

Diagnostic Procurement

The Clinton Foundation HIV/AIDS Initiative

28 October 2008
Geneva



CHAI Work in Diagnostics - Context

Diagnostic Test Agreements

- In 2002 when CHAI was formed, the price of many HIV/AIDS-related diagnostics viewed as a barrier to scale-up of care and treatment programs in resource-limited settings
- CHAI negotiated with diagnostic suppliers to bring down the cost of HIV/AIDS-related diagnostic instruments and tests
- Diagnostic test agreements include HIV rapid tests, CD4, DNA PCR and viral load.
- Chemistry and hematology negotiations are currently underway.

Operational Principles for Diagnostics

- Country tender process maintained
- Countries incorporate strategic sourcing practices*
 - Payment backed up by LC's or other secure instruments
 - Regular and aggregated orders
 - Ongoing forecasting
 - Use of international quality standard (WHO or other, as appropriate)
 - Move towards multi-year tenders (3-5 years)
 - Split bids per product, as appropriate
- Demonstration of secure distribution system and commitment to comply with international and national law (IPR)

* These are explicitly specified in MOUs with purchasers in Procurement Consortium (with provision of order info)

CHAI's Role in Diagnostic Procurement

- In late 2006, CHAI was chosen as the implementing partner for UNITAID's pediatric program.
- UNITAID donation includes funding for ARVs, cotrimoxazole, diagnostics and nutritional supplements for children 15 years of age and under.
- In its role as implementing partner, CHAI began to procure HIV/AIDS-related diagnostics for the UNITAID beneficiary countries.

Pediatric Program: Beneficiary Countries

***Benefiting
more than
100,000
HIV-
positive
children in
more than
30
countries***

Angola
Benin
Botswana
Burkina Faso
Burundi
Cambodia
Cameroon
China
Cote d'Ivoire
Dominican Republic
DR Congo
Ethiopia
Guyana
India
Jamaica
Kenya
Lesotho
Liberia

Malawi
Mali
Mozambique
Namibia
Nigeria
OECS (6
countries)
Papua New
Guinea
Rwanda
Senegal
South Africa
Swaziland
Tanzania
Thailand
Uganda
Vietnam
Zambia
Zimbabwe

Pediatric Program: Diagnostic Commodities Available

The following diagnostic test reagents and related non-commodity consumables are funded by the UNITAID pediatric program:

- HIV rapid tests for screening & diagnosis
- CD4 for staging & monitoring
- DNA PCR and RNA PCR for infant diagnosis

Products procured are pre-approved by UNITAID on the basis of quality

Diagnostic Procurement Challenges

- Lack of standardization of products in-country, which results in procurement for a diverse number of platforms & products (reagents, controls & consumables)
- Due to short reagent shelf life, bulk purchasing is limited, resulting in more frequent orders of smaller quantities (or larger orders with staggered deliveries) and higher shipping costs
- Cold chain requirements for some items mean suppliers only ship early in the week, resulting in longer lead times
- Procurement of lab instrumentation requires long lead times for shipment, installation and training; multiple parties involved; communication/coordination required

Diagnostic Procurement Opportunities

- Negotiating long-term contracts with suppliers based on aggregated volumes, by-passing local distributors, can lower product costs – but must be balanced against need for distributors where they are providing service/maintenance
- Long-term leasing arrangements with volume commitments can lower cost of test reagents
- For countries purchasing a high volume of consumables, can consider procuring these items directly from the manufacturer and bundling them in-country
- Improving supply chain and logistics management in-country (e.g., improved budgeting/forecasting) to keep freight costs down

One Diagnostic Procurement Opportunity: EID

As part of UNITAID's pediatric initiative, CHAI advocated for UNITAID to provide funding for a comprehensive package of commodities needed to conduct DNA PCR testing for infant diagnosis:

- Reagent kits
- Associated laboratory consumables: pipette tips, tubes, etc.
- Consumables for Dried Blood Spot collection, storage & transport (blood tubes, DBS cards, dessicant, humidity cards, bags, etc.)
- Laboratory equipment where necessary

UNITAID agreed to fund a turn-key solution for DNA PCR.

The result was the design, procurement and delivery of various “bundles” of commodities for EID, which greatly simplified not only CHAI's procurement efforts, but also sample collection in-country.

Collection Supply Bundles for DNA PCR

DBS Collection Bundles

All products required for sample collection (e.g., filter paper, lancets, silica, gauze, etc.) are bundled into a small box, simplifying procurement and reducing supply chain risks



- Specifications and ratios determined through collaboration with Ministries of Health, clinicians, partner organizations, and Roche
- High- and Low-Prevalence Bundles available

Thank you