

Frequently asked questions - Procuring commodities through SCMS

Products

Q. What kinds of products can I procure from SCMS?

A. SCMS can procure most products needed for a comprehensive HIV/AIDS care and treatment program, including:

- Antiretroviral medicines
- Rapid test kits
- Laboratory supplies and equipment
- Essential medicines to treat opportunistic infections, such as tuberculosis and malaria
- Essential medicines and supplies for palliative and home-based care
- Products for food-by-prescription programs, such as: ready-to-use therapeutic food (RUTF) and fortified blended food (FBF)
- Products for Early Infant Diagnosis
- Products for Male Circumcision programs
- Blood Safety products
- Products for PMTCT programs
- Warehouse-In-A-Box
- Clinic-In-A-Box

Visit our e-catalog at <http://scms.pfscm.org/scms/ecatalog> for a standardized list of regularly procured products.

Q. Can you only supply goods produced in the United States?

A. No. SCMS buys medicines and goods that meet quality standards for Good Manufacturing Practices (GMP), safety requirements, and that are efficacious. SCMS buys high-quality products from reliable manufacturers in many countries to meet the needs of HIV/AIDS programs. The sites may or may not be within the US. Please see specific commodity type information for more details.

Q. What are specific issues related to ordering ARVs that I should be aware of?

A. We can supply any branded or generic ARVs that are approved or tentatively approved by the FDA. The manufacturing sites of these FDA-approved ARVs are also specifically inspected for GMP by the FDA to meet quality standards. The sites may or may not be within the US. As with

SCMS Project Team

all pharmaceuticals, the ARVs requested must also be registered for use with the drug regulatory authority of the destination country, or they must be waived for importation. Due to increasing demand for ARVs, manufacturers are reaching their maximum production capacity. Supplies are not always immediately available, and clients should expect longer lead times for large orders. For more specific FDA registration information and FDA lists of ARVs in association with PEPFAR, please visit <http://www.fda.gov/oia/pepfar.htm>.

Q. What are specific issues related to ordering HIV test kits?

A. The list of HIV test kits in our e-catalog includes those most frequently used in PEPFAR countries. If you require a test kit that is not shown, we may be able to supply it, but we will need to seek confirmation of efficacy and suitability from the US Centers for Disease Control and Prevention (CDC) and the US Agency for International Development (USAID). Due to increasing demand, test kit manufacturers are reaching their maximum production capacity. Supplies are not always immediately available, so clients should expect a lead time of up to 14 weeks for large orders. Many test kits have a relatively short shelf-life. With a shelf-life of less than 12 months it is important to have staged delivery to obtain the maximum useable life. SCMS can advise on appropriate delivery patterns.

Q. What are specific issues related to medicines for opportunistic infections?

A. We supply essential drugs that meet the standards for GMP, safety requirements, and that are efficacious. An approval process by USAID is required before SCMS can purchase using U.S. Government funds. If drugs must be registered for use in the country of destination, it can lead to a complex procurement process, as relatively few of the drugs used to treat opportunistic infections registered for use in developing countries are registered with the FDA or an equivalent stringent regulatory authority. We can fulfill your demand better if there is the option to obtain an importation waiver. The potential number of essential drugs that may be required is extensive. If a drug you need is not listed in our e-catalog, please contact us regarding your requirements.

Q. What are specific issues related to laboratory supplies and equipment?

A. The range and type of laboratory equipment, reagents and consumables that may be required in any laboratory is extensive. The SCMS e-catalog contains products that we regularly supply to our clients. Because needs vary widely and must take into account local service capability, training and other issues, we work with each client to prepare a specific response to meet their individual requirements and fulfill any particular requirements of the funding agency.

The time needed to deliver laboratory items can vary greatly depending on the type of commodity, location of the manufacturer or supplier, and availability of stock. Speak with your SCMS representative to learn more about specific turn-around times.

Q. What are specific issues I should consider when ordering MC kits?

A. The PEPFAR Male Circumcision Technical Working Group (MC TWG) assigned SCMS the task of leading the procurement and supply chain management of MC kits and supplementary commodities. Kit components and supplementary commodities have been agreed upon by consensus among the MC TWG partners, thus allowing SCMS to apply economies of scale to negotiate the lowest prices possible while maintaining the highest quality of the product for the MC program.

The PEPFAR MC TWG has agreed on the following MC kit options:

- Option 1: Reusable MC Kit for forceps-guided procedure
- Option 2: Reusable MC Kit for sleeve resection and dorsal slit procedures
- Option 3: Fully Disposable MC Kit for forceps-guided procedure

The PEPFAR MC TWG has also recognized the need for additional commodities to support MC programs. Please note the following, should there be a need for pharmaceutical products. SCMS will determine if the pharmaceutical product on this list meets the regulatory and/or importation requirements of the country of importation/consumption. If the product is not registered, we need to cooperate to obtain an importation waiver to enable importation and distribution of the product. For larger procurements, SCMS may be able to supply smaller units of measurement for pharmaceuticals on this list (such as packaging per ampoule, iodine per 100ml). For smaller procurements, SCMS will not be in the position to supply re-packed smaller unit of measurement.

Q. Can one MC component be substituted for another? Can we request a component to be added and be part of our kit?

A. MC kits are pre-manufactured and SCMS cannot allow for substitutions:

- a. Kits contain all the necessary components needed to perform the MC procedure under resource limited settings except pharmaceuticals. Therefore, any change request would be a matter of “preference” rather than “necessity”.
- b. The creation of a kit manufactured under optimal conditions with stringent guidelines and QA requirements from the agreed upon list of commodities has been a thorough and time-consuming process. The logistics and time required to make changes to these products to serve specific needs would not be an easy or swift process to undertake.
- c. SCMS provides these kits based in a standardized approach in order to maximize the economies of scale in order to bring cost down while providing a high quality product. single change in the composition of the kit would result in a new kit, hence losing the benefits of standardization.
- d. MC kits described in SCMS e-catalog were reached by consensus of partners and organizations. SCMS cannot make the decision to change the components of these kits. Only the partners of the TWG working group can make changes to the list by consensus.

Q. Can the surgical instruments in the disposable MC kit be reused?

A. SCMS and its suppliers offer these tools as disposable. They will guarantee that the quality of these products is good to be used only once. The decision to recycle these and use them again is strictly that of the client.

Q. When ordering particular products, what types of information will I need to provide?

A. SCMS needs to know the precise specification of the product(s) you require: its intended usage, (if this is not obvious from the specification), manufacturer name, manufacturer catalog number or SCMS e-catalog item number, and the requested delivery date by which the product is required. Contact us at SCMSInfo@pfscm.org regarding your product request. An SCMS representative will contact you to discuss your requirements in more detail to fully understand your needs and design the appropriate response.

Although we always strive to procure commodities for our clients as quickly as possible, the time needed to prepare a price quote and subsequently procure infrequently ordered commodities can be significant.

Procuring through SCMS

Q. How does the process work?

A. SCMS is a project contracted by the US Government through the USAID primarily to provide supply chain services and support to programs within the President's Emergency Fund for AIDS Relief (PEPFAR). If you are a program within PEPFAR that would like to procure products through SCMS, contact us to confirm that we are able to supply to your program. This may be done in person, by phone or email (SCMSInfo@pfscm.org). If you work in a PEPFAR focus country, contact your local SCMS representative (see countries and contacts at <http://scms.pfscm.org/scms/where>) or the Project Management Office in the US at +1 571-227-8600 or SCMSInfo@pfscm.org.

- We will need to know your requirements including when you require the product(s), where the product(s) should be delivered, product specifications, quantity and who has the authority to make financial commitments for your program.
- On the basis of your requirements, SCMS will prepare a price quote for your consideration. The price quote will be used to confirm product specifications and will include both the price and anticipated time needed from delivery once we place an order. You will usually have up to 30 days to review and reject or accept the price quote. If this price quote is acceptable, you will sign and return the price quote, and we will then place the order on your behalf and provide you the anticipated delivery date(s) for your order(s). Once you have signed and returned a price quote, and confirmed funding, we will place the order on your behalf and provide the anticipated delivery date(s) for your order(s).
- We charge the cost of the commodity plus freight delivery (if we handle any part of the shipment), insurance and a 5% surcharge for processing the order. Commodities provided from a SCMS regional distribution center may have blended freight and commodity costs. In the spirit of transparency, from time to time we will report to our clients these service costs, including quality assurance surveillance, for your reference purposes only
- SCMS will then manage the order through to delivery to the agreed destination, arranging supply either from one of our regional distribution centers in Ghana, Kenya or South Africa or by direct shipment from our supplier.
- Once the product is received, we ask you to accept delivery and then we will debit the cost to your account with SCMS. SCMS arranges settlement with the original supplier.

For regular repeat requirements, such as ARVs, test kits, reagents and other drugs, SCMS prefers to work on the basis of a quantified need, incorporating long term forecasts and supply plans for regular deliveries. This process will require detailed discussion and analysis between you and SCMS.

Q. How long does the typical order take to deliver once the order is placed?

A. Delivery periods vary extensively depending on the product ordered, size of the order, availability of stock, manufacturers’ production schedules and transportation time (including custom clearance, importation etc.)

Delivery can take as little as three weeks if the appropriate product is available from local stock (at SCMS RDC or local vendor), to as much as 20+ weeks for specially manufactured equipment or specialized commodities. Your SCMS representative can provide you an estimated delivery date. Lead times for deliveries vary depending on the type of commodity, mode of shipment and clearance per country. Average lead times for our main commodity types are:

Product Type	Average delivery lead time (weeks)*
ARVs	3-23
Blood supplies	10-28
Laboratory items	2-20
Medicines (other than ARVs) **	4-23
Test kits	6-15
MC kits	10-24
Food Products	10-23

*Lead time based on air shipment. We recommend considering sea freight, which can be 80-90 percent more cost effective, but takes longer.

** Lead time depends on registration requirements and availability.

Q. Can SCMS procure locally in the country where my program is located?

A. Yes, SCMS can procure appropriate commodities from the local market. What we can procure depends on the commodity type (see explanation on quality requirement for pharmaceuticals), what is available on the local market, the quality of the product available and the cost compared to procuring from the international market. Contact your SCMS representative to discuss the option of local procurement.

Q. If I can’t find a product in your e-catalog, what should I do?

A. If a product you require is not listed in our e-catalog, please contact SCMSInfo@pfscm.org. An SCMS representative will contact you to determine if we can supply it.

Q. If I want to receive deliveries over a period of time rather than in a single shipment, do I submit one request or multiple requests?

A. A single request is adequate, and we can then discuss with you an appropriate delivery pattern.

Price

Q. How do I obtain prices from SCMS?

A. SCMS establishes long-term supply contracts with major suppliers to obtain firm prices for the most frequently purchased commodities. Many of these prices are published by SCMS as they are negotiated. Send a request to SCMS and we will contact you to discuss your requirements. SCMS will then prepare a detailed priced quotation for your consideration. We charge our clients the cost of the commodity plus freight and delivery, in addition to a surcharge or processing fee.

Q. What is the SCMS Pricing Policy?

A. We charge the cost of the commodity plus freight, delivery and a surcharge for processing the order. Commodities provided from a regional distribution center may have blended freight and commodity costs. In the spirit of transparency, from time to time we will report to our clients these service costs, including quality assurance surveillance, for your reference purposes only.

Q. Will SCMS prices be fixed and firm?

A. Yes, all commodity prices are fixed and firm. Freight and delivery costs may vary depending on whether we are able to consolidate shipments, and fluctuations in global oil prices may affect costs charged by the particular carrier. At the time of preparing your price quote, SCMS will provide you an estimated cost of the freight and delivery (including customs clearance). Once the delivery is finalized, we will charge you the actual cost of freight and delivery and provide you with the detail of these costs.

Q. How can I keep down the cost of shipping?

A. Working closely with our clients, we are now saving them hundreds of thousands of dollars by identifying commodities that can be shipped by sea freight or over land rather than by air. The resulting cost savings are considerable, often more than 80 percent for sea shipments and 50 percent by land. Achieving results like these requires careful collaboration between SCMS staff and our clients to select appropriate commodities, consolidate shipments when possible and negotiate delivery dates. Those who plan orders well in advance by conducting and sharing forecasts and supply plans will be best positioned to benefit from savings in freight costs.

Q. How do I pay for the products my organization buys through SCMS?

A. Special arrangements exist for PEPFAR programs whereby payment is made directly to SCMS. For non-PEPFAR programs, SCMS requires payment in advance before we can confirm the order.

Q. Can I expect SCMS prices to be comparable to other procurement agents, for example will the Accelerated Access Initiative (AAI) prices for innovator ARVs be available via SCMS?

A. Yes, SCMS is fully competitive with suppliers of commodities of similar quality. AAI pricing is available through SCMS

Q. Can SCMS help in preparing budget, forecast and supply plans to assess the costs of the commodities required?

A. Yes. In fact, this is our preferred method of operation. SCMS is more than just a source of supply or a procurement service agent. Our services extend beyond the supply of the product to provide technical assistance and advice to our clients. SCMS welcomes the opportunity to contribute to your planning and budgeting in order to achieve the best value and an uninterrupted supply of commodities for your program, whether or not you procure products from us. Please contact your local SCMS office to discuss your requirements. You may also contact us at our Washington-based project management office.

More questions?

Contact us, or see our other FAQs:

- About SCMS <http://scms.pfscm.org/scms/about/faq>
- Antiretroviral pricing <http://scms.pfscm.org/scms/communitycenter/library>
- Counterfeit products <http://scms.pfscm.org/scms/communitycenter/library>