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RPM Central Asian Republics Final Report

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List of Acronyms

AED.....	Academy for Educational Development
CAR.....	Central Asian Republics
ENI.....	Bureau for Europe and the New Independent States
CDC.....	Centers for Disease Control and Prevention
DIS.....	Drug Information Center
DMIS.....	Drug Management Information System
DOTS.....	Directly Observed Treatment, Short-Course
EDL.....	Essential Drugs List
FDC.....	Fixed-Dose Combination
GMP.....	Good Manufacturing Practices
IDA.....	International Dispensary Association
MDR-TB.....	Multi-drug Resistant Tuberculosis
MoHES.....	Ministry of Health, Education, and Sport
MSH.....	Management Sciences for Health
NIS.....	Newly Independent States
NIT.....	National Institute of Tuberculosis
RPM.....	Rational Pharmaceutical Management
SBD.....	Standard Bidding Document
TB.....	Tuberculosis
USAID.....	United States Agency for International Development
USD.....	US dollar
USP.....	United States Pharmacopeia
WHO.....	World Health Organization

Executive Summary

It is of major international concern that rates of HIV/AIDS, tuberculosis, and other deadly infectious diseases are on the rise around the globe. In many places, these trends are compounded by economic instability, decentralization of public health responsibilities, and increased travel among countries. The incidence in Kazakhstan of several infectious diseases has reached alarming levels, and suggests that targeted attention and intervention is required. In particular, TB notification rates are rising at nearly 87 percent a year, and are among the highest in all of Europe. Growing numbers of multi-drug resistant TB (MDRTB) cases have resulted in increased mortality rates and the reallocation of scarce public health funds to purchase the expensive drugs that treat these virulent strains of TB.

Donors and public health entities in the region are rallying support and searching for options to curb these distressing trends. From November 1998 to June 1999, the Rational Pharmaceutical Management (RPM) project worked with Kazakh public health officials, regional pharmacy professionals, and the donor community in Kazakhstan to highlight the role of drug procurement and management in strengthening disease management.

With funding from the US Agency for International Development (USAID), RPM provided training and technical assistance to the pharmaceutical sector in the CAR, specifically in Kazakhstan. RPM programming focused primarily on TB drug procurement, and culminated with the observation of the 1999 Kazakhstan National TB Drug Tender.

This report summarizes the objectives, activities, and accomplishments of the RPM CAR country program, followed by recommendations for further efforts in the region. Overall, RPM found that targeted technical assistance was very effective for building local drug management capacity, though the results are only sustainable if RPM-trained staff continue to form part of future tender commissions. The following accomplishments and results highlight RPM's impact in Kazakhstan:

- Forty-one pharmaceutical sector professionals from nine NIS countries were trained in competitive procurement practices.
- Fifteen of twenty-one suggested improvements to the TB tender document recommended by RPM were incorporated into the final document.
- With the improvements, the final TB tender document was compliant with internationally-accepted procurement standards.
- RPM and several counterparts made eight suggestions to improve the mix of drugs being procured. Five of these were fully incorporated into the final TB tender document, and as a result 83% of drugs procured through the 1999 TB tender were DOTS-compliant, up from 26% in 1998.
- Despite higher drug quality standards, prices for first-line TB drugs were 1.5 percent lower than in 1998.
- RPM observed that the 1999 TB tender was transparent and followed standard norms and procedures.

Project Overview

In August 1998 the USAID ENI Bureau requested that RPM develop a limited country program on pharmaceutical management in the Central Asian Republics (CAR). To ascertain local needs and perspectives, inform USAID and interested parties of types of RPM assistance available, and plan next steps, RPM Director Tony Savelli visited Kazakhstan and Kyrgystan in November 1998.

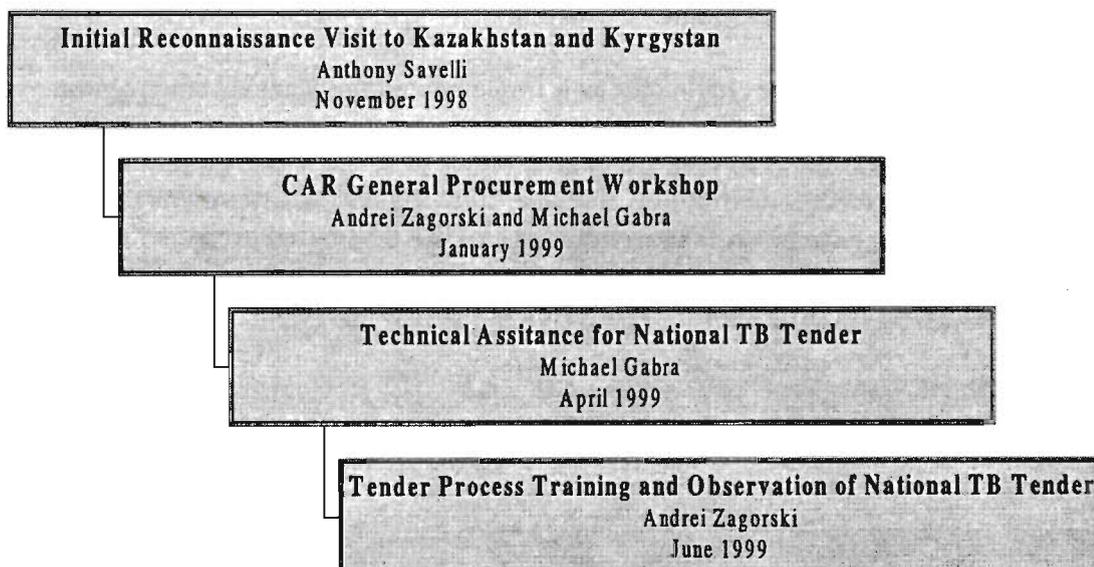
Initial findings from this visit showed that there was genuine interest in procurement training within the CAR public health sector. Furthermore, RPM determined that pharmaceutical procurement processes recently used in Kazakhstan did not conform to internationally accepted norms. This was evident in the flawed process and outcomes of the 1998 Kazakhstan National Tuberculosis (TB) Tender. As a result, RPM recommended that pharmaceutical procurement systems in Kazakhstan be strengthened to improve procurement techniques, competition, and transparency, and that special attention be given to bolster the TB drug procurement process.

Project Implementation and Activities

Early on, RPM and the USAID Kazakhstan Mission determined that the first RPM activity would be to implement a Regional General Procurement Workshop in Almaty. At this workshop, held in January 1999, specific attention was placed on competitive procurement techniques and the procurement of TB drugs. The workshop provided RPM with the opportunity to discuss regional drug management needs directly with CAR public health counterparts and develop objectives for continued programming. As a result, RPM and USAID planned a comprehensive program of activities to be conducted between January and June of 1999.

The original RPM work plan included follow-on training in procurement practices intended to complement the general procurement workshop. However, RPM objectives and activities changed due to the request from USAID that RPM address procurement issues specific to the Kazakhstan national TB tender. This tender was originally scheduled for May 1999 but was conducted in June 1999.

The flow of RPM activities in Kazakhstan occurred as follows:



Project Objectives

Each activity corresponds to one of RPM's objectives in the CAR. The following is a list of the objectives, their related activities, and major outcomes or outputs:

Objective 1: Increase local capacity in pharmaceutical procurement

- Conducted General Procurement Workshop in Almaty, Kazakhstan in January 1999
- Workshop was attended by 41 public health specialists from nine NIS countries
- Participants reported that the workshop training and information would be useful in future procurement activities

Objective 2: Help local counterparts improve TB tender processes

- Provided direct technical assistance and training to the Kazakhstan TB Tender Commission and participating organizations in April and June 1999
- Identified **twenty-one** omissions in the 1999 TB tender document. Fifteen of these were included in the final tender document, which brought it into compliance with internationally accepted procurement guidelines
- Drafted a template standard bidding document for the TB Tender Commission

Objective 3: Observe TB tender and provide comments and recommendations

- Observed national TB tender in June 1999
- Confirmed that the final TB tender documents and process were in compliance with internationally-accepted standards
- All TB drugs procured in 1999 were WHO-approved, while in 1998 83 percent were not compliant with WHO standards
- Provided recommendations to the tender commission, including methods to improve transparency, standardization of supplier selection and contracts, and competition in the tender process

Objective 4: Provide recommendations on drug procurement and management in Kazakhstan

- The present report includes a compendium of recommendations for possible follow-on work in drug management and procurement in Kazakhstan

Challenges Facing RPM in Kazakhstan

The RPM project faced significant challenges as it implemented the Kazakhstan program.

- RPM lacked data on the status of pharmaceutical sector in Kazakhstan, particularly on TB drug selection, procurement, distribution, and use. Comprehensive assessments of the pharmaceutical sector have never been conducted by USAID-funded projects.
- No mechanism exists for drug supply monitoring at the national level.

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- Responsibilities for the implementation of the National TB Program are dispersed among various departments of the Ministry of Health, Education and Sport (MoHES), and there is at present no mechanism to coordinate activities. Similarly, there is little harmonization of TB treatment policies and related activities between the MoHES and the National Institute of Tuberculosis (NIT).
 - Geographic factors prohibited the involvement of certain parties (i.e. the capital of Kazakhstan moved from Almaty to Astana, 1200 kilometers away).
 - Identifying key health officials responsible for various aspects of pharmaceutical sector was difficult.
 - Due to insufficient resources and time, as well as reorientation of program objectives, RPM could not evaluate the impact of procurement training at the oblast level.

Objective 1: Increase Local Capacity in Pharmaceutical Procurement

Background

Between 1994 and 1996 the Central Asian Republics implemented significant health sector reforms to improve the efficiency and quality of health care services in the region. These reforms include the privatization of retail pharmacies and wholesalers involved in the procurement and distribution of drugs, and the devolution of public sector drug supply responsibilities from the national to the oblast level. As a result, local health authorities face decision making and managerial responsibilities for which they have little training. In addition, many trained professionals from national drug procurement departments have moved into private sector positions.

In November 1998, the MSH Rational Pharmaceutical Management (RPM) project received funds from the USAID ENI Bureau to address these and other issues in the CAR. RPM kicked off its programming in January 1999 with a Regional General Procurement Workshop in Almaty. The workshop's target audience was specialists involved in drug procurement for public health, and an emphasis was placed on TB drugs. RPM invited over forty participants from the CAR, Georgia, Armenia, Azerbaijan, Russia, Ukraine, and Moldova.

Workshop Objectives

To achieve the program objective of developing local capacity in drug procurement RPM developed the following workshop objectives:

1. Explain the basic structure and components of the pharmaceutical management cycle and the components' relationships
2. Present the steps included in the drug procurement cycle, and the four procurement alternatives (open tender, restricted tender, competitive negotiation and direct purchase)
3. Highlight the components of a comprehensive quality assurance program and identify practical procedures for starting or improving programs
4. Illustrate the factors to consider in making drug selection for procurement decisions, using the example of anti-tuberculosis drugs
5. Explain the need for, and essential components of, effective tender documents; identify ways to improve own documents
6. Present the criteria used to adjudicate drug tenders, and the importance of transparency in the tender process; identify ways to make own tender procedures more transparent and objective
7. Demonstrate the elements of an effective drug supply contract, and identify ways to improve own contracts

8. Review consumption and morbidity-based drug quantification methods
9. Outline pharmaceutical procurement problems in NIS countries and identify the required assistance to tackle those problems

Mode of Implementation

The workshop was conducted using lectures, interactive presentations, small group activities, discussions, and informational materials. RPM staff, speakers from the USAID-funded projects Abt ZdravReform and Project HOPE, and representatives from Kazakhstan, Kyrgyzstan, and Russia delivered presentations on drug procurement issues. Presentations and activities were followed by discussions in which participants had the opportunity to share experiences and questions (see Attachment 2, Workshop Program).

Outcomes

Participation

RPM trained forty-one procurement specialists from nine countries of NIS in modern methods of drug supply management. In their professional capacities, 41% of participants are responsible for drug procurement at the national level, and 36.3% operate at the oblast and city level. Three participants represented the private sector, and three represented NGOs (see Attachment 3, List of Participants).

Evaluation

Results of the workshop evaluation revealed that participants believed the training and information on procurement methods would be useful in their future activities (8.40 points on a nine-point evaluation scale). The evaluation also showed that confidence and knowledge in drug supply elements increased (see Attachment 4, Summary of Workshop Evaluation).

Interaction

Participants from nine NIS countries had the unique chance to share and compare approaches to solving pharmaceutical supply management problems.

Regional Impact

Following the workshop, two participants from the Public Procurement Institute in Moscow, Russia designed a course on Competitive Drug Procurement for Russian public health sector procurement agencies. The course was based on the materials provided by RPM at the Workshop

Outputs

Workshop Materials

RPM developed a package of workshop materials for the participants, including a Russian translation of "Managing the Tender Process" (*Managing Drug Supply: The Selection, Procurement, Distribution, and Use of Pharmaceuticals*).

Proceedings

RPM published workshop proceedings shortly after the workshop (CAR General Procurement Workshop). The proceedings include a summary of problems with the CAR pharmaceutical sector identified by workshop participants, as well as a RPM proposal for further activities in CAR.

Objective 2: Help Local Counterparts Improve TB Tender Documents and Processes

Background

As mentioned in the Executive Summary, rates of TB and particularly of drug-resistant TB have reportedly reached epidemic levels in Kazakhstan. Public health officials and donors alike have expressed concern for the lack of TB drug availability, and have dedicated significant time and resources to exploring methods of alleviating the spread of TB in the region. RPM proposed that more effective procurement practices and drug management could ameliorate the TB drug availability situation.

Recently, two important health sector policy initiatives were approved in Kazakhstan that pertain to TB drug management and availability:

1. In 1997 a National TB Program was adopted that declared the World Health Organization's (WHO) Directly Observed Treatment, Short-course (DOTS) standards mandatory for treating tuberculosis. DOTS treatment guidelines have proven to be cost-effective and successful, and many countries have adopted this intervention methodology.
2. In 1998 the Law of the Republic of Kazakhstan on Public Procurement was passed, which requires the use of competitive practices when purchasing commodities with public funds. TB drug procurement would fall within this rubric.

The first Kazkh national TB Tender using DOTS guidelines was conducted in August 1998, and reportedly resulted in the procurement of a large number of low quality TB drugs that were then poorly distributed. Since there was no official reporting or documentation of the drug or distribution quality, this could not be confirmed. However, RPM reviewed the 1998 TB tender documents and discovered several significant deficiencies which could have resulted in the purchase of inferior drugs and services. In addition, the results could be attributed to the MoHES' limited capacity to conduct competitive procurement.

The RPM project was asked to provide technical assistance in TB drug procurement to the Kazakhstan MoHES, US Agency or International Development (USAID), the National Institute of Tuberculosis (NIT), and other parties involved in the Kazakhstan TB tender scheduled for June 1999. This assistance began with direct technical assistance provided by RPM in April and June 1999. RPM also observed the TB tender in June 1999, though the latter activity falls under RPM Objective 3.

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Mode of Implementation

To meet the objective of improving TB tender documents and processes, RPM Senior Program Associate Michael Gabra visited Kazakhstan in April 1999 to provide direct technical assistance and hands-on training to parties involved in the TB tender scheduled for June 1999. Specifically, Gabra identified omissions of standard tender components from the 1998 TB tender document, incorporated the missing components into the 1999 draft TB tender document, reviewed the TB drugs chosen for the 1999 tender by the NIT, and submitted a draft generic Standard Bidding Document (SBD) for pharmaceuticals to the MoHES.

Technical Assistance in Developing TB Tender Documents and a Generic Standard Bidding Document

To begin the process of familiarizing the parties with proper procurement techniques and to discuss issues of specific relevance to the TB tender, RPM met with representatives from the MoHES, NIT, USAID, WHO, and Abt ZdravReform. During this meeting the group discussed several topics related to the TB tender and to the pharmaceutical procurement system in Kazakhstan. The overarching concern expressed was that the tender document for the June 1999 TB tender be improved and adjusted to meet internationally accepted standards for pharmaceutical procurement. Recommendations produced at the meeting include:

- Full and coordinated implementation of the WHO DOTS strategy by the MoHES and NIT
- Reconcile the TB drugs recommended by WHO DOTS and those listed for purchase by the NIT, and ensuring proper quantification of TB drug needs
- Support adequate pharmaceutical sector legislation and registration policies
- Adjust the language of the TB tender document to ensure the quality of the drugs procured
- Improve the management, distribution, and monitoring of TB drugs

Following these discussions, RPM planned to meet with the TB Tender Commission, an ad-hoc committee convened specifically for the 1999 TB tender. RPM planned to work with the committee members to draft and review the tender document and bring it up to international standards. One of the challenges that RPM faced in providing direct technical assistance was the difficulty gathering all the members of the TB Tender Commission at this meeting. As a result, RPM met only with the Head of the Drug Policy Department of the MoHES, who was also the Deputy Chair of the TB Tender Commission. A representative of Abt ZdravReform was also present at this meeting.

RPM made a thorough analysis of national procurement legislation and the 1998 TB tender documents. After the gaps had been identified, RPM suggested a set of additions and changes to the 1999 tender document to improve the procurement process and bring it into compliance with accepted international standards. With the improvements, the final document would be in full compliance with these standards. In addition to providing the TB Tender Commission with the revised draft TB Tender document, RPM also created a generic template SBD to be used for pharmaceutical procurement. The template SBD fully complies with standard procurement guidelines.

As Table 1 illustrates, of the 21 improvements that RPM suggested, 15 were incorporated into the final TB tender document:

Table 1: Comparison of RPM suggestions on the 1999 Kazakhstan TB Tender Document and the final tender document

#	RPM Suggestions for Improvement of Tender Documents	Included in final TB tender document
1	<p><i>Bidder Eligibility</i></p> <p>Include a clause in the tender document stating that bidders should not be associated, directly or indirectly, with organizations which have been engaged by the purchaser in consulting services or in the preparation of tender documents and specifications.</p>	Yes
2	<p><i>Definition of Domestic Manufacture and Priority</i></p> <p>There are no domestic manufacturers of TB drugs in Kazakhstan, so priority cannot be given to domestic producers. The clause should specify if repackaging factories can be considered as domestic manufacturers.</p> <p>Specify margin of domestic preference, if any.</p>	Yes (50% of product value) (10% off the stated price)
3	<p><i>Qualifications of manufacturer</i></p> <p>This section is covered in the bidding documentation. However, a few changes could be made to meet usual requirements that establish the supplier's eligibility, namely:</p> <ul style="list-style-type: none"> • Business history • Proof of legal licenses and representation agreement with manufacturer(s) • Financial and annual report(s) • Proof of business registration(s) • Customers references 	Yes Yes Yes Yes Yes
4	<p><i>Bid Bonds/Security Bonds</i></p> <p>Determine the value of the bid bond to be a certain percentage of the value of the tender, and secure documentation from bidders ensuring the availability of the bond funds.</p>	Yes (2%)
5	<p><i>Performance Bonds</i></p> <p>To ensure the quality of delivery, determine the value of the performance bond to be a certain percentage of the value of the tender, and secure documentation from bidders ensuring the availability of the bond funds.</p>	No

6	<p><i>Product Samples</i></p> <p>Because of past experience with the delivery of low quality drugs, require samples of products for laboratory tests and quality assurance.</p>	No
7	<p><i>Technical specifications for each product</i></p> <p>Require National, British or United States pharmacopeial standards for the products to meet the World Bank's International Competitive Bidding guidelines.</p>	Yes
8	<p><i>Packing requirements</i></p> <p>A clear packing slip should accompany each consignment, indicating the carton's contents and the expiry dates of the contents.</p> <p>Include a clause in the tender document stating that the specifications and quality of the packages or hard blister packs must comply with requirements indicated in the tender document. No alterations are acceptable unless confirmed in writing.</p>	Yes
9	<p><i>Losses and Damage</i></p> <p>The purchaser should add a clause stating that the supplier is liable for all losses, damage, or expense due to unsuitable packing. The contract should stipulate how any losses will be recovered.</p>	Yes
10	<p><i>Shelf life of goods and expiry date</i></p> <p>All items must arrive at the port of entry (imported and local) with a remaining shelf life of at least two years or 5/6 of the total stipulated shelf life at the time of manufacture.</p>	Yes (Shelf life of at least 80%)
11	<p><i>Analysis and inspection by national laboratory</i></p> <p>The purchaser should add in the bidding document a statement that an analysis of products must be supplied by the supplier upon request and that costs of said analysis will be incurred by the supplier.</p>	Yes

12	<p><i>Box label requirements</i></p> <p>The purchaser should specify the language required on the labels. The preferred language for labels in Kazakhstan is Russian.</p> <p>In addition, it should be required that the labels include certain information. Specifically, the external label for the <u>box</u> (not the outer casing) should contain the following information:</p> <ul style="list-style-type: none"> • INN for the active ingredient • Trade name (if applicable) • Dosage form • Strength • Directions for use • Quantity per box (units per box) • Pharmacopoeia standards • Name and address of supplier & manufacturer (e.g., Supplier XX, Made in YY) • Country of origin of supplier and manufacturer • Date of manufacture • Instruction for storage conditions • Product registration number and date of registration • Overprint and logo in Russian (if applicable) 	<p>Yes (these were entered into the tender document but RPM could not confirm if these were entered into contracts)</p>
13	<p><i>Blister label requirements</i></p> <p>If blisters are purchased for the DOTS program, the requirements for the <u>blister label</u> are as follows:</p> <ul style="list-style-type: none"> • INN for the active ingredient • Trade name (if applicable) • Dosage form • Strength • Pharmacopoeia standards • Expiry date • Batch number • Name and address of supplier & manufacturer • Overprint and logo in Russian (if applicable) 	<p>No</p>

14	<p><i>Other labeling conditions</i></p> <p>Other conditions could include stipulations for Russian-language informational circulars (instructions for use) to be given by the purchaser at the time the contract is signed.</p> <p>The purchaser should add the following:</p> <ul style="list-style-type: none"> • The supplier is responsible for all printing material and costs involved. • The purchaser reserves the right to request samples for quality check of the printed circular prior to inserting into the boxes and shipment of products. 	No
15	<p><i>Outward appearance</i></p> <p>This section was not discussed during the meetings however the consultant is of the opinion that the purchaser should reconsider the potentially substantial added costs involved for printing visual identification signs on tablets.</p>	Yes
16	<p><i>Packing of injectables</i></p> <p>For injectables, the purchaser should add the following stipulation: package in airtight containers, protected from light and moisture.</p>	Yes
17	<p><i>GMP and other considerations</i></p> <p>The purchaser should consider adding the following GMP standards to the original bidding document:</p> <ul style="list-style-type: none"> • Dosage form and strength • Name and address of supplier & manufacturer • Document number of approving product (registration number) • Precautions (if any) • Overprinting on packages, if required. 	Yes
18	<p><i>Exterior case identification</i></p> <p>The following information should be added or labeled on the exterior shipping cartons in a clearly legible manner:</p> <ul style="list-style-type: none"> • Destination country and full address and telephone number of consignee • Contract number • Gross weight of each carton (in kg) • Carton # ____ of ____ 	Yes
19	<p><i>Corrupt or Fraudulent Practices</i></p> <p>Define corrupt or fraudulent practices in accordance with Kazakhstan Law.</p>	Yes

20	<p><i>Primary and Secondary Awards and Contracts</i></p> <p>RPM advised that the purchaser should sign contracts with both the winner and the second best supplier in order to fix prices of the latter for the contract period (in case primary supplier defaults)</p>	No
21	<p><i>Agreement with contract terms</i></p> <p>Include a page in the bidding documents where the bidder agrees to contract with the purchaser according to the terms of the tender.</p>	No

With the additions proposed by RPM and accepted by the TB Tender Commission, the 1999 Kazakhstan TB tender document is in compliance with the internationally accepted standards (for example, The World Bank Standard Bidding Documents: Procurement of Pharmaceuticals and Vaccines).

RPM assistance led to the development of tender documents free of most of the major omissions found in the 1998 TB tender documents. Two omissions, however, require close attention as they may have significant impact on product quality and availability:

1. The TB Tender Commission did not require that potential suppliers submit product samples for laboratory testing, nor did it allow enough time for the National Laboratory to perform tests had the samples been submitted. In an environment where TB rates are growing dramatically largely due to reported poor drug quality, laboratory analysis of TB drugs is crucial.
2. The TB Tender Commission does not plan to sign contracts with second-best suppliers to secure uninterrupted drug supply in case the winner defaults. Contracts where the secondary supplier agrees to fix the award price for the duration of contract is standard international practice and has proved to be very useful. In some countries awards are split between the winner and second best supplier (80% and 20% of the amount on bid, like in Russia).

Improvement of Tender Processes

It should be noted that since tender commissions in Kazakhstan are *ad hoc* bodies, members sometimes have limited procurement experience. Furthermore, following an intervention such as the recent RPM technical assistance, it is unclear if the skills and information shared with the tender committee will be disseminated to other tender commissions. In the case of the 1999 TB Tender Commission, only two of the members had been involved in the 1998 TB tender and could rely on their previous experience.

Since many of the members of the MoHES Tender Commission were not familiar with tendering procedures and documents, RPM was asked to conduct a brief 1-2 day training to cover this gap. This training was conducted by RPM Senior Program Associate Andrei Zagorski in Almaty, Kazakhstan in June 1999, one day prior to the actual national TB tender.

On the request of the Tender Commission special attention was given to contracting suppliers for TB drugs. Correct contracting may ensure adequate supplier performance and drug quality. The following issues were covered during the training:

1. Tender drug nomenclature and technical specifications
2. Instruction for Bidders and Bidding Documents
3. Bid opening and evaluation procedure
4. Tender adjudication process
 - Preliminary examination
 - Evaluation and comparison of bids
 - Domestic preference
5. Award of contract
6. Signing of contract
7. Drug supply quality assurance
 - Supplier performance monitoring
 - Drug quality monitoring and reporting
 - Requirements for Drug Management Information System (DMIS)
 - Types of reports required for rational drug management

In addition, RPM worked with the Head of the Drug Policy Department, who is also the head of the TB Tender Commission, and recommend that the following additions be made to the final contracts with winning bidders:

1. Prices should be fixed for the duration of contract period
2. Drug specifications listed in a separate attachment (not just a reference to the Instruction for Bidders)
3. Packaging standards should be part of contract
4. Drug quality requirements:
 - Laboratory tests are the responsibility of a supplier
 - Each batch and lot should have quality certificates
5. Labeling requirements should be specified
6. Drug information format should be specified (contents and language)
7. Delivery schedule should be developed, and be part of contract
8. Fines for late delivery or substandard quality should be identified and agreed upon
9. A clause on corrupt or fraudulent practices should be added

The RPM consultant reiterated the recommendation that contracts should be signed with the second-best bidders to fix the price and quantities in case the winner defaults.

Drug Selection

Drug selection plays a pivotal role in any procurement strategy. Since RPM's mandate was to assist with the development of tender documents and observe the TB tender, drug selection issues fell outside of RPM's scope of work. However, RPM uncovered a need to address the situation to provide baseline indicators and to increase the effectiveness of RPM programming. RPM activities and findings in this area follow.

The TB drug selection process in Kazakhstan seems to be heavily lobbied by various institutions, including procurement agencies, medical schools, and medical research institutes. The selection of TB drugs for the 1998 national TB tender was not transparent, nor did the list of selected TB drugs comply with DOTS recommendations. For example, several obsolete drugs, like ftivazid and kanamycin, non-DOTS combination drugs (triple combination of isoniazide, rifampicin, and ethambutol, also known as HRE), and injectable forms of isoniazide and rifampicin were included in tender list. As a result, scarce funds were allocated for non-DOTS drugs, there was redundant procurement of TB drugs required for the second (ambulatory) stage of treatment, and TB drugs for treating the acute stage of TB were not purchased in appropriate quantities.

To provide a basis for assessing the TB drug procurement situation, RPM reviewed the 1998 Kazakhstan Essential Drug List (EDL) for TB Drugs and compared it with DOTS guidelines:

Table 2: Comparison of WHO DOTS essential drugs and the 1998 Kazakhstan Essential TB Drugs List

WHO Essential TB Drugs	Dosage Form	Strength	Kazakhstan EDL
Isoniazide (H)	Tablet	100mg 300mg	X
Rifampicin (R)	Capsule or Tablet	150mg 300mg	X X
Pyrazinamide (Z)	Tablet	400mg 500mg	X
Ethambutol (E)	Tablet	100mg 400mg	X X
Streptomycin (T)*	Powder for injection	1g	X

* X indicates present

Table 3 is a cross-check of WHO-recommended Fixed-Dose Combination (FDC) drugs and those included in the 1998 EDL. The table utilizes the formulation of essential FDC TB drugs based on WHO FDC List.

Table 3: Comparison of WHO FDC TB Drugs to 1998 Kazakhstan EDL

Essential Anti-TB Drug Fixed Dose Combinations	Dosage Form	Strength	Kazakhstan EDL
• For daily use			
Thioacetazone + isoniazide	Tablet	50mg + 100mg	
Ethambutol + isoniazide	Tablet	400 + 150mg	
Rifampicin + isoniazide	Tablet	150mg + 75mg 300mg + 150mg	X
Rifampicin + isoniazide + Pyrazinamide	Tablet	150mg +75mg + 400mg	X
• For intermittent use (thrice weekly)			
Rifampicin + isoniazide	Tablet	150mg + 150mg	
Rifampicin + isoniazide + Pyrazinamide	Tablet	150mg +150mg + 500mg	

* X indicates present

** The dosage forms and strengths of separate and FDC anti-tuberculosis drugs in the list correspond to international standards and recommendations for the treatment of tuberculosis infections. Only Pyrazinamide in the triple combination was corrected to 400mg from 500mg as recorded in the IFB.

Table 3 shows that Kazakhstan chose only two FDC options in the 1998 procurement, indicating a possible inability to comply with WHO DOTS treatment guidelines.

As mentioned above, drug selection for the 1999 TB tender was beyond RPM's scope of work. However, due to the importance of the drug selection process to the tender process, RPM decided to coordinate a meeting between the National Institute of Tuberculosis (NIT), several USAID-funded projects in CAR, including Abt ZdravReform, HOPE, and CDC, and experts from the WHO. At this meeting the participants reviewed the draft 1999 Kazakhstan TB EDL and made recommendations.

Of the eight suggestions made by the group, five were fully incorporated into the final TB tender document. The group made the following recommendations regarding drug selection:

Table 4: Recommendations on Drug Selection

	Recommendations	Changes made to tender drug list?
1	Change the order of Isoniazid/Rifampicin from 75/100 mg to 100/150mg. Both drugs are registered in Kazakhstan.	Yes
2	If change under (1) is agreed upon, quantities for Isoniazid 300mg should be reduced or removed if stocks are available in the oblasts. The quantities for Isoniazid 100mg should be increased.	Yes
3	Remove Rifampicin 300 mg injectable and Isoniazid injectable from the list	Yes
4	According to WHO recommendations, H/R/Z dosage for intensive care of both patient categories (I + II) should read 75/150/400 mg and not 75/150/500 mg.	No H/R/Z 150/225/ 750
5	If the Lederle product "Myrin" triple (H/R/E) combination is in stock, as reported by MoHES officials, quantities of the triple combinations (H/R/Z) to be purchased in the list should be reduced, and the quantities of Pyrazinamide 500mg increased instead for first and second categories of patients in intensive phase.	Yes Z quantity doubled in 1999
6	Increase the quantity of Ethambutol 400mg.	Yes Quantity x 2.5
7	Capreomycin, Prothionamide, Cycloserine, and Ofloxacin should be strictly recommended only for the treatment of multi-drug resistant TB. Given limited financial resources, the NTC should consider making purchases of first-line drugs a priority.	No 16.69% of funds spent on 2-nd line drugs
8	RPM recommended that drugs supplied by a single source not be included on the tender list, and instead procure them through direct negotiations with the individual suppliers (drugs for MDR-TB, cycloserine and capreomycin)	No

The group stressed the importance of the use of Fixed-Dose Combination (FDC) drugs, a new and improved strategy recommended by the WHO, to combat tuberculosis infections. Training staff in the use these methods should be conducted simultaneously.

The final list of TB drugs to be procured through the 1999 national tender was provided to RPM only after the tender had been announced. The final decision on which drugs to include in the list was made solely by the NIT.

The list contained twelve drug products:

Table 5: List of TB Drugs for Tender in 1999

	Drug Name	Unit	Pack Size	Quantity	# of Units
1	Isoniazide 100	tablet	1000	6200	6,200,000
2	Rifampicin 150	tablet	1000	3000	3,000,000
3	Pirazinamide 500	tablet	1000	13000	13,000,000
4	Ethambutol 400	tablet	1000	8000	8,000,000
5	Streptomycin 1,0	injectable	1	750000	750,000
6	Isoniazide 300+ Rifampicin 450; (or: Isoniazid 100 + Rifampicin 150)	tablet	1000	2000 (6000)	2,000,000
7	Isoniazide 75 + Rifampicin 150 + Ethambutol 300	tablet	80	105000	8,400,000
8	Isoniazide 150+ Rifampicin 225+ Pyrazinamide 750	tablet	1000	1000	1,000,000
9	Capreomycin 1,0	injectable	1	9000	9,000
10	Prothionamide 250	tablet	50	900	45,000
11	Cycloserine 250	tablet	100	200	20,000
12	Sparfloxacin 200	tablet	6	700	4,200

The group could not verify the accuracy of requested drug quantities supplied by the NIT and listed above. The MoHES did not provide current information on supplies that were previously delivered, consumption data, quantities available in the pipeline, and projected use or program growth. It is thus impossible to evaluate the rationale behind quantification figures.

Attachment 5 contains additional comments on TB drug selection made by the Project HOPE TB specialist.

Outcomes

Training

All Tender Commission members were familiarized with proper tender documents and trained in standard tendering procedures.

Quality Tender Documents

The 1999 national TB drug tender document was in accordance with international standards.

Participant Satisfaction

No complaints on the tender process were filed by any of the potential suppliers.

Regional Impact

At the request of the USAID Mission, the Head of Procurement Department of Fergana Oblast in Uzbekistan attended RPM training in preparation for oblast pooled procurement

Outputs

The following documents and materials were developed with the RPM assistance:

- Generic Standard Bidding Document template
- Instruction for Bidders
- Drug specifications recommendations
- Spreadsheets for supplier pre-qualification
- Spreadsheet for tender adjudication
- Templates for tender protocols
- Contract template
- Principles of Good Procurement Practices
- Development of a Job Description for an In-house Kazakh Procurement Specialist
- RPM Kazakhstan Trip Report, Visit to Almaty, April 1999

Objective 3: Observe TB Tender and Provide Comments and Recommendations

Background

As previously mentioned the 1998 national TB tender reportedly resulted in the procurement of low quality drugs at high prices. At the time of the tender there was significant controversy about transparency in the tender process and contract awards. To mitigate such problems in the 1999 TB tender, the USAID Mission in Kazakhstan requested that RPM assistance in developing tender documents and training in tender processes be followed by observation of the actual TB tender. USAID also requested that RPM provide recommendations to the TB Tender Commission during and after the tender process.

Mode of Implementation

RPM Senior Program Associate Andrei Zagorski observed the 1999 TB tender.

The 1999 TB Drug Tender

The Republic of Kazakhstan allocated 274,000,000 tenge to procure TB drugs for the National TB Program (\$2,075,757, exchange rate \$1=132 tenge). The TB tender took place in Almaty on June 22-23, 1999 (see Attachment 6 for Persons Involved in TB Tender).

Bid Submission

Tender documents were purchased by the following fifteen potential suppliers:

1. Novartis Pharma
2. GlaxoWellcome
3. Medion AG
4. Rezlov Ltd., Almaty
5. Medexport Italy
6. BruPharmExpo
7. Altair-Pharma, Almaty
8. AFFK "Romat", Almaty
9. Sis Medical
10. Eli Lilly
11. Reddis Laboratories, India
12. Almaty Pharmaceutical Factory
13. Anavi, Almaty
14. Medtrans Company, Almaty
15. Wyeth Lederle

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Bid Opening

Bids were opened on June 22, 1999, as scheduled, in the presence of the potential suppliers' representatives and the media. No bids were opened before the specified date, and no bids were received after the date. A written record was kept of all bids received.

To ensure the transparency of the process, the bid opening was shown on all local television channels. The TB Tender Commission also issued a press release describing the TB situation in Kazakhstan and the role of the TB tender in implementing the National TB Program.

The Chair of the Tender Commission announced the value of each offer, the documents submitted with each bid, and the value of the bid bond. Each submitted document was then signed by the Chair of the Tender Commission and the potential supplier's representative, and stamped with the NIT stamp.

A total of eight potential suppliers submitted bids. One of these, Reddis Laboratories, submitted the bid bond in cash in a sealed envelope. The RPM consultant recommend that the unopened envelop be returned immediately to the supplier to prevent any corruption accusations. As recommended, the bid bond was returned to the supplier, and a note of the situation was entered into the Tender Protocol.

Evaluation of Potential Suppliers

The first step in evaluating the bids was to determine which offers were non-responsive to tender conditions, meaning which bidders were immediately disqualified.

Bids from the following potential suppliers were submitted and evaluated:

1. Novartis Pharma
2. GlaxoWellcome
3. Medexport Italy
4. AFFK "Romat", Almaty
5. Eli Lilly
6. Reddis Laboratories, India
7. Almaty Pharmaceutical Factory (a Kazakh repackaging company that represented two foreign firms, Ipka of India and Sanavita of Germany)
8. Wyeth Lederle

Of the eight potential suppliers that submitted bids, the following were considered non-responsive and were disqualified:

- Medexport Italy: the certificate of product registration in the country of manufacture contained corrections and later additions; several documents were not translated from Italian into Russian

- AFFK "Romat" (represented Lupin Laboratories, India): WHO GMP certificate contained corrections and later insertions; the cost of the bid was not stated; pharmacopeial standards for the products was not identified; several documents were not translated into Russian
- Reddis Laboratories: did not submit the bid bond (the bid bond was offered to TB Tender Commission as cash in an envelope, and was returned to the supplier unopened)
- Almaty Pharmaceutical Factory (documents for Ipka manufacturer): WHO GMP certificate contained corrections and later insertions
- Wyeth Lederle: did not submit registration documents; did not submit a letter from a bank regarding its financial viability

Evaluation of Offers

Product offers from the responsive potential suppliers were evaluated according to the schedule of requirements outlined in the tender documents. The product requirements included the international nonproprietary name (INN), strength in metric units, the basic unit, package size, and the number of packages needed.

After carefully considering each item on the tender list, the Tender Commission awarded contracts to the following suppliers based on product compliance and best price:

Table 6: Contracts Awarded in 1999 TB Tender

	Drug name, strength (mg)	Winner	Pack Size	# of Packs	# of Units	Price per Pack	Price per Unit	Value USD
1	Isoniazid 100	Almaty PharmFact (Sanavita)	1000	6,200	6,200,000	9.6	0.0096	59,520
2	Rifampicin 150	Novartis	1000	3,000	3,000,000	32.5	0.0325	97,500
3	Pirazinamide 500	Almaty PharmFact (Sanavita)	1000	13,000	13,000,000	37.4	0.0374	486,200
4	Ethambutol 400	Novartis	1000	8,000	8,000,000	26.9	0.0269	215,200
5	Streptomycin 1000	Almaty PharmFact (Sanavita)	1	750,000	750,000	0.16	0.16	120,000
6	Isoniazid 300+ Rifampicin 450	GlaxoWelcome	1000	2,000	2,000,000	147	0.147	294,000
7	Isoniazide 150+ Rifampicin 225+ Pyrazinamide 750	Novartis	1000	1000	1000000	111	0.111	111,000
8	Capreomycin 1000	Eli Lilly	1	9000	9000	11.5	11.5	103,500
9	Prothionamide 250	Almaty PharmFact (Sanavita)	50	900	45000	10.5	0.21	9,450
10	Cycloserine 250	Eli Lilly	100	200	20000	154.5	1.545	30,900
11	Sparfloxacin	Not purchased						
12	HRE Triple Combination	Not purchased						
Total:								1,527,270

Two TB drugs, the Lederle triple combination HRE (Myrin) and sparfloxacin, were not purchased through the tender because the suppliers of the two drugs were disqualified. RPM strongly recommended that the drugs not be purchased at all, since they are non-compliant with WHO DOTS treatment guidelines.

In addition to the concern that the drugs are not DOTS compliant, it is possible that purchase of these drugs could result in a significant waste of resources. The projected budgetary obligation of the products, according to the NIT, was \$529,200 for Myrin (at \$0.063 per tablet), and \$3,150 for sparfloxacin (at \$0.75 per tablet). The value estimated for sparfloxacin does not correspond with standard international prices for sparfloxacin, and in fact drastically underestimates the cost of this drug. Sparfloxacin is manufactured by only one company, Rhone-Poulenc Rhorer, and is sold at the international market at \$5.68 per tablet (“Second Line Drugs for MDR-TB: Manufactures, Formulations, and Prices”), which would put up the expenditures on this product to \$24,612.

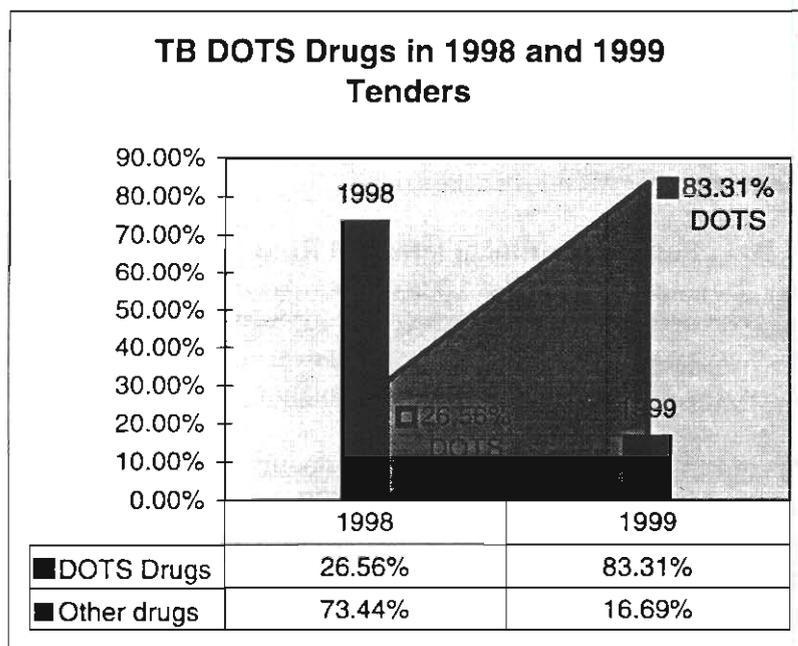
RPM suggested that the money allocated for these two drugs be spent instead on the additional procurement of first-line TB drugs. The recommendation of the RPM consultant was not entered into the final tender protocol. Instead, the Tender Commission entered a statement in the final tender protocol recommending that the Committee of Health to ask for permission from the National Procurement Agency to procure sparfloxacin and Myrin through direct negotiations with suppliers (see Attachment 9, Tender Protocols).

Tender Outcomes

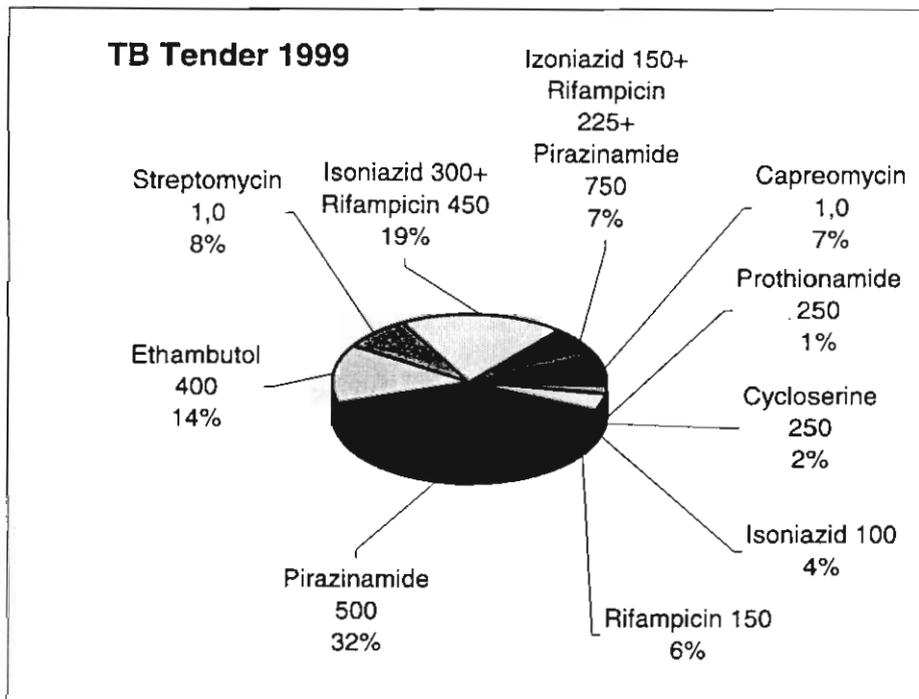
Drug Products Compliant with WHO DOTS Guidelines

Through the 1999 TB Tender, Kazakhstan procured ten TB drugs, 83.31% of which (by value) were first-line drugs, and 16.69% of which were second-line drugs used to treat drug-resistant TB. It should be noted that all the drugs procured through the 1999 tender are compliant with WHO DOTS standards.

In contrast, the 1998 TB tender was expected to effectively initiate implementation of the WHO DOTS program. This did not happen due to a lack of the drugs necessary to launch the program. For example, of all drugs purchased in 1998, only 26% by value were in compliance with DOTS standards. The situation changed in 1999. The graph to the right illustrates changes in the proportion of DOTS compliant vs. non-DOTS compliant drugs in 1998 and 1999:



The following chart illustrates the breakdown by USD value for each drug product of the 1999 TB drug tender:



The mix of drugs in the 1999 TB drug procurement represents a considerable step toward rational TB drug use. However, RPM remains concerned that the Committee of Health may insist on direct single-source procurement of FDC Myrin (HRE). In the 1998 TB Tender, FDC Myrin accounted for 62.45% of funds allocated for the TB drugs, despite its non-compliance with DOTS regimens. RPM suggests that the MoHES instead purchase vital first-line drugs with the remaining funds and thus be better equipped to effectively treat new TB cases.

Product Quality Standards Improved

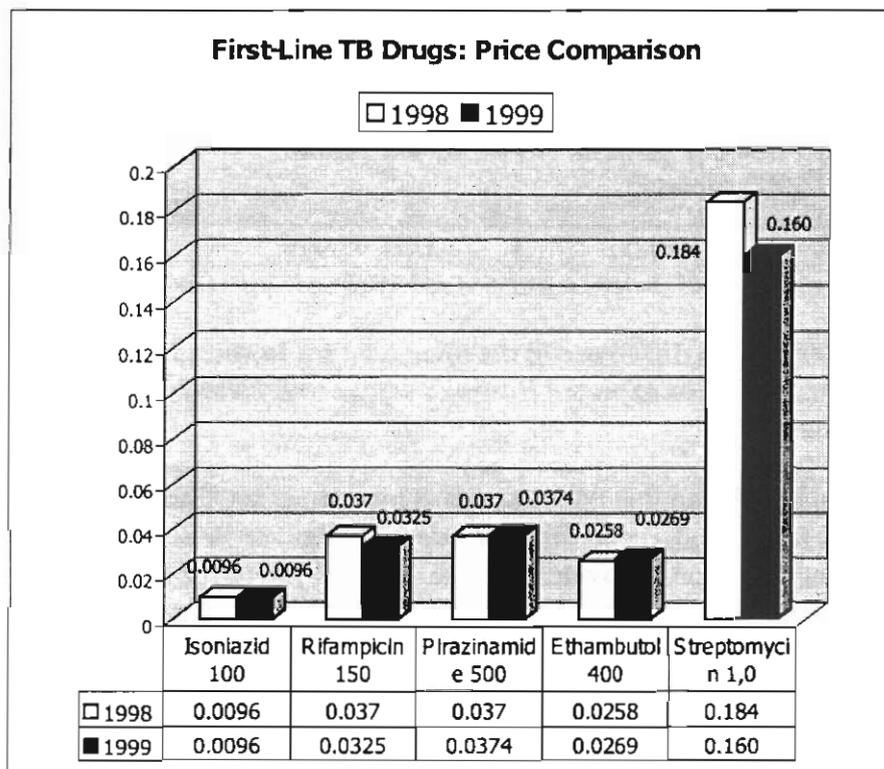
The Drug Policy Department informed RPM of significant problems with the quality of TB drugs procured through the 1998 tender. According to the Department, TB facilities complained about late deliveries by suppliers, decomposition of tablets, bad smell, and notably low efficacy of the products. These complaints, however, were not recorded officially, and it is not possible to identify the suppliers with poor performance.

RPM determined that deficient tender documents and drug specifications (discussed above) may have contributed to the low quality of TB drugs procured in 1998. For 1999, with improved tender documents, strict supplier pre-qualification criteria, and clear drug specifications, TB drugs were procured from manufacturers of high international standing, such as Novartis, GlaxoWellcome, Eli Lilly, and Sanavita. However, if drug quality standards are not enforced in the contracts with suppliers and through supplier performance monitoring, there is no guarantee of drug quality even from reputable international suppliers.

Product Prices Reduced

As discussed above, of 15 potential suppliers that purchased tender documents only eight actually submitted bids. This was because new 1999 tender requirements called for higher drug quality standards (WHO GMP certificate, registration in the country of manufacture, pharmacopeial standards, etc.), so fewer suppliers were likely to qualify. With the reduced number of potential suppliers, the TB Tender Commission expected significantly higher prices than in the 1998 Tender. However, the price of first-line TB drugs was actually reduced.

RPM compared the prices paid (in USD) for TB drugs for 1998 and 1999 (See Attachment 7, Price Comparison Table). The graph below illustrates the changes in prices (in USD) between the 1998 and 1998 TB tenders for first-line TB drugs:



Using 1998 and 1999 TB tender prices and 1999 drug quantities, RPM calculated that 1999 USD prices for first-line TB drugs were reduced by 1.5 percent from 1998 levels. This 1.5 percent price reduction could be attributed to larger pack sizes specified in tender documents (1000 tablet bottles instead of 20 or 100 tablet blisters in 1998), and larger quantities of products put on tender in 1999.

This price reduction suggests high cost-effectiveness of the 1999 TB tender, especially since the drugs will likely be of better quality and efficacy than those procured in 1998.

At the same time, prices paid by Kazakhstan for TB drugs are still far higher than standard international prices. Using Isoniazide as an example, a calculation of internationally accepted prices revealed the following:

Table 7: Standard International Price for Isoniazid 100 mg

Product name	Average price per tablet (US\$)	Insurance, freight and charges	Total price per tablet (US\$)
Isoniazid 100mg	0.0038	+ 30%	0.00494

* Based on *MSH International Price Indicator Guide, 1998*

RPM then compared prices offered by the winning bidder in the 1999 TB tender for packs of 1000 tablets of Isoniazid 100 mg:

Table 8: Price Paid in 1999 for Isoniazide 100 mg vs. Standard International Price

Product name	Price per pack of 1000 tablets*	Price per tablet	Difference factor (compared to Standard International Price)
Isoniazid 100 mg	US\$ 9.60	US\$ 0.0096	$0.0096/0.00494 = 1.96$

* The price shown include insurance, freight, registration and handling charges (INCOTERMS DDP)

There was almost a 200 percent difference in the price paid for Isoniazid 100 mg by the Kazakhstan MoHES and the price expected if using average international prices, indicating a possible waste of resources.

Worldwide experience has shown that payment terms have the most significant influence on drug prices. In the 1999 TB Tender, one supplier offered to deliver 10 percent additional products over the amount procured provided that the MoHES pre-pay for the procured drugs. This offer was not accepted because the MoHES could not guarantee the pre-payment. In addition, informal discussions with international drug companies that participated in the tender revealed that they could lower prices by at least 15-20% if the MoHES were to guarantee a payment schedule. Currently, though, the MoHES promises to pay for the tendered drugs only as the Ministry of Finance makes funds available.

Furthermore, since Kazakhstan is experiencing a deteriorating economic situation, drug suppliers are attempting to protect their revenues by boosting prices. High drug prices could also be related to insufficient competition among suppliers, as is reviewed in the following section.

Lack of Competition Among Drug Suppliers

A total of 22 suppliers expressed interest in supplying TB drugs in the 1998 and 1999 TB tenders. Despite their interest, of twelve suppliers that purchased TB tender documents in 1998 only seven (58 percent) actually submitted bids. In 1999 participation was even lower: of the fifteen suppliers that purchased TB tender documents only eight (53 percent) submitted bids.

The table below illustrates supplier participation in the 1998 and 1999 TB tenders:

Table 9: Supplier Participation in 1998 and 1999 TB Tenders

#	Drug Supplier	Purchased 1998 docs	Submitted 1998 bid	Awarded contract	Purchased 1999 docs	Submitted 1999 bid	Awarded contract
1	"Amity International", Almaty	✓	✓	✓			
2	"Kadutsey", Astana	✓					
3	"Vremya Kazakhstan", JSC, Almaty	✓					
4	AFFK "Romat", Almaty	✓	✓	✓	✓	✓	
5	Almaty Pharmaceutical Factory	✓	✓	✓	✓	✓	✓
6	Altair-Pharma, Almaty				✓		
7	Anavi, Almaty	✓			✓		
8	Badj Rang Company, India	✓	✓				
9	BruPharmExpo	✓			✓		
10	CIECH-Polfa, Poland	✓	✓				
11	Eli Lilly				✓	✓	✓ Single source
12	GlaxoWellcome				✓	✓	✓
13	Medexport Italy	✓			✓	✓	
14	Medial AG, Switzerland	✓	✓	✓ Single source			
15	Medicus-Center, Almaty	✓	✓				
16	Medion AG				✓		
17	Medtrans Company, Almaty				✓		
18	Novartis Pharma				✓	✓	✓
19	Reddis Laboratories, India				✓	✓	
20	Rezlov Ltd., Almaty				✓		
21	Sis Medical				✓		
22	Wyeth Lederle				✓	✓	

For some drug products in both 1998 and 1999 tenders there was no competition at all (isoniazid 10% 5 ml and rifampicin 300 injectable in 1998; capreomycin and cycloserine in 1999).

It should also be noted that of the 22 suppliers on the market only two (9 percent) submitted bids for both the 1998 and 1999 TB tenders. While it is difficult to determine the exact reasons for this, some companies reported a lack of time to prepare bids due to the very short period between the tender announcement and the deadline for bid submission (25 days). In addition, some companies could not comply with the 1999 TB tender's higher requirements for qualification and drug quality.

The MoHES should seriously consider ways to boost competition between suppliers. One way to do so is by increasing the number of reliable international suppliers and manufacturers registered in the country. Currently the drug registration mechanism in Kazakhstan does not encourage companies to enter the market because it is expensive and lengthy. Companies pay approximately \$3,000 USD for each drug product, and the registration process may take up to a year. For example, Eli Lilly registered its product Cycloserine in December 1998, but still has not received the registration certificate. This situation makes registration unattractive and in some cases unaffordable for the international manufacturers of quality generic first-line TB drugs (like IDA, ECHO, ORBI-PHARMA, and others).

Furthermore, the Kazakhstan has no formal system for monitoring and recording supplier performance. Monitoring systems often serve to promote contract compliance by the suppliers.

Objective 4: Provide Recommendations on Drug Procurement and Management in Kazakhstan

RPM did not have a mandate to perform a comprehensive assessment of the pharmaceutical sector in Kazakhstan with tools developed and tested in other RPM countries. Thus, the recommendations that follow are based on an understanding of the drug management situation derived from meetings with Kazakhstan health officials and the USAID Mission, comments made by the participants of the RPM General Procurement Workshop, and experts of USAID-funded projects and the WHO (see Attachment 8, Persons Met).

Recommendations on Drug Supply Management for National Health Programs

Assure procurement of quality drugs

A drug tender, no matter how successful it is, cannot guarantee that pharmaceuticals are always available for the patients, nor that they are of the promised good quality. A National Health Program, such as the National TB Program, may fail if the MoHES does not consider strengthening its oversight of national programs, focusing specifically on drug procurement quality assurance. Such oversight could include the following activities that should be the responsibility of one Ministry department:

- Coordinate all aspects of drug quantification and selection
- Establish procurement methods and guidelines
- Adhere to proper tender procedures
- Assist with prequalification of suppliers
- Monitor supplier, storage, and user performance
- Oversee drug recalls, quality complaints, laboratory tests
- Monitor drug use by health facilities
- Maintain a data base with information on each drug product and its supplier

RPM has proposed a set of activities that may help establish a system of drug management for the National Health Programs (see Attachment 9, Draft Proposal for RPM CAR Activities).

Create Drug Information Center

The MoHES may consider establishing a National Drug Information Center (DIC) that would provide up-to-date, evidence-based information on pharmaceuticals and modern treatment methods. Financial investments needed to establish such Center are rewarded by potential savings from the rational use of cost-effective drugs that best suit therapeutic needs. RPM has considerable experience working with twelve Russian and one Moldovan DICs established by the United States Pharmacopeia (USP)/RPM. Cooperation and information sharing among the DICs helps to strengthen and broaden the work of each DIC, and this interaction could significantly benefit the Kazakh pharmaceutical sector.

Capitalize on regional expertise

It is advisable that the MoHES consider the tender experience of neighboring countries. Kyrgystan, for example, conducted drug tenders using World Bank funds, Russian-language documents, and procurement guidelines. In January 1999 RPM conducted a General Procurement Workshop for participants from nine NIS countries. Among other activities, the workshop provided a venue for representatives from Kyrgystan, Uzbekistan, Georgia, Armenia, Moldova, and Russia to share their experiences in national tendering. Kazakhstan MoHES representatives did not attend those sessions.

Simplify registration process

The MoHES could review the policy on registration of pharmaceuticals, drugs, and medical kits to allow the participation of nonprofit wholesale companies such as IDA, Mission Pharma, and Echo, among others. This could increase competition, reduce prices, and improve drug quality. Currently, the registration of one product costs US\$3000, and US\$500 more for the same product in a different strength. In addition, the process tends to be lengthy. The pharmaceutical market in Kazakhstan is relatively small, with approximately 25 suppliers and 3000 registered drugs, which is dominated by four or five companies and three manufacturers. Simplifying the registration process could lead to better supplier and product availability.

Recommendations on Drug Tenders

Establish permanent tender board

The MoHES may consider establishing a permanent tender board for competitive procurement of pharmaceuticals for National Health Programs. The current practice of using *ad hoc* Tender commissions is neither cost- nor resource-effective. It requires significant time and effort to train specialists in drug tendering, and the experience and institutional memory these specialists acquire in doing so is invaluable and should be utilized.

Standardize tender documents

Tender documents developed for the 1999 TB tender were in accord with international standards and with minor improvements may be used as basis for tenders of other pharmaceuticals. The MoHES is advised to make sure this template continues to be applied.

A procurement manual would complement the tender template. RPM did not have a mandate to develop a procurement manual that could serve as a resource for other specialists, but USAID may wish to consider supporting the development of a procurement guide.

Lengthen and announce tender process

Preparation for a national tender requires more time than was given for the 1998 and 1999 TB tenders. The 1999 TB tender bidders had only 25 days to prepare their bids. If each step in a standard tender process is followed, the whole tender should take at least six to eight months. Potential suppliers may need at least three months to prepare bids properly (time between tender announcement and bid submission deadline).

Wider announcement of tenders is recommended, including announcement in international specialized editions and through trade departments of Embassies.

Improve drug selection for tenders

Drug selection should not be handled by only one person. Rational and transparent drug selection requires wide involvement of local specialists along with international consultants from the organizations and projects operating in the country (USAID-funded projects such as Abt ZdravReform, HOPE, CDC, and RPM, as well as WHO).

Priority should be given to first-line TB drugs in the dosage forms and strengths included in the WHO EDL.

It is advisable to spend the remaining funds from 1999 tender on additional procurement of the first-line drugs by negotiating larger contract quantities with the tender winners. There is concern that funds will be spent drugs that are not included in DOTS standards.

Quantify drug needs for tenders

Proper quantification of drug needs may have a significant impact on tender outcomes. Collecting precise data on consumption and morbidity should precede all quantification and procurement activities. Quantification should be done using standard formula. The MoHES may consider delegating this responsibility to specially trained staff of the department responsible for drug management for National Health Programs. International consultants of USAID-funded projects or the WHO could provide training.

Ensure drug quality

Ensuring the quality of drugs procured for National Health Programs should become a top priority for the MoHES. A requirement should be added to all tender documents for the submission of drug samples for testing by bidding suppliers. For drugs that the National Drug Quality Laboratory is not equipped to carry out, suppliers could be required to send samples for testing to an independent international laboratory (such as Crown Agents), and submit a quality certificate as part of the bidding documents.

The MoHES may also want to invest in laboratory equipment to conduct thin layer chromatography, which performs reliable, rapid, and inexpensive testing of drug products.

Contract with two suppliers

It is advisable to sign contracts with both the winning supplier and the second best supplier of each product. A contract with the second best supplier fixes the offered tender price for the duration of the contract period, and will ensure drug availability in case the primary supplier defaults. If this occurs, the second supplier's contract is activated.

Recommendations on Drug Supply Management at the Regional (Oblast) Level*Establish reporting mechanisms for oblast procurement offices*

With the exception of major national programs, such as the national TB program, the responsibility for drug management and procurement in Kazakhstan has devolved to the regional (oblast) level. However, the MoHES may consider establishing reporting mechanisms that would help the central level to have a better understanding of how and what drugs are procured by oblasts. Such a system could also help determine whether procurements are in compliance with national formulary and registration regulations (the RPM proposal in Attachment 9 addresses some of these issues).

Practice pooled procurement

In the face of diminishing drug budgets, it is advisable that the MoHES consider assisting oblasts to establish a system of pooled procurement. Pooled procurement can help to reduce drug prices and make quality control more effective.

Lessons Learned

Project-Related

- The implementation methods selected for RPM activities were effective for achieving the immediate goals set by USAID. Specifically, targeted, short-term technical assistance is a cost-effective programmatic method when the expected output or outcome is a document (tender documents), participation in a one-time process (drug tender), or training in general issues (drug procurement). However, sustainability of RPM efforts will largely depend on MoHES willingness to accept RPM recommendations to establish drug management mechanisms for national health programs.
- Hands-on technical assistance to a limited number of local experts is a very effective approach for building local drug management capacity. It allows for professional dialogue with counterparts and immediate feedback. However, local capacity in drug tendering will be sustainable only if future tender commissions are comprised of the same RPM-trained staff.
- Collaboration with several USAID-funded organizations and the WHO proved to be very successful. RPM did not have significant previous experience working in the CAR, and benefited from the experience and technical expertise of Abt ZdravReform and Project HOPE. In preparation for the workshop, communication and leveraging with WHO allowed for a better understanding of procurement problems in the CAR.
- Subcontracting AED to organize the January 1999 Regional General Procurement Workshop helped avoid many problems that otherwise could have occurred if the Workshop had been organized from the US. AED's excellent skills in providing logistical support and bringing together participants from ten countries are commendable.
- The idea of a regional workshop proved to be fruitful. Participants were very interested in sharing their experience with each other and learning about approaches used in other NIS countries to solve procurement problems. It is advisable that such workshops be conducted regularly.

Pharmaceutical Sector-Related

- Data from a comprehensive pharmaceutical sector assessment provides critical information that helps plan and carry out activities aimed at improving the drug supply. Since the responsibility for drug supply devolved to the oblast level in 1995 and 1996, the MoHES does not seem to collect any data on the national drug supply status. It may be advisable for the sake of future international projects (USAID-funded and others) to conduct a thorough pharmaceutical sector assessment that would identify gaps and provide baseline indicators.
- Kazakhstan may benefit from specialized training of oblast procurement specialists in aspects of pooled procurement.

National TB Program-Related

- Short-term technical assistance was sufficient to capacitate the TB Tender Commission. As a result, the 1999 National TB Tender was conducted according to international competitive procurement standards.
- The National TB Program may face significant difficulties without oversight from the MoHES on drug selection for TB treatment, procurement, distribution, and use (see Recommendations for Drug Supply Management for National Health Programs).
- The drug component of the National TB Program requires more attention from international projects and MoHES. It is evident from the TB drug list proposed for the 1999 tender that multi-drug resistant tuberculosis (MDR-TB) is a growing problem in Kazakhstan. It may be necessary to look at all drugs used in TB facilities, and expand the tender list to cover all drug needs of TB facilities through the National tender. In addition, it may be useful to review drug dispensing practices and to monitor DOTS implementation.

Attachments

Attachment 1: Bibliography

Anthony V. Savelli, "Trip Report: RPM Visit to Almaty and Bishkek, November 5-11, 1998" (Arlington, VA: Management Sciences for Health, 1998).

Andrei Zagorski and Michael Gabra, "CAR General Procurement Workshop: Workshop Proceedings" (Arlington, VA: Management Sciences for Health, 1999).

Management Sciences for Health in collaboration with the World Health Organization, *Managing Drug Supply: The Selection, Procurement, Distribution, and Use of Pharmaceuticals, Second Edition, Revised and Expanded* (West Hartford, CN: Kumarian Press, 1997).

Michael Gabra, "RPM Kazakhstan Trip Report: Visit to Almaty, April 1999" (Arlington, VA: Management Sciences for Health, 1999).

"Second-line Drugs for MDR-TB: Manufacturers, Formulations, and Prices" (Partners in Health/Program in Infectious Disease and Social Change, 1999).

World Bank, *Standard Bidding Documents: Procurement of Pharmaceuticals and Vaccines* (Washington, DC: World Bank, 1993).

World Health Organization, *Treatment of Tuberculosis: Guidelines for National Programmes* (Geneva: World Health Or

Attachment 2: Regional General Procurement Workshop Program
 Almaty, January 20 - 24, 1999

Day 1	January 20	Time
	Opening Ceremony: Dr. A.A. Akanov, Deputy Head of Health Committee; Dr. S.S. Duseynov, Head of Drug Supply Department USAID Workshop goals: A. Zagorski, MSH	9:00-9:30
	General Overview of the Pharmaceutical Management Cycle, Andrei Zagorski, MSH	9:30-10:30
	National Drug Policy, Dr. Talgat Nurgozhin, Abt Associates	10:30-11:00
	<i>Coffee Break</i>	11:00-11:30
	General Overview of the Procurement Cycle (Andrei Zagorski)	11:30-13:00
	<i>Lunch</i>	13:00-14:00
	Drug Selection for Tender, Professor A.Z. Zurdinov, Chair of Pharmacological Committee, Kyrgyz Republic	14:00-14:30
	Requirements for Procurement of TB Drugs (Kestutis Miskinis, Project HOPE)	14:30-16:00
	<i>Coffee Break</i>	16:00-16:30
	Discussion	16:30-17:00
Day 2	January 21	
	Drug Quantification Didactic Session, Michael Gabra, MSH	9:00-10:30
	Drug Quantification for Procurement Practices, L.A. Kuznetsova, Head of Drug Supply Division, Almaty Health Department	10:30-11:00
	<i>Coffee Break</i>	11:00-11:30
	Drug Quantification Exercises	11:30-13:00
	<i>Lunch</i>	13:00-14:00
	Working Group1: Quantification	14:00-16:00
	<i>Coffee Break</i>	16:00-16:30
	Working Group1: Presentations	16:30-17:30
	Discussion	17:30-18:00

Day 3	January 22	
	Tender Management Part 1: Tender Documents, Michael Gabra, MSH	9:00-10:30
	Tender Management Practices and Documentation, S.A. Abdrahmanov, Head of Drug and Medical Supply Department, Kazakhstan Health Committee	10:30-11:00
	<i>Coffee Break</i>	11:00-11:30
	Working Group 2: Tender Documents	11:30-13:00
	<i>Lunch</i>	13:00-14:00
	Working Group 2: Presentations	14:00-15:00
	Tender Management Part 2: Tender Adjudication, Michael Gabra, MSH	15:00-16:00
	<i>Coffee Break</i>	16:00-16:30
	Working Group 3: Tender Adjudication	16:30-17:30
	Working Group 3: Presentations	17:30-18:00
Day 4	January 23	
	Quality Assurance for Drug Procurement. Andrei Zagorski, MSH	9:00-10:30
	Quality Assurance Practices, Professor K.D. Rahimov, Chair of Pharmacological Committee, Republic of Kazakhstan	10:30-11:00
	<i>Coffee break</i>	11:00-11:30
	Contract Management, Michael Gabra, MSH	11:30-13:00
	<i>Lunch</i>	13:00-14:00
	Working Group 4: Contract Management	14:00-16:00
	<i>Coffee break</i>	16:00-16:30
	Working Group 4: Presentations	16:30-17:00
	Splitting Tender Practiced in Russia. Konstantin Perov, Associate Professor, Institute of Public Procurement, Moscow	17:00-18:00
Day 5	January 24	
	Final Presentations from Working Groups	10:00-11:00
	<i>Coffee break</i>	11:00-11:30
	Final Presentations from Working Groups	11:30-12:30
	Closing Ceremony: Andrei Zagorski, Michael Gabra, participants	12:30-13:00
	<i>Lunch</i>	13:00-14:00

Attachment 3:

List of Participants

Regional General Procurement Workshop, January 20 - 24, 1999

1. Kazakhstan

	Name	Position	Address	Contact #
1	Abdrahmanov Serik	Head of Drug and Medical Supply Procurement Dept.	Almaty 480003 Ablai Hana 63 Public Health Committee	Tel: (3272) 33-02-14
2	Rakhimov Khairolla		Almaty 480003 Ablai Hana 63 Public Health Committee	
3	Kuznetsova Larisa	Head of Drug Procurement Dept.	Almaty 480070 Djandosova 6 Public Health Department	Tel: (3272) 44-34-96
4	Zviagentseva Irina	Senior Specialist of Drug Procurement Dept.	Almaty 480070 Djandosova 6 Public Health Department	Tel: (3272) 44-86-29
5	Glyzhina Olga	Senior Specialist of Drug Procurement Dept.	Almaty 480091 Ablai Hana 91 Health Administration of Almaty Oblast	Tel: (3272) 62-67-71
6	Kisileva Yelena	Senior Specialist of Drug Procurement Dept.	Astana 473000 Polevaya 8 Public Health Department	Tel: (3172) 24-42-30
7	Zakirova Zhanylsyn	Senior Specialist of Drug Procurement Dept.	Astana 473000 Zheltoksan 50, Health Administration of Akmola Oblast	Tel: (3172) 33-74-92
8	Kudaibergenova Gulvira	Senior Specialist of Drug Procurement Dept.	Shmkent 486050 Kazybek-bi 26, Health Department of South-Kazakhstan Oblast	Tel: (3252) 53-63-57
9	Nizametdinova Alisa	Senior Specialist of Drug Procurement Dept.	Karaganda 470061 40 Let Kazakhstana 2, Health Admin. of Karaganda Oblast	Tel: (3212) 41-14-24
10	Djanina Galina	Head of Drug Procurement Dept.	Pavladar 637002 Toraigyrova 70/2, Health Administration of Pavladar Oblast	Tel: (3132) 57-02-11
11	Yskak Bayan	Senior Specialist of Drug Procurement Dept.	Aktyubinsk 463018 Abulhair hana 40, Health Administration of Aktyubinsk Oblast	Tel: (3132) 57-02-11
12	Doskaliyeva Lailya	Senior Specialist of Drug Procurement Dept.	Atyrau 465000 Aiteke-bi 77, Health Administration of Atyrau Oblast	Tel: (31222) 3-09-37
13	Tortayeva Aizhan	Senior Specialist of Drug Procurement Dept.	Taraz, 41 Pushkina, apt. 30 Health Department of Jambyl Oblast	Tel: (32622) 33636, 33584
14	Okolelova Lyubov	Head of Drug Procurement Dept.	Petropavlovsk, Lenina 56 Health Department of North Kazakhstan oblast	Tel: (3152) 45-25-31 46-92-68
15	Gubaidullina Liliya	Project HOPE	Almaty, Behkozhanan 5, HOPE	61-87-47

2. Kyrgyzstan

	Name	Position	Address	Contact #
16	Zurdinov Ashiraly	Chair of Pharmacological Committee	Bishkek 720020 Ahunbaeva 92, Kyrgyz State Medical Academy	Tel: (3312) 545 853
17	Zankorozova Mariam	Head of Pharmaceutical Department	Bishkek 720040 Frunze 340, Mandatory Medical Insurance Fund	Tel: (3312) 226456/ 222218
18	Esenjanova Gulmira	Pharmaceutical Department Associate, RK MOH	Bishkek 720040 Togolok molda 3, Bld. 4 Republic of Kyrgyzstan Ministry of Health	Tel: (3312) 662 185
19	Kadyrova Ninel	Medical Insurance Fund		

3. Uzbekistan

	Name	Position	Address	Contact #
20	Akilov Farkhad	Chief Urologist	Tashkent 700109 Hodjaeva 1, Center for Urology and Nephrosurgery	Tel: (3712) 468 375
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22	Salikhov Bahtiyar	Deputy Director of "Uzmedtehnika"	Tashkent Oblast 702164 Geofizika village	Tel: (3711) 612 067
23	Nigmanov Mirakbar	Deputy Chair of JS "Dori-Dormon"	Tashkent 700069 Mirpulatova 1-a, JS "Dori- Dormon"	Tel: (3712) 482 503
24	Zakirov Kadir	Head of Surgery Department	Tashkent 700115 Farhadskaya 10, Center for Thoracic Surgery	Tel: (3712) 772 611 772 622

4. Turkmenistan

	Name	Position	Address	Contact #
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5. Tajikistan

	Name	Position	Address	Contact #
26	Isupov Salomiddin	Chairman of Tajikpharmindustry Committee		
27	Davlatov Makhmadali	Head of the Department, Tajikpharmacia		
28	Davlatshoev Abdukhalik	Head of Pharmacia, Hatlon Oblast		
29	Khakberdyev Asror	Head of Procurement Dpt. Leninabad		
30	Pulatova Dilbar	Head of Procurement Dpt. MOH		
31	Amirshoev Faizullo	Head of Dept. TajikPharmacia		
32	Salimov Noursratullo	TajikPharmacia		

6. Russia

	Name	Position	Address	Contact #
33	Alexandre Gladkov	Deputy Director R&D and Education, Institute of Public Procurement	Moscow 103009 Maly Gnezdikovski per. 4/2 Public Procurement Institute of State University - Higher School of Economics	Tel: 229-7647 Fax: 956-1397 home: 288-6912
34	Konstantin A. Perov	Assistant trainer, Chair of Public Procurement, consultant to the Moscow Government on drug procurement	Moscow 103009 Maly Gnezdikovski per. 4/2 Public Procurement Institute of State University - Higher School of Economics	E-mail: perov@i-connect.ru Tel: 229-7647 Fax: 956-1397 home: 176-5943
35	Krestinski Iouri	Director General Chair of Editorial Board	"Farmaceuticheskiy Vestnik" Analytical Center and Gazette	334-2429 krest@bionika.ru

7. Moldova

	Name	Position	Address	Contact #
36	Rita Seicas	Senior Specialist, Department of Pharmacy and Health RM MOH	Chisinau 2009 V.Alexandri St.1. Department of Pharmacy and Health, Republic of Moldova	Tel: 729860 729805 Tel/fax: 729388 Fax: 738781
37	Vladimir Captari	Senior Specialist, Department of Pharmacy and Health RM MOH	Chisinau 2009 V.Alexandri St.1. Department of Pharmacy and Health, Republic of Moldova	Tel: 729860 729805 Tel/fax: 729388 Fax: 738781

8. Georgia

	Name	Position	Address	Contact #
38	Giorgi Bujiashvili	UMCOR Health Manager	Georgia, Tbilisi Agmashenebeli avenue 189-A UMCOR	Tel: (995-32) 94-34-03 or 94-34-05

9. Armenia

	Name	Position	Address	Contact #
39	Tatul Hakobyan	Procurement Officer, UMCOR	16 Karapet Ulnetsu St. Yerevan 375037 Republic of Armenia	Tel: (3742) 284-141 282-977 AT&T fax/phone: 151-894 e-mail: tatul@umcor. arminco.com
40	Albert T. Hovhannisyan	Head of Tender Committee, MOH	8 Tumanyan St Yerevan 01, Republic of Armenia	
41	Manvelyan Vilen	Procurement Dept. Ministry of Health		

Attachment 4: Summary of Workshop Evaluation
Regional General Procurement Workshop, January 20 - 24, 1999

I. & II.: Participants' Country, Level of Activity, Health Sector Type

Level:		National Level	Vertical National Programs	Oblast	Rayon	City	Facility	MMIF	NGO	Private Sector
Country:	Total # participants									
Kazakhstan	15	1	1	9		3			1	
Kyrgyzstan	4	2	2					2		
Uzbekistan	5	2					2			1
Turkministan	1									1
Tajikistan	7	2	2	3						
Russia	3	2								1
Moldova	2		2							
Georgia	1									
Armenia	3	1	1							
# Participants	41	10	8	12	0	3	2	1	3	3
% by involvement		24%	19%	29%	0%	7.3%	4.8%	2.4%	7.3%	7.3%

III. Years of Participants' Experience in Drug Procurement = average 4.5 years

IV. Personal Objectives at the Workshop

1. Get new information	25
2. Meet with colleagues	17
3. Learn about experience in other countries	23
4. I was sent by authorities	0
5. Not certain about superiors	0
6. Other: Share my own experience	1

V. Confidence in Elements of Drug Supply Management*

Elements	Before and After the Workshop:	
	Before	After
1. National Drug Policies	3.36	4.20
2. National Drug Procurement Regulations	3.52	4.12
3. Organization of Drug procurement	3.20	4.28
4. Drug Procurement Strategies	3.08	4.16
5. Content of National Formulary	3.6	4.16
6. Drug Selection for procurement	3.04	4.04
7. Quantification	3.20	4.12
8. Tender Management	3.16	4.16
9. Selection and Prequalification of Suppliers	3.32	4.20
10. Tender Announcement	3.40	4.16
11. Tender Documents	3.04	4.08
12. Contracting	3.32	4.24
13. Management of Finance	3.16	4.00
14. Supplier Performance Monitoring	2.29	3.92
15. Quality Assurance	3.28	4.08

* answers are based on a five point confidence scale:

- 1 = not at all confident
- 2 = somewhat confident
- 3 = moderately confident
- 4 = very confident
- 5 = extremely confident

VI. Presenters Performance and Workshop Evaluation

Scale:

9 - 7 = Good (better, than was expected)

6 - 4 = Satisfactory (as was expected)

3 - 1 = Bad (worse than was expected)

	Presenters and Workshop Evaluation	Good	Satisfactory	Bad
1.	Organization of the Workshop	8.08		
2.	Content of the Workshop	7.72		
	Presenters:			
3.	A. Zagorski	8.44		
4.	M. Gabra	8.52		
5.	K. Miskinis	7.64		
6.	T. Nurgozhin	7.24		
7.	A. Zurdinov		6.80	
8.	L. Kuznetsova		6.96	
9.	S. Abdrahmanov		5.76	
10.	K. Rahimov	7.68		
11.	A. Gladkov	7.44		
12.	K. Perov	7.68		
13.	Materials for Participants ¹			
14.	Presentation Slides	7.24		
15.	Accommodation and Meals	7.28		
16.	Usefulness of Received Information	8.40		

¹ Workshop materials were sent to the participants by mail after the workshop due to baggage loss by British Airways. The baggage was delivered after the workshop.

Attachment 5: Recommendations on TB Drug Purchase, Project HOPE

P R O J E C T

H O P E

Almaty, June 8, 1999

Comments on TB Drug Purchase, National Tender of the Republic of Kazakhstan

In the last year tender on TB drug purchase there were big mistakes made which affected the effectiveness of the National TB program. The main drawbacks of the previous tender are listed below:

- almost all purchased drugs were manufactured in India and Pakistan,
- there was no reliable information on the experience of clinical usage of these drugs,
- independent specialists and consultants of international organizations did not take part in the discussions of tender committee,
- choice of drugs did not correspond with the official list of TB drugs recommended by WHO,
- choice of drugs was unfortunate,
- a big part of drugs was injections

The following drugs purchased in the last year tender should be mentioned as unfortunate:

- the most unfortunate drug is a combination of Isoniazid + Rifampicin + Ethambutol (Myrin). The purchased amount of this drug was dozens of times higher than necessary while other widely used combinations recommended by WHO (Isoniazid + Rifampicin in different dosages) were not purchased,
- Phtivazide, the drug that has not been used in developed countries due to its ineffectiveness for about thirty years was purchased,
- Kanamycin which is not included in standard methods of treatment and is used as a second line drug was purchased.

Unfortunately, looking at the list of drugs to be purchased this year it is clear that some of last year mistakes are about to be repeated.

Single Drugs

Single drugs are intended for treating TB in-patients in the intensive phase. The following drugs were chosen neglectfully:

- **Isoniazid 0,3** which is used widely while treating adult patients who constitute 90% of all patients will not be provided. Treatment of adult TB patients using child dose

0,1 has a psychological pressure on patients who will have to take 3 pills instead of one.

- **Rifampicin.** 0,15 dosage of the drug is acceptable but it is desirable to have the dose of 0,3 purchased. This capsule is convenient for patients who weigh more than 50 kilos, since they will take 2 capsules instead of 4.
- **Pyrazinamide.** 0,5 dose is acceptable, however, the dose of 0,4 would be better for children sick with TB. That is why part of the drugs should better be of 0,4 dose.
- **Ethambutol.** 0,4 dose is acceptable but it is preferable to have part of the drugs by the dose of 0,1 for children.
- **Streptomycin.** WHO recommend tablets instead of injections. It looks like the amount Streptomycin to be purchased is too much. It is advisable that the amount of Streptomycin is re-counted and reduced and more Ethambutol should be purchased.

Combined Drugs

The most acknowledged combination is Isoniazid + Rifampicin. WHO recommend different dosages of the combination, the most popular are 75mg + 150mg, 100mg + 150mg, 150mg + 300mg. In the continuation phase the most widely used dose is 150mg + 150mg. This combination in Kazakhstan will be widely used for treatment in the continuation phase. Since continuation phase is carried out in out-patient departments, the combination 150mg + 150mg should constitute the biggest part of purchased Isoniazid + Rifampicin.

Combination Isoniazid + Rifampicin + Ethambutol is not recommended by WHO and should not be purchased. This drug combination can be used in treating patients of category 2 (relapses and failed cases) in the continuation phase. The number of these patients is insignificant, about 10%. In the last year tender a great amount of this drug was purchased and will last for a long time.

Combination of **Isoniazid + Rifampicin + Pyrazinamide** is recommended by WHO and should be purchased. However, the dosage of 150mg + 225mg + 750mg is intended for treating patients who weigh less than 50 kilos. For patients that weigh more the recommended dose is 150mg + 150mg + 500mg. It is important to keep in mind that combined drugs will be used by out-patients. The number of out-patients in Kazakhstan is insignificant and the amount of these drugs should be limited.

Second Line Drugs

Second line drugs are intended for treating patients to which standard DOTS therapy could not be applied. Those drugs are to be used in DOTS + therapy which can be implemented only after the complete implementation of DOTS and there are patients who received two standard courses of therapy and did not get cured. If second line drugs start to get used in treating TB patients before DOTS implementation is completed there will appear patients who are drug resistant in a little while. Treatment using second line drugs is very expensive and not very effective.

Wide DOTS implementation started this year in the republic and first results of failures will be known in the year 2000. That is why treatment of patients using second line drugs, i.e. applying DOTS + and purchasing second line drugs would be untimely.

It is bewildering to see on the list of second line drugs **Sparphloxacin** of Chlorquinolones group. Clinical experience of using this drug is insufficient. In developed countries other more effective representatives of Chlorquinolones (Ophloxacin, Cyprophloxacin) are used in TB treatment.

As for other second line drugs – **Capreomycin, Protionamide, Cycloserinum**, they could be purchased later after DOTS is completely implemented. It is acceptable to purchase a small amount of these drugs for the purposes of research but not for the whole country.

The Amount of Purchased Drugs

It is hard to comment on the amount of drugs to be purchased since there is not enough information available. In order to evaluate the amount of drugs it is necessary to look at the estimation: how many patients of different categories there are, how many children will go through chemoprophylaxis using Isoniazid, what policy will be applied to chronic patients (in the Soviet sense of the word, not WHO). Only after the analysis of the above mentioned aspects will it be possible to comment on the correctness of ordered drugs.

Conclusions and Recommendations to the Tender Committee

- 1. Supplement single drugs with Isoniazid 0,3. Order single drugs for children if possible.**
- 2. Take off the list of purchase:**
 - combination of Isoniazid + Rifampicin + Ethambutol,
 - second line drugs: Protionamide, Cycloserinum, Capreomycin, Sparphloxacin
- 3. Supplement the purchase with the combination Isoniazid + Rifampicin = 150mg + 150mg for treating out-patients,**
- 4. Revise the amount of drugs to be ordered in accordance with provided estimations.**

Dr. Kestutis Miskinis,
Project HOPE
Medical Director
WHO TB Expert

Attachment 6: Persons Involved in 1999 TB Tender

Almaty

June 22-23, 1999

Tender Commission

- E.E. Durumbetov - Chair of Tender Commission, Deputy Chair of the RK Minister of Health, Education and Sport (MoHES)
- S.A. Abdrahmanov - Deputy Chair of Tender Commission, head of Drug Policy Department of MoHES
- S.R. Musinov - Deputy Chair of Tender Commission, Head of Health Reforms Department

Members of the Tender Commission

- B.S. Baiserkin - Chief specialist of Sanitary-Epidemiological Department of MoHES, coordinator of TB program
- A.A. Zhangireev - Director of National Institute of Tuberculosis
- R.Zh. Zhunusova - Head of Financial Department of MoHES

Secretariat

- M.O. Mirzabekov - Chief specialist of Drug Policy Department
- A.B. Nurgabylova - Head of Department at National Center for Promotion of Healthy Life Style

Observers

- Indira Aitmagambetova, - USAID/Kazakhstan Project Mangement Specialist
- Andrei Zagorski - RPM CAR Country Project Manager, MSH

Attachment 7: Price Comparison Table
1998 and 1999 Kazakhstan National TB Tenders

Price Comparison Table: 1998 and 1999 National TB Tenders

	Drug Name	# of Units Purchased in 1998	Price per Unit 1998 Tender	Value of each product purchased in 1998	% by value of drugs purchased in 1998	# of Units Purchased in 1999	Price per Unit 1999 Tender	Value of each product purchased in 1998	% by value of drugs purchased in 1998
1	Isoniazid 100	2,000,000	0.00958	19,160	0.773%	6,200,000	0.0096	59,520	3.90%
2	Isoniazid 300	3,000,000	0.0171	51,300	2.070%				
3	Isoniazid 10% 50 ml inj	200,000	0.52	104,000	4.196%				
4	Rifampicin 150	1,600,000	0.037	59,200	2.388%	3,000,000	0.0325	97,500	6.38%
5	Rifampicin 300	2,000,000	0.058	116,000	4.680%				
6	Rifampicin 300 inj	30,000	5.616	168,480	6.797%				
7	Pirazinamide 500	6,000,000	0.0374	224,400	9.053%	13,000,000	0.0374	486,200	31.83%
8	Ethambutol 400	3,000,000	0.0258	77,400	3.123%	8,000,000	0.0269	215,200	14.09%
9	Streptomycin 1,0	600,000	0.1846	110,760	4.468%	750,000	0.16	120,000	7.86%
10	Isoniazid 300+ Rifampicin 450					2,000,000	0.147	294,000	19.25%
11	Isoniazid 75 + Rifampicin 150 + Ethambutol 300**	24,000,000	0.0645	1,548,000	62.452%	8,400,000			
12	Izoniazid 150+ Rifampicin 225+ Pirazinamide 750					1,000,000	0.111	111,000	7.27%
13	Capreomycin 1,0					9,000	11.5	103,500	6.78%
14	Prothionamide 250					45,000	0.21	9,450	0.62%
15	Cycloserine 250					20,000	1.545	30,900	2.02%
16	Sparfloxacin 200**					4,200			
	TOTALS:			2,478,700				1,527,270	

Attachment 8: Persons Met**USAID**

Dr. Indira Aitmagambetova, USAID/Kazakhstan Project Management Specialist
Kathryn Stratos, USAID/Kazakhstan Project Management Specialist

US Government Grantee and Contractor Representatives

Grace Hafner, Director, Public Health Programs, Abt Associates, Almaty
Talgat Nurgozin, Pharmacologist, Abt Associates, Almaty
Jerome Donovan, Country Manager for Kazakhstan, Booz-Allen & Hamilton, Inc, Trade
Investment Project, Almaty
Kestutis Miskinis, Medical Director, Project HOPE, Almaty
Michael Zeilinger, Program Director Tuberculosis Programs, Central Asia, Project HOPE,
Almaty
Nuripa Alievna Mukanova, Project Manager, Abt Associates, Bishkek
Natalia Ivanchuk, Participant Training Manager, Academy for Educational Development
Susan Lloyd Public Health Specialist, Centers for Disease Control and Prevention
Gulzhan Muratbayeva, Medical Officer, M.D., Centers for Disease Control and Prevention

Kazakhstan Local Counterparts

Dr. Aman Zhangireev, Director, TB Institute
Klara Khasanova, Head of Monitoring and Evaluation, TB Research Institute
Dr. Kalesbek Abdullin, former head of drug procurement, Professor of Pharmacology
Mr. Faizulia B. Bismuldin, Head of Department, Committee of Health, Ministry of Education,
Cultures and Health:
E.E. Durumbetov - Chair of Tender Commission, Deputy Chair of the RK Minister of Health,
Education and Sport (MoHES)
S.A. Abdrahmanov - Deputy Chair of Tender Commission, Head of Drug Policy Department of
MoHES
S.R. Musinov - Deputy Chair of Tender Commission, Head of Health Reforms Department
B.S. Baiserkin - Chief specialist of Sanitary-Epidemiological Department of MoHES,
coordinator of TB program
R.Zh. Zhunusova - Head of Financial Department of MoHES
M.O. Mirzabekov - Chief specialist of Drug Policy Department
A.B. Nurgabylova - Head of Department at National Center for Promotion of Healthy Life Style

Kyrgystan Local Counterparts

Chinara Seitlieva, Component Coordinator for Pharmaceutical Management, Kyrgyz Republic
Ministry of Health Technical Coordination Committee of Health Reform Project
Marat Mambetov, Director, Ministry of Health of the Kyrgyz Republic Department on Drug
Provision and Medical Equipment
Ibraimova, First Deputy, Republican Mandatory Health Insurance Fund, Kyrgyz Republic

Private Sector

William Wickham, Area Director for CIS-Asia and Caucasus, Bristol-Myers Squibb
Mr. K. Buleghenov, Amity International (Private Wholesaler)

Other Donors

Almaz Imanbaev, National Professional Officer, WHO Liason Office, Kyrgystan
Dr. Massoud Dara, Medecins Sans Frontieres (MSF)
Mr. Golikov Vladislav, International City-County Management Association (ICMA)

Attachment 9: Draft Proposal for RPM CAR (Kazakhstan) Activities
September 1999 – June 2000

The following proposal is based on 1) RPM's experience in Kazakhstan, 2) consensus achieved with the Mission, and 3) discussions with Kazakh health officials responsible for the pharmaceutical sector.

Background

During the period of 1994-1996 Kazakhstan implemented health sector reforms that included privatization of retail pharmacies and wholesalers involved in the procurement and distribution of drugs, and devolution of drug supply responsibilities for public health to oblast authorities. During the course of reforms most, if not all, central and oblast level Pharmacy Departments, responsible for **regulation** in both the public and private sectors, were eliminated. Further, **trained professionals** from Pharmacy Departments moved rapidly to positions in the private sector.

In addition to the loss of regulatory authority, management **information** on drug procurement, distribution, and consumption coming from these departments ceased being sent to the Department of Drug Policy of the Central Health Committee/MoHES that has overall responsibility for drug management in Kazakhstan. The staff of the Drug Policy Department, by their own admission, **lack necessary management experience and know-how** required for the decision making.

The resulting situation is one where rational pharmaceutical management and regulation in both the public and private sectors is lacking, and little information exists on how drugs are being purchased, distributed and used.

The need for information and management skills at the central level increased dramatically with the creation of National Health Sector Programs on tuberculosis, diabetes, and infectious diseases, all of which are administered by the Department of Drug Policy.

Lack of managerial skills at the Drug Policy Department resulted in deficient **procurement practices and poor drug availability**.

For example, a 1998 national TB drug tender was conducted without data on existing stocks of TB drugs, projected need for these drugs, or distribution/consumption information for the TB drugs procured the previous years. Mechanisms for monitoring supplier performance and distribution were not in place. As a result, hospitals reported receiving irregular shipments of extremely poor quality drugs. The Department of Drug Policy was never informed, and never requested information, on whether hospitals expecting drugs actually received them.

The situation did not improve during 1998-1999, and although the Drug Policy Department was enforced by additional staff, it did not request basic information on stocks and consumption levels required in making decisions to quantify needs for 1999 TB tender, and organize proper distribution monitoring.

If the situation with proper management of National Health Programs does not improve, it may put these programs in jeopardy.

RPM Proposal

RPM will address the situation described above by providing training and technical assistance to develop local capacity in pharmaceutical sector management, and to ensure availability and quality of essential drugs for public health system. RPM will assist in establishing mechanisms for 1) planning, managing, monitoring and evaluating drug programs, 2) analyzing and controlling drug expenditures, 3) ensuring quality assurance in drug procurement, and 4) implementing drug management information systems.

Proposed activities will include:

1. A brief assessment to identify specific technical assistance and training needs at the National and regional levels, and identification of collaborating organizations
2. A workshop on Pharmaceutical Sector Management, and immediate technical assistance in initiating management data collection
3. Technical Assistance in analyzing and processing data required for decision-making in Management of Pharmaceutical Sector, and establishment of reporting mechanisms
4. Assessment of the established Pharmaceutical Sector Management mechanisms, and presentation of the outcomes to the Committee of Health
5. A final project report will be completed.

Activities are discussed below:

Activity 1:	Brief assessment of technical assistance and training needs at the National and regional levels and identification of collaborating organizations
Activity Description	RPM will conduct a targeted assessment trip to Almaty, Astana, and several oblasts to identify future partners and collaborating government bodies; RPM will discuss country needs with decision-makers, identify gaps, and develop a plan of interventions.
Mode of Implementation	Brief survey of the pharmaceutical sector management Interviews with key decision makers at the National and regional levels
Collaboration	Abt ZdravReform Project
Target Audience	Committee of Health of Republic of Kazakhstan; Oblast Health Administrations
Persons Responsible	Andrei Zagorski
Length of Travel	Requires a two-week trip to RK (one RPM person) to perform a brief targeted assessment, and meet with decision-makers.
Probable Outcomes	Needs for RPM technical assistance and training identified; Work plan developed

Activity 2:	Workshop on Pharmaceutical Sector Management and immediate follow-on technical assistance in initiating management data collection
Activity Description	<p>1. RPM will provide training in pharmaceutical sector management covering the following technical areas:</p> <ul style="list-style-type: none"> • Economics of Drug Management • Pharmaceutical Supply System Self-Assessment • Quality Assurance for Drug procurement • Managing Drug Programs • Monitoring and Evaluation of Drug programs • Analyzing and Controlling Drug Expenditures • Drug Management Information Systems <p>2. The week following the workshop RPM will provide direct technical assistance to Department of Drug Policy, and/or selected oblasts in development of drug management performance indicators and reporting forms</p> <p>3. RPM will initiate collection of baseline indicator data</p>
Mode of Implementation	<ol style="list-style-type: none"> 1. Training for 30-40 people 2. Direct technical assistance 3. Data collection
Collaboration	Abt ZdravReform Project
Target Audience Persons Responsible	<p>Department of Drug Policy of COH, Oblast Health Administration</p> <p>Andrei Zagorski MSH TBD MSH TBD</p>
Length of Travel	<p>One week for three RPM consultants to conduct the workshop, followed by One week for two RPM consultants to provide technical assistance</p>
Probable Outcomes	<ol style="list-style-type: none"> 1. Key decision makers trained in drug management concepts 2. Work on implementation of drug management mechanisms started 3. Drug management data collection initiated

Activity 3:	Technical Assistance in analyzing and processing data required for decision-making in Management of Pharmaceutical Sector Establishment of reporting mechanisms
Activity Description	RPM will work directly with pharmaceutical sector managers at the National and/or oblast levels. RPM will provide hands-on assistance in processing and analyzing data, and development of legal support for drug management system
Mode of Implementation	Direct technical assistance
Collaboration	Abt ZdravReform Project
Target Audience	Department of Drug Policy
Persons Responsible	Andrei Zagorski MSH TBD
Length of Travel	Two weeks for two consultants
Probable Outcomes	Management information collected Reporting mechanisms established

<p>Activity 4:</p> <p>Activity Description</p> <p>Mode of Implementation</p> <p>Collaboration</p> <p>Target Audience</p> <p>Persons Responsible</p> <p>Length of Travel</p> <p>Probable Outcomes</p>	<p>Assessment of the established Pharmaceutical Sector Management mechanisms, and presentation of the outcomes to the Committee of Health</p> <p>RPM will assess the performance of established drug management mechanisms, identify gaps, make recommendations for improvements, and present the results to the RK Committee of Health</p> <p>Technical Assistance Information Dissemination</p> <p>Abt ZdravReform, other international health projects in Kazakhstan</p> <p>RK Committee of Health, Department of Drug Policy, Dari Darnek, Oblast Health Administrations</p> <p>Andrei Zagorski</p> <p>Two weeks for Andrei Zagorski</p> <p>Drug management system established Results disseminated</p>
<p>Activity 5:</p> <p>Activity Description</p> <p>Target Audience</p> <p>Persons Responsible</p> <p>Probable Outcomes</p>	<p>Final Report on RPM CAR Activities During the Extension Period</p> <p>RPM will produce Final Report</p> <p>USAID</p> <p>Andrei Zagorski</p> <p>Final Report</p>

Attachment 10: 1999 Kazakhstan TB Tender Protocol (Russian-language)

**Протокол об итогах конкурса по закупке
противотуберкулезных лекарственных средств**

г. Алматы

22-23 июня 1999

1. Конкурсная комиссия в составе:

Председателя - Дурумбетова Е.Е., Заместителя Председателя КЗ МЗОиС РК;

Заместителя председателя - Абдрахманова С.А., начальника отдела лекарственной политики КЗ МЗОиС РК

Заместителя председателя - Мусинова С.Р. зам. начальника УКД ЛПУ и РЗ Комитета здравоохранения МЗОиС РК

Членов комиссии:

Байсеркина Б.С. – гл. специалист СЭУ КЗ МЗОиС РК

Жангиреева А.А. – директор НЦ туберкулеза КЗ РК

Жунусовой Р.Ж. – нач. отдела финансирования КЗ МЗОиС РК

Секретариата:

Мирзабекова М.О. – вед. специалист ОЛП КЗ МЗОиС РК

Нургабыловой А.Б. - зав. отд. НЦ ПФЗОЖ

отсутствовала член конкурсной комиссии Белоносова И.Н., в связи с нахождением в отпуске.

присутствовали наблюдатели : Загорский А.П. – мен. Проекта РФМ ЮСАИД

Айтмагамбетова И. – мен. проекта здравоохранения ЮСАИД

22 –23 июня 1999 года в г. Алматы провела открытый конкурс по государственным закупкам противотуберкулезных лекарственных средств для обеспечения больных туберкулезом Республики Казахстан.

2. Сумма, выделенная для закупки 274 000 000 (двести семьдесят четыре миллиона) тенге.
3. Конкурсную документацию приобрели:

№	Наименование	Организационно-правовая форма	Адрес и Телефон
1.	Новартис фарма ГлаксоВелком	Пред-во иностр.фирмы	г. Алматы ул. Раймбека 50 тел. 34 95 15
2.	Медион Аг	Пред-во иностр.фирмы	п. Кок-Тюбе ул. Карасай батыра 17т.50-11-07
3.	Резлов ЛТД	Пред-во иностр.фирмы	г.Алматы Самал-1, 1 №1 т.53-27-34,53-28-44
4.	Медэкспорт	ТОО	г.Алматы ул. Айтеке би 175 68-09-23
5.	Италия Брюфармэкспорт	Пред-во иностр.фирмы	г.Алматы ул. Желтоксан 146 50-36-06,50-36-12
6.	Алтаир-Фарма	Пред-во иностр.фирмы	г.Алматы ул.Кабанбай батыра206-18 ,т.54-77-46
7.	АФФК Ромат	ЗАО	г.Алматы Орбита-1,40 т.55-

8.	Sis Medical	ТОО	17-78 г.Алматы ул .Кабанбай батыра 109 Т.50-37-10
9.	Элай Лили	Пред-во иностр.фирмы	Анкара,Акай 25/11
10.	Reddis Laboratoris Алм.	Пред-во иностр.фирмы	г.Алматы ул.Байзакова 299 т.44-24-77
11.	фарм.фабрика Анави	Пред-во иностр.фирмы	г.Алматы ул.Айтеке би 98-58 т. 62-80-66
12.	Компания	ОАО	г.Алматы ул.Шевченко 262 Е т.42-34-55
13.	Медтранс	ТОО	г.Алматы ул.Ауэзова 23 т.58-20-53,58-20-52
14.	Уайт Ледерле	ТОО	г.Алматы пр. Аль-Фараби 71 Казгуград, 18, т.47-06-09
15.		Пред-во иностр.фирмы	г. Алматы ул. Ключкова 166/15 44 33 65

4. Поступили запросы:

- от потенциального поставщика № 6 “Брюфармэкспорт” 21.06.99 в 12 –30 о возможности отсрочки проведения конкурса, в связи , что фирма не успевает в установленные сроки подготовить пакет документов;
 - от потенциального поставщика № 11 поступил запрос 21.06.99 в 14-30 о возможности внесения суммы наличными на счет организатора конкурса;
- и на них были даны следующие разъяснения:
- основания для переноса срока проведения конкурса были признаны недостаточными;
 - были переданы банковские реквизиты организатора конкурса Министерства здравоохранения, образования и спорта.

5. Конкурсную заявку на участие в конкурсе представили следующие потенциальные поставщики:

СВОДНАЯ ИНФОРМАЦИЯ

о поставщиках, представивших заявки на участие в конкурсе

Регистрационный № поставщика	Наименование поставщика	Организационно-правовая форма	Юридический адрес	Контактная информация
				Телефон
1.	Новартис Фарма	Представительство	г. Алматы ул. Райымбека 50	34 95 15
2.	Глаксо Велком	Представительство	п.Кок-Тюбе Ул.Карасай батыра 17	50-11-07

5.	Медэкспорт Италия	Представи- тельство	Ул.Желтоксан 146	50-36-06 50-36-12
8.	АФФК "Ромат"	ТОО	Ул.Кабанбай батыра 109	
10.	Элай Лили	Представи- тельство	Ул.Байзакова 299	44-24-77
11.	Reddis Laboratoris	Представи- тельство	Ул.Айтеке би 98- 58	62-80-66
12.	Фармфабрика	ОАО	Ул.Шевченко 262 е	42-34-55
15 .	Уайт Ледерле	Представи- тель	г. Алматы Клочкова 166/15	44 33 65

6. Следующие конкурсные заявки были отклонены вследствие несоблюдения требований Инструкции о проведении конкурса по государственной закупке противотуберкулезных лекарственных средств:

- конкурсная заявка потенциального поставщика № 5 "Медэкспорт Италия" в связи с нарушением условий конкурса требованиями Инструкции:
 - 1) раздела В п. 10.3 и раздела Г п. 7.2.: имеются подтирки и впечатывание другим шрифтом поверх предыдущего текста в оригинале документа удостоверяющего регистрацию препарата и разрешение на его производство и реализацию в стране изготовителе, что существенно влияет на оценку конкурсной заявки и дает заведомое искажение фактов; 2) раздела В п. 1.1. нет перевода на язык на котором составлена конкурсная документация ряда требуемых документов.
- конкурсная заявка потенциального поставщика № 8 АФФК "Ромат" в связи с нарушением условий конкурса – Инструкции требования раздела В п. 10.3. представлены: 1) некачественные фотокопии документов, заверенные печатями с наличием исправлений, межстрочных вставок и впечатывании другим шрифтом на документации подтверждающей GMP стандарт (сертификат ВОЗ на производство) в пакете Оригинал конкурсной заявки; 2) в заявке на участие в конкурсе не представлена цена заявки; 3) в технической спецификации не указан Фармакопейный стандарт; 4) раздела В п. 1.1. нет перевода на язык на котором составлена конкурсная документация ряда требуемых документов.
- конкурсная заявка потенциального поставщика № 11 Реддис Лабораториз нарушен раздел И п 8.1. – нет обеспечения конкурсной заявки.
- конкурсная заявка потенциального поставщика № 12 АО "Алматинская фармфабрика" г. Алматы по пакету документов № 2 фирмы Ипка в связи с нарушением условия конкурса – Инструкции требования раздела В п. 10.3. представлены: 1) некачественные фотокопии документов, заверенные печатями с наличием исправлений, межстрочных вставок и впечатывании на документации подтверждающих GMP стандарт (сертификат ВОЗ на производство) в пакете Оригинал конкурсной заявки;

- конкурсная заявка потенциального поставщика № 15 Уйат Ледерле в связи с нарушением условия конкурса раздел В п. 6.1 пп. 2 – отсутствует нотариально заверенные копии учредительных документов потенциального поставщика; пп. 7 – отсутствует справка банка о финансовом состоянии поставщика .

7. Квалификационные данные поставщиков:

Потенциальные поставщики занимаются производством, реализацией медикаментов, гарантируют поставку лекарственных средств зарегистрированных и разрешенных к применению в Республике Казахстан. (имеются копии следующих документов: сертификаты соответствия, лицензии на фармацевтическую деятельность, регистрационные удостоверения РК и др.).

Обладают профессиональными знаниями, опытом, репутацией и имеют необходимые финансовые, материальные и трудовые ресурсы для исполнения обязательств в соответствии с договором на изготовление и поставку медикаментов, подтвержденные рекомендательными письмами, аудиторскими справками (финансовые ревизии за 3 года), справками банка о финансовой состоятельности поставщика).

Выполняют свои обязательства по уплате налогов и других обязательных платежей в бюджет и во внебюджетные фонды на момент подачи заявки на участие в конкурсе (Имеются: Справки соответствующего налогового органа об уплате налогов и других обязательных платежей в бюджет и во внебюджетные фонды для резидентов РК).

8. Потенциальные поставщики, прошедшие конкурсный отбор по соответствию пакета документов требованиям Инструкции, представили следующие ценовые предложения по поставке противотуберкулезных лекарственных средств, представленные в сводной таблице предложений потенциальных поставщиков, приложение 1 к настоящему Протоколу.

9. Конкурсная комиссия при рассмотрении представленных конкурсных заявок исходила из следующих критериев оценки и сопоставления конкурсных заявок:

- полнота представленного пакета документов - конкурсных заявок согласно требованиям Инструкции по государственной закупке противотуберкулезных лекарственных средств;
- наличия (отсутствия) ошибок в расчетах
- наличия необходимых гарантии, подписей и печатей на представленных документах в оригиналах;
- соответствия потенциальных поставщиков квалификационным требованиям, изложенным в Инструкции по государственной закупке противотуберкулезных лекарственных средств;
- предложенной цены, согласно Таблице цен, представленной в конкурсной заявке;

10. В случае повышения (снижения) обменного курса национальной валюты в ходе исполнения контрактов, Заказчик оставляет за собой право соответственно увеличить (уменьшить) объем поставок по контрактам в пределах ранее установленных объемов.

11. Оплата Заказчиком за поставленные противотуберкулезные лекарственные средства Потенциальным поставщикам будет производиться из средств республиканского бюджета предусмотренных на эти цели в соответствии с запланированным изменением обменного курса национальной валюты по официальному обменному курсу национальной валюты, на момент их выделения в соответствии с ст. 9 п. 3 Закона Республики Казахстан "О бюджетной системе" от 1.04.1999 г.

12. Конкурсная комиссия по результатам оценки и сопоставления конкурсных заявок Р Е Ш И Л А:

1) Признать выигравшими конкурс конкурсные заявки следующих потенциальных поставщиков:

Потенциальный поставщик № 1. Представительство фирмы "Новартис" (Швейцария) г. Алматы по позициям:

№ 2 Рифампицин 0,15 № 1000 в количестве 3 000 упаковок на общую сумму 97 500 (девяносто семь тысяч пятьсот) долларов США;

№ 4 Этамбутол 0,4 № 1000 в количестве 8 000 упаковок на общую сумму 215 200 (двести пятнадцать тысяч двести) долларов США

№ 8 Изониазид 150+ Рифампицин 225 +Пиразинамид 750 № 1000 в количестве 1000 упаковок на общую сумму 111 000 (сто одиннадцать тысяч) долларов США

Всего на сумму: 423 700 (четыреста двадцать три тысячи семьсот) долларов США

Потенциальный поставщик № 2 Представительство фирмы "ГлаксоВеллком" (Великобритания) г. Алматы по позиции

№ 6 Изониазид 300+Рифампицин 450 № 1000 в количестве 2 000 упаковок на общую сумму 294 000 (двести девяносто четыре тысячи) долларов США

Всего на сумму: 294 000 (двести девяносто четыре тысячи) долларов США

Потенциальный поставщик № 10 Представительство фирмы "Элай Лилли" (Швейцария) г. Алматы по позициям :

№ 9 Капреомицин 1,0 г количестве 9 000 флаконов на общую сумму 103 500 (сто три тысячи пятьсот) долларов США ;

№ 11 Циклосерин 250 мг № 100 в количестве 200 упаковок на общую сумму 30 900 (тридцать тысяч девятьсот) долларов США

Всего на сумму 134 400 (сто тридцать четыре тысячи четыреста) долларов США

Потенциальный поставщик № 12 АО Фармацевтическая фабрика (Казахстан) г. Алматы по позициям:

№1 Изониазид 0,1 № 1000 в количестве 6 200 упаковок на общую сумму 59 520 (пятьдесят девять тысяч двести) долларов США;

№ 3 Пиразинамид 0,5 № 1000 в количестве 13 000 упаковок на общую сумму 486 200 (четыреста восемьдесят шесть тысяч двести) долларов США;

№ 5 Стрептомицин 1,0 г. в количестве 750 000 флаконов на общую сумму 120 000 (сто двадцать тысяч) долларов США;

№ 10 Протинамид 0,25 № 50 в количестве 900 упаковок на общую сумму 9 450 (девять тысяч четыреста пятьдесят) долларов США

Всего на сумму 675 170 (шестьсот семьдесят пять тысяч сто семьдесят) долларов США.

2) Считать конкурс несостоявшимся по позициям:

№ 7 Изониазид 75+Рифампицин 150+Этамбутол 300 № 80

№ 12 Спарфлоксацин 0,2 № 6

вследствие отсутствия конкурсных заявок потенциальных поставщиков прошедших документационный отбор, на соответствие пакета документов представленных в конкурсной заявке, требованиям Инструкции.

3) По позициям :

№ 2 Рифампицин 0,15 № 1000 в количестве 3 000 упаковок, считать предпочтительным поставщиком после победителя Конкурса - потенциального поставщика № 12 АО Фармацевтическая фабрика (Казахстан) г. Алматы по цене 37 долларов США за упаковку.

№ 3 Пиразинамид 0,5 № 1000 в количестве 13 000 упаковок считать предпочтительным поставщиком после победителя Конкурса - потенциального поставщика № 1 Представительство фирмы "Новартис" (Швейцария) г. Алматы по цене 39 долларов 60 центов США за упаковку.

№ 4 Этамбутол 0,4 № 1000 в количестве 8 000 упаковок считать предпочтительным поставщиком после победителя Конкурса - потенциального поставщика № 12 АО Фармацевтическая фабрика (Казахстан) г. Алматы по цене 29 долларов 90 центов США за упаковку.

4) Рекомендовать организатору Конкурса – Комитету здравоохранения обратиться в Агентство по государственным закупкам РК с просьбой о разрешении закупки из одного источника:

- комбинированного препарата Изониазид75+Рифампицин 150+Этамбутол 300 № 80 ;
- лекарственного препарата Спарфлоксацин 0,2 № 6

не закупленных в ходе данного Конкурса.

13. Заказчику - Министерству здравоохранения, образования и спорта в срок до 10 июля 1999 года заключить договора о государственных закупках с победителями конкурса по государственной закупке противотуберкулезных лекарственных средств, указанных в п.12 настоящего Протокола.

14. Организатору конкурса - Комитету здравоохранения Министерства здравоохранения, образования и спорта

- направить в Министерство финансов Республики Казахстан копии данного протокола и договоров о государственных закупках для обеспечения выделения бюджетных средств;
- опубликовать в средствах массовой информации итоги проведенного конкурса.

Подписи членов конкурсной комиссии

Подписи потенциальных поставщиков выигравших конкурс: