

# SEAM Tanzania

## Using the Internet to Prequalify Prime Vendors

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### Requirements for the Prime Vendor

SEAM Tanzania, the Evangelical Lutheran Churches in Tanzania (ELCT), and the Mission for Essential Medical Supplies (MEMS) agreed to develop and implement a private sector, prime vendor-based pharmaceutical supply system to provide sustainable distribution of quality, value-priced drugs and supplies to participating health facilities (PHFs). The prime vendor will function as the sole-source supplier of drugs and supplies for these hospitals. The following requirements were established for the prime vendor: (1) it must maintain a constant supply of vital items; (2) it must demonstrate the ability to coordinate multiple purchases in a timely manner; and (3) it must have adequate competence in information technology (IT) to facilitate the flow of information between PHFs, the prime vendor, and ELCT/MEMS.

Because IT competence would be critical to sustaining a distribution system that could operate in a timely manner, ELCT/MEMS chose to use the Internet both to search for potential suppliers and to assess supplier IT capacity.

### Prequalification Process

#### Step 1

The following key documents were developed—

- A prequalification notice and expression of interest (EOI) form
- A vendor prequalification questionnaire and instructions
- An electronic prequalification questionnaire
- Final selection criteria for short-listing qualified vendors

#### Step 2

The following actions were taken to communicate with potential suppliers—

- Advertisements were placed in local and regional media outlining the prequalification standards and instructions on how to respond with EOIs.
- All other key documents and procedural steps were converted to electronic format to mandate the use of on-line technology by potential suppliers.
- An e-mail account was set up to receive EOIs, send and receive the prequalification notices, and reply to questions from interested vendors.

#### Step 3

After receipt of completed vendor prequalification questionnaires, ELCT/MEMS conducted the following activities—

- Evaluation of vendor responses based on predetermined criteria
- Approval by MEMS vendor committee of a short list of prequalified vendors
- Electronic notice of approval to short-listed vendors
- Request for proposals (RFPs) sent to prequalified vendors via e-mail attachments

### Results

- Seventeen vendors in Tanzania, Kenya, Germany, and the Netherlands expressed interest, confirming that the Internet can be an effective tool in the selection process.
- ELCT/MEMS successfully used an Internet-based process to determine if a vendor possessed the minimum criteria for prequalification.
- Six vendors met the selection criteria and have received RFPs.



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### VENDOR EVALUATION CRITERIA

- ✓ The supplier holds a valid license in Tanzania as an importer/wholesaler.
- ✓ The supplier has been operating as a distributor for drugs and medical supplies for more than three years.
- ✓ The e-mail address provided is on a business server (i.e., not on a public server such as Yahoo!).
- ✓ The supplier has clients in at least three regions of Tanzania.
- ✓ The supplier stocks more than 100 drugs on the Tanzania National Essential Drugs List.
- ✓ Sales turnover for drugs and medical supplies for FY 2001 is at least TZS 1 billion.
- ✓ The value of drug and medical supply purchases for FY 2001 is at least TZS 800 million.
- ✓ The supplier has not ceased operation in the past three years.
- ✓ The supplier has provided audited financial statements for the past three years.
- ✓ The average stock value for drugs and supplies in 2001 is at least TZS 80 million.
- ✓ Annual sales to at least one customer exceeds TZS 30 million.
- ✓ Total hospital sales for 2001 exceed TZS 25 million.
- ✓ The supplier has a staff of at least 10 full-time employees.
- ✓ The supplier is an importer of drugs.
- ✓ The supplier utilizes a computerized management information system for at least one component predefined under "prequalification documents."
- ✓ The supplier's quality assurance system includes at least one component listed under Section 12.
- ✓ The supplier has provided an answer to all questions in the questionnaire.