the scope of work, or the ability to obtain such resources. This statement is required by the Federal Acquisition Regulations in 9.104-1. A template is provided in Annex 4 Required Certifications.
 - e) Applicable documents listed in I.4.A.
 - f) Recent financial statements that verify that the organization has sufficient operating capital to undertake the work outlined in its Offer.

At its discretion, Chemonics may request other documents from an offeror to validate elements of the offeror's proposal or to support the offeror's claim of meeting the requirements set forth under I.4.A above.

2. Technical Proposal

Offerors must prepare and submit a technical proposal. The technical proposal shall comprise the following three parts:

- Part 1: Technical Approach. This part shall be between 5 and 15 pages long, but may not exceed 15 pages. Part 1 includes the following sub-sections:
 - a. Approach and Methodology: The Offeror should provide a presentation of their strategy and approach to the scope of work described in II.2. Technical proposals should highlight components of the approach including details of the offeror's response to the specific transportation services responsibilities under the scope of work and the resources, technical expertise and equipment which will be utilized to meet the required transportation deliverables detailed under the scope of work of this RFP solicitation during implementation of the proposed subcontract.

The technical approach should demonstrate that offerors can adhere to the KPI targets delineated in the draft IQS and in Annex 14 "Sample KPIs".

- b. Fleet Size, Quality, Variety, and Ownership: This part must include details on the total number, variety, and adequacy of vehicles in Offeror's fleet (with vehicles of varying size that meet the specifications included in the RFP). The total number should note which vehicles are owned and leased/rented. **Note that Offeror's will be required to document that they can meet requirements for a minimum of 50% of order lines for zones of operation being serviced using directly owned fleet, with Chemonics reserving the right to request up to 75% during the period of performance. Documentation can reference currently owned fleet or documentation of financial capacity to procure vehicles to adhere to this requirement prior to any resulting award.** Whether fleet is owned or leased/rented, the offeror is responsible for the entirety of the scope of work, including but not limited to, management, quality assurance, vehicle insurance coverage, deliverables, and reporting. The Offeror should review Section III Indefinite Quantity Subcontract (Terms and Clauses), Section J for insurance coverage

requirements. The Offeror's vehicles should at a minimum comply with all of the standards provided under Annex 7 Daily Vehicle Inspection Checklist and PASCO Vehicle Inspection Checklist.

- i. *Requirements when vehicles are owned.* Chemonics' preference is that Offerors shall use their own fleet to transport commodities (**minimum of 50% of order lines requiring directly-owned fleet during implementation, with Chemonics reserving the right to request up to 75% during the period of performance**), and in that case, must provide proof of fleet ownership (e.g. title and registration) or proof of financial capacity to meet fleet requirements.
- ii. *Requirements when vehicles are leased/rented.* Taking into account the 50-75% threshold above, offerors may use leased or rented vehicles to transport commodities if proper justification is provided within offeror's proposal. Offerors must include justification and specify the company or mechanism they plan to use to carry out the leasing/renting arrangement, the number of vehicles, variety of vehicles, and adequacy of vehicles in that company's fleet. Offeror should demonstrate that they are able to lease or rent a fleet (e.g. Offeror must demonstrate ability and capacity to lease, rent, or otherwise secure fleet in compliance with WHO distribution standards with limited lead time).
- iii. Offerors will be required to demonstrate that they can adhere to advance/pre-clearance inspection processes for vehicles and drivers as outlined in the technical scope of work and in Annex 07.

The fleet size and details should demonstrate that offerors can adhere to the KPI targets delineated in the draft IQS and in Annex 14 "Sample KPIs".

- c. Cold-chain Distribution Capacity and Protocols: Refrigerated vehicles will not be required for the purpose of this RFP. However, the offeror may be required to handle temperature controlled boxes packed and secured by ZAMMSA with temperature monitoring devices also provided by ZAMMSA. The offeror should discuss its experience in handling temperature controlled boxes and/or commodities and temperature monitoring devices and protocols for monitoring the temperature of commodities while in-transit.
- d. Capability for In-Transit Tracking: The offeror must describe the offeror's capability for real-time in-transit tracking. Chemonics' preference is that offerors should use Global Positioning (GPS) tracking devices for in-transit tracking, and the capacity to provide route-tracking documentation to PASCO to verify and validate the specific route taken by any given vehicle that is tasked with delivering PASCO commodities. If GPS tracking data is not available, offeror shall provide an adequate solution for vehicle tracking, for example detailed vehicle and phone/SMS/GPS location logs using smart phone maps, which shall be provided to PASCO upon request. The offeror should include the number of vehicles in its possession or that shall be used in this scope of work which carry GPS tracking equipment. Offeror shall provide time-stamped route-tracking and route-validation documentation to PASCO, upon request. Chemonics may confirm the offeror's proposal with the fleet-evaluation event. **Note that, upon award, Chemonics may instead require that Offerors adhere to protocol for GPS tracking undertaken by Chemonics, based on devices or equipment provided to vendors on a custodial basis by either ZAMMSA or Chemonics.*
- e. Standard Operating Procedures for Security of Commodities: The offeror shall summarize its standard operating procedures (SOP) that address the full range of security issues related to distribution and the operating environment to assure the quality, security and integrity of the health commodities being transported. Such issues include, but are not limited to, appropriate

vehicle and equipment selection and maintenance (e.g. locks, security seals, alarm systems), preventing unauthorized access to and theft or misappropriation of health commodities, operating procedures while commodities are in-transit, selecting delivery routes and re-routing as conditions change or concerns arise, and incident management and reporting. The SOPs should comply with World Health Organization (WHO) Good Distribution Practices, provided under Annexes 8 through 11 and found on the WHO website [qas19_793_good_storage_and_distribution_practices_may_2019.pdf](https://www.who.int/qas/9793/good-storage-and-distribution-practices-may-2019.pdf) (who.int). Alternatively, if the offeror is compliant with country standards and best practices, offeror should submit those for consideration. In addition to summarizing SOPs, the Offeror shall submit documented SOPs with its proposal. These SOPs will not count toward the page limit of the technical approach for this RFP.

- f. Standard Operating Procedures for Cold and Non-Cold Chain: The offeror is required to summarize the offeror's established SOPs for transportation of pharmaceuticals and temperature-controlled commodities. The offeror's SOP should comply with the standards provided under Annexes 8 through 11 and with the link in the above bullet e. Standard Operating Procedures for Security of Commodities. Alternatively, if the offeror is compliant with country standards and best practices (i.e. ZAMRA Good Distribution Practices), offeror should submit those for consideration. In addition to summarizing SOPs, the Offeror shall submit copies of documented SOPs with its proposal. These SOPs will not count toward the page limit of the technical approach for this RFP.
- g. Gender - The Offeror shall provide an overview of its approach to gender, along with key considerations/strategies that it would factor into implementation of any subsequent award to ensure that issues of gender inequity that exist at a global level are considered within the Offeror's organization and implementation of activities. If the Offeror has a documented gender strategy, the Offeror may also submit the strategy as a stand-alone document alongside its other SOPs. Submission of a gender strategy would not count toward the 15-page limit for the technical approach.

Part 2: Management, Key Personnel, and Staffing Plan. This part shall be between 2 and 5 pages long, but may not exceed 5 pages.

Offerors shall provide a detailed organogram of staff, with names (can use "to-be-determined" (TBD), if appropriate), titles, and physical location of personnel to be assigned to the implementation of the subcontract. Offerors shall also provide a list of focal points, with phone numbers and other contact information, who will be the direct contacts under the subcontract and provide each focal point's direct supervisor's name, title, and contact information. There should be an adequate number of qualified personnel to achieve pharmaceutical quality assurance objectives. Qualification of all personnel must be in line with national regulations, including drivers who possess valid and appropriate driver's licenses.

Note that successful offerors will be required to have at least one distribution/logistics manager based full-time at ZAMMSA , to ensure harmonization of distribution planning and operations. ZAMMSA shall be responsible for providing adequate seating.

The offeror shall provide a one paragraph job description, relevant to the scope of work, for each of the positions within the distribution organization. The offeror shall provide the CVs of staff who will be assigned to key positions, in the subcontract, and CVs of the management personnel which shall be included in an annex to the technical proposal and will not count against the page limit. Key positions are as follows, but offeror may modify per their organigram. The selected subcontractor(s) will be

required to seek Chemonics' consent to replace any designated key personnel under the future awarded IQS or POs.

Key positions:

- Supervisor
- Transport Manager
- Account Manager
- Distribution/Logistics Manager (to be based full-time at ZAMMSA point of origin)

Additional core positions may include, but not required:

- Dispatch Personnel
- Safety, Health, Environmental & Quality (SHEQ) Manager

- Part 3: Corporate Capabilities, Experience, and Past Performance. This part shall be between 2 and 5 pages long, but may not exceed 5 pages.

Part 3 must include a description of the company and organization, with appropriate reference to any parent company and subsidiaries. Offerors must include details demonstrating their experience and technical ability in implementing the Scope of Work in Part II.2 and Deliverables in Part II.4 (below). Offerors must also present their experience storing, transporting and handling health commodities. Offerors should demonstrate in its proposal a clear record of ensuring adequate funds are available for disbursement for high value bulk transactions. Additionally, offerors must include three (3) recent past performance references of similar work (under contracts or subcontracts) previously implemented as well as contact information for the companies for which such work was completed. Contact information must include at a minimum: name of point of contact who can speak to the offeror's performance, name and address of the company for which the work was performed, and email and phone number of the point of contact. Offerors with experience providing services using US government (USG), USAID, or for humanitarian entities should include this in their past performance and references. The Offeror shall use the Past Performance Template included in Annex 5.

Chemonics reserves the right to check additional references not provided by an offeror.

The sections of the technical proposal stated above must respond to the detailed information set out in Section II of this RFP, which provides the background, states the scope of work, describes the required deliverables of the selected subcontractor, and provides a deliverables schedule.

3. Cost Proposal

Offerors must prepare and submit a cost proposal to Chemonics. The cost proposal, and prices contained therein, will be used by Chemonics to determine which proposals represent the best value and serve as a basis of negotiation before Chemonics awards a subcontract(s). Offerors are strongly encouraged to propose their best and most competitive prices for distribution services.

The maximum aggregate value of all Purchase Orders (POs) awarded to the selected subcontractor(s) under all IQSs for the fixed initial duration of one year, or base period, is not expected to exceed **ZMW 23,400,000**.

The total value of individual POs solicited or issued under each IQS will depend on the level of work and/or nature of the deliverables required by Chemonics during the period of the IQS. The IQS shall include all-inclusive fixed unit prices ("rates") for distance and variable rates for fuel. The fixed unit rates are valid for the entirety of the period of performance of the proposed subcontract, whereas the variable fuel rates

will be updated monthly to reflect nationally standardized rates as determined by the Energy Regulation Board.

The offerors' cost proposal shall consist of the following three parts:

Part 1: Price of Services

Offerors must prepare and present to Chemonics a table showing their best proposed prices per km per vehicle size (as described in the table under Annex 2) for evaluation. A list of historically serviced sites can be found in Annex 03 Historical 3PL Usage and Site List. And Annex 03 Fact Sheet.

Chemonics intends to make awards to a minimum of two Offerors, should such awards be advantageous to the PASCO project. Any award(s) will be made to the responsible offeror(s) whose offer(s) has/have been determined to be most advantageous to Chemonics as defined by the evaluation criteria.

Fixed costs proposed should be inclusive of all associated costs, including but not limited to any required reverse logistics to the point of origin and any personnel costs, as described in Section II of this RFP, with fuel broken out as a variable rate as stipulated in Annex 2.

The offeror's fixed prices should include all of the offeror's organizational costs to meet the specified operations. No profit, fees, taxes, labor or any other additional costs can be added after award. All cost information must be expressed in Zambian Kwacha (ZMW). At the award stage, after evaluation is complete, a successful offeror's prices will be established as fixed prices in an IQS between Chemonics and the winning offeror(s). Chemonics will thereafter, at its sole discretion, order from the IQS holders, using POs, at the fixed prices established in the IQS. As a result, offerors are strongly encouraged at this time to propose and submit their best, most realistic and reasonable prices in response to this RFP.

The Historical 3PL Data and Site List from Annex 3 should be referenced when the offeror creates the cost proposal, and the cost proposal must show clear responsiveness to Annex 3. Annex 3 provides historical data on routes serviced, to include deliveries, vehicle sizes, and volumetric data. The information in Annex 3 is to be considered illustrative for the purpose of this RFP. As the historical data is reviewed, please note that future iterations of this work as a result of this solicitation are expected to:

- Introduce different vehicle categories as compared to historical work, specifically segregating out two-wheel drive vs four-wheel drive SUVs and also providing an option for a 3.5 ton vehicle.
- Entail the provision of two vendors at each point of origin - a primary and secondary vendor - with a split in orders of approximately 60% and 40% respectively.

Because PASCO is a USAID-funded project and is implemented under a bilateral agreement between the Zambian Government and the U.S. Government, offerors must not include VAT and customs duties in their cost proposal. A VAT exemption certificate issued by the ZRA will be issued as needed to substantiate lack of payment of VAT.

Guidance on Budget Preparation: Offerors should read the entire Scope of Work as provided under Section II.2 of the RFP, assess its organizational costs based on the information provided there, and develop their budgets accordingly. In order to prepare a table of prices showing costs per vehicle type per kilometer (as requested in the sample tables under Annex 2), an offeror must first consider all of its organizational costs (perhaps in a different detailed budget) and then translate those costs into the sample table as provided under Annex 2 of this RFP. Chemonics will not provide technical assistance to offerors on budget

preparation. Chemonics expects offerors to consider all of their organizational costs by preparing their own detailed budgets separately, and to then translate the costs of the detailed budget into prices as requested in the sample price tables under Annex 2.

Offerors are not required to submit separate detailed budgets to Chemonics. Offerors are only required to submit tables containing prices in the format as provided in the samples under Annex 2, along with cost notes as requested under Part 2 below. However, Chemonics may at any time during the evaluation period, and at its sole discretion, require offerors to submit additional information to further assess and validate offerors' proposed prices for allowability, allocability, and reasonability.

Part 2: Cost Notes

Offerors must prepare and submit cost notes that explain the basis for all proposed prices. For example, the offeror should explain all of the various costs that are included in the price per kilometer per vehicle type, excluding the variable rate for fuel. The offeror shall also explain the range of variables considered in setting fixed pricing and any research done to assess and validate this information. If Chemonics at any time requests additional information from offerors to understand the offerors' proposed prices, the offerors must submit the additional information requested. The offeror's cost notes must provide sufficient detail to allow Chemonics to clearly see and understand the types of costs included in the offeror's proposed prices (such as vehicle insurance, goods-in-transit insurance, labor, maintenance, etc.).

Under no circumstances may cost information be included in the technical proposal. No cost information or any prices, whether for deliverables or line items, may be included in the technical proposal. Cost information must only be shown in the cost proposal.

Please find under Annex 2 a sample table for preparing your cost proposal.

I.5. Indefinite Quantity Type Subcontract and Future Purchase Orders (POs)

a) This IQS RFP will result in the award of one or more indefinite quantity type subcontract/s with Fixed Price POs issued thereunder priced on a firm fixed price basis based on the awarded zones. These POs will be issued as the need arises based on agreements with ZAMMSA's ordering of 3PL and routes defined by ZAMMSA and PASCO. The award of the IQS – including quantities of supplies and services specified under it - are estimates only and are not purchased by the awarded IQS.

A Fixed Price PO is a subcontract for services, reports, or other tangible deliverables provided to and accepted by Chemonics on behalf of **USAID PASCO**. As the name implies, the price of the PO is fixed, and it is not subject to any adjustment on the basis of the Subcontractor's cost experience in performing the work.

b) Delivery or performance shall be made only as authorized by POs issued in accordance with the Ordering Procedures contained within the IQS. The Subcontractor shall furnish to Chemonics, when and if ordered, the supplies or services specified in the SOW of any resulting subcontract up to and including the quantity designated in the combined IQSs as the "Maximum Subcontract Ceiling," currently estimated at **ZMW 23,400,000** for all IQSs. Chemonics will order at least the quantity of supplies or services designated in the subcontract as the "Minimum Order Guarantee," currently estimated at **ZMW 15,000**.

c) Except for any limitations on quantities in the PO Limitations clause, there is no limit on the number of POs that may be issued within a given IQS ceiling. Chemonics may issue POs requiring delivery to multiple destinations or performance at multiple locations based on distribution plans that will be shared with the vendor and will be annexed to each PO.

I.6. Source of Funding, Authorized Geographic Code, and Source and Origin

Any subcontract resulting from this RFP will be financed by USAID funding and will be subject to U.S. Government and USAID regulations.

All goods and services offered in response to this RFP or supplied under any resulting award must meet USAID Geographic Code 935 in accordance with the United States Code of Federal Regulations (CFR), 22 CFR §228, available at: <http://www.gpo.gov/fdsys/pkg/CFR-2012-title22-vol1/pdf/CFR-2012-title22-vol1-part228.pdf>.

The cooperating country for this RFP is Zambia.

Offerors may not offer or supply any products, commodities or related services that are manufactured or assembled in, shipped from, transported through, or otherwise involving any of the following countries: Cuba, Iran, North Korea, Syria. Related services include incidental services pertaining to any/all aspects of this work to be performed under a resulting contract (including transportation, fuel, lodging, meals, and communications expenses).

I.7. Chronological List of Proposal Events

The following calendar summarizes important dates in the solicitation process. Offerors must strictly follow these deadlines.

RFP published	October 4, 2023
Deadline for written questions	October 11, 2023
Proposal conference pre-registration deadline	October 11, 2023
Proposal conference	October 12, 2023
Answers provided to questions/clarifications	October 16, 2023
Proposal due date	November 1, 2023
Pre-selected companies / competitive range(estimated)	November 13, 2023
Fleet evaluation (estimated)	November 20, 2023
Subcontract Award/s (estimated)	December 1, 2023

The dates above may be modified at the sole discretion of Chemonics. Any relevant and significant changes will be published in an amendment to this RFP.

Proposal Conference. A proposal conference may be held virtually on the date provided in the above calendar table to provide interested offerors an opportunity to learn more about the USAID-funded PASCO project and to ask any questions about this RFP and the solicitation process. Chemonics welcomes any organization to attend this proposal conference. Pre-registration to attend the proposal conference is required. Please email your registration request and any advance questions by the date provided in the above calendar table at 17:00 hrs to zmb-pasco-3pl-procurement@chemonics.com.

Written notes or questions and answers from the proposal conference will be provided electronically to all registered offerors, including those offerors who submitted written questions prior to the proposal conference, but were unable to attend the proposal conference in person.

Written Questions and Clarifications. All questions or clarifications regarding this RFP must be in writing and submitted to zmb-pasco-3pl-procurement@chemonics.com no later than by the date provided

in the above calendar table at 17:00 hrs. Questions and requests for clarification, and the responses thereto, will be circulated to all RFP recipients who have indicated an interest in this RFP.

Only written answers from Chemonics will be considered official and carry weight in the RFP process and subsequent evaluation. Any answers received outside the official channel, whether received verbally or in writing, from employees or representatives of Chemonics, PASCO or PASCO subcontractors in Zambia, the PASCO project, or any other party, will not be considered official responses regarding this RFP.

Oral Presentations. Chemonics reserves the option to have select offerors participate in oral presentations with the technical evaluation committee. Interviews may consist of oral presentations of offerors’ proposed activities and approaches. Offerors should be prepared to give presentations to the technical evaluation committee within two (2) days of receiving notification.

Fleet Evaluation. Offerors may be required to make the vehicles proposed in Offeror’s Technical Proposal available for inspection and evaluation by Chemonics. Should an inspection be requested by Chemonics, the Offeror’s vehicles will be inspected and evaluated against the standards outlined in Annex 7 Daily Vehicle Inspection Checklist and PASCO Vehicle Inspection Checklist. Offerors should be prepared for this evaluation within two (2) days of receiving notification from Chemonics.

I.8. Validity Period

Offerors’ proposals must remain valid for **ninety (90) calendar days** after the proposal deadline.

I.9. Evaluation and Basis for Award

An award will be made to the offeror whose proposal is determined to be responsive to this solicitation document, meets the eligibility criteria stated in this RFP, meets the technical, management/personnel, and corporate capability requirements, and is determined to represent the best value to Chemonics. Best value will be decided using the tradeoff process.

This RFP will use the tradeoff process to determine best value. That means that each proposal will be evaluated and scored against the evaluation criteria and evaluation sub-criteria, which are stated in the table below. Cost proposals are not assigned points as part of the Technical evaluation, but for overall evaluation purposes of this RFP, technical evaluation factors other than cost, when combined, are considered more important than cost factors. If technical scores are determined to be equal or nearly equal, cost will become the determining factor.

In evaluating proposals, Chemonics will use the following evaluation criteria and sub-criteria:

Evaluation Criteria	Evaluation Sub-criteria	Maximum Points
Technical capacity		
	<p>Approach and Methodology: Does the technical approach and detailed service implementation methodology proposed fulfill the requirements of the Scope of Work and expected deliverables effectively and efficiently?</p> <p>Fleet Size, Quality, and Variety: Total number, variety and adequacy of vehicles (please refer to Annex 7, vehicle</p>	25 points

Evaluation Criteria	Evaluation Sub-criteria	Maximum Points
	<p>verification checklists) in offeror’s fleet (with trucks of varying size that meet the specifications included in the RFP). Chemonics will use offeror’s title and registration or leasing contract to confirm fleet arrangement. Offerors who do not meet existing fleet requirements may also show documentation of financial capacity to scale their fleet to meet the requirements. Offerors should take note that Chemonics will require that a minimum of 50% of line-item orders are delivered using directly owned fleet, as detailed in the technical proposal section of the RFP.</p> <p>Are the fleet size and technical approach appropriate to ensure adherence to the KPIs delineated in the draft IQS and in Annex 14 “Sample KPIs”?</p> <p>Cold-Chain Distribution Protocols: The offeror’s protocol for managing temperature sensitive products?</p>	
	<p>Capability for comprehensive in-transit tracking. Does the offeror have the capacity to track its vehicles on any given route, and provide accurate and genuine route-verification data and reports to Chemonics upon request or as required in the SOW?</p>	10 points
	<p>Capability to provide both written proof of delivery (POD) with real-time/daily updates and electronic Proof of Delivery (ePOD) using the DeliveryExpert system outlined in the technical scope of work. Does the offeror sufficiently describe their system or methodology to submit PODs in hard copy and electronic format on-time?</p>	10 points
	<p>Standard Operating Procedures: The offeror’s standard operating practices which comply with WHO or country standards:</p> <ul style="list-style-type: none"> • Vehicle and equipment maintenance; • Security measures that cover the full range of security issues related to the distribution of products, lives, and property; • In-transit operating procedures; • Routing and re-rerouting procedures; • Incident management and reporting; • Cold chain and non-cold chain commodities transportation procedures. • Procedures for vehicle leasing or second-tier subcontracting, if applicable. 	10 points

Evaluation Criteria	Evaluation Sub-criteria	Maximum Points
	<p>Has the Offeror provided an overview of its approach to gender, along with specific considerations/strategies that it would factor into implementation of any subsequent award to ensure that issues of gender inequity that exist at a global level are considered within the Offeror’s organization and implementation of activities?</p>	10 points
Total Points – Technical Capacity		65 Points
Performance Capability		
	<p>Past Performance - Successful past performance providing services as requested in the RFP. Please include at least three (3) references from current (past 5-7 years) clients as part of proposal submission (including name, address, representative, phone, and email address). Include any USG or USAID funded, or humanitarian clients if relevant.</p> <p>Successful past performance providing services as requested in the RFP. Relevant factors include:</p> <ul style="list-style-type: none"> • Description of company or organization, including parent company or subsidiaries • Experience and technical ability to implement the scope of work • Experience transporting and handling health commodities per WHO Good Distribution and Storage Practices for Pharmaceutical products • Percentage of on-time delivery • Number of deliveries per year to municipal and facility levels • Track record of positioning vehicles for dispatch quickly and demonstrating ability to scale operations when needed. 	25 points
	<p>As presented in the organogram, list of focal points, and description of key positions, does the offeror have the capability to fulfill the Scope of Work with the staff and management composition of the organization at large and the specific positions assigned to support the subcontract?</p> <p>Has the offeror specifically included at least one distribution/logistics manager based full-time at ZAMMSA?</p>	10 points

Evaluation Criteria	Evaluation Sub-criteria	Maximum Points
	As presented in the job descriptions and curriculum vitae (CVs) of the key personnel and management, does the offeror have the experience and capabilities to carry out the Scope of Work with the proposed staff?	
Total Points – Performance Capability		35 points
Total Points		100 points

Evaluation points will not be awarded for cost. Cost will primarily be evaluated for realism and reasonableness. If technical scores are determined to be nearly equal, cost will become the determining factor.

This RFP utilizes the tradeoff process set forth in FAR 15.101-1. Chemonics will award a subcontract to the offeror whose proposal represents the best value to Chemonics. Chemonics may award to a higher priced offeror if a determination is made that the higher technical evaluation of that offeror merits the additional cost/price.

I.10. Negotiations

Best offer proposals are requested. It is anticipated that a subcontract/s will be awarded solely on the basis of the original offers received. However, Chemonics reserves the right to conduct discussions, negotiations and/or request clarifications prior to awarding a subcontract. Furthermore, Chemonics reserves the right to conduct a competitive range and to limit the number of offerors in the competitive range to permit an efficient evaluation environment among the most highly-rated proposals. Highest-rated offerors, as determined by the technical evaluation committee, may be asked to submit their best prices or technical responses during a competitive range. At the sole discretion of Chemonics, offerors may be requested to conduct oral presentations or provide further information at any stage of the competitive range. If deemed apt, Chemonics reserves the right to make separate awards per component, multiple awards, or to make no award at all.

I.11. Terms of Subcontract

This is a request for proposals only and in no way obligates Chemonics to award a subcontract. In the event of subcontract negotiations, any resulting subcontract will be subject to and governed by the terms and clauses detailed in Section III. Chemonics will use the template shown in Section III to finalize the subcontract. Terms and clauses are not subject to negotiation. By submitting a proposal, offerors certify that they understand and agree to all of the terms and clauses contained in Section III.

I.12. Privity

By submitting a response to this request for proposals, offerors understand that USAID is NOT a party to this solicitation and the offeror agrees that any protest hereunder must be presented—in writing with full explanations—to Chemonics for consideration, as USAID will not consider protests made to it under USAID-financed subcontracts. Chemonics, at its sole discretion, will make a final decision on any protest for this procurement.

Section II Background, Scope of Work, Deliverables, and Deliverables Schedule

II.1. Background

Chemonics is the lead contractor for the USAID Program for Advancing Supply Chain Outcomes (PASCO), with USAID Contract Number 72061123C00001. The USAID PASCO project is a commodity distribution program with the ultimate goal to create sustainable access to safe, effective, quality-assured, affordable lifesaving health commodities by strengthening capacity of transportation and distribution systems through supplemental outsourced distribution services. Under the leadership of USAID, and in consultation with ZAMMSA, the activity provides fourth party logistics (4PL) services which include, but are not limited to, distribution and transportation management.

II.2. Scope of Work

Chemonics implements the USAID PASCO project and, in coordination with ZAMMSA, will be responsible for facilitating the distribution of pharmaceutical cold chain, pharmaceutical grade, and/or ambient health commodities to targeted service delivery points (to include ZAMMSA hubs, district health offices, and health facilities) in Zambia on behalf of USAID.

This RFP serves as a mechanism through which Chemonics will procure third party logistics (3PL) in-country distribution services of public health commodities for the following zone:

Central Zone #	Origin / Point of Dispatch	Destination / Recipient
1	ZAMMSA central warehouse complex in Lusaka	(i) Bulk deliveries to hubs, district health offices, and high-volume sites throughout the country. (ii) Direct and multi-drop destinations to district health offices and health facilities in/near Lusaka Province and Central Province.

While deliveries will focus on the above zone of operations, ZAMMSA, Chemonics, and the Subcontractor may agree on alternate points of origin and dispatch within Zambia and shall document such agreements via a signed purchase order indicating the alternate point of origin. All other terms and conditions of any resulting IQS shall apply in these instances.

Deliveries in any resulting IQS shall be of two types: (i) single vehicle, dispatched to a single delivery point and (ii) multi-drop routes, as stipulated in distribution loading plans that will accompany a PO. Each PO will have a distribution plan which will include names of facilities and their respective order numbers. Categories of public health commodities to be transported under any resulting IQS fall under the following health areas:

- HIV/AIDS
- Malaria
- Family Planning / Reproductive Health
- Maternal Child Health / Essential Medicines
- Health facility equipment, which should be segregated from pharmaceutical commodities as per WHO/Zambia Medicines Regulatory Authority (ZAMRA) standards.
- Note that distribution of equipment or commodities intended to be used for the purpose of inducing abortions as a method of family planning is not authorized under any IQS resulting from this solicitation.

The Subcontractor shall report on performance as required in reports and deliverables and for the key performance indicators in Section Y and order performance requirements included in Section C.4. The

Subcontractor shall take all direction and instructions as pertains to the commodities from the designated PASCO and ZAMMSA representatives, and in accordance with a Subcontract.

The Subcontractor shall provide the staffing and coordination services related to all requirements and requests under any resulting agreement. The Subcontractor shall act as a service provider and does not acquire ownership in respect of the goods distributed.

II.2.1 Subcontractor Responsibilities

Each PO issued where applicable will contain a distribution plan which identifies the volume to be delivered, the locations to be delivered to, order details, and order numbers. There will be a trip register for each destination specifying the number of pallets or cartons to be delivered. For proofs of delivery (PODs), an unsigned POD will be printed by the dispatching warehouse for each delivery, and if utilizing electronic PODs, the Subcontractor shall also use the prescribed applications and equipment (see A.2.iii Proofs of Delivery Requirements for additional detail).

For each PO issued, the Subcontractor shall execute the distribution plan within the stipulated timeframe and complete the following steps and processes:

General

- The Subcontractor will receive from the PASCO project an approved PO(s) before the commencement of any delivery. Following the approval of a PO, the Subcontractor must be able to position the requested delivery vehicles within at least 48 business hours following the issuance of a pre-alert. Positioned vehicles must have either a sufficient amount of fuel to undertake the requested deliveries, or a full tank.
- If reverse logistics needs are identified prior to dispatch, the reverse logistics orders shall be included in the distribution plan that is attached to a PO for authorization by all parties under the IQS.
- ZAMMSA personnel will load the commodities at the ZAMMSA point of origin stipulated in the PO. The Subcontractor shall confirm that the commodities loaded correspond to the trip register or manifest, PODs, and the distribution plan - including order IDs, number of parcels, item code, description of items. Discrepancies, damage, or other issues shall be noted and reported immediately. For multi-drop routes requested under any resulting IQS, ZAMMSA will be responsible for loading trucks in reverse drop order, to ensure commodities can be quickly accessed for off-loading.
- Deliver all commodities in cartons for ease of handling during transportation and ensure the correct loading of cartons as indicated on the distribution plan, if applicable, at the originating warehouse(s). PODs shall reflect quantities of these commodities being transported in packs to facilitate uniform documentation (however, at times, carton calculations may include cartons with less packs/bales than others to make up the particular district or facility quantities). A distinction shall therefore be made between discrepancies at the sub-carton level (which can be attributable to pick/pack errors or order processing errors by warehouse staff) and discrepancies at the carton-level.
- Adhere to the World Health Organization (WHO) and ZAMRA standards for transporting pharmaceuticals and other health commodities, for vehicle and other equipment requirements, as these standards are incorporated into the subcontract in annexes: WHO Good Distribution Practices (GDP) for Pharmaceutical and Laboratory Products (WHO Technical Report Series No. TRS 957, 2019, Annex 7), WHO Model Guidance for the Storage and Transport of Time- and Temperature-Sensitive Pharmaceutical Products (Technical Report Series No. 961, 2011 Annex 8), Guidelines for Temperature Control of Drug Products during Storage and

Transportation (GUI-0069, 2011), country standards, and consultation provided by PASCO on relevant quality standards, as applicable. ([gas19_793_good_storage_and_distribution_practices_may_2019.pdf\(who.int\)](#))

- Vehicles shall only carry commodities included in distribution plans shared by PASCO – no other products shall be co-mingled.
- Trucks and trailers of trucks to be used for the work will be subject to visual inspection prior to loading. Prior to any transportation activity, truck make and model, and trailer plate numbers of equipment to be used and locations parked should be provided. Chemonics reserves the right to institute procedures for prequalification of vehicles and drivers to be used under any resulting IQS.
- Upon request of Chemonics, the Subcontractor shall provide proof of insurance for goods in transit. Subcontractor will be legally and financially responsible for the commodities during the transportation process and is required to provide insurance against all loss or damage to products.
- Transport pharmaceuticals and other health commodities in such a way so as to ensure that neither the pharmaceuticals nor the commodities can be contaminated.
- Manage all transport and logistics functions for designated routes, from point of origin to destination, as per purchase order and distribution plan instructions. For sites requiring unconventional modes of transportation, the vendor shall ensure provision of appropriate modes of transport necessary for efficient delivery.
- Offload and deliver the correct quantity of commodities and transfer them to the respective service delivery point, in accordance with the distribution plan, into the identified receiving spaces; transference of custody shall be given to the designated receiving officer upon signing of the POD.
- Provide adequate resources to complete all deliveries to required destinations within the stipulated time intervals.
- Provide drivers who possess valid and appropriate driver's licenses. Driver shall comply with a strict "no drinking", "no drug use" policy. Drivers must be sufficiently literate and requisite competency level to manage the health commodity documentation, including for cold chain commodity management.
- Drivers are responsible for recording and keeping the truck movement log and maintenance schedule.
- Drivers shall take the most direct route while in transit, or the route otherwise outlined on the distribution plan.
- The Subcontractor must avoid proxy delivery to any point that falls outside of the prescribed distribution plan.
- All in-transit 3PL delivery vehicles must be parked by 21:00 hrs at a secure location such as the police, DHO, and/or GRZ Hospital/Health Center.
- No health facilities shall be serviced after 17:00 unless prior arrangements have been made in writing.
- Receive, review, and maintain records of written approval documentation (including approvals given within emails) provided by PASCO prior to any handling, transportation, or distribution of commodities.
- Have responsibility for the safety and security of its personnel and property, and of the commodities and property in the Subcontractor's custody. Drivers shall be responsible and accountable for the health commodities from the point they are loaded on the trucks, up to the point they are offloaded and delivered, and shall ensure all the stipulated documentation is completed to demonstrate clear transfer of custody of commodities between the truck and the recipient.

- Carefully monitor the distribution and rapidly address any issues that arise, including issues related to accessibility, vehicle breakdown, lagging delivery times, security, issues encountered at receiving facilities, product loss or damage, and any situation that may compel the driver to operate outside the Subcontractor's standard operating procedures. PASCO shall be notified of changes, concerns, or issues immediately through phone calls and subsequently through email within 24 hours regarding any issue that will hinder distribution. The Subcontractor shall collaborate with PASCO to resolve these issues when required; and follow up with relevant incident report and documentation as required within 24 hours.
- Maintain at all times adequate Standard Operating Procedures (SOPs) for all operations and particularly for the operations listed below. If the Subcontractor makes any substantial changes to their SOPs, the Subcontractor shall provide the updated SOPs to Chemonics.
 - i. Order dispatch and delivery
 - ii. Training in relation to good distribution practice, regulations, and safety specific to temperature-controlled goods and cold chain
 - iii. Security, that covers the full range of security issues related to the distribution of products, lives, and property
 - iv. Disaster recovery plan
 - v. Inventory control/cycle count
 - vi. Loading and unloading
 - vii. Cold chain packaging, loading and distribution
 - viii. Non-cold chain capacity for transportation of all commodities, including temperature controlled goods and pharmaceuticals.
 - ix. Pharmaceutical product distribution
 - x. Incident management and reporting
 - xi. Daily operations reporting
 - xii. Reverse logistics
 - xiii. Vehicles and equipment involved in the distribution process, including:
 - 1. Cleaning and pest control,
 - 2. Ensuring the product's identity is maintained,
 - 3. Prevention of cross-contamination,
 - 4. Precautions against spillage or breakage,
 - 5. Procedures for transportation of hazardous products which can present risks of abuse,
 - 6. Maintenance of vehicle, temperature equipment and other equipment,
 - 7. Fire or explosion (these products are to be stored and transported in safe dedicated containers and vehicles),
 - 8. Process wherein unauthorized persons are prevented from entering and/or tampering with vehicles and/or equipment, and theft or misappropriation thereof.
- All security seals (where applicable) must be inspected and broken in the presence of the receiving facility personnel.
- The Subcontractor shall be required to provide an appropriate number of people to assist with offloading the consignment at the delivery location.
- For deliveries to ZAMMSA hubs, the subcontractor shall ensure that all commodities being offloaded are physically inspected by the receiving Hub personnel at pallet or carton level.
- For last-mile deliveries, the subcontractor shall ensure that all commodities being offloaded are physically inspected by the receiving facility personnel at pallet, carton, and sub-carton level.
- The Subcontractor must avoid proxy delivery to any point that falls outside of the prescribed distribution plans that from a binding annex to approved POs.

- GPS tracking may be required based on equipment provided by Chemonics or ZAMMSA on a custodial basis.
- All in-transit 3PL delivery vehicles must be parked by 21:00 hrs at a secure location such as the Police, DHO, and/or GRZ Hospital/Health Center.
- Unless otherwise requested, deliveries shall be made during normal business hours, excluding public holidays. No health facilities shall be serviced after 17:00 unless prior arrangements have been made in writing.
- The Subcontractor shall be responsible for checking the stock loaded and offloaded onto the vehicles and fully documenting commodities received at point of origin, to include documentation to accommodate reverse logistics as prescribed in Section A.2.
- The Subcontractor must ensure that the boxes are properly secured and suitable to prevent theft, loss, or damage from the point of origin until safe arrival at the delivery points specified on the PO.
- The Subcontractor shall be responsible for recording and signing documentation, such as information about stock loaded.
- The Subcontractor shall be responsible for recording and signing documentation, such as information about stock loaded. The 3PL drivers must be able to read and write proficiently in English.
- The Subcontractor shall be required to provide at least one representative to be based full-time at each zone of operations. This individual will be responsible for coordinating all distribution activities which will include:
 - Monitoring the distribution plans and ensuring provision of vehicles within 48 hours of a per-alert following a signed PO.
 - Supervising/monitoring the loading of Subcontractor's vehicles.
 - Coordination with drivers and verification of the documentation prior to dispatch and after arrival.
 - Coordination, validation, and submission of PODs.
- The Subcontractor shall:
 - Provide to its staff a 'code of conduct' training, and sensitization and information on access to services for prevention and treatment of HIV services, and provide documentation to this effect upon request.
 - Ensure a minimum of 50% of order lines are serviced using directly-owned fleet during implementation of any resulting IQS, with Chemonics reserving the right to request up to 75% of order lines are serviced with directly-owned fleet.
 - Provide in advance (and for Chemonics' approval) procedures for vehicle leasing or second tier subcontracting, where applicable.

Reverse Logistics

- If reverse logistics needs are identified prior to dispatch, the reverse logistics orders shall be included in the distribution plan that is attached to a Purchase Order for authorization by all parties under the Subcontract.
- If reverse logistics needs are identified during the course of a delivery/deliveries, the Subcontractor shall communicate with ZAMMSA and a PASCO representative before receiving commodities for reverse logistics. If network does not allow for prior communication, the Subcontract shall communicate to ZAMMSA and PASCO as soon as possible after receiving commodities.
- In either case, the Subcontractor shall:

- Ensure that the PASCO Trip Register is completed in full to document the reverse logistics. The Subcontractor shall also ensure GRZ documentation is included, which may entail ZAMMSA/MOH documentation such as the ZAMMSA Product Returns Authorization form, the MOH Report for Returning Products, or other authorized forms from ZAMMSA or health facilities.
 - In addition to the above, where DeliveryExpert has been deployed and terminals have been availed to the Subcontractor under custodial agreements, the Subcontractor shall be required to follow DeliveryExpert procedures for recording reverse logistics.
 - Return to the ZAMMSA point of origin with the product returns using the most expeditious route possible.
 - The Subcontractor shall ensure that the entity requesting reverse logistics packages and tapes any loose items for return in a carton.
- The Subcontractor shall use Global Positioning (GPS) tracking devices for in-transit tracking, and shall provide route-tracking documentation to PASCO to verify and validate the specific route taken by any given vehicle that is tasked with delivering PASCO commodities. The Subcontractor shall provide time-stamped route-tracking and route-validation documentation to PASCO, upon request. Note that, upon award, Chemonics may instead require that Offerors adhere to protocol for GPS tracking undertaken by Chemonics, based on devices or equipment provided to vendors on a custodial basis by either ZAMMSA or Chemonics. In these instances, the vendor will be required to ensure that GPS devices are charged and equipped with sim cards and data to complete each route.

Cold-Chain

(Cold chain shall include services at which temperature shall be maintained at 2°C to 8°C)

- Refrigerated vehicles and equipment are not required under any resulting IQS. However, ZAMMSA, as a tripartite signatory to any resulting IQS, will occasionally request the distribution of passive temperature regulated boxes as part of routine distribution plans. Temperature regulated boxes consist of utilizing passive containers which can be loaded on to an ambient vehicle and maintain temperature within the required range for the duration of the delivery to point of destination using gel packs. In these cases, ZAMMSA shall be responsible for the provision of regulated boxes and temperature monitors as per ZAMMSA standard operating procedures for cold chain distribution, and in compliance with Good Distribution Practices for Pharmaceutical Products as outlined by ZAMRA. ZAMMSA shall maintain primary responsibility for monitoring temperature.

II.2.2 Proofs of Delivery Requirements

- A fully executed POD(s) shall be submitted to ZAMMSA and a copy to PASCO project **within 72 business hours** following completion of deliveries.
- ZAMMSA will provide to the Subcontractor Proof of Delivery (POD) documentation. For multi-drop routes, one POD must be issued for each drop along the route with the same level of details.
- The Subcontractor shall be responsible for ensuring that the facility personnel completes and signs documentation, such as the PODs and any other supporting documents issued by ZAMMSA and/or PASCO.
- For the purposes of any resulting IQS, (and based on the standard paperwork and systems used by ZAMMSA and MOH), a POD shall be defined as either a trip manifest, a delivery note, a trip register, an ePOD system export, route validation documentation, or a combination thereof – as

guided by ZAMMSA and PASCO at the time of dispatch, based on the delivery type and point of origin.

- **Trip Manifest** - provides a summary of a particular delivery (or set of deliveries along a route) that indicates the quantities of cartons and pallets loaded for each order number of a receiving entity.
- **Delivery Notes** - provide an additional layer of sub-carton information at the recipient order level, for verification at the final destination point and upon opening of cartons. PASCO-supported 3PL focuses on the carton and pallet level of distribution since 3PL vendors receive commodities from ZAMMSA that have already been sealed in cartons and/or pallets.
- **3PL Trip Register** - provides supplement information on carton and pallet level deliveries and captures more detailed information about distribution operations that are not currently available in the ZAMMSA trip manifest and delivery notes.
- **ePOD** - ZAMMSA has formally adopted the DeliveryExpert transportation and ePOD application: <https://made4net.com/knowledge-center/deliveryexpert/> . Where the system has been deployed and where licenses and hardware are availed to the Subcontractor, the Subcontractor is required to use the DeliveryExpert ePOD application for POD execution. This will require confirmation of delivery on the application, in addition to any paper requirements. Subcontractors will be provided with hardware and licenses on a temporal basis and must thereafter, within the fixed prices set by the IQS, ensure drivers are equipped with terminals with sufficient data and battery life for operating the devices.
- **Route tracking** - The Subcontractor shall provide time-stamped route-tracking and route-validation documentation as requested by Chemonics or ZAMMSA.

Samples of the POD documentation, along with detailed requirements of each document, can be found in Annex 12.

II.2.3 Security and Disaster Recovery

- a. Subcontractor shall ensure and deploy reasonable and cost-effective strategies, actions, processes and measures to ensure that all commodities being transported are not lost in transit, from the point of pick up until custody is transferred to the designated recipients. These strategies, actions, processes and measures must be approved by Chemonics and include, but are not limited to the following:
 - i. Planned routes for transit of vehicles are the safest available, based on an assessment of the various options;
 - ii. Vehicles are parked in secure locations after close of business to ensure both commodity and vehicle security;
 - iii. Incidents are investigated.
- b. Subcontractor shall maintain appropriate disaster recovery and security systems to provide continuity of services in case of causes beyond the control and without the fault or negligence of the Subcontractor such as (1) acts of God or of the public enemy, (2) acts of the government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather, or (10) security breach (each a **“Force Majeure Event”**). During a Force Majeure Event, Subcontractor and Chemonics shall discuss the continued and uninterrupted provision of services and Chemonics shall reasonably consider any request by Subcontractor to alter the performance and deliverable timelines for a limited period of time, but in no case longer than thirty (30) days. For purposes of clarity, the parties agree that a Force Majeure Event shall not excuse performance by the Subcontractor in the orders issued hereunder.

- c. Immediately upon occurrence of any Force Majeure Event, the Subcontractor shall implement the alternate performance deliverable timelines and, unless the parties agree otherwise, make best efforts to recover data and resume operations within forty-eight (48) hours thereafter.
- d. Should the Subcontractor suffer a Force Majeure Event, the Subcontractor shall use all reasonable efforts to ensure the continuity of services. If after implementation of an approved alternate delivery timetable, the Force Majeure Event prevents the Subcontractor from carrying out its obligations under any resulting Agreement for a continuous period of more than thirty (30) Business Days, Chemonics may terminate any resulting Subcontract in accordance with Section C.6.

II.3 Responsibilities

II.3.i Chemonics Responsibilities

- Chemonics (with ZAMMSA) will provide distribution plans at least 48 hours before delivery – disaggregated by district and by health facility containing facility GIS points, the product details and order IDs in readiness for commencement of distribution.
- Chemonics, in collaboration with ZAMMSA, will monitor the transit of vehicles and ensure vehicles used are properly inspected.
- Chemonics will be responsible for monitoring the Energy Regulation Board (ERB) fuel pricing indexes and amending variable pricing accordingly.
- Chemonics will issue purchase orders to the Subcontractor for review and signature, with distribution plan and related volumetric and routing analysis provided.
- Chemonics shall review and validate PODs, reconcile invoices against executed POs, and carry out the payment duties delineated under the invoicing conditions of any resulting IQS.
- Chemonics, in collaboration with ZAMMSA, will support training of 3PL drivers in use of the DeliveryExpert ePOD system.

II.3.ii ZAMMSA Responsibilities

- ZAMMSA, in collaboration with Chemonics, will be responsible for preparing a distribution plan at least 5 days in advance of raising a PO for services. The distribution plan should delineate, at a minimum, the number of vehicles needed per destination and the corresponding order numbers that align with products covered in the scope of work of any resulting contract.
- ZAMMSA, in collaboration with Chemonics, will monitor the transit of vehicles and ensure vehicles used are properly inspected.
- ZAMMSA will be responsible for loading the commodities at the point of origin within four hours after the vehicle is positioned.
- ZAMMSA will be responsible for offloading commodities at the hubs within eight hours.
- ZAMMSA will provide drivers with a standard operating procedures manual and briefing prior to departure. At ZAMMSA's discretion, ZAMMSA staff will accompany the Subcontractor staff on routes in accordance with the conditions outlined in Section b. above, and ZAMMSA staff may assist in offloading of commodities.
- ZAMMSA, as custodian for the commodities to be distributed under GRZ custody, and as a signatory on the tripartite distribution subcontract, is responsible for continued insurance coverage of the commodities. The Subcontractor shall also provide goods-in-transit insurance. ZAMMSA will be responsible for managing all insurance claims related to the distribution of goods under any resulting subcontract, including but not limited to ensuring Subcontractor compliance with insurance requirements outlined in the subcontract; follow-up and

documentation with regards to any insurance claims; and collection of payment for any claims. Chemonics will not be responsible for managing the insurance claims, has no insurance interest of the goods, and is not liable for any loss or damage under the subcontract. Chemonics, funded through USAID, is providing payment for the 3PL services and subcontract management support at ZAMMSA's request.

- In extenuating circumstances where ZAMMSA deems it necessary for ZAMMSA personnel to accompany the Subcontractor drivers and personnel on authorized routes (i.e. where the Subcontractor driver does not know the route or location of the facilities), ZAMMSA understands that there are hazards and risks inherent in travel in Zambia, including but not limited to accidents and criminal incidents, and agrees to assume all risks for any such personal injury/death or property loss or damage. ZAMMSA acknowledges that the Subcontractor may be unable to predict or avoid such incidents and the Subcontractor cannot guarantee to protect ZAMMSA personnel from the risks and the possibility of personal injury/death, property damage or loss resulting therefrom. ZAMMSA waives any and all claims against Chemonics International, the Subcontractor, and their respective directors, officers, employees, instructors, agents, independent contractors, representatives, successors and assigns, and releases them from any and all liability for any loss, damage, expense or injury including loss of life that they may suffer, during transportation in a Subcontractor vehicle. It is nonetheless noted and acknowledged that all Subcontractor vehicles under any resulting subcontract are required to be properly insured by an authorized local insurance company and in the event of an accident, ZAMMSA personnel would be covered where stipulated as third-party passengers within the limits of the Subcontractor's insurance policy.
- ZAMMSA, in collaboration with Chemonics, will support training of 3PL drivers in use of the DeliveryExpert ePOD system.

II.4. Deliverables

The subcontractor will issue an invoice with corresponding deliverables to Chemonics point of contact for each PO. The invoice must include the details of the distribution and be inclusive of all line items on a given PO.

Deliverable Descriptions

Under any resulting IQS, POs will be issued for each delivery request with an accompanying distribution plan, which will serve as a binding annex to the PO. Following completion of delivery for each PO, the Subcontractor shall provide countersigned PODs **within 72 business hours** following completion of delivery. The PODs should be duly signed by authorized GRZ representatives of the receiving entity, should denote the conditions of cartons or pallets as dispatched and received, and should highlight any discrepancies at the time of arrival.

As stipulated under A.2.iii, Proof of Delivery Requirements, for the purposes of any resulting IQS, (and based on the standard paperwork and systems used by ZAMMSA and MOH), a POD shall be defined as either a trip manifest, a delivery note, a trip register, an ePOD system export, route validation documentation, or a combination thereof – as guided by ZAMMSA and PASCO at the time of dispatch, based on the delivery type and point of origin. Details of each of these are as follows:

- **Trip Manifest** - provides a summary of a particular delivery (or set of deliveries along a route) that indicates the quantities of cartons and pallets loaded for each order number of a receiving entity.
- **Delivery Notes** - provide an additional layer of sub-carton information at the recipient order level, for verification at the final destination point and upon opening of cartons. PASCO-supported 3PL

focuses on the carton and pallet level of distribution since 3PL vendors receive commodities from ZAMMSA that have already been sealed in cartons and/or pallets.

- **3PL Trip Register** - provides supplement information on carton and pallet level deliveries and captures more detailed information about distribution operations that are not currently available in the ZAMMSA trip manifest and delivery notes.
- **ePOD** - ZAMMSA has formally adopted the DeliveryExpert transportation and ePOD application: <https://made4net.com/knowledge-center/deliveryexpert/>. Where the system has been deployed and where licenses and hardware are availed to the Subcontractor, the Subcontractor is required to use the DeliveryExpert ePOD application for POD execution. This will require confirmation of delivery on the application, in addition to any paper requirements. Subcontractors will be provided with hardware and licenses on a temporal basis and must thereafter, within the fixed prices set by the IQS, ensure drivers are equipped with terminals with sufficient data and battery life for operating the devices.
- **Route tracking** - The Subcontractor shall provide time-stamped route-tracking and route-validation documentation as requested by Chemonics or ZAMMSA.

Samples of the required POD documentation to satisfy deliverables requirements, along with detailed requirements of each document, can be found in Annex 12.

II.5 Key Performance Indicators

Evaluation of the Subcontractor’s overall performance shall be conducted by Chemonics, in direct consultation with ZAMMSA. In addition to review of Subcontractor reports and deliverables, Chemonics shall review the quality of Subcontractor performance against monthly key performance indicators (“KPI”). KPIs will be used as a basis for continuous improvement efforts by the Subcontractor. Regular performance reviews will be held between the Subcontractor and Chemonics/PASCO. These reviews will be used to help determine the Subcontractor’s suitability for future subcontracts and to inform performance improvement. If the Subcontractor fails to meet any KPI, the timelines for addressing the deficiency as agreed within the corrective action plan will take effect. The Subcontractor will provide the Chemonics designated PASCO project representative in the timeline requested, a proposed action plan setting forth the actions the Subcontractor will take in order to promptly comply with all KPIs. The KPIs are listed below and defined in detail in Annex 14.

#	Indicator Name
1	On-time arrival of trucks for loading
2	Truck condition
3	Notification of incidents that have the potential to delay or compromise a shipment.
4	On-time delivery
5	Off-loading time
6	Delivery notes indicate the quantity dispatched matching the quantity received.
7	Delivery notes signed as received by an authorized staff member of the designated facility.
8	Orders received in full
9	Customer Service Rating

Section III. Indefinite Quantity Subcontract (Terms and Clauses)

Should Chemonics award an IQS to one or more successful offeror(s), the terms and conditions of the draft Indefinite Quantity Subcontract (IQS) included as **Annex 20** will apply and govern the contractual

relationship(s) between Chemonics, the Zambia Medicines and Medical Supplies Agency (ZAMMSA), and the successful offeror(s). Chemonics, at its own discretion, reserves the right to modify these terms at any time during the IQS period of performance.