

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
- HIV test kits
- laboratory supplies and equipment
- drugs to treat opportunistic infections, such as tuberculosis and malaria
- drugs 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)

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 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 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. 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).
- 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 and manufacturers' production schedules. 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.

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>
- E-catalog <http://scms.pfscm.org/scms/ecatalog/faq>
- Antiretroviral pricing <http://scms.pfscm.org/scms/resources/other>
- Counterfeit products <http://scms.pfscm.org/scms/resources/other>