<table>
<thead>
<tr>
<th>Name of Author</th>
<th>Function</th>
<th>Division</th>
<th>Country</th>
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</thead>
</table>

Introduction to WHO procurement

Joint UNFPA-UNICEF-WHO meeting with manufacturers and suppliers, CPH 18-22 Sept. 2017
More than **7,000 people** from more than **150 countries** work for the Organization **in 150 WHO offices** in countries, territories and areas, six regional offices, at the Global Service Centre in Malaysia and at the Headquarters in Geneva, Switzerland.
WHO is the specialized agency directing and coordinating authority for health within the United Nations system.

- Provides leadership on global health matters
- Shapes the health research agenda
- Sets norms and standards
- Articulates evidence-based policy options
- Provides technical support to countries and monitors & assesses health trends
- Provides and coordinates Emergency Actions in Health related situations

http://www.who.int/en/
# Procurement Function Set-up

<table>
<thead>
<tr>
<th>COUNTRY OFFICES</th>
<th>MAJOR OFFICES</th>
<th>HEADQUARTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa: 47</td>
<td>AFRO/Brazzaville</td>
<td>Geneva:</td>
</tr>
<tr>
<td>The Americas: 35</td>
<td>AMRO/Washington</td>
<td>- Policy &amp; strategy</td>
</tr>
<tr>
<td>Eastern Mediterranean: 21</td>
<td>EMRO/Cairo</td>
<td>- QA of health products</td>
</tr>
<tr>
<td>Europe: 53</td>
<td>EURO/Copenhagen</td>
<td>- Procurement for HQ and users training</td>
</tr>
<tr>
<td>South-East Asia: 11</td>
<td>SEARO/New-Delhi</td>
<td>Budapest:</td>
</tr>
<tr>
<td>Western Pacific: 27</td>
<td>WPRO/Manila</td>
<td>- Long-term Agreements</td>
</tr>
<tr>
<td></td>
<td>HQ/Geneva</td>
<td>- Catalogue management / maintenance</td>
</tr>
</tbody>
</table>

- Kuala-Lumpur:  
  - Global Sourcing & Procurement  
  - Issuance of ALL Purchase Orders
Procurement is a critical function supporting WHO’s mandate.

Guiding principles of WHO procurement process:

- Interest of WHO
- Best value for money
- Fairness, integrity, transparency and equal treatment
- Effective competition
- Environmental concerns

http://www.who.int/about/finance-accountability/procurement/en
WHO is a specialized United Nations agency with a constitutional mandate as the Directing and Coordinating authority on international health work. Procurement is a critical function in support of the effective discharge of WHO mandate. In order to fulfill its mandate and achieve its vision, WHO must procure a significant volume of goods and services. As a public organization entrusted with donor funds and committed to supporting developing economies, the objective of procurement activities within the WHO is the timely acquisition of goods and services while addressing the following guiding principles:

**Areas of work**

- **What we buy**
- **How we buy**
- Qualifications and eligibility
- Vendor registration
- Interagency procurement
- Contract awards
- What we buy
  - On average, WHO buys approximately USD 900 million worth of goods and services every year to maintain operations in the field and to react to upcoming and recurring demands. Commonly procured good and services
WHO Procurement (2016)

- Procurement accounts for 40% of WHO expenditure
- Around 42,000 Purchase Orders (POs) and Contracts issued annually
- Ratio of Services to Goods POs = 3:1

![WHO Procurement (2016) chart]

WHO Procurement (2016)
Total: $692,239,627

- Goods: $186,453,289, 27%
- Services: $505,786,338, 73%
### Goods Procurement (2016)

- **Hospital Supply**: $26,486,668 (14%)
- **Vaccines & Cold chain**: $23,299,409 (12%)
- **IT/Software**: $21,744,801 (12%)
- **Pharmaceutical**: $21,488,147 (12%)
- **Vehicles**: $18,911,839 (10%)
- **Lab & Diagnostics**: $18,878,220 (10%)
- **Printing & Office Supplies**: $13,607,753 (7%)
- **Energy**: $1,761,978 (1%)
- **Insecticides/LLIN**: $1,300,776 (1%)
- **Building & Furniture**: $3,338,224 (2%)
- **Reagents & Chemicals**: $3,175,860 (2%)
- **Other**: $3,667,401 (2%)

**Total**: $108,698,984
Goods Procurement (2016)
For Health Emergencies Programme

- Hospital Supply, $19,650,775, 21%
- Emergency Health Kits, $18,884,794, 20%
- Pharmaceutical, $17,625,156.12, 19%
- Vaccines & Immunization & Cold chain, $13,004,311, 14%
- IT/Software, $4,218,319, 4%
- Other, $8,031,183, 9%
- Lab & Biologicals, $6,465,600, 7%
- Vehicles, $5,474,410, 6%

Goods procurement 2016: Emergency
WHO purchased items

WHO Emergency Kits

- **Interagency Emergency Health Kit**
  - Serves 10,000 people for 3 months

- **Cholera Kits**
  - The overall package consists of six different kits, each divided in several modules.

- **Severe Acute Malnutrition with medical complications Kit (SAM/MC)**
  - Serves 50 children for 3 months

- **Non Communicable diseases Kit**
  - Serves 10,000 people for 3 months

- **Trauma and Surgical Kits**

- And more…

http://www.who.int/emergencies/kits/en/
WHO purchased items

Drugs and Biological

Laboratory

- **Diagnostic test kits (WHO lead Agency)**
  - Filariasis/Hepatitis B & C/Malaria
  - Rubella / Syphilis
  - HIV test kits
- **Drugs**
  - Essential drugs
  - 2\textsuperscript{nd} line TB drugs
  - Antimalarial drugs/Leprosy/Antifilariasis
- **Vaccines**
- **Centrifuges**
- **Blood Analysers**
- **Chemicals and Reagents**
- **Incubators**
- **Microscopes**
- **Lab. Miscellaneous items**
WHO purchased items

Hospital Supplies

- X-ray equipment and scanners
- Orthopedic equipment
- Surgical and Dental instruments
- Education and teaching equipment
- Hospital consumables
- Diagnostic instruments/Defibrillators

Other

- PC's, servers, multifunction printers, software,
- LAN hardware/software
- Administrative supplies (paper/packaging, stationery, promotional items)
- Vehicles: Ambulances, motorcycles, cars
- Generators
- Bednets
- Cold box & vaccines carriers
- Insecticides and pesticides
- Fridges, freezers
- Radio equipment

http://www.who.int/about/finance-accountability/procurement/en
Procurement Process

01 Requirements defined by
- Country offices/Regional offices
- Technical Units and Programmes in HQ (Geneva)
- Members States

02 Solicitation Method
- In writing: Bids or Invitations to Bid (ITBs)
  (sealed bids through electronic tendering system)

03 Advertised on
- UNGM for high value ITBs
- Technical Units Web pages and Networks

04 Supplier Registration
- Pro-active registration on the UNGM website is strongly recommended (www.ungm.org)
- UNGM registration is a prerequisite for bidding through the electronic tendering system
## Procurement Process

### Eligibility Criteria
- Vendor presumed to be eligible unless: included in the Ineligibility List administered by UNGM, by virtue of sanctions imposed by UN Security Council, WHO or another participating agency in the UN System.

### Specifications
- Specifications and standards are indicated in the tender document.

### Main Evaluation Criteria
- As defined in the solicitation document and based on an evaluation grid with scoring matrix.
- Formal assessment (mandatory requirements)
- Technical evaluation (QA Network)
- Financial evaluation (only for those technically sounds)

### Evaluation & Award of Offers
- Evaluation teams are composed of a minimum of two members of the Requesting unit and one neutral party working with a scoring matrix.
- Awards $\geq$ to $200,000$: the review of the WHO Contract and Review Committee (CRC) is compulsory.
Quality Assurance for the procurement of pharmaceutical products

- Updated **WHO Quality Assurance Policy** for the procurement of pharmaceutical products...

- … will be publicly available by the end of 2017 on http://www.who.int/about/finances-accountability/procurement/en/

- Basis of the WHO QA Policy:
  - WHO Model list of Essential Medicines and Essential IVDs
  - PQ program: https://extranet.who.int/prequal/content/prequalified-lists/medicines
  - *Other relevant WHO norms and standards* …
WHO publishes its large pharmaceutical procurement opportunities directly on United Nations Global Marketplace (UNGM).

Restricted tenders are **only open to suppliers** who are:

✅ **Registered on UNGM:**

http://www.who.int/about/finances-accountability/procurement/en/

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**And**

✅ **Prequalified**
For WHO…

(pre) qualified or approved **SUPPLIERS:**

<table>
<thead>
<tr>
<th>WHICH ENTITY…</th>
<th>WHAT…</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholesale distributors</strong> whose Quality Assurance system has been assessed and approved by WHO procurement, other UN agencies or recognized partners</td>
<td>For their full product range</td>
</tr>
<tr>
<td><strong>Manufacturers</strong> inspected by other UN agencies or recognized partners</td>
<td>For a specific product or For a category of products (e.g. penicillin, sterile, oral tablets)</td>
</tr>
<tr>
<td><strong>Manufacturers</strong> assessed by the WHO team of Inspectors (WHO PQP)</td>
<td>For a specific product (listed on WHO website) For ERP-assessed product</td>
</tr>
<tr>
<td><strong>Manufacturers</strong> registered in SRA country(ies), or having a product registered in SRA country(ies) (including products tentatively approved by USFDA or having an “Article-58” positive opinion issued by EMA).</td>
<td>For product(s) registered in an SRA country(ies) only</td>
</tr>
</tbody>
</table>
Procurement at WHO

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What we buy

Contract awards

On average, WHO buys approximately USD 900 million worth of goods and services every year to maintain operations in the field and to react to upcoming and recurring demands. Commonly procured good and services

Best value for money

The overall guiding objective for all WHO procurement is to obtain the best value for money for the Organization. 'Best value for money' is defined as the responsive offer that is the best combination of technical specifications, quality and price. 'Best value for money' is the result of several factors, including quality, experience, the vendor's reputation, lifecycle costs, benefits and parameters that measure how well the good or service allows the organization to meet its social, environmental or other objectives.

Fairness, integrity, transparency and equal treatment:

The WHO procurement process must allow for transparent competition among prospective providers. All prospective providers must be treated equally. All individuals and entities directly or indirectly associated with the procurement function are responsible for protecting the integrity of the process and maintaining

Contact us
WHO Prequalification Programmes

- **Pharmaceuticals**: HIV/AIDS, Malaria and Tuberculosis: [http://apps.who.int/prequal](http://apps.who.int/prequal)


- **Cold Chain**: [http://apps.who.int/immunization_standards/vaccine_quality/pqs_catalogue/](http://apps.who.int/immunization_standards/vaccine_quality/pqs_catalogue/)
Thank you

WHO

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Switzerland

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