

Update on Cepheid service

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Stop TB Partnership GDF

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Surcharge-based service and maintenance (AccessCare)

- GDF starting implementation of surcharge for its clients (Uganda, Malawi)
 - GDF to agree with Cepheid about global reporting according to KPIs
- GDF proactively reaching out to countries to provide guidance on AccessCare and SLAs
 - SLAs reviewed are mostly in-line with Model SLA developed by GDF + TPMAT + IDC
 - Discrepancies observed among initial SLAs:
 - 2 SLA: No indication that HIV, HPV, HCV cartridges are included (later amended)
 - 1 draft SLA: TB/HIV/HPV/HCV cartridges included; price based on volumes of TB cartridges?
 - 2 SLA (1 draft): No service level indicated in Annex
 - 3 SLA: Service and maintenance tracking tool not specified as online
- Challenges:
 - Country reluctance to engage in sharing draft contracts or price points
 - Providing guidance on pricing: can only compare to other countries' instrument utilization rates, % of modules off-warranty, service level

Surcharge-based service and maintenance (AccessCare)

- Proposed next steps for partner collaboration
 - Continue to share intelligence about countries approached by Cepheid, provide them guidance
 - Align on requested format from Cepheid for periodic data on service provider performance
 - Linking payment of surcharges to cartridges through international procurement mechanisms will allow for monitoring at global level
 - Share intelligence on offered price points vs key cost drivers (instrument utilization rate, % of modules off warranty, service level), while respecting country confidentiality

SLA signed	SLA pending signature	SLA under discussion	Early discussions
South Africa	Nigeria	Zimbabwe	Mozambique
Uganda	Pakistan	Lesotho	Indonesia
Kenya	Zambia	Tanzania	Philippines
Malawi		Ethiopia	

Alternatives to country-specific AccessCare

- Many countries will be offered price points of over \$1: is it cost-effective?
 - Country X: ~3.5 / tests per GX4 per day and very few machines on warranty
 - Surcharge offered: ~\$2 / test
 - Extended warranty cost (\$2,898 / year) divided by 1,000 tests / GX4 / year = ~\$3 / test
- Ad hoc module swapping might be lowest cost but difficult to manage
- Extended warranty continues to be overpriced and sub-optimal
- Service and maintenance inclusive in a lower cartridge price (MSF proposal)

Thank you

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