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CAPS
COMPETITIVE ARMENIAN PRIVATE SECTOR

Request for Proposals

Firm-level assistance for Esculap Ltd

Date of Issuance: **February 26, 2010**

Due Date for Proposals: **6:00 PM on March 15, 2010**

SECTION A. BACKGROUND AND SCOPE OF WORK

Background

The Competitive Armenian Private Sector project (hereinafter CAPS or the Project) is funded by the United States Agency for International Development (USAID) and implemented by several U.S. and Armenian consulting firms, including: Nathan Associates, Inc, J.E. Austin Associates, Inc, Emerging Markets Group, and EV Consulting. The goal of CAPS is to increase employment by stimulating growth and increasing the competitiveness of small and medium sized enterprises (SMEs).

Currently CAPS is working with the growing Armenian information technology, tourism and pharmaceutical clusters to identify globally competitive products and services and to help build robust companies around those products and services. CAPS technical assistance takes many forms and includes: firm level consulting, business association capacity building, policy research and advocacy, public education, work force training and development of public / private initiatives.

Under the project's Business Development Services component, CAPS helps companies in the targeted clusters obtain the services of qualified local consultants or Business Service Providers (BSPs) to help them solve various types of business development problems. CAPS covers part of the costs for such consulting assignments and helps clients select and contract with qualified service providers through a competitive procurement process. Typically CAPS covers 50-75% of the costs of individual assignments, with client firms responsible for paying the balance. CAPS staff and consultants are also available to work with clients and the BSPs selected for such assignments to ensure that services satisfy client needs and meet professional standards.

Within the framework of the Firm Level Assistance program, CAPS stresses the importance of promoting local IT solutions to selected cluster companies. This RFP focuses on assisting Esculap Ltd in the area of drug chain management.

Description of Proposed Activity

The purpose of this Request for Proposals is to obtain the services of a qualified local BSP (IT Company) to assist Esculap Ltd (the client) to install a new web-based solution integrated with 1C and Bar Code systems to improve the overall management of the company's pharmaceutical chain.

The funding arrangement of the assignment will be made on a cost sharing basis with the client company.

Company Background

Esculap Ltd was founded in 1996 and started its activities as a distributor of pharmaceutical products. In 1998, the company expanded its operations into the drug manufacturing area. The same year, it offered the local market its first four products and within ten years of company operations, the list of manufactured products was enlarged to more than 50 names. Currently, Esculap has its own office space, production facilities and stocks. It employs 130 highly skilled professionals.

The company is involved in the following pharmaceutical activities:

- Distribution, wholesale & retail trade of drugs
- Manufacturing of drugs, creams and ointments
- Promotion of drugs from other manufactures or/and distributors
- Registration of drugs in Armenia

Company products are mostly tinctures based on alcohol. All tinctures are produced from cultivated herbs of Armenian flora. For the production, the company uses only ecologically-pure products. Esculap creams and ointments are mainly of an antibacterial or anti-inflammatory nature.

For more information about the company, please contact Esculap Director Hrach Minasyan: 23 31 46.

Problem/Needs Definition

Trends in the pharmacy industry indicate a need for increased efficiency and automation. With prescription fees and profit opportunities being curtailed, and the complexities of healthcare delivery, today's pharmacist must search for methods to improve operating efficiency.

Esculap Ltd. seeks assistance in the development of a Drug Store Management System to manage the processes connected with drug flow. Currently, the Esculap drug store chain, with 28 pharmacies, is managed by phone and the records are kept in paper form. This creates a deficiency or unsalable stock of drugs, mistakes in ordering and delivering, and other problems which lead to inefficient use of financial resources.

A web-based software solution is required to improve efficiency, coordination and profitability of Esculap's pharmaceutical drug store chain. Currently, Esculap uses 1C Russian accounting software at the main storage site only. The integrated solution will decrease the human factor on business operations, lowering the possibility of errors and late order fulfillment; improving the overall planning of orders and delivery processes. The new web-based solution should be integrated with 1C (Russian 1C) and Bar Code systems, allow real time control over drug orders, and take account of minimum and maximum quantities, expiration dates, drug consumption rates, and allow quick and real time access to the drug database; drugs in storage as well as those in the pharmacies.

Tasks

Specific tasks for the assignment include:

STAGE 1: DEVELOPMENT OF SOFTWARE REQUIREMENTS SPECIFICATIONS (SRS)

1. Interview the client and receive the detailed requirements for the software
2. Develop Software Requirements Specifications document

3. Create Project Design
4. Obtain client's approval on SRS and Project Design

STAGE 2: SOFTWARE IMPLEMENTATION

5. Develop web-based application according to the requirements
6. Test the software
7. Software deployment
8. Create Software User Manual and User Guide
9. Train client personnel to use the software

STAGE 3: SOFTWARE MAINTANANCE AND SUPPORT

10. Provide 3-months service including major bug fixing
11. One year's ongoing support contract with SLA

Expected Deliverables

- 1) Software Requirements Specification document
- 2) SRS Acceptance Checklist
- 3) IT solution (Source code and database)
- 4) User Guide, User Manual

Expected Outcomes

- 1) Increased sales
- 2) Increased efficiency and overall planning of drug orders and delivery

Technical Approach

The business service provider, in this case an IT company, will describe in their proposal the approach they will take to implementing the tasks described above, including the description of the specific subtasks to be carried out in each phase, the required level of effort, the proposed timeline for completing tasks, and the expected results from each phase of the assignment.

Please note, that in order to establish cost estimates and exact tasks for the assignment and to describe these in detail in the proposal, the applicant is advised to have a preliminary interview with Esculap LLC management.

Timeline/schedule for completing assignment

The service provider should specify in their proposal the schedule for completing the deliverables included in this RFP. The assignment should be completed no later than June 30, 2010.

Eligible Applicants:

Any legally-registered Armenian entities are eligible to submit proposals. Government-owned organizations are not eligible to apply.

SECTION B. INFORMATION FOR APPLICANTS AND SELECTION CRITERIA**Instructions for preparation of technical proposal:**

In responding to this RFP, bidders should meet Esculap management to be able to prepare a brief cost and technical proposal that describe their approach for conducting this assignment, including carrying out the tasks specified in the RFP and producing the required deliverables. The technical approach section should also address the issues outlined in the following section that describes RFP selection criteria. In addition, the technical proposal should provide a brief summary of the company's management plan for carrying out the assignment and provide a summary of past performance and relevance experience in areas directly related to the scope of work for this RFP. The technical proposal (excluding resumes and summaries of relevant experience) should not exceed 10 pages. Resumes and summaries of relevant experience should be included as an attachment to the technical proposal.

Proposal Selection Criteria:

Technical proposals will be evaluated according to the following criteria:

1. Relevance & Clarity: (10 points)

- Proposal outlines in detail the nature and scope of services the contractor is prepared to offer
- Proposal meets the overall objectives of the activity, is clear, well laid out, and concise

2. Technical Approach: (25 points)

- Technical approach provides a useful, concise description of the methodology and strategies to be employed for implementing the current assignment
- Technical approach provides evidence that the bidder is able to provide effective solutions to help the company achieve the assignment objectives.
- Technical approach should provide the time frame for completing each individual deliverable of the assignment.

3. Management Plan (10 points)

- Company has adequate management capacity to carry out the tasks outlined in the scope of work and assure the delivery of high quality services that meet client requirements.

4. Past Performance and Consultant Qualifications : (25 points)

- Company is able to demonstrate that it has an established track record in providing the types of services specified in this RFP.
- Company is able to provide specialists with strong capabilities that are required for conducting the assignment.
- Company should submit a summary of references of past and current performance including examples of similar assignments the firm has conducted, relevant reports and materials, and resumes of proposed consultant/s as attachments to their technical proposal.

Instructions for preparation of Cost Proposals

Cost proposals will receive a relative weight of 30 points and will be evaluated according to the following criteria:

- Total cost proposed to conduct the assignment
- Proposed consultant rates for firm-level assignments are reasonable in relation to local market conditions (assuming CAPS cost-sharing of approximately 75%)

Note: CAPS will cover 75% of the costs of consultants. The client will pay the remaining 25% plus 100% of any other direct costs (transportation, communications, etc.) that may be required to complete the assignment. In addition, the client will be required to pay 20% VAT for their portion of the costs. No VAT will be required for the CAPS share of the costs.

Decision making process

Procedures for selecting a BSP to conduct the assignment will be conducted in compliance with CAPS policies. Receipt of proposals will be acknowledged by CAPS. Within 10 days after the RFP deadline, a CAPS Evaluation Committee will review completed proposals. Once the top bidder is selected, other applicants will be notified on the status of their bid.

SECTION C. PROPOSAL FORMAT

In order to participate in the competition, all eligibility requirements, as outlined above, should be met.

The technical proposal submitted to CAPS should not exceed 10 pages and should include the following sections:

1. A title page that lists the title and number of the procurement
2. Table of contents
3. Introduction
4. Company profile
5. Project implementation strategy (technical approach, timeline, project outcomes, other)
6. Management Plan
7. Summary of Past Performance and Staff Qualifications (short summaries of relevant assignments completed in the past and staff qualifications). More detailed descriptions of relevant experience, samples of written products produced for clients, and CVs of proposed staff and consultants can be included in an annex to the technical proposal.
8. Additional information that you feel is relevant to your technical proposal

The cost proposal should be prepared as a separate document and should include the following:

1. The title of the proposal
2. A budget for the proposed assignment. This will provide details of the proposed level of effort to carry out the assignment; including the time that will be allocated to different staff members or consultants and their proposed daily rates. Other direct costs required to carry out the

assignment can be included in the budget but will be covered by the client with no cost-sharing from CAPS.

Proposals received late or incomplete shall not be reviewed. Bidders may send questions to Susanna Ayvazyan: sayvazyan@caps.am by 5:00 PM, March 9, 2010. Questions received after this date will not be accepted. Answers to questions received will be sent via email to ALL bidders on March 11 without indicating which firm asked each question. Instructions and information in addition to this RFP are only official if provided in writing. No verbal requests will be accepted.

The purpose of seeking this volume of information is to make certain that the CAPS has conducted sufficient due diligence to enable it to determine whether applicants are likely to fulfil the goals of the competition.

CAPS will make every attempt to maintain confidentiality of the information submitted by applicants. The Project does not use information presented by applicants for purposes other than review by its own and USAID.

CAPS is not required to return documentation submitted in the process of application. CAPS reserves the right not to award a contract for this RFP.

SECTION D. SCHEDULE AND LOGISTICS

This Request for Proposals is effective February 26, 2010. **The deadline for submission of proposals is 6:00 PM on March 15, 2010.** Proposals should be submitted to the CAPS Office at: 26/3 Sarian Street, 002, Yerevan, Armenia in both hard AND electronic copies in two separate envelopes (financial and technical) (CD/DVD) by regular pouch or hand delivery Contact person: Susanna Ayvazyan. Proposals must be submitted in English and should not exceed 10 pages excluding attachments (CVs, sample reports, references). Preferred font: Arial, size 11, single space. Acknowledgement of receipt will be provided once the pouch is registered at CAPS reception. Only one successful applicant will be chosen to conduct the assignment.