Request for Proposal: Achieving Health Product Access through Market-Based Approaches

Opens: February 25, 2015
Submission Deadline: April 17, 2015

Overview

Introduction

The Bill & Melinda Gates Foundation (the “Foundation”), through this Request for Proposals (RFP), invites initial Concepts from qualified organizations (“Applicants”) interested in receiving grant support to expand their core capabilities to identify and solve market dynamics problems facing global health products. From the submitted Concepts, one or more Applicants will be invited to submit a full proposal, a small number of which will be competitively selected to receive a final grant award. The resulting grant will involve identifying one or more key non-vaccine health products or product areas where there is a market-based challenge limiting access to the products in the developing world, and recommending and ultimately implementing a solution to the problem. Following the close of any resulting grant, the grantee would ideally then be poised as a competitive player willing and able to bid for future market dynamics and access work.

Background

The Foundation believes that global health products in the non-vaccine space are not getting sufficient market dynamics attention for several reasons. First, building a market dynamics team requires combining different sub-disciplines within economics that do not often collaborate, such as industrial, health, and development economics. Market dynamics requires coupling this diverse economic skill set with deep technical knowledge in specific disease or product areas and field expertise in developing countries. Second, market dynamics for public health is still a relatively new field, and though there are many promising organizations doing limited work in this space, few partners have fully built out market dynamics implementation capabilities. Third, all of the core required skill sets (technical economics expertise, product delivery and pharmaceutical market knowledge, and the technical knowledge necessary to understand procurement challenges and country context) have not been systematically integrated into market dynamics practice, and a lack of capacity in any one of these areas results in analyses that miss the core needed perspectives to ensure effectiveness. Therefore, we are also looking for organizations who are interested in entering the market dynamics implementation space beyond a single product, so that they can become a global resource in the field.

In order to ensure that health products are purchased at affordable and sustainable prices for the benefit of those most in need in developing countries, the Foundation and other global funders rely on strong technical partners who can both diagnose critical market dynamics problems and work to solve them. However, there are currently very few partners that have both the capacity to do rigorous market dynamics work and the deep country knowledge necessary to tailor those situations to a specific geographical context. As a result, many global health products do not get the attention and quality work that they need from a market economics and access perspective.

The Foundation believes that increasing the number of highly qualified market dynamics implementers (globally and in-country) is a critical step towards increasing the coverage of key non-vaccine interventions, ultimately driving overall reductions in global disease burden. Recognizing that the best information on market challenges often comes from partners on the ground, this RFP invites Applicants to identify a product or product portfolio that is experiencing market barriers to access. Examples of symptoms indicating a market dynamics challenge could include, but are not limited to:

- **High price**: The product is too expensive for developing country markets or global procurers, resulting in low access or diversion to inferior products.
  - Example: Second line drugs are used to treat drug resistant TB with a long course (up to 24 months) of treatment and are characterized by a small fragmented market resulting in high prices.
- **Unstable supply**: A small number of manufacturers, small or fragmented markets, seasonal inputs, or other causes result in a high price to cover risk, or low access to the product.
  - Example: Artemisinin Combination Therapies (ACTs) for malaria are the only effective treatment for malaria, and the active ingredient is an agricultural product with highly seasonal availability that produces significant swings in supply and price year over year, affecting the stability of the ACT supply.
• **Low demand**: For a variety of reasons, a superior product is not demanded or the demand for the product is not known
  - Example: Amoxicillin dispersible tablets are an affordable, effective treatment for many forms of childhood pneumonia, yet they are not widely used or available in many high burden countries.

• **Uncertain quality**: Asymmetric information about product quality result in both an unwillingness to pay a higher price for quality and the procurement of inferior products at lower price points
  - Example: Long-lasting Insecticide Treated Nets (LLINs) are an effective tool to prevent malaria, but the quality of the fabric is not systematically tested nor reported. As a result, LLINs that have very different levels of durability sell for the same price and users/buyers cannot differentiate between higher and lower durability nets.

These market symptoms are the effect of root causes that drive markets toward inefficiency and/or ineffectiveness for target populations. Most root causes can be placed into one of three “solution” buckets, based upon the solution most likely to correct the cause:

1. **Fix Failing Markets**
   - Asymmetrical information: When one party to a transaction has information the other party does not have. Ex: LLIN durability
   - Barriers to entry: Obstacles that make it difficult for new firms to enter the market. Ex: Clinical trial costs, national registration
   - Monopoly or monopsony: One seller (monopoly) or one buyer (monopsony). Ex: Gene Xpert or fully pooled procurement
   - Externalities: When a product has external effects that are not captured in the price. Can be positive or negative. Ex: fixed dose combinations, pollution
   - Public Goods/Free Rider: When a product is non-exclusive – once it exists, anyone can use it without depleting its value. Ex: clean air, many of the fine arts

2. **Create New or Sustainable Markets**
   - For small or new markets, some time-limited intervention is needed to bring that market to equilibrium.
     - New product introduction: New products are often low volume, high margin. Intervention can bring these markets to equilibrium and create high volume, lower margin markets.
     - Safeguard Fragile or Orphan Markets: Orphan markets are those that do not present attractive returns to suppliers but are important public health priorities, such as pediatric ARVs. These markets require intervention to discourage supplier exit and ensure continued supply.

3. **Enhance**
   - Partners can work to optimize markets when there is not a clear market failure, yet global health objectives are not being met.
   - For example, a product price may be high and subsequently unaffordable due to high cost of goods. While not a market failure, an intervention such as a low-interest loan, process chemistry improvements, tech transfer, or volume guaranty may create a more affordable price.

   This approach needs to be undertaken carefully with an eye on potential unintended long-term consequences for markets.

When a market problem is preventing those in need from accessing health products, market dynamics work can help produce the right price, right product, right volume and right timing to ensure access to critical products.

The grants resulting from this RFP will complement ongoing work that the Foundation and its partners have funded in market dynamics, including support to solve market challenges for individual priority products, investments funding the development of standard methodologies (e.g. COGs), market dynamics advocacy, and the seeding of rigorous research on market dynamics practice.

**Goal**

The purpose of this RFP is to solicit Concepts from qualified organizations interested in receiving grant support to solve a current market challenge in global health. We expect that Concepts may also include a plan for developing or expanding market dynamics implementation capability whose purpose will be to analyze, propose, and eventually implement a solution for the market challenge identified in the Concepts.
This RFP is put forth by the Integrated Delivery Market Dynamics (IDMD) team within the Foundation, whose goal is to ensure rapid, sustained access to high quality, affordable health products in developing countries by removing market barriers to access. To achieve this goal, the Foundation and other partners support investments in reaching price and supply targets for priority health products, supporting the development and adoption of market dynamics best practices among key institutions, and building the field of market dynamics for health products.

For the purpose of this RFP, the Foundation is accepting Concepts from organizations seeking funding to address a market-based challenge or challenges in any area of global health. However, some preference will be given to solutions that address the Tier 1 and Tier 2 priority health areas and products or product classes outlined below. Tier one areas are therapeutic areas of the highest priority, along with the products or product categories of highest importance where no known market dynamics work is being done. Tier 2 areas are program areas that are a lower priority for this RFP, either because substantial market dynamics work is already ongoing in these areas, because the Foundation is not aware of acute access issues in these areas, or because they address areas of lower overall priority to the Foundation. Recognizing that there may be additional opportunities for market dynamics work outside of the Tier 1 and Tier 2 products listed below, Applicants are also welcome to submit Concepts proposing work on products not listed.

### Tier 1 Therapeutic Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV</td>
<td>Point of Care CD4&lt;br&gt;Viral Load Diagnostics&lt;br&gt;Early Infant Diagnosis&lt;br&gt;Anti-retrovirals (1st and 2nd line)&lt;br&gt;PrEP&lt;br&gt;Vaginal ring&lt;br&gt;Male circumcision devices</td>
</tr>
<tr>
<td>Malaria</td>
<td>G6PD diagnostic&lt;br&gt;Rapid diagnostic&lt;br&gt;Primaquine&lt;br&gt;All vector control products</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>Molecular diagnostics&lt;br&gt;TB medicines (1st and 2nd line)</td>
</tr>
<tr>
<td>Neglected Infectious Diseases (NID): Human African Trypanosomiasis (HAT) and Human Papilloma Virus (HPV)</td>
<td>HAT diagnostic&lt;br&gt;Non-gas cryotherapy&lt;br&gt;Thermal Coagulation&lt;br&gt;Improved screening tools – oncoprotein and/or molecular tests</td>
</tr>
<tr>
<td>Maternal, Neonatal and Child Health</td>
<td>Simplified antibiotic regimen&lt;br&gt;MxO4 for preeclampsia&lt;br&gt;Clean cord care products&lt;br&gt;Kangaroo mother care products&lt;br&gt;Misoprostol&lt;br&gt;Mifepristone</td>
</tr>
</tbody>
</table>

### Tier 2 Therapeutic Areas

<table>
<thead>
<tr>
<th>Area</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Planning</td>
<td>Vaginal rings&lt;br&gt;Emergency contraceptives&lt;br&gt;Oral contraceptives</td>
</tr>
<tr>
<td>Enteric and Diarrheal Diseases</td>
<td>ORS&lt;br&gt;Zinc</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>Pulse oximeter&lt;br&gt;Oxygen&lt;br&gt;Amoxicillin</td>
</tr>
<tr>
<td>Nutrition</td>
<td>Omni salt&lt;br&gt;LNS</td>
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</table>
Neonatal Vitamin A  
Multiple micronutrients

Through the awarding of any resulting grants, the Foundation hopes to help contribute to the higher-level goals identified in the IDMD strategy:

1) Increase the number of identified global health products facing market challenges that receive high quality, appropriate analysis and intervention;
2) Increase the number of technically rigorous, competitive players in the global health market dynamics space; and
3) Ultimately, increasing the number of people in developing countries who have sustainable access to affordable health products and services.

Scope and Approach

Applicants are expected to use the Response Criteria below as the primary guidance in the crafting of their Concepts, which will be the sole basis for invitations to submit a full proposal. The following outlines the scope and approach of any resulting grants, which will be further developed with any Applicants invited to submit a full proposal.

Once any grants have been awarded, the Foundation expects the work will take place in two phases. The first will entail conducting rigorous analysis to develop a point of view around the root cause of the market problem identified in the proposal and a proposed intervention. While the Foundation may have a point of view about which health markets are facing market dynamics problems and may be in need of intervention, it does not have the on-the-ground perspective of many of its partners. Given considerable exposure and experience with these product markets, the Foundation expects that potential grantees will shed light on market failures that the Foundation is not yet aware of. Therefore, in the initial Concepts in response to this RFP, the Foundation is looking for Applicants to highlight one or more high-impact products which they have identified as facing a market problem and, per the response guidelines below, provide information about how they would approach solving the market failure(s). In the event of a grant award, the work under this objective would then require the selected grantee to conduct rigorous analysis around the problem to assess the root cause or causes of the market failure. Following this, the next step will be to develop and vet a solution or solutions to the problem that will enable affordable, sustainable access to the product for the target market.

The second phase of the grant will involve the grantee both implementing the proposed solution and using this experience to develop a sustainable business model in order to support bids for future market dynamics implementation. The Foundation expects this will require coordination with manufacturers, global procurers, and country-level buyers or regulatory authorities. Therefore, it will be important that the grantee has both a strong economics focus and strong country presence or a network with country presence in the target markets. Since many market challenges have both a country-level and a global access component (e.g. work with WHO or manufacturers), the Foundation envisions work in focus geographies coupled with efforts at the global level in policy, procurement, and/or access.

Alongside the implementation of the market dynamics work, the selected grantee will also need to fully flesh out its business plan in order to be self-sustaining by the close of the grant. Although success for awarded grants will be based upon the successful implementation of an appropriate solution to the market challenge, the Foundation hopes Applicants can demonstrate how they will use this experience to build a flexible market dynamics capability that will endure beyond the close of the grant and be willing and able to compete for future work in this space.

The Foundation expects the grant period to be three years, although Applicants are welcome to suggest alternative grant periods in line with the proposed approach.

Rules & Guidelines

Eligibility

Funding Criteria
Applicants to this RFP will ideally have, or be willing to build, the following qualifications:

- Expertise in economics, in particular in the fields of health and industrial economics;
- Expertise in product delivery and access;
- Expertise in at least one area of public health where work is proposed;
- Good relationships with key stakeholders, including funders, regulatory bodies, manufacturers, suppliers and ministries of health in countries where work is proposed;
- A track record of building and maintaining relationships among different stakeholders with varied goals;
- Demonstrated understanding of the nuances and complexities of the product market landscape;
- Country-level presence or relationships that can substitute for local presence in countries where work is proposed; and
- An organizational strategic vision with demonstrated leadership support that includes expanding into the market dynamics implementation space.

Organizations receiving grants must comply with Foundation requirements for submission of narrative and financial reports in addition to periodic information needed for overall project performance monitoring and management. Concepts from both non-profit and for-profit entities are welcome.

**Exclusion Criteria**

Due to the Foundation’s status as a public charity, proposals including work in countries under active OFAC sanctions will not be considered for funding.

**Evaluation Criteria**

Responses will be evaluated against criteria that include:

- Overall outline approach; coherence and relevance of proposed work plan
- Capacity of the organization to delivery on the proposed objectives
- Relevant experience, including previous subject matter and geographic experience
- Relevant capacity and capabilities
- Reputation
- Foundation priorities
- Applicant’s proven ability to integrate within the Foundation business environment and/or the environments of similar organizations
- Costs of the services
- Adherence to guidelines set forth in this guidance document
- Additional evaluation criteria the Foundation considers relevant to the specific services in question

The Foundation’s IDMD team, relevant internal experts in product areas, and external reviewers will evaluate submitted Concepts with regard to the above criteria.

The relative weighting and priority of these criteria will be at the Foundation’s discretion. We will share the criteria and weighting with Applicants who are invited to submit a full proposal.

**Budget Expectations**

Indicative high-level budget that includes proposed spending in major cost categories and indicative project timeline. Budgets should be organized into the following cost categories: personnel; required travel; consultants; capital equipment; other direct costs; and sub-awards (including sub-grants or sub-contracts). Proposals that are selected will be asked to submit a more fully developed budget in a standard foundation format. All budgets must be in compliance with the Bill & Melinda Gates Foundation’s indirect cost policy: [http://www.gatesfoundation.org/grantseeker/Documents/Indirect_Cost_Policy.pdf](http://www.gatesfoundation.org/grantseeker/Documents/Indirect_Cost_Policy.pdf).

**Activities & Timeline**
February 25, 2015: Request announced.
April 6, 2015 – 2:00PM (PST): Deadline for clarifying questions.
April 17, 2015 – 2:00PM (PST): Deadline for submitting Concepts.
May 29, 2015: Finalists notified, full proposals requested.
September 16, 2015 (anticipated): Awards announced.

How to Submit a Concept

Response Requirements

For the purpose of this RFP, the Foundation requests that the Applicants focus their Concepts on addressing the following questions. Concepts should be no longer than 10 pages in length, excluding any supporting documentation that is uploaded separately. Organizations selected to move forward will then be asked to develop a more detailed proposal that outlines their approach more fully.

Questions for Applicants:

1. How do you see the state of the market dynamics field (strengths, weaknesses, opportunities)?
2. Why is moving into the market dynamics implementation space important to your organization, and how would this fit into your long-term vision? How would you, at a strategic level, want to approach this work within your institution?
3. What experience do you already have in pharmaceutical markets, economics, and/or product delivery, and what would be the biggest stretch? How do you propose to address any areas in which you don’t already have capacity?
4. What is your proposed overall approach for identifying and addressing market dynamics challenges in global health?
5. What are two or three examples of market failures that you currently see in the global health space?
   a. How do you propose identifying the root market cause for these challenges?
   b. How would you address the issue?
   c. Of these market failures, which are you most interested in solving?
   d. Why do you think your organization is in the best place to do this work?
6. Are you interested in working on market dynamics challenges other than the products or product areas proposed above? Why or why not?
7. How would you measure successful implementation of a market dynamics solution, and what does success look like in both the short- and long-term? We strongly suggest that proposed targets are based upon outcomes, rather than inputs or activities.
8. How do you propose to assess and mitigate against the potential unintended consequences of engaging in the marketplace?
9. What concerns do you have with this project?
10. What type of engagement would you want with the Foundation in order to be successful?
11. Who do you see as other key stakeholders you would want to engage with?
12. Do you think it is feasible to imagine a sustainable business model – if so, how?

In addition to answering the above, Applicants should also include the following:

- Proposed organizational structure of Applicant’s team and its place in the Applicant’s overall organization, and/or of any partnership arrangements;
- Basic profiles of team members and key hires or relationships necessary to achieve success. Note that CVs are not required, but if you choose to include them, you can upload them separately. They will not count against the 10 page limit for Concepts;
- High-level budget that includes proposed spending in major cost categories such as professional fees, travel, expenses, etc., and proposed, high-level project timeline;
- Contact information for three references who can provide evidence of the organization’s capabilities and capacity.

Please adhere to the following instructions when responding to this RFP. All questions must be answered in order for Applicant to be considered for this RFP.

Submission Instructions
Please submit an electronic copy of your Concepts response (no more than 10 pages in Microsoft Word or Adobe PDF format) through the appropriate application portal on gatesfoundation.org.

Additional materials, such as collateral brochures, white papers and case studies that you reference in your proposal can be uploaded electronically as additional documents on the web portal. Electronic copies of documents are preferred, but any hard copy materials can be mailed to:

Bill & Melinda Gates Foundation  
Attention: Alexa Bednarz, Integrated Delivery  
PO Box 23350  
Seattle, WA  98102

Help Contact(s)

All communication relating to the RFP, including questions and clarifications, should be submitted via email to the Foundation at marketdynamics@gatesFoundation.org. Please do not contact individual Foundation employees regarding this RFP, as that may be grounds for disqualification.

The Foundation team will respond to questions with two business days. All answers to content questions and clarifications will be distributed to all Applicants.

More Information

FAQ

**Who can participate?** This is an open solicitation. We welcome Concepts from organizations in all sectors (private, NGO, government, academic) who meet the criteria set forth in these guidelines. We will not accept Concepts from unaffiliated individuals. Employees of the Foundation and their respective immediate families cannot participate.

**Will I receive any compensation for submitting?** You will not receive any compensation for your submission even if it is used by the Foundation or third parties in any way.

**What will the Foundation do with my submission?** The Foundation will review all submissions. We may also share your submission, or ideas contained within it, with external reviewers involved in this RFP. With this in mind, please ensure that any materials you provide under this solicitation are your own, and understand that they Foundation and others will have a right to view your submission, upon delivery, for noncommercial purposes under the scope of this RFP.

Key Terms & Conditions

**A. Disclosure Notice**

To help the Foundation with its review of RFP responses, the Foundation may disclose proposals, documents, communications, and associated materials submitted to the Foundation in response to this RFP (collectively, “Submission Materials”) to its employees, contingent workers, consultants, independent subject matter experts, and potential co-funders. Please carefully consider the information included in the Submission Materials. If you (the “Applicant”) have any doubts about the wisdom of disclosure of confidential or proprietary information, the Foundation recommends you consult with your legal counsel and take any steps you deem necessary to protect your intellectual property. You may wish to consider whether such information is critical for evaluating the submission or if more general, non-confidential information may be adequate as an alternative for these purposes.

Notwithstanding the Applicants characterization of any information as being confidential, the Foundation is under no obligation to treat such information as confidential.

**B. Disclaimer**

This RFP is not an offer to contract or award grant funds. The Foundation assumes no responsibility for the Applicants cost to respond to this RFP. All responses generated by this RFP become the property of the Foundation.

**C. Release and Verification**
In exchange for the opportunity to be awarded a grant or contract, the Applicant agrees that the Foundation may, in its sole discretion: (1) amend or cancel the RFP, in whole or in part, at any time; (2) extend the deadline for submitting responses; (3) determine whether a response does or does not substantially comply with the requirements of the RFP; (4) waive any minor irregularity, informality or nonconformance with the provisions or procedures of the RFP; (5) issue multiple awards; (6) share responses generated by this RFP with Foundation staff, consultants, contingent workers, subject matter experts, and potential co-funders; and (7) copy the responses.

Applicant agrees not to bring a legal challenge of any kind against the Foundation relating to the Foundation’s selection and award of a grant or contract arising from this RFP.

Applicant represents that it has responded to the RFP with complete honesty and accuracy. If facts provided in Applicant’s response change, Applicant will supplement its response in writing with any deletions, additions or changes within ten days of the changes. Applicant will do this, as necessary, throughout the selection process. Applicant understands that any material misrepresentation, including omissions, may disqualify it from consideration for a grant or contract award.

By responding to this RFP, you are representing: (i) that you have authority to bind the named Applicant to the terms and conditions set forth above, without amendment; and (ii) that you agree to be bound by them.

D. Global Access and Intellectual Property

Intellectual property (IP) rights and the management of IP rights are likely to play an important role in achieving the goals of this project. To this end, the Foundation requires that, even at this stage, all Applicants seriously consider their willingness to submit a response in compliance with the Foundation’s response requirements, a portion of which may ask for certain information and intentions regarding intellectual property concerns and Global Access. Specifically, the Foundation requires that:

You will conduct and manage the Project and the Funded Developments in a manner that ensures Global Access. Your Global Access commitments will survive the term of the Agreement. “Funded Developments” means the products, services, processes, technologies, materials, software, data, other innovations, and intellectual property resulting from the Project (including modifications, improvements, and further developments to Background Technology). “Background Technology” means any and all products, services, processes, technologies, materials, software, data, or other innovations, and intellectual property created by You or a third party prior to or outside of the Project used as part of the Project. “Global Access” means: (a) the knowledge and information gained from the Project will be promptly and broadly disseminated; and (b) the Funded Developments will be made available and accessible at an affordable price (i) to people most in need within developing countries, or (ii) in support of the U.S. educational system and public libraries, as applicable to the Project.

The Foundation will be selecting Applicants based on the conclusion that their technologies and expertise will be most appropriate for the success of this RFP.

As part of the Foundation’s review and evaluation of each response, the Foundation will conduct due diligence with respect to each Applicant’s ability and commitment to manage intellectual property in a manner consistent with the stated scientific and charitable goals of the Foundation. Due diligence activities may include inquiry into an Applicant’s:

1) Freedom to operate (FTO) and ability to freely use and acquire needed background technology;
2) Commitment to promote the utilization, commercialization and availability of Funded Developments for public benefit

The Foundation encourages you to include this information in your response.

About the Bill & Melinda Gates Foundation
Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. We work with partner organizations worldwide to tackle critical problems in four program areas. Our Global Development Division works to help the world’s poorest people lift themselves out of hunger and poverty. Our Global Health Division aims to harness advances in science and technology to save lives in developing countries. Our United States Division works to improve U.S. high school and postsecondary education and support vulnerable children and families in Washington State. And our Global Policy, Advocacy & Communications Division seeks to build strategic relationships and promote policies that will help advance our work. Our approach to grantmaking emphasizes collaboration, innovation, risk-taking, and, most importantly, results.

To learn more about the Foundation’s work, visit www.gatesfoundation.org.