



PERSONAL PROTECTIVE EQUIPMENT

Solidarity Fund Health Response Report

01

OVERVIEW

DESCRIPTION	QUANTITIES PROCURED	ENVELOPE VALUE	AMOUNT DISBURSED
<i>PPE for the NDoH</i>	± 51 000 000 *	R 815 913 286	c. R637 000 000 (exclusive of VAT)

Note: Due to the emergency nature of PPE procurement and changes in Fund personnel, data collection pertaining to PPE types and quantities varied. Categorisation differences between partners and role players also contributed to these variations.

Solidarity Fund Healthcare Mandate

The procurement of personal protective equipment (PPE) for the National Department of Health (NDoH) is one aspect of the Solidarity Fund's Health Response Pillar. This pillar is one of the four immediate focus areas for the disbursement of funds donated by South Africans to the Solidarity Fund.

The Health Response Pillar is further divided into sub-categories, which categories include 'care' and 'support'. Under these categories, the Fund's key objective is to support national efforts to augment the safety and efficacy of the nation's medical response. This includes helping to ensure a supply of PPE to frontline healthcare workers.

Ensuring an adequate supply of PPE and medical equipment is critical for healthcare efforts, and to support and bolster the national health system.

Working model

The Solidarity Fund's health response is executed in collaboration with the NDoH and Business for South Africa (B4SA). These organisations have an established and sophisticated capability to procure PPE, validate and vet local suppliers, and access products from both local and international markets.

The Fund worked closely with the NDoH to identify critical and urgent needs within the national health system. In this context, the NDoH provided estimates of the demand for medical equipment and PPE needed per healthcare worker. These were based on COVID-19 infection-rate projections produced by epidemiological models, which also generate estimates of the subsequent burden on national healthcare facilities (in line with World Health Organization guidelines).

The Fund utilised the B4SA platform to expedite the procurement of critically required PPE at the necessary scale and speed, and at the lowest cost. The Fund's medical equipment and PPE delivery efforts were guided by the following principles:

- **Alignment with national health strategy**

The Fund is committed to the principle of a single national health effort that ensures the optimal procurement and use of resources. To this end, the Fund worked closely with the NDoH to ensure that procurement occurred in line with approved demand statements as provided by the government and community care centres.

- **Impact additionality**

The Fund directed its resources where it can add the greatest value and the maximum impact. The impact that resulted from the support of the Fund would not have happened had it not intervened (i.e. the impact is 'in addition to' what would otherwise have occurred).

- **Speed**

Another guiding principle was to fill critical medical equipment and PPE gaps at a rate that would not have been possible following conventional institutional processes.

- **Agility**

The Fund adjusts quickly to the needs of the health system as they change according to the severity and stage of the pandemic. This is facilitated through consistent and open-ended communication with all relevant parties, including the NDoH.

- **Resource efficiency**

The majority of the Fund's disbursements were directed towards the purchasing of equipment, with no administration costs incurred by the procurement platform and a limited allocation to distribution costs.

- **Local manufacturing and broad-based black economic empowerment (B-BBEE)**

The Fund prioritised supporting local manufacturing and black-empowered businesses to promote the local manufacture of PPE and medical equipment.

- **Price competitiveness**

The Fund procured PPE and medical equipment at the lowest price available, while ensuring that volume, quality and timing requirements were met. In this way, the Fund was able to secure the maximum amount of equipment with the allocated funds.

- **Transparency**

The Fund seeks to ensure transparency at every point in the supply chain. Detailed pricing benchmarks and supplier margin information was obtained and utilised as part of this effort.

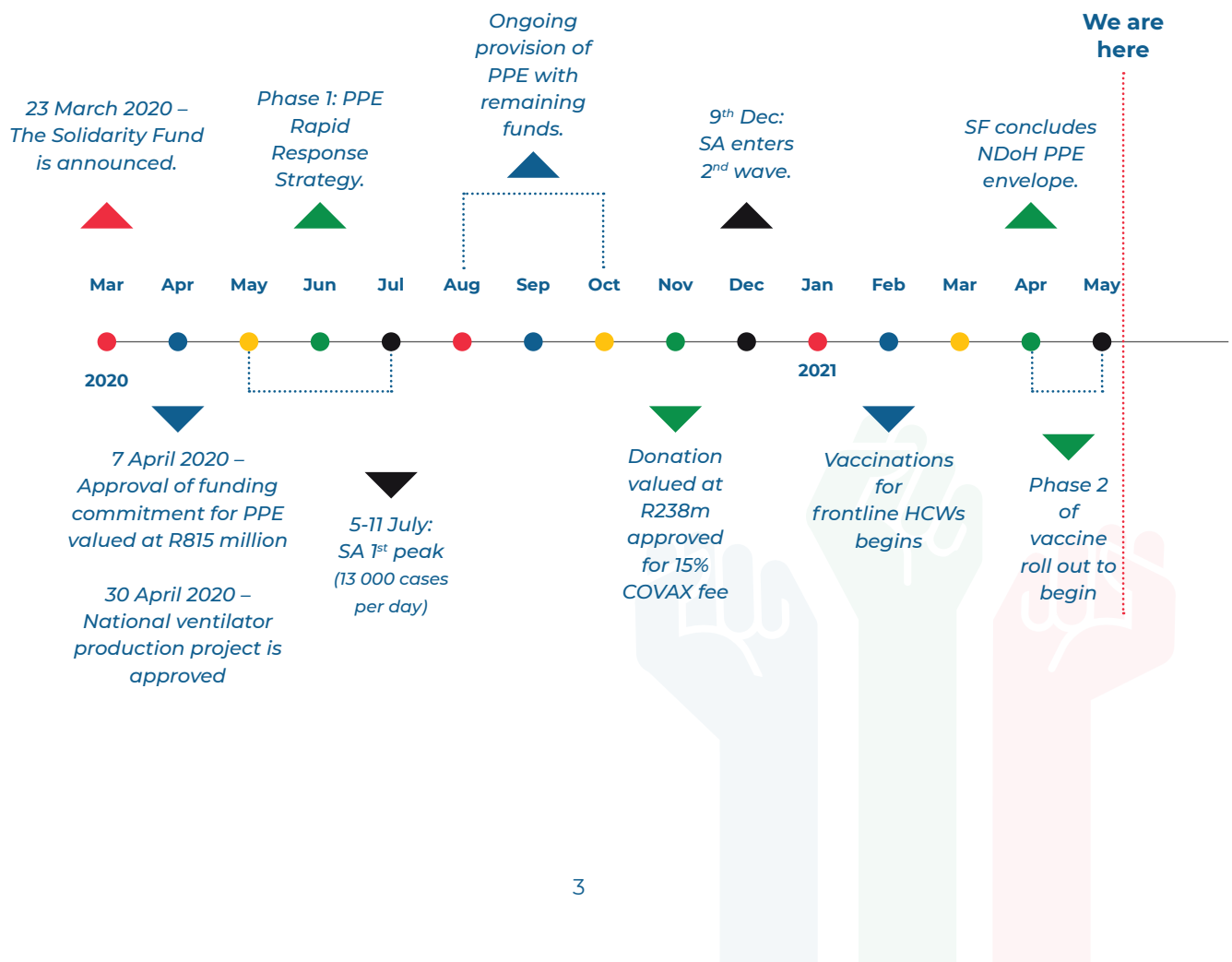
When the Solidarity Fund was formed in late March 2020, South Africa faced a severe shortage of PPE as a result of supply-chain constraints. PPE is critical for ensuring the protection of frontline healthcare workers, both in hospitals and in community care settings. Experiences in other countries showed that a PPE shortage meant healthcare and frontline workers paid a heavy price in terms of infection, illness and fatality.

The Fund put in place a rapid-response strategy to secure the necessary stock of PPE. This short-term, rapid-relief intervention worked to ensure that South African healthcare workers had access to adequate medical equipment and PPE at the onset of the pandemic (through the months of May, June and July of 2020.) With the remaining funds, the Solidarity Fund was able to procure and provide PPE up until October 2020 across national hospitals as well as community-care settings.

To identify the shortfall, the demand for PPE was compared to existing stock across public facilities. B4SA then proposed procurement orders to meet this shortfall, prioritising items where the shortfall was greatest. Medical equipment was purchased in line with the demand estimates provided by the NDoH, thereby augmenting the NDoH's own supplies.

The Fund's first healthcare disbursement was approved on 7 April 2020. It took the form of an R815 million funding commitment through two grants to the NDoH to provide emergency medical equipment and PPE to support the national health system. Some R670 million of this disbursement was allocated to procuring urgent medical equipment and PPE for front-line healthcare workers in public-sector hospitals and clinics, while R145 million was allocated to PPE procurement and distribution for community health workers.

NDoH PPE procurement timeline



This period was marked by intense global competition for medical equipment and PPE. At the time, many well-resourced countries were also experiencing the peak of their initial COVID-19 outbreaks, and were also attempting to procure PPE. This increased demand resulted in a highly volatile market.

Despite these challenges, the Fund was able to secure life-saving medical equipment and PPE guided by the key imperatives of price, quality of product and speed of delivery.

This immediate response provided a buffer for the national health system, as the Fund was able to facilitate the acquisition of a substantial proportion of the surgical masks and N95 masks required to meet the demand for healthcare workers in the months of May, June and July 2020. Ongoing provision of PPE from August to October additionally helped to support the national health system as the country reached and passed the first peak of the pandemic.

The initial emergency phase was not without challenges. Limited local manufacturing capacity meant that much of the stock had to be procured internationally. However, a shift away from this trend has since been achieved through the participation of black-owned businesses and increased local manufacturing of PPE and other medical equipment.

The Fund also supported the local production of ventilators, increased testing capacity for the National Health Laboratory Service, and the procurement of additional PPE for community healthcare workers in partnership with the DG Murray Trust. (These are detailed in separate reports, which can be found on the Solidarity Fund's website.)

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SUPPLIERS

Equipment and PPE purchases occurred across a range of suppliers, with a mix of local and internationally produced products. The table below reflects the suppliers contracted throughout the procurement phase, including registration numbers, B-BBEE rating and the current location of all local suppliers.



Suppliers contracted to date

SUPPLIER	B-BBEE STATUS	REGISTRATION NUMBER	LOCATION
African Charm Trading	Level 1	2009/011778/07	Gauteng
Akacia Medical	Level 2	1997/014984/07	Gauteng
AMKA	Level 3	1979/005849/07	Gauteng
Apex	Level 1	2018/262507/07	Gauteng
Bliss Pharmaceutical	Level 1	2011/100593/07	Gauteng
Dikolobe	Level 1	2017/276354/07	Gauteng
Futuremed	Level 4	2015/187467/07	Western Cape
Gracehaven Industries (GHI)	Level 4	2000/024774/07	Gauteng
Greenline Distributers	Level 1	2016/392113/07	Gauteng
Gulu Guru	Level 1	2015/421188/07	Eastern Cape
Ishnana Investments	Level 1	2005/041129/07	KwaZulu-Natal
Isinamumva	Level 1	1994/031570/23	KwaZulu-Natal
Lakama Group	Level 2	2014/284373/07	Mpumalanga
Lasec Pty Ltd	Level 4	2000/010102/07	Western Cape
LDK Intertrade	Level 4	2013/106665/07	Gauteng
Mamokete	Level 1	2002/010277/07	KwaZulu-Natal
Medical Plant Africa	Level 4	2017/220530/07	Western Cape
Medtex	Level 1	1992/003572/07	Gauteng
MX Distributors	Level 1	2015/140043/07	KwaZulu-Natal
Nather Products	Level 2	1993/003465/07	Eastern Cape
Pale Native	Level 2	2003/006869/07	KwaZulu-Natal
Priontex	Level 2	2010/018663/07	Western Cape
SSEM Mthembu	Level 3	1987/001244/07	Gauteng
Synergy	Non-SA company	N/A	Hong Kong, China
Tekcetera	Level 1	2019/064225/07	Gauteng
Terray	Level 4	2016/023276	Gauteng
TM20	Level 1	2014/143008/07	Gauteng
U-Mask	Level 1	2017/542521/07	Gauteng
Unipro Protective Wear (Pty) Ltd	Level 1	2014/134945/07	Gauteng
Vincent Oilers	Level 1	2015/048406/07	KwaZulu-Natal

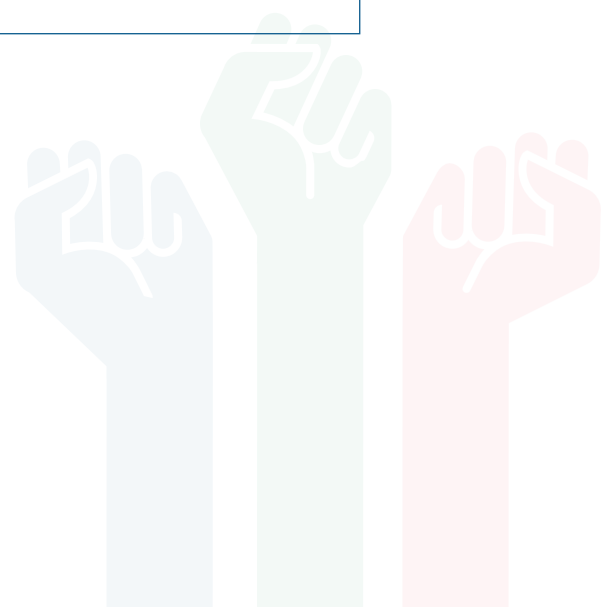
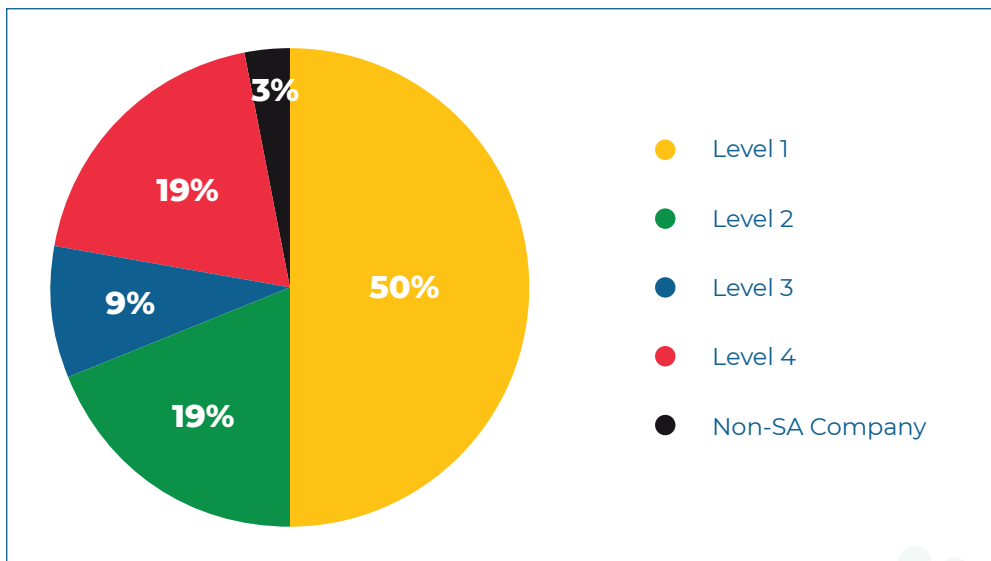
It should be noted that the Solidarity Fund did not vet or select the suppliers for this project. Suppliers were identified through B4SA, who collected, vetted and selected suppliers based on their database, as well as the stipulations provided by the Fund.

The suppliers identified by B4SA were then presented to the Fund's Approval Committee. To ensure that small and medium enterprises (SMEs) meet the qualification criteria, B4SA, on request, assisted SMEs in explaining the technical criteria and how the would-be supplier might fulfil those criteria.

To encourage the supply of PPE by black-empowered businesses and local suppliers, applications by these companies to become registered and approved suppliers on the portal were prioritised. (I.e., every effort was made to expedite these applications.) While registering on the portal as an approved supplier was not a guarantee of having any contract or bid awarded, it ensured that a supplier would be considered.

Following the initial emergency phase, the Fund's focus on supporting local manufacturing and black-empowered businesses took precedent over international markets and manufacturers. This approach focused on promoting capacity in the local economy. To this end, in the second phase of procurement (a further R 50 million funding commitment), more than 94% of procurement was supplied through local manufacturers and black-owned suppliers. The chart below indicates the collective B-BBEE breakdown of the suppliers used.

B-BBEE levels of suppliers used



LOGISTICS

Imperial Health Sciences (IHS) is the current logistics provider to the Solidarity Fund on the health response envelope. Imperial provided end-to-end logistical infrastructure and services to transport PPE and medical equipment from suppliers – both off-shore and locally – to end users at public hospitals, clinics or municipal depots. IHS also provided intermediary storage when necessary. IHS is paid for its services at cost-recovery prices, with no profit margin.

Following completion of the initial urgent distribution, B4SA issued a formal tender for a lead logistics provider to support future orders. The adjudication has been finalised and submitted to B4SA for it to be awarded.

In a procurement and distribution campaign of this nature, the logistics becomes critical to its success. Transportation of various kinds are used, and costs escalate as multiple stakeholders and organisations are engaged. In addition, there was a range of licensing costs pertaining to the distribution of PPE and other types of equipment, including ventilators. During the initial emergency phase, the majority of PPE was imported, which meant that customs duties and charges related to international shipping also had to be considered.

The total cost of the logistical branch of the project amounted to approximately R77 415 717.21 excl VAT.

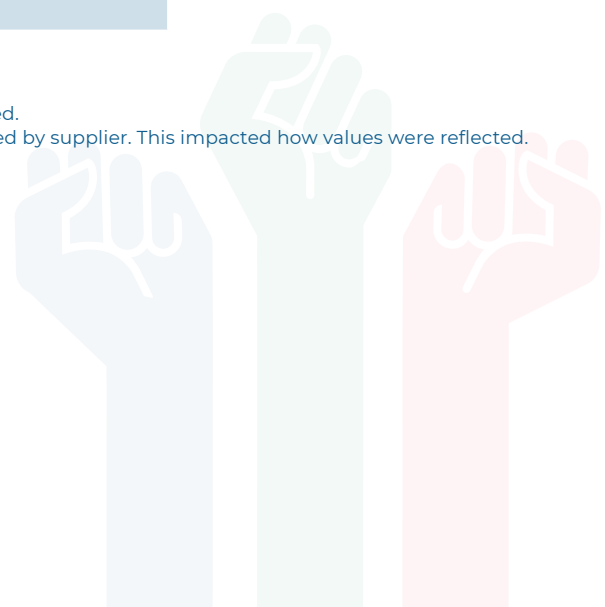
PPE

A range of PPE was identified as necessary during the initial emergency phase, as well as the subsequent phases and the second wave of the COVID-19 pandemic. The table below shows the various types of PPE procured, the number of units initially ordered, as well as the number of units that have been delivered to date.

PPE types, quantities ordered, delivered and distributed per product

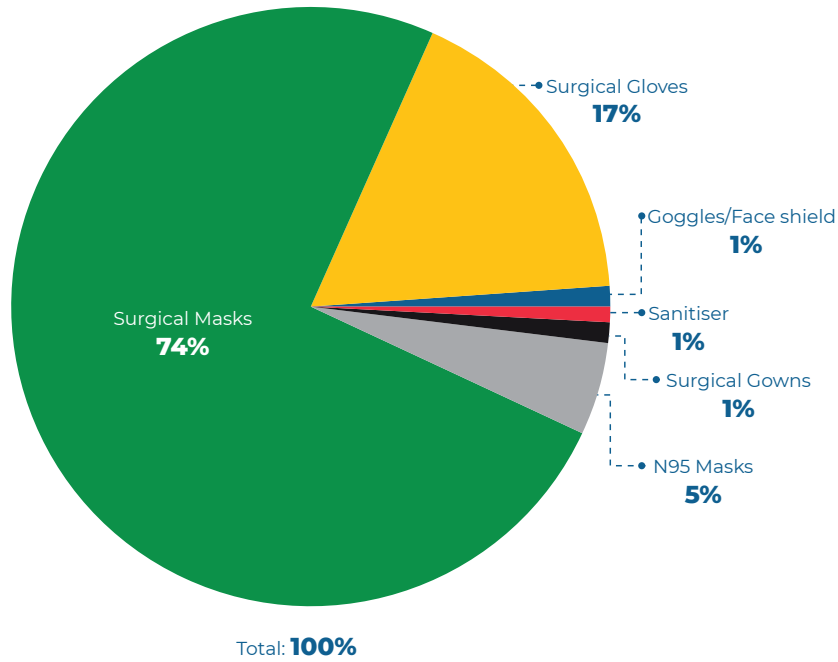
PRODUCT	NUMBER OF UNITS ORDERED
Sanitisers	377 789
Surgical Gowns	680 000
N95 Masks	2 545 750
Surgical Masks	38 120 000
Surgical Gloves	8 898 100
Goggles/Face shields	220 000
Total	50 841 639

1. Cancellations of approximately 1.5 million masks were captured.
2. As stated previously, PPE unit categorisations and inputs varied by supplier. This impacted how values were reflected.



The figure below shows a breakdown of PPE types for the project.

PPE item breakdown



To provide further clarity, the following table provides a detailed breakdown of each supplier and the respective PPE procured from them. The table also presents the total cost per unit, as well as the total cost to the Fund.

Non PPE Material

In addition to the PPE and medical equipment purchased for the NDOH, the Fund also supported with the provision of some key non-PPE items for community health workers during the pandemic. The table below details the specific items that were purchased to the value of almost R9 million. These items were distributed to 42,190 community health workers across the country.

CATEGORY	DESCRIPTION	B-BEE	QUANTITIES
	Total Cost: R 2 240 000.00		
IEC Materials	LF Printing	1	3 500 000
	Pocket Media	2	1 750 000
	Jetline	4	1 750 000
	Total Cost: R 4 752 882.00		
COVID T-Shirts	Jetline	4	25 000
	LF Printing	1	15 000
	Pocket Media	2	71 570
Caps	Total Cost: R 1 054 750.00		
Sling Bags	Total Cost: R 630 740.50		
Grand Total: R 8 678 372.50			



'We are now working with COVID-19, and it is such a pleasure to share the right information with people. One has to know what it is that you are talking about, and then that makes your work very easy. You must be a people person and always be friendly. We are moving around the different regions doing our job.'



'I look forward to touching lives positively and bringing hope to many.'



'I am very proud of what I do. I have no regrets. I would choose my profession as a healthcare worker over and over again.'



Quantity ordered and pricing per product (by supplier):

SUPPLIER	LM	DESCRIPTION	QUANTITY	PRICE PER UNIT (EXCL. VAT)	TOTAL AMOUNT TO FUND (EXCL. VAT)
African Charm	N	Surgical face masks	500 000	R7.50	R 3 750 000.00
Amka Products	N	Sanitisers 200ml	200 000	R20.50	R 4 100 000.00
	N	Sanitisers 400ml	100 000	R30.50	R 3 050 000.00
	Y	Sanitisers 500 ml	200 000	R35.00	R 7 000 000.00
	Y	Sanitisers bottling (950 ml)	75 789	R20.00	R 1 515 780,00
	N	Face masks	10 000 000	R8.55	R 85 500 000.00
LDK Intertrade	N	Surgical face masks	980 500	R17.50	R 17 158 750.00
Greenline Distributors	Y	Surgical face masks	1 000 000	R18.00	R 18 000 000.00
Synergy Distribution	N	Surgical gowns	100 000	R106.76	R 10 676 490.00
Gracehaven Industries	N	Protective masks	45 750	R40.00	R1 830 000.00
Akacia Medical	N	Surgical face masks	4 000 000	R12.00	R48 000 000.00
	N	Surgical face masks	200 000	R9.78	R 1 955 000.00
Lakama Distribution	N	Surgical face masks	2 000 000	R16.50	R 33 000 000.00
Medical Plant Africa	N	Surgical face masks	200 000	R9.00	R 1 800 000.00
	N	Surgical face masks	2 800 000	R9.50	R 26 600 000.00
Priortex	N	Surgical face masks	500 000	R9.50	R 4 750 000.00
	N	Surgical gloves	898 100	R3.04	R 2 730 224.00
Future Med	N	Protective masks	1 000 000	R35.44	R 35 440 000.00
	N	Surgical face masks	5 000 000	R9.58	R 47 900 000.00
	N	Protective masks	1 000 000	R33.75	R 33 750 000.00
	N	Surgical face masks	2 996 350	R9.15	R 27 450 000.00
Terray	N	Surgical face masks	2 000 000	R14.80	R 29 600 000.00
Lasec SA	N	Surgical face masks	2 000 000	R7.17	R 14 340 000.00
	N	Goggles	20 000	R52.06	R 1 041 200.00
Bliss Pharmaceuticals	N	Isolation gowns	270 000	R95.55	R 25 737 237.91
U-Mask	Y	Protective masks	500 000	R14.95	R 7 475 000.00
MX Distributors	N	Face shields	100 000	R19.51	R 1 951 000.00
Medtex	Y	Nitrile gloves	8 000 000	R1.50	R 12 000 000.00
Tekcetera	N	Goggles	100 000	R42.39	R 4 239 130.43
Vincent Oilers	N	Isolation gowns	80 000	R42.61	R 3 408 695.65
Pale Native	N	Sterile surgical gowns	200 000	R42.57	R 8 514 000.00
	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
Unipro Protective Wear	N	Surgical face masks	300 000	R5.00	R 1 500 000.00
TM20	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
Apex	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
Isinavuma	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
Dikolobe	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
Gulu Guru	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
Mamokete	N	Surgical face masks	470 000	R6.80	R 3 196 000.00
Ishnana Investments	N	Surgical face masks	450 000	R6.80	R 3 060 000.00
			50 341 639		R 550 378 506

Medical equipment and PPE were delivered across all nine provinces in South Africa. The Fund's responsibility was to procure PPE and facilitate its arrival at various NDoH medical depots throughout SA.

Future Med Co order

In our previous report we had indicated that, the consignment of 2 million N95 masks bought through medical equipment supplier Future Med Co for R69m excl VAT, failed to meet the South African Bureau of Standards' quality assurance.

On being notified immediately following the quality tests in May 2020, Future Med Co acted responsibly and committed to replacing all the masks with masks which met the quality standards, at their own cost. To date, all of the replacement masks have been delivered to South Africa, with the final shipment having arrived on Monday, 7 September 2020. The masks passed the international EN149:2001+A1:2009 quality test and the local SABS SANS50149 quality test.

There was no additional cost nor financial loss to the Solidarity Fund, as Future Med Co delivered on the original terms of the contract including the relevant transport/distribution costs with all replacement masks distributed to hospitals and clinics around the country.

Following the failed quality assurance, the Fund initiated a Forensic investigation. ENSafrica conducted an initial desk top review to understand whether there was any fraud or wilful misconduct on anybody's part in the procurement of KN95 respirator masks which were subsequently found to be defective. This review included a due diligence on Future Med and was finalised in July 2020.

Based on the findings of the initial ENSafrica review, and a related report by the internal auditors SkX Protiviti, a more comprehensive forensic investigation was initiated on 5 August 2020. The request to conduct the forensic investigation followed an internal audit report issued to the Board of Directors of the Fund by SkX Protiviti (dated 26 July 2020).

The Audit and Risk Committee requested ENSafrica to provide an update report in October. ENSafrica issued their update report on 30 October 2020 and from the information made available to ENSafrica, the ARC concluded that there was no evidence of fraud or wilful misconduct.

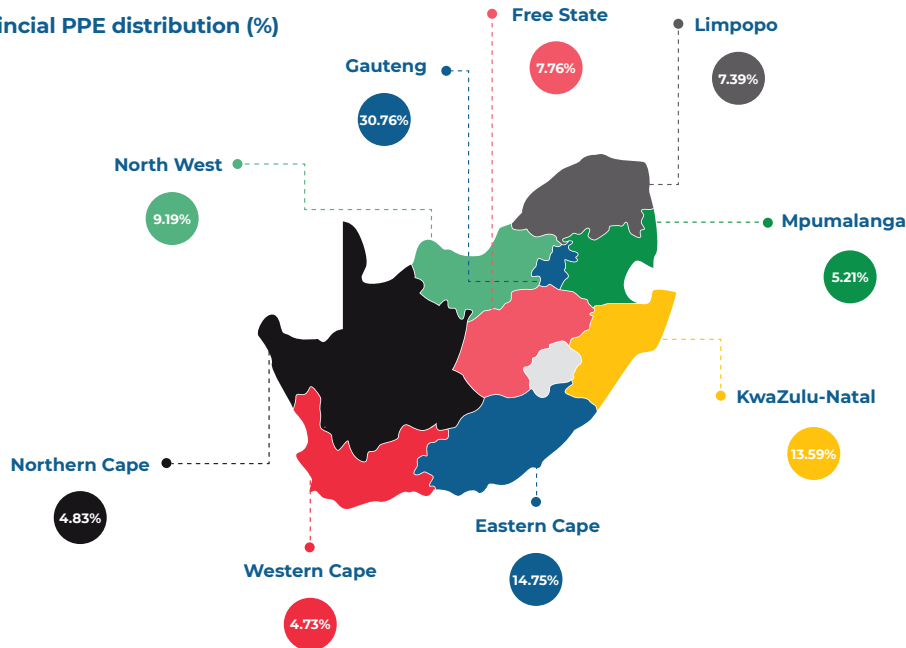
ENSafrica were further requested to additionally perform due diligence checks on 14 Solidarity Fund volunteers. The results of these due diligence checks were compared to the two directors of Future Med Co and no links or conflicts of interests were identified.

Following this the Solidarity Fund's Board of Directors made the decision to conclude the matter and close the investigation based on the information at hand.



The following figure represents the percentage of PPE requested PEE distributed based on the NDoH schedule.

Total provincial PPE distribution (%)



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GOVERNANCE

Monitoring

The Fund actively manages the monitoring and evaluation of medical equipment and PPE procurement. B4SA and the IHS tracked each equipment order and confirmed its arrival in the logistics provider’s warehouse. When equipment is distributed to public healthcare facilities, a delivery note is signed by the recipient to confirm receipt of the goods.

The Fund requires each beneficiary to keep records of the equipment received and the usage thereof, where possible. The Fund can audit this at any time. In order to provide external assurance, the Fund intends to contract an independent party to contact a sample of beneficiaries to (a) confirm that the equipment was indeed received, and (b) gather qualitative feedback about the impact of the medical equipment.

Ensuring procedural independence and fairness

To enhance the independence of the validation process and avoid conflicts of interest, each participant in the vetting process (both those who undertake the know-your-customer vetting, and those who carry out the technical vetting) are required to confirm, in writing, that:

- i. The participant has no interest in the relevant medical device industry; and
- ii. The participant will recuse himself or herself if he or she, or any family member or business associate, has any direct or indirect financial interest in, or a personal or business relationship with, the relevant supplier or a director or shareholder of the supplier.

Participants are also required to undertake, in writing, a confidentiality clause that prohibits them from disclosing any information obtained through the validation process. They are prohibited from using such information for any purpose other than the predetermined validation process.

Supplier recourse

If an aspirant supplier fails the vetting process, they are informed of the outcome and the reasons thereof. Aggrieved suppliers who believe they had been unjustifiably excluded may lodge a grievance with a panel constituted by B4SA and its co-sponsors.

KEY CHALLENGES

Through the process of medical equipment and PPE procurement over the past 12 months, the Fund experienced a number of challenges.

- **Fierce international competition for equipment** at the start of South Africa's COVID-19 outbreak placed the Fund under pressure to take rapid action to secure medical equipment. However, this was the same in many countries, including the USA, UK, and many European countries, which were all seeing a rapid spread of the virus. This competition resulted in surging prices and greater urgency to make procurement decisions.
- **Defective equipment and scams** have been prolific. The Fund has had to take extra care to procure from reputable suppliers and to establish comprehensive checks to ensure money was not lost due to fraud or the procurement of defective PPE.
- **Robust pricing benchmarks** along the supply chain have been difficult to obtain due to unprecedented volatility in global markets, which are a consequence of the environment described above. The Fund has made, and continues to make, all reasonable efforts to source relevant pricing benchmarks. Given the urgency in securing equipment and a lack of timely and relevant information, some decisions had to be made early in the process without the robust benchmarks sought by the Fund.
- **The Fund's intention to support local manufacturers** initially proved challenging due to a lack of supply at the volumes and pricing required. After the initial emergency phase, the Fund has been successful in increasing spend with local manufacturers.
- **Coordination across many stakeholders in a complex and rapidly evolving environment** has been a consistent challenge for the Fund.

CONCLUSION

The Fund committed to support the rapid procurement of vast volumes of medical equipment and PPE for South Africa's public health system during the early phase of the pandemic. The Fund has continued to support various stakeholders and organisations as the COVID-19 pandemic fluctuates, and successive waves become imminent.

This immediate response met its objective of providing a buffer for the national health system, and helped to ensure that soon after its formation, and throughout the initiative, the Fund was facilitating the acquisition of PPE needed to support the national health efforts. Valuable lessons were learnt, which should inform future public-private emergency interventions, namely:

- **Consistent processes, which are open and clear to all, are critical** – especially when selecting suppliers. The B4SA portal assisted in providing a single mechanism for all suppliers to register products for approval. The Fund could then compare pricing across approved suppliers to select the lowest-cost products – subject to quality, quantity and availability requirements being met.
- **A clear framework for approval must be provided upfront**, specifying how order proposals will be evaluated, and how the elements of the evaluation are prioritised.
- Current and future health procurement solutions should focus on **supporting local economies and supply chains**, as far as is competitive.

APPENDIX: PROCUREMENT PROCESS

The Fund established a PPE Technical Review Panel (TRP) under the Health Workstream. This panel is made up of healthcare experts from research institutions, government bodies and the health sector. The role of the TRP is to assess the merits of all PPE order proposals. Specifically, the TRP evaluates whether a proposal addresses an urgent need that is aligned to the Fund's deployment priorities; proposes an effective and cost-efficient solution; and complements existing national efforts.

The Fund follows a rigorous process for each order of medical equipment and PPE. This process is shown below, and a detailed description is provided for every step thereafter.

Process flow for equipment orders



1. Supplier applications to the B4SA portal

Soon after the emergence of COVID-19, the B4SA developed a system to collect information of medical equipment and PPE suppliers. What started as a central email has subsequently evolved to become a streamlined online portal where suppliers register product and pricing details, as well as their business information. This portal serves as the central database from which suppliers are sourced.

Once suppliers register on the portal, and it has been confirmed that all requested information has been provided, they are vetted through know-your-customer checks, including proof of company registration, industry affiliations and tax status. Successfully vetted suppliers are conditionally approved and requested to submit specified documentation for relevant products via the portal.

All the results of the vetting process are recorded on the B4SA's master supplier database portal. The portal has proven to be a successful mechanism in enabling suppliers to register online. Currently:

- Some 8 332 suppliers have registered on the portal;
- Some 1 367 suppliers had been approved on the portal; and
- The breakdown of approved suppliers by B-BBEE status is as follows: 50% Level 1; 19% Level 2; 9% Level 3; 19% Level 4; and 3% without a rating as they are located outside of SA

Each procurement decision is made based on an evaluation of all suppliers approved on the portal.

2. NDoH demand estimation

The NDoH provides estimates of the demand for medical equipment and PPE on a monthly basis. This is generated from epidemiological models which project the COVID-19 infection rate and the subsequent healthcare burden – in line with WHO guidelines on medical equipment and the PPE needs per healthcare worker. The models are updated continually.

Next, the demand is compared to existing stock across public facilities to identify the shortfall. The B4SA then proposes procurement orders to meet this shortfall, prioritising items where the shortfall is greatest.

3. Product vetting and validation

Once a supplier has been approved on the B4SA portal and a demand for their product(s) has been established, the products undergo a rigorous validation process. The South African Bureau of Standards (SABS), the National Regulator for Compulsory Specifications (NRCS) and the South African Health Products Regulatory Authority (SAHPRA) are responsible for oversight and implementation.

An independent technical team reviews the documents submitted by the supplier against predefined criteria, which are aligned to current regulatory standards and are approved by the SABS, NRCS, NDoH and SAHPRA. The following technical checks are performed:

- Confirming that the supplier has provided the manufacturers' export licence to export medical grade PPE issued by the country of origin;
- Confirming the veracity of the medical device licence issued by SAHPRA (i.e. the establishment licence for the manufacture, distribution or wholesaling of medical devices), and ensuring that the licence allows for the relevant product to be imported or manufactured;
- In the absence of a relevant SAHPRA licence, referring the supplier to SAHPRA for approval of the relevant product (unless the product does not require such approval);
- Reviewing the ISO 13485 certification of the manufacturing site, if applicable – including confirming the authenticity of the certificate with the issuing body and checking that the certification covers the relevant product and its specification;
- Reviewing the test report for the product, including ensuring that the specifications in the report meet the requisite WHO standards or the NDoH PPE specifications;
- Where applicable, reviewing product certification, accreditation and conformity to standards, including checking validity with the assessment body and compliance with the relevant standard (e.g. EN, SANAS or ISO); and
- Reviewing the product label to ensure, among others, that it does not include claims beyond its registered specification.

The technical vetting process is undertaken on B4SA's behalf by a team of independent SABS inspectors. In addition, the SABS or NRCS conducts an inspection of the imported PPE – either at the airport on its arrival in the country, or at the warehouse of the logistics provider – to ensure compliance with applicable standards.

All outcomes of the vetting process are recorded on B4SA's master supplier database portal.

4. Price benchmarking

Mechanisms to ensure efficiency and transparency with respect to pricing have been critical, both in terms of the procurement of equipment and associated freight costs. While the prices of many items surged as global demand exceeded supply, the Fund set out to ensure that suppliers did not profiteer from the urgent scramble for equipment. Prices were particularly high in March and April 2020, as many countries experienced high infection rates and supply was constrained by export controls. Since pre-COVID benchmark pricing was no longer valid, the Fund developed alternative mechanisms to ensure that prices achieved were competitive during the pandemic. These measures included:

- Comparing supplier prices across the B4SA portal, with a preference for the lowest prices at the required quality and availability;
- Comparing prices with other purchasers of equipment during the crisis, including other funders;
- Comparing prices with those quoted on international markets; and
- Requiring agents to disclose margin information (as from mid-April).

These measures enabled the Fund to ensure that equipment prices, as well as related freight costs, were reasonable in the environment at the time, enabling funds to be used as effectively as possible.

5. Fund Committee approval

B4SA sends order proposals to the Solidarity Fund Fiduciary Committee for consideration. The committee ensures that the agreed processes and governance practices have been followed, and uses the following criteria to evaluate proposals:

- **Urgent need.** The degree of urgency is established, based on NDoH demand estimates. Only equipment for which there is clearly a current shortage is approved for purchasing;
- **Quality.** Only products that meet required national standards are considered;
- **Price competitiveness.** The Fund always seeks to purchase equipment at the lowest possible price to optimise resources and direct spend towards critical equipment; and
- **B-BBEE level, and local manufacturers.** Once the aforementioned criteria have been met, the Fund favours local manufacturers and black-empowered suppliers.

6. Purchase order requisition

Once a proposal is approved by the Fund Fiduciary Committee, a purchase order is issued through an online procurement system that ensures appropriate controls and audit trails.

7. Transport and logistics

In cases where the equipment is being imported, it is transported either by sea or air freight.

8. Allocation and distribution

Once the equipment arrives at the logistics provider, it is processed in accordance with instructions from the NDoH and allocated to specific healthcare facilities across the country. In conjunction with the public-sector PPE procurement process, a small amount of PPE has been purchased for the private sector. While public-sector destined equipment is donated to the NDoH by the Fund, all equipment taken up by the private sector is sold on a cost recovery basis, inclusive of logistics costs.

The NDoH provides the logistics provider with delivery-point instructions for all equipment. The NDoH allocation is based on public health facilities' existing stock levels and the forecast COVID-19 disease burden. The logistics provider then delivers the PPE required to the nominated clinic, community health centre, hospital, district office or depot. A delivery note is signed by the NDoH representative taking receipt of the equipment to confirm that it has arrived. Depots then further distribute PPE to clinics, primary health facilities or community health centres, enabling healthcare workers to protect themselves in their daily work during the COVID-19 pandemic.

