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KENYA PHARMA PROJECT

YEAR 3 ANNUAL REPORT

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ACRONYMS

ADT	Automated Dispensing Tool
AMPATH	Academic Model Providing Access to Healthcare
ART	Antiretroviral Therapy
ARV	Antiretroviral Drug
CHAI	Clinton Health Access Initiative
DQA	Data Quality Audit
e-SCM	Electronic Supply Chain Management System
F&Q	Forecasting and Quantification
FSR	Field Service Representative
GOK	Government of Kenya
HPLC	High-Performance Liquid Chromatography
IDPIG	International Drug Price Indicator Guide
KEMSA	Kenya Medical Supplies Agency
MEDS	Mission For Essential Drugs and Supplies
MSH	Management Sciences for Health
NASCOP	National AIDS and STI Control Programme
NQCL	National Quality Control Laboratory
OI	Opportunistic Infection
PEPFAR	President's Emergency Plan for AIDS Relief
PMTCT	Preventing Mother-to-Child Transmission
PPB	Pharmacy and Poisons Board
QA	Quality Assurance
QMS	Quality Management System
SCMS	Supply Chain Management System Project
SDP	Service Delivery Point
TB	Tuberculosis
WHO	World Health Organization

EXECUTIVE SUMMARY

This is the third annual report for Kenya Pharma and covers the period of project Year 3 (October 1, 2011, to September 30, 2012). In the “Looking Forward” section of last year’s annual report Kenya Pharma had three objectives for the then coming year. First, the project hoped to maintain its core business of ensuring a reliable supply of high quality, low priced HIV/AIDS commodities in Kenya while working with the other stakeholders in the national supply chain. Second, the project intended to identify, pursue, and implement activities to innovate and improve its systems and processes to increase efficiency and effectiveness. Finally, the project wanted to continue to identify, pursue, and implement activities to increase its sustainability, with the end goal of handing over the supply chain to a local entity. This executive summary examines how Kenya Pharma is performing in achieving these objectives.

Maintain

Reliability of supply. Procurement, storage, and distribution of HIV/AIDS commodities are at the core of Kenya Pharma’s business and the project continues to work hard to maintain solid performance in these areas. During Year 3, stock management, buffer stock levels, and proactivity increased and collaboration with the national policy apparatus helped Kenya Pharma to anticipate shifts in regimens to be more foresighted and less reactive to changing needs. Through these efforts, Kenya Pharma managed stocks through a challenging transition in ART regimens with almost no stock outs of critical ARVs in the service delivery points (SDP) that the project supplies¹ and experienced only modest expiries of the ARVs that are being phased out. Data from SDPs indicate that lead times are short and predictable and deliveries are reliable and responsive to the needs of the ordering sites.

Reliability of quality. During this project year there were no major quality problems and the few that occurred (Dapsone and Nevirapine) were quickly resolved in partnership with the Pharmacy and Poisons Board (PPB). The response times from our various testing laboratories have also been good.

Reliability of prices. Kenya Pharma’s prices continue to be generally below median international prices (only 64 percent, on average) and on a downward trend line, which is not surprising given worldwide trends. For a comparison against market prices that were more closely parallel to Kenya Pharma, as preparation for a GAO visit the project examined procurements as compared to the prices listed on the SCMS website as of May and found total savings on the order of 8.5 percent. For this annual report, this analysis was updated for the period ending in September and found that the savings are still holding with a current total savings of 10.2 percent. When comparing prices to those paid by KEMSA, Kenya Pharma found that over the last two years the project has paid from 7 to 42 percent less for the same commodities. See Section III for additional details.

¹ Three of our ordering sites reported a shortage of the fixed dose combination AZT/3TC/NVP in the January to March quarter during data collection after the quarter ended. The cause is not yet understood since there were adequate stocks in the central warehouse at the time.

Finally, these efforts to maintain the reliability, quality, and efficiency of our activities have come at a time in which Kenya Pharma continues to experience significant growth. Over the course of Year 3, the number of ART dispensing sites served by Kenya Pharma grew from 409 to 592. The number of ART patients served directly through the supply chain grew from 260,000 to 338,000 (representing program growth of 30 percent). In addition, through collaboration at the central level, significant quantities of the commodities procured by Kenya Pharma also served the supply chain handled by KEMSA. Over the course of Year 3, more than 365,000 kg of commodities were distributed directly from the Kenya Pharma warehouse to the KEMSA central warehouse, making them Kenya Pharma's largest single client, by far, and constituting 29 percent of the project's total annual distribution.

Improve

Improvement to the electronic supply chain management system (e-SCM). In Year 3, Kenya Pharma added more modules to the current version of the e-SCM and was constantly looking for ways to improve the existing system. Based on the project's own initiatives, as well as feedback received from clients, a number of improvements were made to the system in Year 3. Full details on e-SCM improvements can be found in Section IV.

Efforts to improve data quality. A continuing problem within the health supply chain in Kenya is the accuracy of the data coming back up the chain from the service delivery and order points. To help quantify and address this problem, there was a national Data Quality Audit (DQA) exercise led by NASCOP in late April and early May. This exercise, which was strongly supported by Kenya Pharma staff and other resources, covered 99 of the largest ordering sites. Since the DQA, Kenya Pharma has continued to follow-up with sites and reinforce the data quality messages through the project's network of field service representatives (FSRs). Recent data and analysis seems to indicate that these efforts by the project are resulting in significant improvements in data quality. Details on this effort and analysis on the impacts of the DQA on data quality can be found in Section IV.

Sustain

Process documentation. The big news for Kenya Pharma this year was the formal launch and beginning of operations of its Quality Management System (QMS) and receiving ISO 9001:2008 certification. During the first week of April the system went "live" and an external audit by the certification agency, Det Norske Veritas, took place during the first week of July. The recommendation from that audit resulted in ISO 9001:2008 certification of the Kenya Pharma QMS in early September. This certification means that the core technical functions of the Kenya Pharma project are now operating within an ISO 9001:2008 certified framework of formal documentation and process improvement. Kenya Pharma is the first such project within Chemonics and may well be the first such certified international development project implemented for USAID to achieve this certification. As a result of these efforts, Kenya Pharma has fully documented its technical operations and anticipates that this documentation will ease the eventual

transition of the project's portion of the national HIV/AIDS supply chain to a Kenyan institution. For more details on the Kenya Pharma QMS and ISO 9001:2008 certification, please see Section III.

Sustaining local suppliers and laboratories. Kenya Pharma continues to procure significant quantities of OIs from local suppliers, although these quantities are somewhat reduced from Year 2 levels. Kenya Pharma cut back somewhat on procurements from local suppliers for OI drugs, primarily because the project has more than sufficient stocks on hand for many of the OI drugs they were supplying. However, as stock levels stabilize in Project Year 4, it is anticipated that the project will again increase the size of local OI procurements. Additionally, one major change during the year was the amendment of the sampling procedures and revised testing frequencies for two local suppliers and these reduced sample sizes will contribute to lower costs. Kenya Pharma's relationships with these suppliers continue to be good and the project greatly values these contributions to local sustainability.

During the year, Kenya Pharma also made several large laboratory equipment donations to NQCL. In July, the project provided the laboratory with seven dissolution testers and seven high-performance liquid chromatography (HPLC) machines, and earlier in the year the project loaned and installed a back-up generator. With the additional laboratory equipment NQCL has been able to double the number of tests it can perform, significantly reducing the time it takes for analysis to be complete and test results to be available. This increased capacity is ultimately contributing to the long-term sustainability of the laboratory.

Sustainability for the e-SCM. The e-SCM represents an initiative in innovation, as noted above, but is also a sustainability enhancement for the supply chain. In its design, the e-SCM is entirely sustainable with a minimum of maintenance. Remote hosting has eliminated the need for equipment in Kenya and all of the programming and maintenance is now under contract to a local organization. In addition, Kenya Pharma has spent much of the last year integrating the functions of the e-SCM into the other components of IT infrastructure supporting the HIV/AIDS supply chain in Kenya. As a result of these efforts, the e-SCM is now compatible with the ADT that is used to support dispensing practices and can transmit data up the chain to be integrated into the DHIS2 system used to maintain and report health data nationally. These integration efforts continue as the project participates on the design and implementation team that is working on both the new version of the ADT and the completion of the KEMSA logistics management information system.

Looking Forward

Based on all the above, it seems clear that Kenya Pharma has accomplished much toward its three objectives over the course of the year. Of course, there is much still to do, but Kenya Pharma remains dedicated to maintaining its core operations while improving and increasing sustainability. Continuing in this theme, Kenya Pharma must look forward to Year 4. What the project is hoping to accomplish in Project Year 4 has been simplified into the statement "Optimizing the Supply Chain for Sustainability." In this statement the

project hopes to have captured its two focal areas of optimization on the one hand and increasing sustainability on the other. Kenya Pharma is concentrating this next year's efforts on activities that will continuously improve its operations and move them toward optimization. At the same time, Kenya Pharma is concentrating efforts on ensuring that everything it does will be sustainable by local institutions and resources once the project's job is done.

This Report

Following this executive summary, this report follows the general organization of the project's Results Framework and Performance Monitoring Plan (PMP). The Results Framework is divided into five result areas:

- Result 1: Pharmaceutical Procurement Planning and Management Enhanced
- Result 2: Quality Assurance of Procured Commodities Improved
- Result 3: Pharmaceutical Prices Decreased and Other Efficiencies Achieved
- Result 4: Collaboration with Stakeholders Improved
- Result 5: Program Reporting Improved

These result areas also correspond to the award fee criteria and the report is arranged to highlight key achievements in each result area. The report also includes annexes that are contract deliverables and contain data on project performance.

SECTION I. PHARMACEUTICAL PROCUREMENT PLANNING AND MANAGEMENT

During Year 3, Kenya Pharma continued to provide strong procurement planning and management of HIV/AIDS pharmaceuticals in Kenya. Close collaboration with The National AIDS and STI Control Programme (NASCO) and Kenya Medical Supplies Agency (KEMSA) led to accurate procurement planning as well as forecasting and quantification. Improvements to the e-SCM and the involvement of field service representatives (FSRs) with service delivery points (SDPs) led to excellent stock and order management. Improved communications with suppliers and other stakeholders led to better coordination of inbound and outbound shipments of commodities. Additionally, improvements made at the warehouse have led to more efficient order picking and inventory management.

At the end of Year 3 Kenya Pharma was supplying HIV/AIDS commodities to 159 ordering sites. These ordering sites were serving 592 antiretroviral therapy (ART) dispensing sites (510 satellite sites and 82 standalone sites), up from 409 sites in Year 2 and 350 sites in Year 1. In addition to these ART dispensing sites, Kenya Pharma supplies another 671 preventing mother-to-child transmission (PMTCT)-only dispensing sites through the same distribution network. These facilities serve more than 338,000 antiretroviral drug (ARV) patients and over 48,000 PMTCT patients. The number of sites served by Kenya Pharma continues to grow as new sites are added and larger satellites are upgraded to ordering sites in line with the national decentralization strategy.

Forecasting and Quantification

In Years 1 and 2, Kenya Pharma focused on quantifying existing stocks and consumption patterns as well as developing forecasting and quantification (F&Q) processes. In Year 3, emphasis had been placed on strengthening collaboration between the President's Emergency Plan for AIDS Relief (PEPFAR) and the government of Kenya (GOK) supply chains to improve forecasting accuracy and to avoid stock-outs and rationing.

Between July 2011 and June 2012, 6,820,116 units were forecast, and 7,679,000 were ordered, resulting in a weighted average of accuracy within 12 percent of forecast. Of 28 procurement subcontracts issued, only one was cancelled during the year.

Strengthened collaboration with other PEPFAR and GOK supply chains has enhanced our F&Q. In Year 3, Kenya Pharma began to take a more active role in the National Forecasting and Quantification Exercise, the two-pager technical working group, and the commodities security working group. During the National Forecasting Exercise, Kenya Pharma took a lead role in the activity. Kenya Pharma led the team that developed the opportunistic infection (OI)

Mentoring Local Partners

"During the National F&Q Exercise, Kenya Pharma took a leading role. The project's F&Q manager also gave the team a great amount of support and advice on the new software we used this year. Continued support from Kenya Pharma in areas like this is what we need in the coming year."

— *Dr. Susan Njogo, pharmacist, Care and Treatment, NASCO*

assumptions, was part of the team focusing on adult ARVs and PMTCT, and provided technical and data support on the software, Quantimed, that was used for the first time in Kenya for this year’s forecasting and quantification. This was also an opportunity to provide mentoring support to NASCOP staff so that in the future they are able to drive the process without Kenya Pharma support.

In Year 3, Kenya Pharma also hosted and helped to facilitate the technical two-pager working group that brings together stakeholders such as NASCOP, KEMSA, the Clinton Health Access Initiative (CHAI) and Management Sciences for Health (MSH) to discuss stock levels prior to the monthly commodity security meeting. The two-pager meeting has allowed these stakeholders to review what is in the national pipeline and adjust orders and stock sharing as needed in a smaller, more focused, setting. The Kenya Pharma team has also been active in providing input to NASCOP on revised national treatment guidelines. Involvement in this activity allowed the team to better plan and anticipate regimen changes and also ensured that communication from NASCOP is reinforced at the service delivery points through the FSRs.

In addition to regular participation in the two-pager meetings and commodity security working group, the project also began to include NASCOP and KEMSA in monthly procurement planning meetings. These smaller meetings have allowed for closer and more focused communication on the stock sharing mechanism between the KEMSA and Kenya Pharma pipelines, which wasn’t always possible to achieve in the past during the two-pager and commodity security meetings. During these monthly procurement planning meetings, the group reviews Kenya Pharma’s procurement and stock tracker report. The stock tracker reporting tool was updated to capture estimated quantities to be transferred to the KEMSA supply chain, and the needs of KEMSA are now more accurately reflected in Kenya Pharma’s procurement planning. Additionally, the Kenya Pharma team shared its own monthly stock planning tool with KEMSA. Even though the tool is a simple Excel spreadsheet, it can be used to quantify the monthly needs of the programs on the ground by collecting accurate consumption data. KEMSA noted that the tool has been useful to them in their own procurement planning and that the joint meetings with Kenya Pharma have been a good opportunity for them in terms of knowledge transfer and mentorship. Kenya Pharma is already seeing the effect of these meetings. In Quarter 12, the volume of stocks moving to KEMSA was reduced by 1.1 percent, a result of the information sharing between the two pipelines.

Working with NASCOP

“Kenya Pharma plays an important role in commodity security in this country. Their response times, procedures, ways of documenting their work, [and] their collaboration with NASCOP have all contributed to this. Kenya Pharma knows what mechanisms need to be put in place to get work done.”

— *Dr. William Maina,*
director, NASCOP

The normalization of and better planning for tuberculosis (TB) pharmaceutical procurements in Year 3 has also helped to improve the project’s forecasting and quantification efforts. Better communication and collaboration with the national TB program, and other stakeholders on this issue has meant that the project has been better able to predict the need for TB medicines.

Procurement

During Year 3, Kenya Pharma procured HIV/AIDS commodities that reached 592 ART sites and supported approximately 338,278 patients with first- and second-line ARVs, up from 260,000 in Year 2. The project also supplied 48,359 PMTCT patients with medications at 671 sites. Additionally, the project responded to eight ad hoc requests, mainly from USAID, to procure additional drugs, including TB medications. The project delivered a total of over 365,000 kg of pharmaceuticals, representing 29 percent of total outbound deliveries, to the KEMSA warehouse through the stock sharing mechanism.

Quarterly reviews indicate that all Year 3 procurements were conducted as outlined in the project's procurement manual, ISO procedures, and guidance documents. These reviews also indicate that updates to materials were made in cases where inconsistencies were identified (See Section III for more Information on ISO). Waivers were sought when required (in 67 cases in Year 3). Kenya Pharma has procured commodities at competitive prices. On average, the project's median price paid for commodities compared to international market prices in Year 3 was 64 cents to the dollar. (See Section III for more details on price efficiencies.) One significant change to procurement in Year 3 was the approval of a blanket ADS 312 pharmaceutical waiver from USAID for three of the project's local manufacturers of OI medicines. This approval helped to speed up the procurement process, which has been especially important with emergency and urgent requests.

The project conducted 26 market surveys to identify new product sources and to research international median drug prices, approvals, and registration. There were 28 suppliers identified, three being local. The project also increased the number of eligible international wholesalers of OI drugs from three to five from market research that identified the additional suppliers, Amstelfarma and Action Medior. The increase in the number of suppliers and competition has also contributed to reduced commodity prices.

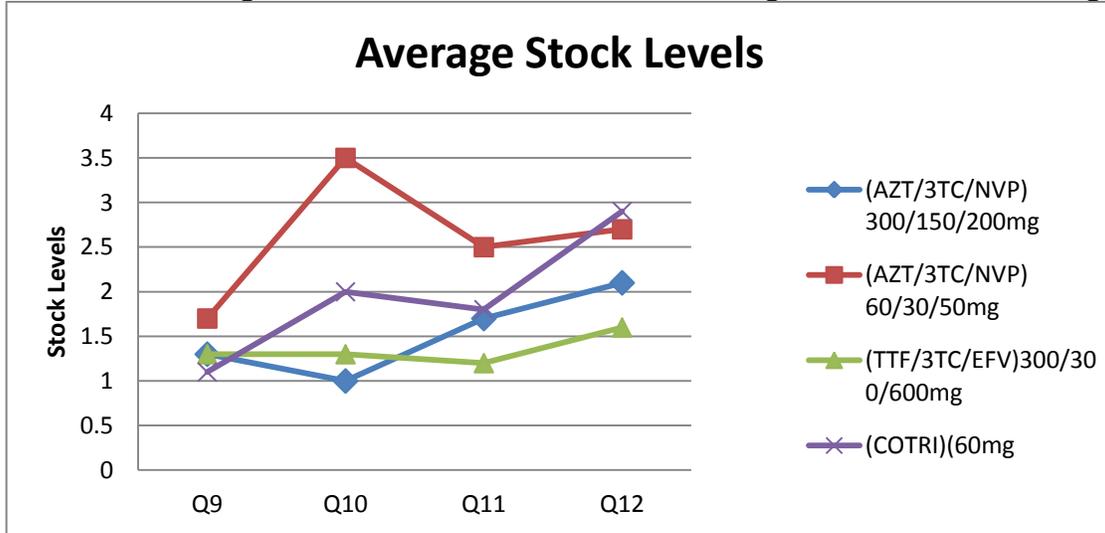
During Year 3, the project developed a supplier's past performance tracking tool. This tool supports the bid/tender evaluation process in which a suppliers' past performance accounts for 20 percent of the total score. To ensure evidence-based scoring on past performance, the project designed a tool that assists technical teams to record performance incidences as they occur, thus creating an incident log. The log is then used by the bid evaluation committee and can also be used to provide specific feedback to suppliers. To ensure standardization in supplier monitoring in Kenya, the tool has also been shared with KEMSA.

Stock Management

In Year 3, the project continued to have a low incidence of stock-outs. No project-supported facility reported stock-outs of OIs and only 3 facilities (0.52 percent) reported stock-outs of ARVs at any time during the year. Improvements to the electronic supply chain management (e-SCM) system, increased collaboration with other stakeholders, and an increased focus on monthly data review and order rationalization with SDPs contributed to the low numbers of stock-outs.

Exhibit 1 is a collection of stock level data retrieved from the e-SCM and shows the average stock on hand for three tracer ARV regimens and Cotrimoxazole 960mg at facilities in the past year. These products are currently used for the greatest numbers of patients at Kenya Pharma facilities and are the recommended first-line treatments. A facility should have no less than one month of stock to be considered adequately stocked. As the exhibit shows, facilities and the warehouse have remained adequately stocked throughout the reporting period.

Exhibit 1. Average Stock on Hand for Three Tracer Regimens and Cotri 960mg



With the migration of the e-SCM to cloud hosting in the beginning of 2012, the system is now available 100 percent of the time to facilities that have internet access. SDPs can log into the system to review information and place orders in real-time, and the system allows orders to be received and reviewed quicker than in the past. New features have also been built into the e-SCM to allow SDPs to review and compare their current orders against past orders and consumption data. Additionally, information on stock levels is now captured by the e-SCM. The system also has built-in data quality checks. These checks will flag inconsistent figures and prompt the SDP to review and/or confirm the information prior to submitting the final order. In addition, Kenya Pharma FSRs have been more proactive in working with SDPs to review and rationalize their orders soon after the orders are entered online. These improvements to the e-SCM and quick customer service provided by the FSRs have resulted in more timely information gathering and have helped to avoid stock-outs.

Increased collaboration with other stakeholders working to support people living with HIV/AIDS in Kenya has also contributed to the low number of stock-outs. Improved communication and joint planning with NASCOP, KEMSA and others in the monthly two-pager working groups, the commodity security working group, and the monthly procurement planning meetings have contributed to Kenya Pharma's improved ability to plan and quantify for these needs more accurately than in the past. On the local level, stock management at Kenya Pharma-supported sites also improved during Year 3. The Kenya Pharma field operations teams, as well as the technical teams, made regular visits to SDPs to review stock storage practices. The teams advised on any issues identified in the pharmacies and storage rooms. Additionally, the project made a number of donations of pallets to SDPs, which have helped to improve stock management and storage practices at these sites.



The Kenya Pharma regional manager helps to sort pallets destined for Nairobi SDPs.

Inbound Shipments

In the final quarter of Year 3, 92 percent of inbound commodities were received within the scheduled period, and there were no losses during inbound shipping. The good relationship with the Kenya Revenue Authority and efficient coordination and communications by partners helped ensure that no commodities were delayed in customs. New communications procedures were also developed and streamlined, and these have allowed for better planning among suppliers and Kenya Pharma.

Improved planning allowed for increased use of sea shipments from none in Year 1 to 53.17 percent in Year 3, which has meant significant cost savings (see Section III for details). The project continues to lengthen planning horizons and lead times to reduce the necessity for air shipments and anticipates that this pattern will allow the project to continue to utilize more sea shipments. Additionally, improved joint planning with KEMSA on procurement needs and the normalization of TB pharmaceuticals will help to reduce the future need for air shipments.

Order Management

In Year 3, the order management process continued to run as expected, with the percentage of sites ordering on time rising to 81.72 percent, compared to the 42 percent seen at the beginning of Year 2. The improvement in reporting timeliness is due to the customer support provided by FSRs, reminding SDPs to submit orders during site visits and, when needed, working with pharmacists to prepare and submit orders. Additionally, SDPs continue to receive training and mentoring support on the use of the e-SCM and ways that it can contribute to their operations. The e-SCM has allowed for the placing of

real-time orders, and currently 95 percent of sites consistently use the system for online ordering.

During the year, MSH launched a new version of the Automated Dispensing Tool (ADT), which has resulted in better tracking of patient numbers. Currently, 83 percent of Kenya Pharma sites are using and capturing their patient numbers with the ADT. The introduction of the revised tool has resulted in fewer patients being double-counted, as it will automatically remove inactive patients from the system. This has led to better order planning and management.



Preparing an order for an SDP in the Phillips warehouse.

Outbound Deliveries

In Year 3, Kenya Pharma delivered, on average, 106 metric tons of medications each month, a 32 percent increase over the average 72 metric tons that were delivered in Year 2. Exhibit 2, below, shows regional distribution by weight. (For a full list of drugs distributed in Year 3 see Annex D). Beginning in Year 2 and continuing through Year 3, the project implemented load consolidation in outbound deliveries, which led to consistent and significant cost savings and on-time delivery (deliveries arrived at SDPs within four days from dispatch from the warehouse). Most orders were delivered in planned twice-monthly deliveries by the DHL fleet on the consolidated routes. In the coming year there is a goal to transition to once-monthly consolidated deliveries to further reduce costs and increase efficiency. The majority of deliveries are made to the SDP within 24 hours of dispatch from the warehouse, although there is an average of 2.44 days wait time for to last-mile deliveries to hard-to-reach SDPs. Furthermore, losses in delivery and storage due to wastage, expiries or damage were minor during Year 3, representing less than 0.79 percent of the value of procured commodities.

Exhibit 2. Regional Distribution of Medicine by Weight					
REGIONS	Qtr 9	Qtr 10	Qtr 11	Qtr 12	Totals in kgs
Nairobi	81,720	51,401	63,916	65,319	262,357
Central	35,791	18,484	25,822	30,746	110,843
Western	23,682	18,389	27,345	29,406	98,823
Nyanza	99,173	87,491	93,148	134,100	413,913
Rift valley	45,318	49,995	52,829	84,088	232,230
Coast	29,003	19,629	23,820	29,264	101,716
Eastern	12,753	6,992	6,847	8,243	34,835
North Eastern	9,769	2,620	1,579	2,710	16,678
Totals	337,209	255,002	295,307	383,876	1,271,394

To improve delivery times among those last-mile deliveries, a new focus was placed on route mapping and planning for quarterly consolidated deliveries. These quarterly deliveries include buffer stock to avoid stock-outs and courier services for those situations in which ad hoc or emergency requests have been made by the SDPs.

Warehousing

While Years 1 and 2 focused on getting the warehouse up and running and increasing storage space, Year 3 focused on making several physical improvements to the warehouse and increasing efficiencies in the warehousing system.

In Year 3, the project's cold storage capacity was increased with the installation of a cold room. Previously, the project had been relying on the use of refrigeration units. With the installation of the new cold room, the warehouse now has the capacity to store six times more refrigerated stock than was possible with the refrigeration units.

In Year 3, the project also implemented warehousing mapping procedures. At the main Kenya Pharma warehouse, an electronic warehouse mapping module was developed. This helped to improve warehouse operations in terms of order picking and inventory management due to items being assigned specific locations. This improvement has led to easier tracing of stock in the warehouse at the time of picking and during physical inventories. In the other warehouses, the project has implemented manual warehouse mapping. This new system has significantly improved the project's ability to conduct stock counts since the team is now easily able to locate commodities in each bin location thus making it easier for potential recounts. During the most recent stock take, which took place on September 27 and 28, 2012, only 58 batches of commodities showed variances compared to the 800 variances seen in the previous stock take.

SECTION II. PHARMACEUTICAL QUALITY ASSURANCE

In Year 3, Kenya Pharma continued to ensure that the project delivered high-quality pharmaceuticals for people living with HIV/AIDS in Kenya. The project continued to work with local quality assurance (QA) laboratories and facilitated several laboratory equipment donations to the National Quality Control Laboratory (NQCL), which has greatly improved the capacity of this laboratory. The project also increased collaboration with the Pharmacy and Poisons Board (PPB) in the areas of post-market surveillance and sensitization of pharmacy staff on QA practices and pharmacovigilance. The project also continued to work with local manufactures for the procurement of OI drugs. Additionally, reduced sampling requirements for QA analysis at two local manufactures have resulted in reduced wait times for analysis to be completed.

Post-market QA surveillance began in Year 2 and continued throughout Year 3. The QA team visited 16 sites in three regions and the coastal province. During these visits, project staff physically inspected commodities and collected samples for laboratory analysis. To date, there has been a 100 percent pass rate of these random QA tests. These visits were also a chance to advise SDP staff about proper storage and handling procedures, assess the adequacy of local storage infrastructure, and address any quality concerns.

One of the most significant achievements for the QA team in Year 3 was the donation of laboratory equipment to NQCL. In July, the project provided the laboratory with seven dissolution testers and seven high-performance liquid chromatography (HPLC) machines, and earlier in the year the project loaned and installed a back-up generator. This equipment has been significant for NQCL's operations. The back-up generator has meant that tests can run uninterrupted, which is significant as certain tests can last for eight or more hours. In some cases, automated tests are left to run overnight or over the weekend and even a small interruption to the power supply could mean that all work is lost. NQCL noted that the new HPLC machines are more reliable, easier to use, and conduct analysis much quicker than its older machines. The dissolution testers have also made a difference for the laboratory as dissolution analysis can take a significant amount of time to complete; the laboratory is now more efficient as they are able to run multiple tests concurrently.

With the additional laboratory equipment, NQCL has been able to double the number of tests it can perform, speeding up the time it takes for analysis to be completed. NQCL believes its efficiency to deliver timely analysis reports will increase even more in the coming months as staff become more accustomed to working with the new machines. The PPB, which also uses NQCL for laboratory testing, noted that these donations will help to reduce wait times for their requested analysis.



Moving the backup generator to NQCL.

The project's continued use of NQCL and Mission for Essential Drugs and Supplies (MEDS) has helped to build the capacity of these local laboratories. With regular business from Kenya Pharma, both labs have been able to invest in their own infrastructure, which, in turn, has increased the volume of work they are able to handle. Additionally, work with the project has helped both labs to understand and operate using international standards of management. It is envisioned that these standards will help both labs to sustain high quality operations beyond the life of the Kenya Pharma project. In the case of NQCL, they are already noticing a difference. As their reputation of being a reliable laboratory grew, they had been receiving a high number of requests from other African countries for analysis, but were unable to accept many of the requests due to the limited size of the lab. With the new machines, they have been able to take on more business from outside of Kenya. The extra machines have also meant they have been able to build the capacity of their staff by training them on new equipment and quality procedures. The extra equipment has also meant that the laboratories have been able to spare some machines to train outside QA personnel and, to date, they have trained personnel from Tanzania and Sierra Leone.

NQCL Donations

"Kenya Pharma did all the work for the donations, from the paperwork to the logistics, installation, and connections. It was quite wonderful to see an organization support us in a big way. The day to day running of the lab has been made easier."

— *Dr. Ali Arale,*
acting director, NQCL

In Year 3, Kenya Pharma continued to procure OI drugs from local manufactures, and one major change during the year was the amendment of the sampling procedures and revised testing frequencies for local suppliers Universal Pharmaceuticals and Cosmos Pharmaceuticals. During the year, Universal became World Health Organization (WHO) pre-certified, and sampling sizes were reduced to 5 percent of batches supplied, to be consistent with sampling criteria for WHO pre-qualified manufacturers. Based on a recommendation by USAID following an April QA review, sampling sizes for Cosmos were also reduced, in this case to 50 percent of batches supplied. USAID's recommendation noted that "the recommendation for 50 percent batch testing for Cosmos is based upon a good track record of providing good quality products over the past 18 months". Furthermore, reduced sample sizes have led to cost savings for the project (see Section III for more details). The project continues to purchase large quantities of commodities through local suppliers, a total of nearly \$800,000 in the last year, so the reduced sample sizes will continue to contribute to lower costs.

In Year 3, the project began to work more closely with PPB in areas related to QA, particularly in pharmacovigilance and post market surveillance of pharmaceuticals. In terms of post market surveillance, Kenya Pharma has identified issues that have triggered investigations by the PPB. Pharmacy and Poisons Board noted that Kenya Pharma's proactive approach to QA testing of pharmaceuticals has been helpful in ensuring that the products delivered and distributed throughout Kenya have been of high quality. With increased involvement in the supply of commodities in Kenya, the project has become a trusted partner of the PPB. As such, the PPB has invited the project to provide input and feedback on their e-Shots, which are urgent e-mails sent out to relevant stakeholders to notify them when problems with products are identified. When the official e-Shot is sent by PPB, Kenya Pharma receives the alert and notifies all the SDPs that it supplies to. In

return, Kenya Pharma has also agreed to feature collaborative efforts with PPB in the project's newsletters so that both organizations are able to reach larger audiences on the issues surrounding pharmacovigilance. Another point of collaboration has been through the FSRs. FSRs keep abreast of the PPB's many reporting requirements and during site visits they take the opportunity to review the SDPs' practices and procedures and to mentor and sensitize them on PPB materials and issues relating to pharmacovigilance. In instances when SDPs have provided feedback on PPB materials to FSRs, the project has been able to relay this information back to the PPB. Kenya Pharma has also invited PPB on joint visits to review local manufacturers' sites for good manufacturing practices.

During Year 3, there was one product recall and a warehouse withdrawal of a batch that the Kenya Pharma team worked to resolve as quickly as possible. One batch of Dapsone 100mg tablets supplied by Cosmos under Tender 05/09 was recalled in February 2012 due to a printing error on the label, which was first reported by project FSRs. While the product itself was safe and effective, the product's manufacturing and expiration dates had been erroneously transposed on the labeling. When the error was detected and reported, the Kenya Pharma team immediately informed PPB and Cosmos. PPB issued a product recall of the affected batch and the supplier agreed to replace the product. Kenya Pharma notified all SDPs that received supplies from the recalled batch and, in the end, a total of 503 jars were returned. Following the recall, changes were implemented at the manufacturer's site, the testing laboratory, and within the Kenya Pharma QA and other departments to ensure that such errors do not recur and are detected in a more timely manner. Kenya Pharma has been working with PPB to ensure safe disposal of this batch.

During the year, there were also complaints of breakages of Nevirapine tablets. Kenya Pharma subjected all the remaining batches in the warehouse to a friability retest and one batch did not pass the test. Pharma notified PPB and also worked with the manufacturer to withdraw the affected batch from the warehouse.

The project's close monitoring of expiration has meant that, to date, no commodities procured by Kenya Pharma have expired on the shelf at health facilities. The project currently has about \$549,000 worth of expired stock in the warehouse that will be disposed of in the coming year. This is largely attributed to Zidovudine 300mgs used for PMTCT that expired due to shifts in the prescribing practices for PMTCT commodities. The project also anticipates that due to the phasing out of Stavudine, there will be a need to remove expiring stock from facilities in the coming months and the team has been preparing for this transition. A full expiry report can be found in Annex G.

The expiry feature on the e-SCM has also allowed facilities to become more aware of pending expiration dates, which has allowed them to move and transfer stock to satellites and other facilities before products expire on the shelf. Additionally, SDPs and other implementing partners have commented on the excellent reverse logistics support provided by Kenya Pharma when it comes to expiring stock. During the regular deliveries of commodities, SDPs are able to return stocks that are nearing expiration. This support allows facilities to clear their shelves and make room for new stock, which has been critical in many locations with limited storage space.

SECTION III. PHARMACEUTICAL PRICE AND OTHER SUPPLY CHAIN EFFICIENCIES

In Year 3, Kenya Pharma continued to decrease costs and introduce other efficiencies into the supply chain. The project continued to purchase supplies at competitive prices, procuring commodities below international prices and below the costs reported by other supply chain projects. Increased use of sea shipments, consolidation of deliveries and reduced QA sampling sizes also contributed to cost savings and efficiencies. Furthermore, the project continued to build upon efficiencies and systems developed in the project's earlier years while also becoming ISO 9001:2008 certified.

The project continued to purchase commodities at competitive prices in Year 3. While prices for many pharmaceuticals have declined since the project started, Kenya Pharma has consistently purchased these commodities at prices below international market prices and the price paid by other supply chains. The project paid 36 percent less for all commodities compared to the international market price as reported in the International Drug Price Indicator Guide (IDPIG), and this downward trend continues. Additionally, the project compared its most recent procurements to the prices listed on the Supply Chain Management System Project (SCMS) website as of September 2012. Exhibit 3 shows what was procured by Kenya Pharma and what SCMS lists as their prices for the same pharmaceuticals. Using Kenya Pharma for these procurements saved USAID roughly \$2,590,909, or about 10.2 percent for these procurements.

Exhibit 3. Kenya Pharma Price Paid vs. SCMS Website Prices

Commodity	Most Recent KP Price	SCMS Price (Sep)	Difference	Percent Difference	KP Cost	SCMS Eq
ZDV/3TC/NVP	\$ 8.50	\$ 9.62	\$ 1.12	13%	\$6,800,000	\$7,696,000
TDF/3TC/EFV	\$ 13.30	\$ 13.27	\$ (0.03)	0%	\$2,660,000	\$2,654,000
TDF/3TC	\$ 4.87	\$ 5.36	\$ 0.49	10%	\$974,000	\$1,072,000
ZDV/3TC	\$ 7.06	\$ 7.72	\$ 0.66	9%	\$2,824,000	\$3,088,000
TDF/3TC+NVP	\$ 9.77	\$ 10.00	\$ 0.23	2%	\$974,000	\$996,929
3TC	\$ 2.15	\$ 2.16	\$ 0.01	0%	\$215,000	\$216,000
NVP	\$ 2.23	\$ 2.42	\$ 0.19	9%	\$669,000	\$726,000
EFV	\$ 3.35	\$ 3.64	\$ 0.29	9%	\$670,000	\$728,000
ZDV	\$ 5.92	\$ 6.76	\$ 0.84	14%	\$355,200	\$405,600
ABC	\$ 13.24	\$ 12.96	\$ (0.28)	-2%	\$1,178,360	\$1,153,440
Lop/Rit	\$ 22.00	\$ 26.70	\$ 4.70	21%	\$5,500,000	\$6,675,000
NVP Oral	\$ 1.96	\$ 1.95	\$ (0.01)	-1%	\$98,000	\$97,500
Total					\$22,917,560	\$25,508,469
Total Savings						\$2,590,909
Percent Savings						10.2%

Kenya Pharma has also compared its prices to those recently reported by KEMSA. The comparison between Kenya Pharma prices and those recently obtained by KEMSA is somewhat difficult to make because KEMSA uses different criteria to determine supplier eligibility. KEMSA uses WHO standards while Kenya Pharma uses certification by the U.S. Food and Drug Administration as its standard. KEMSA also uses Delivery Duty Unpaid terms, which consider cost all the way to their warehouse. That said, Kenya Pharma did find prices for five common ARVs that both organizations have purchased recently and generated Exhibit 4 to show relative cost positions.

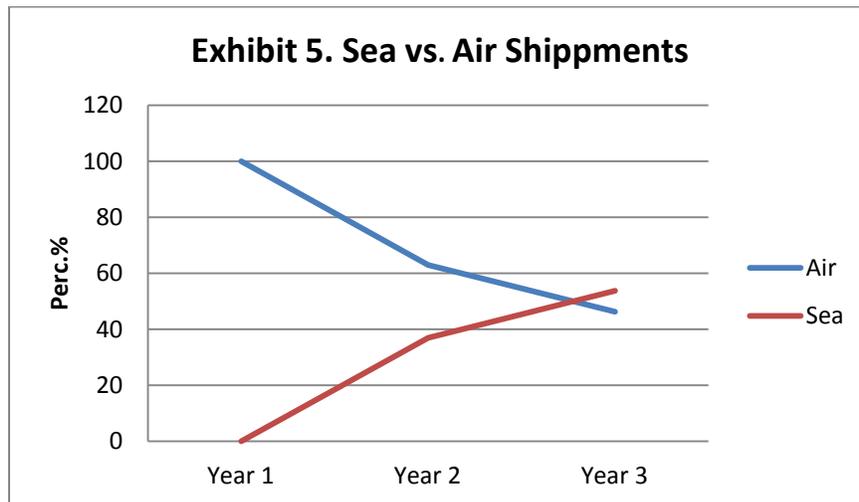
Exhibit 4. Kenya Pharma Prices vs. KEMSA Prices

Commodity	Recent Kenya Pharma Average	KEMSA Average	Price Difference	Percent Difference
ZDV/3TC/NVP	\$9.61	\$10.29	\$0.68	7%
TDF/3TC	\$5.66	\$7.99	\$2.33	41%
ZDV/3TC	\$7.67	\$8.22	\$0.54	7%
NVP	\$2.35	\$2.51	\$0.16	7%
ZDV	\$5.92	\$8.42	\$2.50	42%

For these ARVs and combinations, Kenya Pharma’s comparative average costs over the last two years have been between as little as seven percent below KEMSA costs (modest, but enough to pay for the project’s inbound freight, which averages about 4.5 percent across all international procurement), to as much as 42 percent lower.

Additionally, during the procurement bidding process, Kenya Pharma engaged qualified suppliers in price negotiations, which also helped to lower overall procurement costs. In the case of the procurement of 500 packs of pyrazinamide from local supplier Cosmos, Kenya Pharma was able to go back to the supplier with documentation on current price trends and effectively negotiated a lower rate of \$3.90 per pack, down from the original quote of \$4.50. When orders are large, these kinds of price negotiations can lead to significant cost savings over time. Furthermore, maintaining strong relationships with local and international manufacturers has been critical to the project’s ability to negotiate for and maintain lower than average costs in this area.

In the first year, all Kenya Pharma commodities were shipped by air. In Year 2, the project began sea shipments, and by the end of the year, 37 percent of all shipments were by sea. As seen in Exhibit 5 below, in Year 3, this trend continued, and 53.17 percent of commodities were shipped by sea. This lowered the average shipment cost for inbound shipping by 57 percent when compared to Year 2. In Year 3, Kenya Pharma paid \$3.82/kg for air shipments and \$1.06/kg for sea shipments. This has meant a cost savings of more than \$1,522,625 in Year 3, compared to what the project would have paid if it continued with 100 percent air shipments.



On outbound delivery, load consolidation resulted in a consistent delivery schedule and low incidences of courier delivery. Higher volumes lowered costs so that the average price per kilogram delivered fell from KES 126.5/kg in Year 1 to KES 103.4/kg in Year 2 and to KES 94.73kg in Year 3. This represents a 12 percent reduction in outbound delivery costs for Year 3 when compared to Year 2.

In addition to savings in shipping, delivery, and pharmaceutical prices, the move from 100 percent batch testing for pharmaceuticals supplied by Cosmos and Universal to the newly approved lower sample sizes will save the project on costs related to QA laboratory analysis. In the example of a 10 batch consignment of co-trimoxazole suspension to be tested by NQCL, the previous 100 percent sample from Cosmos would cost the project 300,000 Kes, while the new 50 percent required sampling size will cost the project 150,000 Kes; this represents a total cost savings of 150,000 Kes, or 50 percent. If the same scenario were applied to Universal, a 100 percent batch testing would be 300,000 Kes, while the cost for the new 5 percent required sampling size would equal 30,000 Kes, for a total savings 270,000 Kes, or 90 percent. It is anticipated that over the remainder of the project the decreased sample size requirement will continue to help the project save on laboratory testing costs.

As in previous years, in Year 3, Kenya Pharma continued working to create efficiencies in its operations and financial management. The project negotiated and finalized a competitive subcontract with local QA laboratory MEDS and is in the process of negotiating and finalizing a subcontract agreement with NQCL. The project has been able to negotiate reduced costs for laboratory analysis by guaranteeing a certain volume of work.

Overall in Year 3, total project expenditures in the project management category were only 79 percent of their annual budget while in the procurement category total project expenditures were 62 percent of their annual budget. The introduction of a mobile banking system (M-PESA thru CBA bank and Safaricom) in July significantly improved the timeliness of the expense report and travel advance payment process. The project hopes that the cost savings seen during the year, and since the start of the project, will allow Kenya Pharma to further invest in activities that promote customer service, collaboration, innovation, efficiency, and sustainability.

In addition to looking for innovative ways to save on costs, the project continued to look for other innovations to increase the efficiency and sustainability of the supply chain. In Year 1, the project introduced FSRs as a service innovation, and they continue to provide high-quality customer service and critical support to facilities. In Year 2, the project introduced a core process innovation, the e-SCM, which has streamlined project operations. In Year 3, the project launched a Quality Management System (QMS), which received ISO 9001:2008 certification, as a sustainability innovation. The Kenya Pharma QMS is an electronic system that has helped to streamline project work and provides consistency across technical teams. Additionally, an electronic QMS allows field staff to access the most current procedures, forms, and templates as long as they have an internet connection.

In Year 3, the Kenya Pharma project formally received ISO 9001:2008 certification, a globally recognized international standard in quality management. After a little more than a year of preparation, the project formally launched a QMS in April, underwent an external audit in July, and received certification in August. The project is one of the first, if not the first, USAID project to receive this certification. This achievement reflects the project's dedication to quality, not just in operating a safe and effective pharmaceutical supply chain, but in the larger sense of ensuring that the project's work maintains a focus on quality, efficiency, and effectiveness.

As part of the ISO 9001 certification process, a total of 35 process maps and work instructions were developed and an additional 85 forms and templates were standardized. Additionally, a detailed quality manual was developed. A total of 21 Kenya Pharma staff were trained as internal ISO auditors and tasked with auditing the processes and work of their coworkers. The structure of the ISO 9001 framework means that these internal auditors, as well as technical team leaders, continually examine the work of Kenya Pharma and identify ways to improve.

Additionally, the formalization of the project's processes and procedures in the form of a QMS has placed a special emphasis on the thorough documentation of project activities. As the project moves into its final years, Kenya Pharma has placed an increased emphasis on not just operating a safe and secure HIV/AIDS supply chain, but on ensuring that this operation can be sustained beyond the life of the project. The documentation process that is captured in the QMS is a key element in ensuring that the work of Kenya Pharma is sustainable. The QMS and all supporting documentation can serve as an instruction manual and guideline on how the Kenya Pharma supply chain is operated. At the end of the project, the QMS, quality manual, and all supporting documentation will be available to any organization that wants the materials.

Other areas of process improvements that the project focused on in Year 3 included the previously mentioned warehouse mapping that enhanced traceability of commodities in the warehouse, additional modules in the e-SCM, joint planning meetings with NASCOP and KEMSA, and supplier performance tracking tools.

What's in the Kenya Pharma QMS?

During the development of the QMS, all aspects of the supply chain system were covered. Process maps, work instructions, and standardized forms and templates were created for:

- Corrective and preventive action
- Delivery
- Developing employee competence training and awareness
- Document control
- Field operations
- Forecasting
- Inbound shipment
- IT
- Management review
- Monitoring and evaluation
- Ordering
- Quality assurance
- Quality manual
- Quantification
- Record control
- Supply chain procurement
- Warehousing

SECTION IV. COLLABORATION WITH STAKEHOLDERS

In Year 3, Kenya Pharma continued to improve collaboration with stakeholders. The project is strengthening its involvement at all levels of the supply chain. On the national level, the project has focused collaboration efforts on NASCOP, KEMSA, and PPB as well as other national implementing partners, while the FSRs and Regional Managers continue to strengthen collaboration at lower levels with SDPs the Ministry of Health (MOH) at both provincial and district levels and with implementing partners.

On the national level, Kenya Pharma staff continue to participate in technical working groups, committees, and meetings in the HIV/AIDS community. During Year 3, the project took on an active role in facilitating the monthly commodity security meetings, the two-pager technical working group, and national forecasting and quantification exercises. Additional collaboration with the PPB has resulted in stronger QA practices and work with NASCOP and KEMSA on monthly procurement planning has resulted in a more efficient national supply chain.

Another example of the project's increased collaboration efforts at the national level has been its involvement in the NASCOP-led Data Quality Audit (DQA) conducted in early May. Nine groups composed of staff from NASCOP, Kenya Pharma, and other partner organizations visited about 11 facilities each (for a total of 99 sites visited). Kenya Pharma was represented in all the sites visited. Out of the 99 sites visited, 48 were Kenya Pharma-supported sites and the others were supported by KEMSA. Kenya Pharma provided extensive data analysis support during and after the DQA and actively helped to develop tools for the site visits. Additionally, FSRs participated full-time on audit teams. The same teams participated in the report-writing exercise with the Kenya Pharma director of technical coordination supporting the preliminary review of the teams' reports. These reports informed the findings disseminated to implementing partners where, again, Kenya Pharma was represented by senior management and technical staff. NASCOP staff have expressed their satisfaction with Kenya Pharma's involvement. Of the 99 sites visited in May, very few are currently experiencing major issues with their patient number reporting. For the sites that are still struggling, NASCOP has begun to target specific training needs that were being addressed in the DQA that was ongoing from September 10 to 25, 2012

As a result of Kenya Pharma's significant participation in and support of the DQA, and the project's commitment to continuous improvement, we are also modifying the e-SCM

Stakeholder Collaboration

In Year 3, the project participated in the following meetings and activities:

National level:

- Data quality audit
- Commodity security meetings
- TB commodity security meetings
- Two-pager technical working group
- National F&Q exercise
- Kenya Pharma annual stakeholders meeting
- SCMS suppliers conference
- ART task force meetings
- Therapeutic committee meeting
- Joint national supply chain mechanisms presentation to implementing partners

Local level:

- Regional stakeholder meetings
- Provincial and district health management meetings
- Meetings with partners (MSH, CHAI, etc.)

to enhance its analytic and reporting capabilities to better respond to the needs of our customers. With these modifications, sites and supporting partners can more readily see data problems and focus efforts on addressing them and increasing the ownership of these data among the appropriate site staff.

In September, the project’s director of technical coordination attended the SCMS-sponsored suppliers’ conference in Dar es Salaam, Tanzania. The conference was helpful for networking with potential new local and regional suppliers and was an important opportunity to learn about current and developing trends. During the conference, the project identified two new potential international wholesalers for OI and VMMC commodities, Action Medeor of Germany and AmsteLfarma of Netherlands.



Kenya Pharma’s Rift Valley regional manager checks supplies in a store with the Walter Reed Program pharmacist.

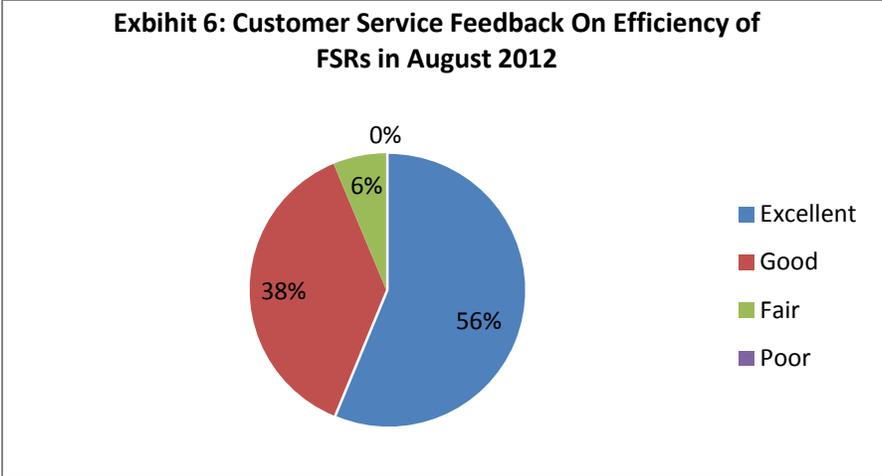
At the local level, FSRs have played an increasingly important role in fostering collaboration amongst SDPs, district and provincial government agencies, and other stakeholders. During Year 3, FSRs visited 95.6 percent of SDPs, supporting them on data collection, ordering, reporting, storage, expiries and recalls, and use of the e-SCM. FSRs were unable to visit 26 SDPs due to security concerns in the North Eastern Region, but our FSRs spoke regularly with SDP staff by phone. While phone communication allowed for regular contact to discuss orders, Kenya Pharma felt in-person visits were important to discuss other issues, particularly data quality, use of the e-SCM and good storage practices. Additionally, Kenya Pharma was active in supporting regional stakeholders’ meetings that bring together SDPs, the Ministry of Health (MOH) staff, the DASCO and the District pharmacist. These regional stakeholders’ meetings have proved to be important collaboration forums, especially for enhancing partnership and harmonization of different inputs from regional stakeholders involved in HIV/AIDS care and treatment.

In a customer service survey conducted in August, respondents rated the work of the FSRs as “excellent” and “good.” Respondents noted that Kenya Pharma staff were courteous, flexible, efficient, and offered timely responses to both urgent and normal requests. Respondents also noted during the survey their appreciation of the excellent condition of commodities; branding and marking of products, no stock-outs and the timely delivery of commodities to the SDPs. Exhibit 6 shows the rating of the efficiency of FSRs from the August customer survey.

Customer Service

“When I was working with other supply chains, I never knew what I was going to get. There was no communication. I had to streamline and ration my own stocks myself. With Kenya Pharma I’m not stressed. I have peace of mind knowing what to expect.”

— *Dr. Tipti, head pharmacist, Mathare Hospital*



In Year 3, Kenya Pharma was very active in the NASCOP-led decentralization process. As the provincial level central sites are being phased out and the responsibility is moving to the district level hospitals to serve as central sites, in line with Kenya’s new constitution, Kenya Pharma has been working closely with the SDPs and other stakeholders to ensure that orders and processes continue without interruption during the transition. With the decentralization process, more SDPs are ordering directly through Kenya Pharma. This has meant that Kenya Pharma staff have had more opportunities to mentor SDP staff on the e-SCM, the ordering process, data issues, and storage practices. Since more sites are now ordering directly, this eliminates extra layers of ordering and data review that existed in the past. It is anticipated that this will ultimately help to improve data quality and ordering timeliness.

During the year, Kenya Pharma FSRs and Regional Managers continued to visit recently upgraded central sites under the Academic Model Providing Access to Healthcare (AMPATH) program and Walter Reed project to ensure full adoption of the e-SCM. The Rift Valley team hosted an e-SCM orientation workshop at AMPATH for 51 staff working in the comprehensive care clinics and in the Records Department. The trainees were also sensitized on the ADT, the new NASCOP guidelines for patients on non-standard regimens, the phasing out process of non-standard ART regimens, and on changes in other regimens.

As part of the decentralization process, Kenya Pharma emphasized working with other stakeholders to participate in joint visits and reviews to shared sites. These joint reviews help the SDPs see how the decentralization process affects their work from several angles. Kenya Pharma also worked with district pharmacists who participated in joint visits to SDPs. During these visits, SDPs were able to address their concerns with decentralization as well as other concerns. Decentralization has also meant that more sites

Working with Implementing Partners

“The harmonization of joint visits to facilities would be a good practice for implementing partners to adopt. When we visit sites together with Kenya Pharma — the partners, the facilities — we are all working on the same page, which is beneficial for everyone involved.”

— *Dr. Helen Kalili, pharmacist, Center for Health Solutions*

receive support from Kenya Pharma directly, and the more sites that receive training in the systems, the better for long-term sustainability of the supply chain.

In Year 3, Pharma continued to reach out to other implementing partners to discuss service delivery support for the SDPs. During the Kenya Pharma work-planning meeting, implementing partners discussed ways that they can continue supporting SDPs to guarantee commodity security such as improvements in storage capacity and support for commodity distribution to satellites. Within the period, Kenya Pharma also rallied the national supply chain mechanisms (MSH, KEMSA support, SCMS, and Kenya Pharma) together for joint presentations to the other implementing partners during the monthly USAID Chiefs of Party breakfast meetings. The presentations gave an overview of which partner does what in support of the national supply chain.

SECTION V. REPORTING (PROGRAMMATIC/FINANCIAL)

During the first two years of the project, Kenya Pharma focused on establishing a high-quality HIV/AIDS pharmaceutical supply chain, including developing the e-SCM and getting field service representatives active in the field. During Year 3, the project took these innovations and built upon them to improve on project reporting, data quality, and accuracy and timeliness of information for the project, customers, and stakeholders. The project also continued to provide high-quality and timely reporting to USAID.

In Year 2, Kenya Pharma rolled out Version 2.0 of the e-SCM. In Year 3, we added more web-based modules to the current version of the e-SCM and looked for ways to improve the existing system. Based on the project's own initiatives, as well as feedback received from clients, the following improvements were made to the system in Year 3:

- Migration of the site to cloud hosting has made the system 100 percent available to the project, clients, and stakeholders.
- Built in data quality checks allow clients to review suspect data prior to submitting orders.
- Introduction of an aggregation function enables central site users to aggregate their satellite facilities' MAPS report automatically into D-MAPS with the click of a mouse button.
- Addition of an ordering and reporting module for satellites has enhanced the completeness of data and eased the reporting burden on central sites. Satellites can now place their orders and send their reports online to the central sites, instead of the central sites having to enter the satellite data each month.
- Adding the ability to download forms in Excel for use off-line has allowed sites to enter their data at any time they have access to a computer and upload the information whenever they have access to the Internet, rather than being required to have Internet access throughout the data-entry process.
- Additional features and components continue to be improved and integrated into the system, including stock level trackers, expiry trackers, consumption data, and trend analysis.

Since rollout, 745 end-users have been registered and the percentage of SDPs submitting orders via the system continues to increase. As more users are registered and more data becomes readily available in the system, high-quality reports can be created in real time.

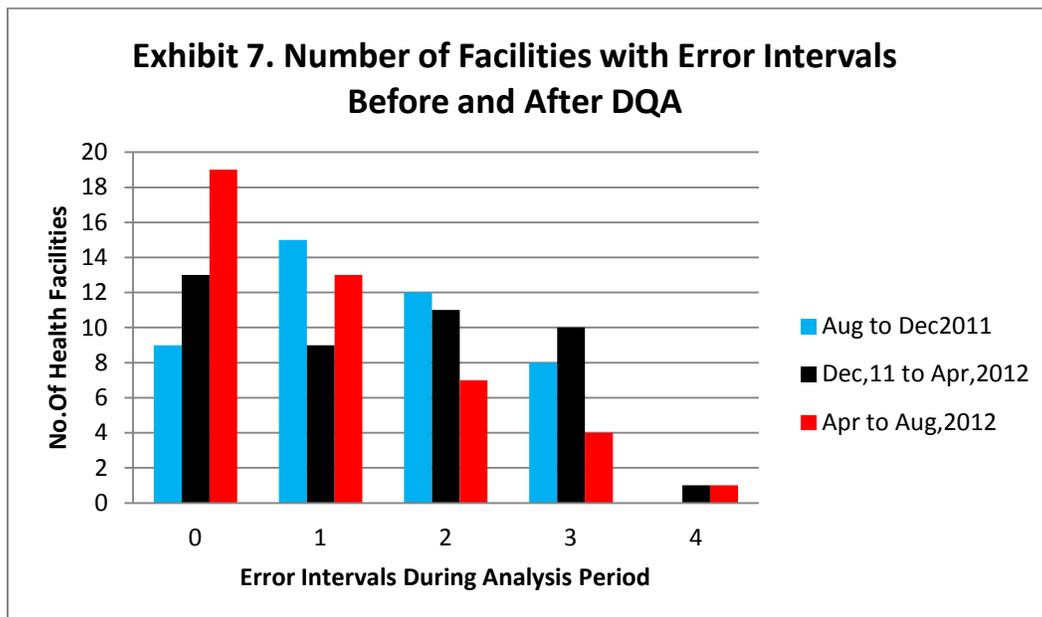
There were significant improvements in Year 3 in the quality of data gathered from SDPs, which is critical for improved reporting. The



An F&Q specialist reviews data quality with staff at Nairobi Women's Hospital

NASCOP-led DQA in May 2012, which received significant support from Kenya Pharma’s FSRs, has resulted in improved data quality at project-supported sites. During the DQA, 48 Kenya Pharma sites were visited and a focus was placed on correct reporting of patient numbers. Following the DQA, data from 44² of these sites were analyzed to see if there was some measureable impact resulting from this intervention.

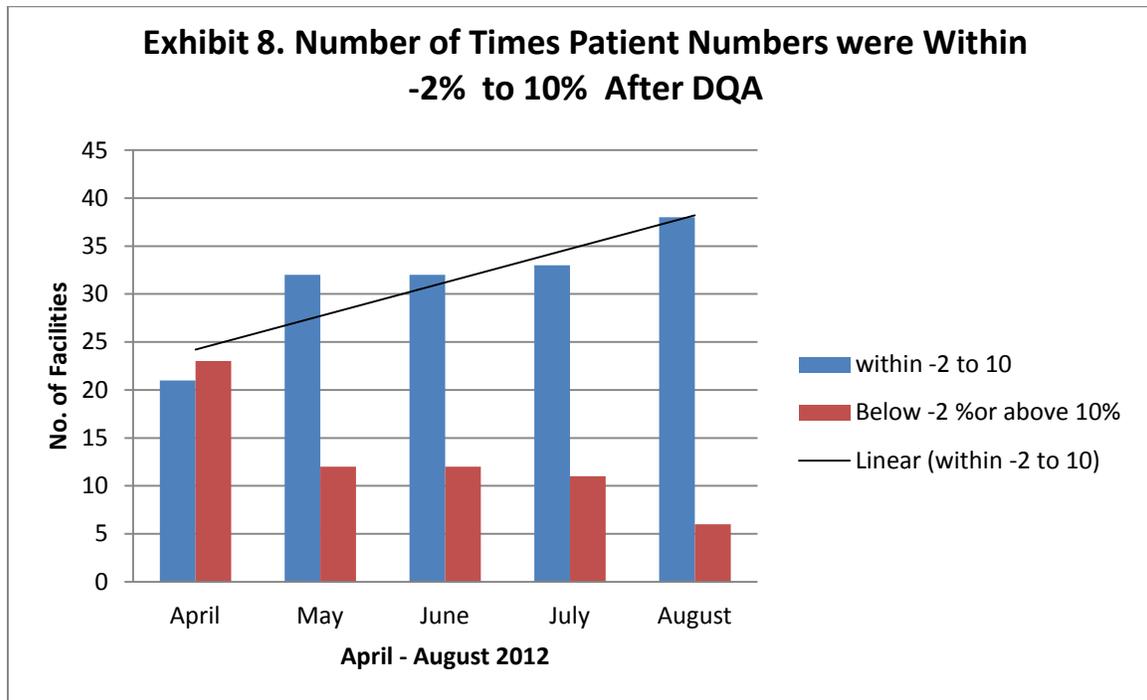
Prior to the DQA, the Kenya Pharma team regularly found problems with patient data in the monthly review of orders. Each month, Kenya Pharma conducts a patient data analysis and flags SDPs with scale-up of more than 10 percent or scale-down of more than 2 percent in comparison to the data reported in the previous month. SDPs that fall outside of those parameters are contacted to clarify the reasons for data fluctuation. If needed, the FSRs ask SDPs to correct inconsistencies identified and resubmit the monthly patient summary. As shown in Exhibit 7 below, before the May 2012 DQA, the average number of SDPs in which patient data fell outside the acceptable parameters was significant. The analysis showed that in the two periods prior to the DQA, approximately half of the sites were reporting erroneous data at least half of the time (22 of 44 sites had 2 or more error intervals in the August to December period and 20 of the 44 sites had 2 or more error intervals in the December to April period). Following the DQA exercise, only 12 of the 44 sites had 2 or more error intervals while 19 of the 44 sites had no error intervals over the post-DQA period.



Kenya Pharma conducted an additional analysis of the reporting pattern on a month-to-month basis in the period following the DQA to see if there was evidence of either continuing improvement or drop-off in data quality. The results of this analysis, shown in Exhibit 8 show a trend of general improvement in the quality of reporting following the DQA exercise. In the first interval (March to April, before the DQA was completed)

² While 48 sites supplied by KP were included in the DQA, 4 of the sites still report their data through AMPATH, so data were only available for 44 individual sites for this analysis.

more than half of the sites (23 of 44) were reporting outside the bounds of the error criteria. In subsequent intervals, however, the number of sites outside the error criteria declined to 12, then 11, and then to 6 by the last interval (July to August).



While technical reporting and data quality have been improved in Year 3, the project has also maintained high-quality and timely reporting to USAID. Deadlines were met for all quarterly, financial, and annual reports. Requests for project approvals have also been timely. Additionally, the project has continued to maintain and regularly update its website, Twitter feed, and Facebook and Flickr accounts. Kenya Pharma has also consistently followed the project’s branding and marking plans. Instances where exceptions have been made to branding and marking are explained in Annex J.

SECTION VI. LOOKING AHEAD

Year 3 marked a turning point for the project. Instead of focusing on getting a reliable supply chain up and running, Kenya Pharma was able to strengthen and improve the supply chain while introducing innovations and efficiencies into the system. The project provided top-notch customer service, strengthened the quality of its services, and introduced sustainability innovations into the supply chain. As the project moves into Year 4 it will continue to build upon these successes while also focusing efforts on optimizing the supply chain for sustainability. Some of the key focus areas will include:

- Filling the existing gaps in forecasting and quantification, cost-effective procurements, decentralization, tracking commodities to the last mile, and promoting information sharing.
- Optimizing the supply chain by infusing innovations throughout QA processes, supply chain logistics and in data quality.
- Providing support for seamless transition and sustainability to KEMSA.

Filling the Gaps

In Year 4, Kenya Pharma will work to fill existing gaps. The project will work to improve in terms of evidence-based forecasting and quantification, cost-effective procurements, decentralization, and tracking commodities throughout the supply chain to minimize losses and wastage. Kenya Pharma will also work to promote information sharing between the SDPs and other partners and stakeholders.

Kenya Pharma plans to strengthen and support evidenced-based national forecasting and quantification, and to achieve this, the project will continue to work closely with national stakeholders such as KEMSA and NASCOP in identifying sentinel sites whose morbidity and drug consumption data can be used to derive the national forecasting and quantification assumptions. Further, Kenya Pharma will continue with a collaborative approach to procurement planning and work with NASCOP and KEMSA to ensure that it becomes a national best practice. Additionally, enhancements will be made to the distribution systems at the warehouse and in the e-SCM to track and trace commodities throughout the supply chain. Kenya Pharma has not been receiving records of inter-facility borrowing of commodities but these records will now be availed to Kenya Pharma to enhance tracking especially during recalls and stock adjustments at SDPs. This will ensure that the most accurate data possible is being used in reporting and decision making.

In terms of ensuring that cost effective procurements continue in Year 4, Kenya Pharma will work to strengthen relationships with suppliers through increased participation in meetings and conferences. The project will also conduct structured assessments of suppliers and subcontractors to identify any gaps to be addressed.

In Year 3, Kenya Pharma began supporting the NASCOP-led decentralization process and this work will continue throughout Year 4 with the new focus of making every district hospital an ordering site in line with devolution in the health sector. The project will focus on developing site mapping of SDPs for route mapping of the newly decentralized services. Additionally, FSRs and Regional Managers will continue to work with decentralized sites to ensure that linkages with the national systems are in place. Kenya Pharma, jointly with NASCOP, will facilitate regional SDP information sharing forums and will continue to support and encourage joint supervision visits to SDPs with other stakeholders and implementing partners.

Introduction of New Innovations

Looking ahead, Kenya Pharma will continue to build upon innovations already in place and introduce new innovations. In the coming year, targeted areas for innovations include mapping of SDPs for route mapping and decentralization of services (discussed above), supporting data ownership at the facility level, proactive response to emerging challenges, and supporting QA processes.

In order to ensure that the most accurate data possible is available for reporting and decision making, Kenya Pharma will provide support in a number of areas, on both the local and national level, to improve data quality. One focus in Year 4 will be support of data ownership at the facility level. Kenya Pharma will work to build the capacity of SDPs to monitor and report on their data. This will be achieved through support to NASCOP-led DQAs, supporting regional SDP forums and through the distribution of dispensing and reporting tools. The project will also liaise closely with other implementing partners to ensure that all partners are supporting SDP ownership of data. At the national level, enhancements will be made to e-SCM functionality and linkages will be created with other national LMIS systems. Additional support will be provided to central sites to access, aggregate and report on their and their satellites' patient and ordering data.

Another focus of the project during Year 4 will be the development of a system that can capture early warning information. The system will collect information on major policy shifts, disaster management and changes in supply and demand for the various commodity pipelines. By developing an early warning system, Kenya Pharma will be better positioned to pro-actively respond to challenges and emergencies and will be better able to ensure the uninterrupted supply of HIV/AIDS commodities across the national pipeline. In the coming year, Kenya Pharma will focus more on ensuring commodity security during the electioneering period in the run up to the 2013 general elections and in the period following the elections.

In Year 4, Kenya Pharma will also support innovations and strengthen QA processes. The project will support local manufacturers and wholesalers of pharmaceuticals to pursue WHO GMP/GDP certification while also working to expand the local supplier base by sensitizing the Kenya Association of Pharmaceutical Industry on the need to manufacture and import quality products so as to compete with the international players. For local QA laboratories, Kenya Pharma plans to strengthen the capacity of the laboratories by

supporting improved laboratory information systems, continuing to provide extensive testing business under solid management, providing additional equipment (at USAID's direction), providing the opportunity for the local labs to work with our WHO-certified test laboratory in India, and improving testing capabilities to increase efficiencies. On the national level, the project plans to continue working with the PPB on joint efforts. Support will be provided to country-led pharmacovigilance and post-market surveillance activities. Additionally Kenya Pharma will continue to assist in the development and review of technical specifications for ARV and OI medications as requested.

Transition and Sustainability

Kenya Pharma will invest in aligning the project operations with the national systems in a bid to achieve one national supply chain approach irrespective of the numbers of players involved. To this end, Kenya Pharma will continue with documentation of its supply chain model and plan for sharing of identified best practices with other partners. Additionally, the project will play a supporting role in country-led good manufacturing practice and good distribution practice (GMP/GDP) audits.

In Year 4, Kenya Pharma will increase collaboration with KEMSA, NASCOP, PPB, and the local QA laboratories and will provide knowledge transfer and mentorship to the group. With NASCOP and KEMSA staff, the project will provide mentorship on forecasting, quantification and procurement planning. Kenya Pharma will also support the development of a knowledge transfer platform to link up in-country QA laboratories with other WHO-prequalified laboratories and will work with partners such as the PPB to support country-led pharmacovigilance and post market surveillance activities.

ANNEX A. INDICATOR REPORT

USAID PEPFAR Objective: Care and Treatment of person with HIV/AIDS in Kenya supported								
Project Objective: PEPFAR supply chain to provide commodities for care and treatment of persons with HIV/AIDS strengthened								
Indicator #	Award Fee Indicators	Targets	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Annual	Comments
IR 1: Pharmaceutical Procurement planning and management enhanced								
Sub IR 1.1 Forecasting, quantification and warehousing improved								
1.1.1a	Accuracy in forecasting	>85%	-	-	-	-	88%	Since forecasts were based on assumptions on requirements for current patients and scale up, a 12% excess of actual need shows that the assumptions closely matched the need. Out of the Twelve quantities quantified, 5 were in 9-15 months range. During the year was involved in stock sharing, as well as the stock on hand at the facility level used in calculation of the quantification percent is not the final figure as facilities are still reporting. This may have impacted on the final score for this indicator. However, it s noted that during the year the KP pipeline did not experience any shortfalls
1.1.1b	Accuracy in quantification	>85%	-	-	-	-	41.67%	
1.1.2	Percentage CO-approved subcontracts modified or cancelled during the year.	<10%	-	-	-	-	7.14%	28 subcontracts were issued during the year. One was modified and one canceled..
1.1.3	Subcontract approval requests are complete, accurate and submitted on time.	>95%						All subcontracts were complete and accurately submitted (100%), However out of the 27 prepared only 3 were submitted after 30 days. (89%).
		Timeliness	67%	50%	100%	90%	89%	
	Accuracy and completeness		100%	100%	100%	100%	100%	
1.1.4	Waiver requests prepared and accurate	>95%	100%	100%	100%	100%	100%	In year three, 67 commodity waivers were lodged and all were approved
1.1.5	Procurements done in line with procurement SOPs	>98%	100%	100%	100%	100%	100%	All procurements of drugs and other commodities in the year were done as per the standard operating procedures.
1.1.6	Commodities received in central warehouse within scheduled timeframe	>95%	70.83%	58.33%	64%	92%	73.3%	During the year, 60 consignments were delivered and 44 were on time.
1.1.7	Wastage/loss/expiries during storage and handling.	<2%	0%	0.0027%	0.89%	0.01%	0.79%	Total value of expiries during the year \$ 549,352.49 and total value of procured commodities during the year \$69,250,622.
1.1.8	SDPs are adequately stocked according to	>95%	100%	97.93%	100%	100%	99.48%	Facilities continue to have more 3 months of stock.

USAID PEPFAR Objective: Care and Treatment of person with HIV/AIDS in Kenya supported								
Project Objective: PEPFAR supply chain to provide commodities for care and treatment of persons with HIV/AIDS strengthened								
Indicator #	Award Fee Indicators	Targets	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Annual	Comments
	recommended practices							
1.1.9	Annual inventory audit conducted and reconciled with e-SCM records	Yes	-	Yes	-	Yes	Yes	Annual inventory audits were conducted and reconciled with the e-SCM records.
1.1.10	Regular inventory reports easily accessible and accurate.	Yes	Yes	Yes	Yes	Yes	Yes	All records of the stock take available in the QMS and data reconciled
Supplemental Indicator								
1.1.11	Average time taken to clear stock through customs	3 days JKIA and	2.46 days	2.27 days	2.22 days	2 days	2.29 days	The average time taken to clear stocks through JKIA was within the target.
		10 days MSA	20.83 days	11 days	15 days	5.25 days	11.22 days	Procurement and logistical challenges led to the delays in clearing through Mombasa customs.
Sub IR 1.2 Market research utilized in implementation								
1.3.1	No PHARMA serviced health facilities experiencing OI drugs stock outs in the preceding 6 months	<5%	0%	0%	0%	0%	0%	Order rationalization has ensured that facilities are adequately stocked through out the year
1.3.2	Quality rating on customer service satisfaction survey	Good	-	Good	-	Good	Good	Ratings were from an online customer satisfaction survey conducted semiannually and involving sampled KP stakeholders
1.3.3	Notification to USAID on potential problems identified and solved throughout the supply chain.	Yes	Yes	Yes	Yes	Yes	Yes	Potential problems related to quality control issues, stock and consumption, reporting issues and procurement. The problems were sourced from suppliers, SDPs and laboratories. All problems were adequately dealt with in collaboration with USAID where appropriate.
Supplemental Indicator								
1.3.4	Percentage of health facilities that experience ARV stock outs in the last 3 months	<5%	0%	2.06%	0%	0%	0.52%	In quarter 10, three out of 145 ordering sites were found have less than one month of stock in the quarter.
Sub IR 1.4 Shipments Received within reasonable time at order sites								
1.4.1	SDPs receiving shipments within 4 working days after anticipated delivery schedule.	>95%	99.14%	100%	100%	100%	99.79%	The annual figure is an average of the 4 quarters. KP continues to keep up with targeted delivery schedule as a result of collaboration with DHL.

USAID PEPFAR Objective: Care and Treatment of person with HIV/AIDS in Kenya supported								
Project Objective: PEPFAR supply chain to provide commodities for care and treatment of persons with HIV/AIDS strengthened								
Indicator #	Award Fee Indicators	Targets	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Annual	Comments
Supplemental Indicators								
1.4.2	Percentage of SDP orders received in central warehouse by scheduled timeframe	80%	91.65%	82%	61%	87.1%	81.78%	Most of the facilities continue to order through the e-SCM, allowing for order aggregation for central sites and order rationalization processes
1.4.3	Average time for delivery of stock to SDPs	4 days	2 days	2.1 days	1.99 days	3.67 days	2.44 days	The annual figure is an average of four quarters. Timely deliveries were due to increased collaboration between KP, DHL and SDPs.
IR 2: QA of Procured Commodities Improved								
Sub IR 2.1 QA Report is accurate and completed annually								
2.1.1	QA procedures adhering to SOPs	>98%	100%	100%	100%	100%	100%	QA procedures continued to follow set standards thus ensuring safe products to the end user
2.1.2	QA reports accurate and timely	>95% Accuracy >85% Timely	100%	100%	100%	100%	100%	QA reports continued to be accurate (100%). Required parameters were tested and reported on but not timely (especially because: during the year NQCL (local lab) installed new HPLC machines and thus did not allow any analysis requiring HPLC; MEDS (local lab) were moving to new premises when samples were submitted and Manufacturers failed to submit reference standards to VIMTA).
2.1.3	Percent of randomly tested procured commodities that pass quality assurance testing/analysis	>95%	-	100%	100%	100%	100%	All commodities randomly sampled for the QA analysis passed. To confirm the total number of commodities randomly sampled during the year.
Sub IR 2.2: Quality issues are handled properly								
2.2.1	QA problems identified by contractor	No Standard	None	Yes	Yes	Yes	Yes	Problems during the year included breakage of tablets, tablets change in color (at facility level) and Dapsone recall.
2.2.2	QA problems resolved by contractor, including recalls	Yes	NA	Yes	Yes	NA	Yes	Facilities were advised on better storage facilities while the Dapsone recall was closed
2.2.3	Reasonable time taken to resolve any recalls	5 days	NA	Ongoing	NA	NA	10 days	Kenya Pharma first became aware of the mislabeling of the Dapsone 110mg on 24 January 2012 and sent out a notification to the SDPs through the field team on 6 February 2012.
IR 3: Pharmaceutical prices decreased and other efficiencies achieved								
Sub IR 3.1 Cost effectiveness and streamlining of operations achieved								
3.1.1	Ratio between median price paid by contractor for each commodity in	<1	-	-	-		0.64	The figure is for the ARVs. IDPIG for OIs not available.

USAID PEPFAR Objective: Care and Treatment of person with HIV/AIDS in Kenya supported

Project Objective: PEPFAR supply chain to provide commodities for care and treatment of persons with HIV/AIDS strengthened

Indicator #	Award Fee Indicators	Targets	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Annual	Comments
	the last 12 months to the median international price							
3.1.2	Innovations to maximize efficiency of supply chain	Yes	Yes	Yes	Yes	Yes	Yes	Innovations include: <ul style="list-style-type: none"> • ISO 9001:2008 certification which will help in overall sustainability and transferability of the supply chain, • Joint procurement planning meeting with NASCOP, KEMSA and Kenya Pharma • e-SCM Version 2.0 improved, which resulted in better reporting, • automatic aggregation of patient data by central sites which will help improve on accuracy of data reported • Introduction of a supplier evaluation tool incorporating an incidence log aimed at improving the evaluation process. • Average Monthly Consumption calculating functionality in the e-SCM which enhances the accuracy in the ordering process. • e-SCM functionality to send order/report feedback to users for review to enhance data ownership by the facilities • Mapping of warehouse locations both physically and in the computer for ease of picking and commodity tracking during stock takes
3.1.3	Budget estimates and projections reasonable and justifiable	Exceptional	Poor	Fair	Poor	Good	Poor	The management costs were at a variance of 73% and the procurement budget was at 47%.The actual spend was less than what was budgeted
3.1.4	Incidences of cost overruns by dollar and percentage	<\$10,000, <5%	0	0	0	0	0	There were no incidences of cost overruns as the actual costs for the year did not exceed the budgeted amount in year 3 for both pharmaceutical procurements and operations at KP.
3.1.5	Effective cost control mechanisms introduced, including percent cost savings reported	Superlative	Superlative	Poor	-	Superlative	Superlative	There was effective cost control mechanism during the year (reduced air shipment and increased sea shipment).

USAID PEPFAR Objective: Care and Treatment of person with HIV/AIDS in Kenya supported								
Project Objective: PEPFAR supply chain to provide commodities for care and treatment of persons with HIV/AIDS strengthened								
Indicator #	Award Fee Indicators	Targets	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Annual	Comments
3.1.6	Percent disallowable costs and by dollar value	<2%,	0%	0%	0%	0%	0%	No disallowed costs in the year.
Supplemental Indicators								
3.1.7	Inbound and Outbound shipping costs kept stable in the last 12 months	2%	-	-	-		10.51% outbound 3.72% inbound	Cost per kilo for both inbound and outbound decreased in the last 12 months. Inbound cost reductions were associated with reduced air shipment and increased sea shipments. Load consolidation to SDPs has contributed to the decreased outbound cost.
3.1.8	Costs per patient treatment reduced in the last 12 months	5%	-	-	-		9.8%	This is an annual percentage
IR 4: Collaboration with stakeholders improved								
Sub IR 4.1 Coordination with donors, foundations, GOK, etc strengthened								
4.1.1	Feedback from key stakeholders on project collaboration	Excellent	-	Excellent	-	Good	Excellent	Feedback from key stakeholders on project collaboration was obtained from online semiannual customer surveys
4.1.2	Unexpected/unforeseen requests responded to in a timely manner	>95%	100%	66.67%	100%	100%	87.5%	Seven of the eight urgent requests were responded in a timely manner
IR 5: Program Reporting Improved								
Sub IR 5.1 Data quality, accuracy and readability improved								
5.1.1	Functionality of the electronic supply chain management system (e-SCM)	Good	Good	Good	-	Good	Good	SDPs continued on the electronic supply chain management system (e-SCM). 145 out 154 are able to use e-SCM.
5.1.2	Branding and implementation plan applied consistently	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	All project materials produced in the quarter were branded accordingly.
5.1.3	Environmental compliance inspections conducted and reports available	Satisfactory	-	-	-	-	-	Not Done
5.1.4	Financial, quarterly and annual reports completed and submitted on time	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Quarterly, financial and annual report was submitted on time as per the contractual deliverable.
Supplemental Indicators								
5.1.5	Percentage of facilities where monitoring visits were conducted by KP	85%	95%	78.6%	61%	66%	95.6%	The annual figure 95.6% is not an average for the four quarters. In year 3, the total SDPs were 592, where 566 SDPs were visited at least once in the year. Facilities in

USAID PEPFAR Objective: Care and Treatment of person with HIV/AIDS in Kenya supported								
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Indicator #	Award Fee Indicators	Targets	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Annual	Comments
	staff every quarter							north eastern province (26) where not visited but conducted through phone.
5.1.6	Percentage of data quality assessments passed	75%	-	Not done	52%	68%	-	In quarter 11, 52% of Kenya Pharma facilities visited during the NASCOP DQA passed. In quarter 12, 17 out of the 25 facilities visited for a routine data quality assessment conducted by KP FSRs, had the figures recorded in the e-SCM tally with source documents on the ground.

ANNEX B. MARKET RESEARCH REPORT

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
Abacavir Tablets 300mg 60's	15th July 2011	14.00	Matrix	17.73	Cipla, Matrix, GlaxoSmithKline, Aurobindo	Additional Supplier for this product – Aurobindo.
	4th Nov 2011	13.24	Matrix			
	4th July 2012	12.50	Aurobindo			
Abacavir/Lamivudine 60/30mg Dispersible Tablets, 60's	27th Sept 2011	7.00	Cipla Ltd	N/A	Cipla, Aurobindo	Waiver sought with Pharmacy and Poisons Board for ABC/3TC as product not registered in Kenya.
Stavudine/Lamivudine/Nevirapine 30/150/200mg Tablets 60's	27th Aug 2009	6.25	Strides	4.99	Strides, Cipla, Macleods, Hetero	
	30th Oct 2009	5.75	Strides			
	24th Nov 2010	4.84	Hetero			
	21st Jan 2011	4.72	Hetero			
	10th June 2011	4.32	Strides			
Stavudine Capsules 30mg, 60's	9th Oct 2009	1.40	Strides	3.80	Bristol Myers Squibb, Aurobindo, Strides, Hetero, Cipla	
Stavudine/Lamivudine 30/150mg Tablets 60's	26th Oct 2010	3.12	Hetero	3.13	Strides, Cipla, Matrix, Hetero, Macleods	
	21st Jan 2011	3.15	Cipla Ltd			
	10th June	2.64	Macleods			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	2011					
Efavirenz Tablets 600mg, 30's	30th Oct 2009	4.50	Matrix	15.91	Merck Sharp & Dohme, Cipla, Aurobindo, Matrix, Strides, Emcure, Hetero	One of the manufacturers that was awarded (Strides) was unable to fulfill the contract due to lack of active pharmaceutical ingredient to manufacture; prices continue to reduce.
	4th Nov 2009	5.03	Emcure			
	19th Feb 2010	4.36	Strides			
	23rd April 2010	4.22	Hetero			
	26th Oct 2010	4.17	Hetero			
	21st Jan 2011	4.28	Hetero			
	10th June 2011	4.10	Strides			
	4th Nov 2011	3.89	Hetero			
	29th March 2012	3.46	Strides			
	8th June 2012	3.34	Aurobindo			
Lamivudine Tablets 150mg, 60's	10th June 2011	2.34	Hetero		GlaxoSmithKline, Cipla, Aurobindo, Emcure, Matrix, Aspen, Hetero, Macleods, Strides	Price reduction from the last quarter. Commodity is anticipated to be phased out as patients are transitioned to the Fixed Dose Combination, hence manufacturers focus to the fixed dose combinations.
	13th January 2012	2.12	Hetero			
	9th May 2012	2.15	Hetero	4.49		
	8th June 2012	2.10	Hetero			
Lamivudine+Zidovudine Tablets	30th Oct 2009	8.05	Hetero	13.24	GlaxoSmithKline, Cipla,	Price continues to

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
150mg/300mg 60's	4th Nov 2009	8.61	Aurobindo		Aurobindo, Matrix, Strides, Hetero, Macleods	reduce.
	19th Feb 2010	8.96	Hetero			
	23rd April 2010	8.70	Hetero			
	26th Oct 2010	8.14	Hetero			
	21st Jan 2011	8.25	Matrix			
	10th June 2011	8.00	Hetero			
	4th Nov 2011	7.85	Matrix			
	4th Nov 2011	7.79	Hetero			
	29th March 2012	7.66	Aurobindo			
	29th March 2012	7.40	Hetero			
	8th June 2012	7.06	Hetero			
Lamivudine+Zidovudine Tablets 30mg/60mg 60's	3rd August 2012	2.01	Mylan (formerly Matrix)	3.25	Mylan (formerly Matrix)	
Lamivudine+Zidovudine+Nevirapine Tablets 150mg/300mg/200mg 60's	30th Oct 2009	11.26	Aurobindo	11.71	Aurobindo, Matrix, Cipla, Strides, Hetero	Increased eligible suppliers over the last year; continuous drop in price.
	8th Jan 2010	11.26	Aurobindo			
	19th Feb 2010	11.25	Aurobindo			
	23rd April 2010	11.35	Aurobindo			
	23rd April 2010	12.75	Matrix			
	26th Oct 2010	12.75	Matrix			
	26th Oct 2010	11.40	Cipla Ltd			
	21st Jan 2011	10.99	Matrix			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	10th June 2011	10.60	Strides			
	4th Nov 2011	10.40	Aurobindo			
	4th Nov 2011	9.99	Matrix			
	29th March 2012	8.81	Strides			
	8th June 2012	8.50	Aurobindo			
Lamivudine+Zidovudine+Nevirapine 30mg/60mg/50mg Tablets for Oral Suspension 60's	27th Sept 2011	4.15	Matrix	N/A	Mylan (formerly Matrix)	
	3rd August 2012	4.15	Mylan (formerly Matrix)			
Lopinavir/Ritonavir 200/50mg Tablets 120's	15th July 2011	30.82	Abbott		Abbott, Aurobindo, Matrix (Mylan),	Prices continues to reduce due to increased number of suppliers.
		30.50	Matrix			
	29th March 2012	26.05	Mylan			
	8th June 2012	24.25	Mylan			
	30th August 2012	22.00	Mylan			
Lopinavir/Ritonavir 80/20mg (5x60ml)	4th July 2012	32.64	Abbott		Abbott	Sole source hence issued notification of intent to procure to all suppliers and no objection raised.
Nevirapine Tablets 200mg, 60's	8th Jan 2010	2.58	Hetero		Boehringer Ingelheim, Aurobindo, Matrix, Strides, Cipla, Macleods, Hetero, Microlabs, Huahai,	New suppliers (Microlabs, Huahai, HEC Pharm. ScieGen Pharmaceuticals)
	19th Feb 2010	2.59	Aurobindo			
	23rd April 2010	2.52	Hetero			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	21st Jan 2011	2.52	Strides		HEC Pharm. ScieGen Pharmaceuticals	have yet to submit or are still working on registration of product.
	10th June 2011	2.54	Strides			
	29th March 2012	2.41	Aurobindo			
	29th March 2012	2.32	Hetero			
	8th June 2012	2.24	Hetero			
	30th August 2012	2.23	Hetero			
Nevirapine Oral Solution, 240ml	9th Nov 2010	1.95	Aurobindo		Aurobindo, Boehringer Ingelheim	Improved performance from Aurobindo who increased their production capacity of the product and were able to deliver the pending orders; additional product also received from SCMS.
	11th July 2011	1.96	Aurobindo			
	12th Nov 2011	1.95	Aurobindo (SCMS)			
	30th August 2012	1.96	Aurobindo			
Ritonavir Liquid, 90ml	13th April 2012	8.22	Abbott		Abbott	New product being procured for TB/HIV Pead patients.
Tenofovir DF/Lamivudine Tablets 300mg/300mg Tablets 30s	19th Feb 2010	9.75	Matrix		Hetero, Matrix, Aurobindo, Cipla	
	23rd April 2010	9.75	Matrix			
	10th June 2011	6.50	Matrix			
	4th Nov 2011	5.25	Aurobindo			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	29th March 2012	5.00	Aurobindo			
	4th July 2012	4.85	Aurobindo			
	30th August 2012	4.87	Aurobindo			
Tenofovir DF, Tablets 300mg, 30s	3rd August 2012	19.49	Phillips			Brand product procured from the local distributor as quantity small and required urgently hence not viable for the suppliers to procure.
Tenofovir DF/Lamivudine/Efavirenz Tablets 300mg/300mg/600mg Tablets 30s	26th Oct 2010	17.50	Matrix		Matrix (Mylan)	Price continues to drop.
	21st Jan 2011	17.50	Matrix			
	10th June 2011	14.20	Matrix			
	4th Nov 2011	14.10	Matrix			
	13th Jan 2012	14.10	Matrix			
	29th March 2012	14.10	Mylan			
	4th July 2012	13.30	Mylan			
	30th August 2012	13.30	Mylan			
Tenofovir DF/Lamivudine Tablets 300mg/300mg Tablets 30's co packaged with Nevirapine Tablets 200mg 60's (One units is 30 strips, each strip containing 1 TDF/3TC and 2 NVP Tablets	29th March 2012	9.77	Mylan		Mylan	
Zidovudine Tablets 300mg, 60s	23rd April 2010	7.15	Hetero		GlaxoSmithKline, Aurobindo, Matrix,	Prices continues to reduce.

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	21st Jan 2011	6.92	Hetero		Hetero, Cipla,	
	30th August 2012	5.92	Aurobindo			
Acyclovir 400mg Tablets 30s	30th August 2012	1.60	Cosmos Ltd		Universal, Cosmos	
Amphotericin B Injection, 50mg vial	14th Jan 2011	3.25	Universal Corporation Ltd		Universal, Cosmos	
Cotrimoxazole Tablets 960mg, 500s	25th June 2010	8.99	Missionpharma		Universal, Cosmos, Regal, IDA, Missionpharma, Medical Export Group	
	25th June 2010	8.44	IDA			
	27th Sept 2010	8.22	Missionpharma			
	27th Sept 2010	8.60	Universal Corporation Ltd			
Cotrimoxazole Tablets 960mg, 100s	14th Jan 2011	1.90	Cosmos Ltd		Universal, Cosmos, Regal, IDA, Missionpharma, Medical Export Group	
	14th Jan 2011	1.91	Universal Corporation Ltd			
Cotrimoxazole Tablets 480mg, 1000s	25th June 2010	8.47	Missionpharma		Universal, Cosmos, Regal, IDA, Missionpharma, Medical Export Group	
	27th Sept 2010	8.38	Missionpharma			
	13th June 2011	9.40	Universal Corporation Ltd			
Cotrimoxazole 240mg/5ml Suspension, 100ml	25th June 2010	0.53	Missionpharma		Universal, Cosmos, Regal, IDA, Missionpharma, Medical Export Group	Price is stabilizing from last quarter.
	27th Sept 2010	0.35	Cosmos Ltd			
	27th Sept 2010	0.38	Universal Corporation Ltd			
	14th Jan 2011	0.38	Universal Corporation Ltd			
	13th June	0.33	Regal			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	2011		Pharmaceuticals Ltd			
	29th March 2012 & 20th April 2012	0.31	Universal Corporation Ltd			
	6th July 2012	0.31	Cosmos Ltd			
	30th Aug 2012	0.31	Cosmos Ltd			
Dispensing Envelopes 100's	14th Jan 2011	6.00	Bakpharm Ltd			
	29th Mar 2012	6.04	Alpha Medical Manufacturers			
	6th July 2012	5.86	Alpha Medical Manufacturers			
Amoxicillin powder for suspension 100ml	1st September 2011	0.47	Mission for Essential Drugs & Supplies (MEDS)			
Amoxicillin 250mg (1x 1000)		17.05	Regal Pharmaceuticals Ltd			
Metronidazole 200mg (1x 1000)		3.70	Regal Pharmaceuticals Ltd			
Paracetamol 500mg (1x 1000)	29th August 2011	3.41	Regal Pharmaceuticals Ltd		Universal, Cosmos, Regal	
Erythromycin 500mg (10x10)		11.00	Cosmos Ltd			
Paracetamol Suspension 60ml		0.20	Universal Corporation Ltd			
Paracetamol Suspension 60ml		0.20	Cosmos Ltd			
Tetracycline Eye Ointment 1%	1st September 2011	0.16	Mission for Essential Drugs & Supplies (MEDS)			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
Doxycycline 100mg (100)	29th August 2011	1.20	Cosmos Ltd			
Mebendazole 100mg Tab		2.61	Regal Pharmaceuticals Ltd			
Neonatal Ampiclox 90mg/0.6ml 8ml		0.39	Mission for Essential Drugs & Supplies (MEDS)			
High Performance Liquid Chromatography System with Ultra-Violet (UV) Detector	11th Nov 2011	55,463.80	Chemetrix (Pty) Ltd, South Africa		Merck Hitachi, Agilent – Chemetrix (Pty) Ltd, Erweka - Appollo Scientific, Synbiosis UK-F & S Scientific Ltd, Educational Scientific & Technical Equipment Company Ltd (Estec Ltd)	Representatives from the National Quality Control Laboratory (NQCL) were part of the Evaluation committee.
High Performance Liquid Chromatography System with Fluorescent Detector	11th Nov 2011	60,962.70	Chemetrix (Pty) Ltd, South Africa			
Dissolution Tester	11th Nov 2011	14,600.00	F & S Scientific (Manufacturer - Lab India)			
Isoniazid 100mg Tablets, 100s	12th Nov 2010 & 14th Dec 2010	1.480	Universal Corporation Ltd			
	26th January 2012	1.125	Cosmos Ltd			
	9th August 2012	1.120	Cosmos Ltd			
Isoniazid 300mg Tablets, 100s	12th Nov 2010 & 14th Dec 2010	2.55	Cosmos Ltd		Cosmos	
	26th January 2012	2.80	Cosmos Ltd			
	9th August 2012	2.80	Cosmos Ltd			
Ethambutol Tablets 400mg 100s	12th Nov 2010 & 14th Dec 2010	6.70	Cosmos Ltd			
	15th	6.23	Cosmos Ltd			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
	December 2011					
	9th August 2012	6.00	Cosmos Ltd			
Pyrazinamide Tablets 500mg, 100s	12th Nov 2010 & 14th Dec 2010	3.83	Cosmos Ltd			
	3rd May 2012	3.90	Cosmos Ltd			
	5th July 2012	5.00	Cosmos Ltd			
	9th August 2012	3.90	Cosmos Ltd			
Rifabutin Tablets 150mg, 30s	12th Nov 2010 & 14th Dec 2010	30.00	Pfizer Laboratories Ltd		Pfizer Laboratories Ltd	Price same as from previous quarter. Product now being supplied locally by Pfizer as demand within Kenya and Uganda is slowly increasing
	3rd May 2012	29.62	Pfizer Laboratories Ltd			
	5th July 2012	29.62	Pfizer Laboratories Ltd			
	9th August 2012	29.62	Pfizer Laboratories Ltd			
	30th August 2012	29.62	Pfizer Laboratories Ltd			
Paracetamol 500mg Tablets, 1000s	26th January 2012	4.15	Regal Pharmaceuticals Ltd		Universal, Regal, Cosmos	
Ibuprofen 200mg Tablets, 1000s		5.00	Universal Corporation Ltd			
Omeprazole 20mg Tablets, 20s		0.48	Universal Corporation Ltd			
Promethazine 25mg Tablets, 1000s		3.44	Regal Pharmaceuticals Ltd			
Multivitamin Tablets, 1000s		7.50	Cosmos Ltd			

Name of Product	RFP Closing Date	Unit Award Price (\$)	Manufacturer(s) Awarded	International Median Price (\$) (IDPIG 2010 Edition)	Manufacturers with USAID-Approved/ Tentatively Approved Product and Registration in Kenya	Comments
Carbamazepine 200mg Tablets, 1000s		30.00	Cosmos Ltd			
Respiratory Masks N-95, 10s	30th January 2012	35.40	Bakpharm Ltd		Approval obtained from USAID	
Surgical Masks, 50s		3.98				
Capreomycin 1g vials	26th January 2012 & 8th February 2012	5.65	Global Drug Facility/IDA Foundation		Global Drug Facility/IDA Foundation	
Cycloserine 250mg Capsules 100s		59.09				
Kanamycin 1g vial, 10s		25.80				
Levofloxacin 250mg Tabs 100s		5.50				
Levofloxacin 500mg Tabs 100s		7.75				
Para Amino Salicylic Acid 4gms (Sachet) 30s		46.00				
Prothionamide 250mg Tablets 100s		14.52				

ANNEX C. NUMBER OF PATIENTS SERVED IN 2012

Patients	Target	Quarter 9	Quarter 10	Quarter 11	Quarter 12	Year 3 Total
Number of patients	600,000	-	-	-	-	-
ARVs	360,000	312,495	334,271	327,998	338,278	338,278
OI drugs	750,000	-	523,806	541,705	591,898	591,898
PMTCT/pregnant women	71,550	30,458	17,585	18,064	21,486	87,593
PMTCT/infants	71,500	-	19,028	19,623	20,780	59,431

ANNEX D. DISTRIBUTION REPORT FOR YEAR 3

DISTRIBUTION REPORT (OCTOBER – DECEMBER 2011)	
COMMODITY	UNIT PACKS
ARVS	
LOPINAVIR/RITONAVIR 200MG/50MG TABLETS 120'S	38,376
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE 150/300/200MG TABLETS 60'S	348,977
NEVIRAPINE 200MG TABLETS 60'S	275,096
NEVIRAPINE ORAL SUSPENSION 240ML	33,333
STAVUDINE/LAMIVUDINE/NEVIRAPINE 30MG/150MG/200MG TABS 60'S	128,548
STAVUDINE/LAMIVUDINE 30MG/150MG TABLETS 60'S	32,820
LAMIVUDINE 150MG TABLETS 60'S	49,944
LAMIVUDINE/ZIDOVUDINE 150MG/300MG TABLETS 60'S	166,169
ZIDOVUDINE TABLETS 300MG 60'S	14,957
EFAVIRENZ 600MG TABLETS 30'S	165,935
ABACAVIR TABLETS 300MG, 60'S	15,599
TENOFOVIR/LAMIVUDINE 300/300MG TABLETS 30'S	224,394
TENOFOVIR/LAMIVUDINE/EFAVIRENZ 300/300/600MG TABLETS 30'S	221,639
SAQUINAVIR CAPSULES 200MG, 270's	8
OPPORTUNISTIC INFECTION DRUGS	
ACYCLOVIR 200MG TABLETS 30'S	11,733
CHLOPHENIRAMINE MALEATE 4MG TABLETS 1000'S	377
COTRIMOXAZOLE 240MG/5ML SUSPENSION 100ML	167,385
DAPSONE 100MG TABLETS 1000'S	1,791
ERYTHROMYCIN 500MG TABLETS, 100'S	155
FLUCONAZOLE 200MG TABLETS 100'S	10,265
MULTIVITAMIN TABLETS 1000'S	3,706
PYRIDOXINE 50MG TABLETS 100'S	9,846
COTRIMOXAZOLE 960MG TABLETS 500'S	168,177
COTRIMOZAXOLE 480MG TABLETS 1000'S	12,749
AMPHOTERICIN B 50MG INJECTION 1'S	1,971
NYSTATIN ORAL DROPS 30ML	2,971
ANTI-TBs	
ETHAMBUTOL 400MG TABLETS 100'S	191
ISONIAZID 300MG TABLETS 100'S	234
PYRAZINAMIDE 500MG TABLETS 100'S	226
RIFABUTIN 150MG CAPSULES 30'S	190

DISTRIBUTION REPORT (JANUARY – MARCH 2012)	
COMMODITY	UNIT PACKS
ARVS	
LOPINAVIR/RITONAVIR 200MG/50MG TABLETS 120'S	47,884
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE 150/300/200MG TABLETS 60'S	404,722
NEVIRAPINE 200MG TABLETS 60'S	250,076
NEVIRAPINE ORAL SUSPENSION 240ML	47,600
STAVUDINE/LAMIVUDINE/NEVIRAPINE 30MG/150MG/200MG TABS 60'S	88,347
STAVUDINE/LAMIVUDINE 30MG/150MG TABLETS 60'S	13,454
LAMIVUDINE 150MG TABLETS 60'S	41,448
LAMIVUDINE/ZIDOVUDINE 150MG/300MG TABLETS 60'S	155,125
ZIDOVUDINE TABLETS 300MG 60'S	7,943
EFAVIRENZ 600MG TABLETS 30'S	113,260
ABACAVIR TABLETS 300MG, 60'S	24,188
TENOFOVIR/LAMIVUDINE 300/300MG TABLETS 30'S	188,992
TENOFOVIR/LAMIVUDINE/EFAVIRENZ 300/300/600MG TABLETS 30'S	216,611
ABACAVIR/LAMIVUDINE 60/30MG TABLETS 60'S	102,743
OI DRUGS	
ACYCLOVIR 200MG TABLETS 30'S	18,873
CHLOPHENIRAMINE MALEATE 4MG TABLETS 1000'S	351
COTRIMOXAZOLE 240MG/5ML SUSPENSION 100ML	156,134
DAPSONE 100MG TABLETS 1000'S	6,025
FLUCONAZOLE 200MG TABLETS 100'S	4,749
MULTIVITAMIN TABLETS 1000'S	6
PYRIDOXINE 50MG TABLETS 100'S	7,886
COTRIMOXAZOLE 960MG TABLETS 500'S	87,387
COTRIMOZAXOLE 480MG TABLETS 1000'S	5,323
AMPHOTERICIN B 50MG INJECTION 1'S	2,633
NYSTATIN ORAL DROPS 30ML	3,853
MULTIVITAMIN SYRUP, 100ML	28
ANTI-TBs	
ETHAMBUTOL 400MG TABLETS 100'S	215
ISONIAZID 300MG TABLETS 100'S	144
PYRAZINAMIDE 500MG TABLETS 100'S	152
RIFABUTIN 150MG CAPSULES 30'S	226

DISTRIBUTION REPORT (APRIL – JUNE 2012)	
COMMODITY	UNIT PACKS
ARVS	
LOPINAVIR/RITONAVIR 200MG/50MG TABLETS 120'S	57,907
NEVIRAPINE ORAL SUSPENSION 240ML	10,574
STAVUDINE/LAMIVUDINE/NEVIRAPINE 30MG/150MG/200MG TABS 60'S	75,938
STAVUDINE/LAMIVUDINE 30MG/150MG TABLETS 60'S	11,873
LAMIVUDINE 150MG TABLETS 60'S	33,067
LAMIVUDINE/ZIDOVUDINE 150MG/300MG TABLETS 60'S	168,905
ZIDOVUDINE TABLETS 300MG 60'S	44,586
EFAVIRENZ 600MG TABLETS 30'S	122,439
ABACAVIR TABLETS 300MG, 60'S	26,258
TENOFOVIR/LAMIVUDINE 300/300MG TABLETS 30'S	307,667
TENOFOVIR/LAMIVUDINE/EFAVIRENZ 300/300/600MG TABLETS 30'S	250,237
ABACAVIR/LAMIVUDINE 60/30MG TABLETS 60'S	83,239
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE TABLETS 30/60/50MG 60'S	28,084
RITONAVIR ORAL SOLUTION, 90ML	22
OI DRUGS	
ACYCLOVIR 200MG TABLETS 30'S	20,465
CHLOPHENIRAMINE MALEATE 4MG TABLETS 1000'S	530
COTRIMOXAZOLE 240MG/5ML SUSPENSION 100ML	245,004
DAPSONE 100MG TABLETS 1000'S	738
FLUCONAZOLE 200MG TABLETS 100'S	8,375
PYRIDOXINE 50MG TABLETS 100'S	7,913
COTRIMOXAZOLE 960MG TABLETS 500'S	93,186
COTRIMOZAXOLE 480MG TABLETS 1000'S	9,268
AMPHOTERICIN B 50MG INJECTION 1'S	3,294
NYSTATIN ORAL DROPS 30ML	3,430
ANTI-TBs	
ETHAMBUTOL 400MG TABLETS 100'S	251
ISONIAZID 300MG TABLETS 100'S	2,220
PYRAZINAMIDE 500MG TABLETS 100'S	183
RIFABUTIN 150MG CAPSULES 30'S	700
ISONIAZID 100MG TABLETS 100'S	3,641
OTHERS	
PARACETAMOL 500MG TABLETS, 1000'S	156
PROMETHAZINE 25MG TABLETS, 1000'S	14
RESPIRATORY MASKS N-95, 10'S	400
SURGICAL MASKS , 50'S	432
REPORTING TOOLS	1,258
DISPENSING ENVELOPES 1000'S	2,434

DISTRIBUTION REPORT (JULY – SEPTEMBER 2012)	
COMMODITY	UNIT PACKS
ARVS	
LOPINAVIR/RITONAVIR 200MG/50MG TABLETS 120'S	81,734.00
LOPINAVIR/RITONAVIR ORAL SOLUTION 5X60ML	1,813.00
RITONAVIR ORAL SOLUTION, 90ML	73.00
ABACAVIR 300MG TABLETS, 60'S	26,270.00
TENOFOVIR 300MG TABLETS 30'S	8.00
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE 150/300/200MG TABLETS 60'S	289,631.00
NEVIRAPINE 200MG TABLETS 60'S	400,527.00
NEVIRAPINE ORAL SUSPENSION 240ML	10,258.00
TENOFOVIR/LAMIVUDINE 300MG/300MG TABLETS 30'S	460,523.00
ABACAVIR/LAMIVUDINE 60/30MG TABLETS 60'S	57,417.00
STAVUDINE/LAMIVUDINE 30MG/150MG TABLETS 60'S	13,687.00
EFAVIRENZ 600MG TABLETS 30'S	137,917.00
LAMIVUDINE 150MG TABLETS 60'S	39,132.00
LAMIVUDINE/ZIDOVUDINE 150MG/300MG TABLETS 60'S	149,034.00
STAVUDINE/LAMIVUDINE/NEVIRAPINE 30MG/150MG/200MG TABS 60'S	73,112.00
ZIDOVUDINE 300MG TABLETS 60'S	18,366.00
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE TABLETS 30/60/50MG 60'S	184.00
TENOFOVIR/LAMIVUDINE/EFAVIRENZ 300/300/600MG TABLETS 30'S	236,927.00
OI DRUGS	
ACYCLOVIR 200MG TABLETS 30'S	6,473.00
CHLOPHENIRAMINE MALEATE 4MG TABLETS 1000'S	720.00
DAPSONE 100MG TABLETS 1000'S	819.00
FLUCONAZOLE 200MG TABLETS 100'S	9,695.00
COTRIMOXAZOLE TABLETS 960MG 500'S	113,710.00
AMPHOTERICIN B 50MG INJECTION 1'S	2,564.00
COTRIMOXAZOLE 240MG/5ML SUSPENSION 100ML	268,870.00
COTRIMOXAZOLE 960MG TABLETS 100'S	120,812.00
COTRIMOXAZOLE 480MG TABLETS 1000'S	4,405.00
PYRIDOXINE 50MG TABLETS 100'S	12,032.00
NYSTATIN ORAL DROPS 30ML	8,242.00
ANTI-TBs	
ETHAMBUTOL 400MG TABLETS 100'S	331.00
ISONIAZID 100MG TABLETS 100'S	775.00
ISONIAZID 300MG TABLETS 100'S	27,811.00
PYRAZINAMIDE 500MG TABLETS 100'S	312.00

DISTRIBUTION REPORT (JULY – SEPTEMBER 2012)	
COMMODITY	UNIT PACKS
RIFABUTIN 150MG CAPSULES 30'S	417.00
OTHERS	
MULTIVITAMIN TABLETS 1000'S	520.00
IBUPROFEN 200MG TABLETS 1000'S	156.00
CARBAMAZEPINE 200MG TABLETS 100'S	160.00
OMEPRAZOLE 20MG CAPSULES 20'S	5,184.00
DISPENSING ENVELOPES 1000'S	1,896.00
TOTAL UNITS 8,922,358	

ANNEX E. LABORATORY ANALYSIS OF LOCALLY PROCURED OI DRUGS FOR YEAR 3

Product Name	Active Ingredient	Manufacturer	Tests Performed	No. of Batches Analyzed	No. of Batches that Complied with Test Parameters	Pass Rate	Remarks
Multimos	Multivitamin Tablets	Cosmos Ltd.	Full monograph (USP and BP)	1	1	100	
Acyclovir Cream	Acyclovir Cream	Universal Corp. Ltd.	Full monograph (USP)	1	1	100	
Pyridoxine	Pyridoxine 50mg Tablets	Cosmos Ltd.	Full monograph (USP)	1	1	100	
Erocos	Erythromycin 500mg Tablets	Cosmos Ltd.	Full monograph (BP)	1	1	100	
Uniflox	Norfloxacin 400mg Tablets	Universal Corp. Ltd.	Full monograph (USP)	1	1	100	
Doxycycline	Doxycycline 100mg Caps	Universal Corp. Ltd.	Full monograph (BP and Labs in-house method)	1	1	100	
Nelandol	Paracetamol 500mg Tablets	Universal Corp. Ltd.	Full monograph (BP)	1	1	100	
Pyridoxine	Pyridoxine 50mg tablets	Cosmos Ltd.	Full monograph (BP)	2	2	100	
Sulfran	Co-trimoxazole 240mg/5ml Suspension	Universal Corp. Ltd.	As per the manufacturer's method of analysis	7	7	100	
Erocos	Erythromycin 500mg Tablets	Cosmos Ltd.	Full monograph (BP)	1	1	100	
Ibumex	Ibuprofen 400mg Tablets	Regal Pharmaceutical	Full monograph (BP)	1	1	100	

Product Name	Active Ingredient	Manufacturer	Tests Performed	No. of Batches Analyzed	No. of Batches that Complied with Test Parameters	Pass Rate	Remarks
Megy-400	Metronidazole 400mg Tablets	Regal Pharmaceutical	Full monograph (BP)	1	1	100	
Medicloamp	Ampiclox 500mg Caps	Regal Pharmaceutical	Full monograph (BP)	1	1	100	
Etham-400	Ethambutol 400mg Tablets	Cosmos Ltd.	Full monograph (USP)	1	1	100	
Dapsone	Dapsone 100mg Tablets	Cosmos Ltd.	Full monograph (USP)	2	2	100	
Isoniazid Tablets	Isoniazid 300mg Tablets	Cosmos Ltd.	Full monograph (USP)	2	2	100	
Pyridoxine Tablets	Pyridoxine 50mg Tablets	Cosmos Ltd.	Full monograph (USP)	2	2	100	
Diconazol-200 Tablets	Fluconazole 200mg Tablets, 100s	Cosmos Ltd.	As per the manufacturer's method of analysis	2	2	100	
Cetamol Tablets	Paracetamol 500mg Tablets	Regal Pharmaceuticals Ltd	Full monograph (USP)	1	1	100	
Intamine Tablets	Promethazine 25mg Tablets	Regal Pharmaceuticals	Full monograph (USP)	1	1	100	
PZA	Pyrazinamide 500mg Tablets	Cosmos Ltd.	Full monograph (USP)	1	1	100	
Sulfran DS tablets	Cotrimoxazole 960mg 500s	Universal Corp Ltd	Full monograph (USP)	4	4	100	
Sulfran DS tablets	Cotrimoxazole 480mg 1,000s	Universal Corp Ltd.	Full monograph (BP)	26	26	100	

Product Name	Active Ingredient	Manufacturer	Tests Performed	No. of Batches Analyzed	No. of Batches that Complied with Test Parameters	Pass Rate	Remarks
Diconazol-200 tablets	Fluconazole 200mg Tablets, 100s	Cosmos Ltd.	As per the manufacturer's method of analysis	1	1	100	
Unitrim Susp	Cotrimoxazole 240mg/5ml suspension	Regal Pharmaceutical	Full monograph (BP)	16	16	100	
Pyridoxine	Pyridoxine 50mg tablets	Cosmos Ltd.	Full monograph (BP)	1	1	100	
Unitrim Susp	Cotrimoxazole 240mg/5ml suspension	Regal Pharmaceutical	Full monograph (BP)	5	5	100	
Sulfran DS	Cotrimoxazole 960mg Tablets	Universal Corp. Ltd.	Full monograph (USP)	116	116	100	
Cosatrim Ds	Cotrimoxazole 960mg Tablets	Cosmos Ltd.	Full monograph (USP)	22	22	100	

Summary of Analysis Results by Company

Company	No. of Products Analyzed	No. of Products That Complied with Test Parameters	Pass Rate
Universal Corporation Ltd.	7	7	100
Cosmos Ltd.	9	9	100
Regal Pharmaceuticals Ltd	6	6	100
Total	22	22	100

ANNEX F. RECALL REPORT

Period	Number of Drug Recalls
Quarter 9	0
Quarter 10	1
Quarter 11	0
Quarter 12	0
Total	1

Kenya Pharma had only one recall in year 3. Towards the end of January 2012 Kenya Pharma received a complaint from St. Joseph's Migori for Dapsone 100mg tablets produced by Manufacturer: Cosmos Ltd (B/no.10014). During printing of the labels the manufacturing and expiry dates were interchanged on the products labeling.

The table below shows the chronology of events (final report) from the start of procurement to the finalization of the recall on June 30, 2012.

Event	Date
The product was requested as a part of the tender KENYA PHARMAP 05/09	Nov. 3, 2009
Tender KENYA PHARMAP 05/09 closed	Nov. 17, 2009
Cosmos selected as the supplier	Dec. 8, 2009
Consent was requested from USAID	Dec. 23, 2009
Consent was received	Feb. 8, 2010
Contract to Cosmos issued	Oct. 27, 2010
Batch made available for sampling	Jan. 26, 2011
Samples taken	Jan. 27, 2011
Test results available from MEDS	March 2, 2011
Product released from quarantine and moved into our stocks available for distribution.	March 3, 2011
Distribution from this batch began.	March 14, 2011
Kenya Pharma first became aware that there was an issue with the labels from a report sent in by the regional coordinating assistant (Nyanza/Western) who had received the concern from St. Joseph's Hospital, Migori	Jan. 24, 2012
Kenya Pharma stopped distribution from this batch and examined the returned jars from St. Joseph's and remaining 23 jars in the warehouse, which was found to have the same problem.	Jan. 24 – 27, 2012
Kenya Pharma informed the field team of this error for them to contact the health facilities to find out the extent of the problem. Similar reports were received from Rift Valley, Eastern, Central and Nairobi regions.	Feb. 6, 2012
Kenya Pharma examined the distribution records for this batch and found that 1945 jars from this batch had been distributed prior to the label error being discovered.	Feb. 6 – 8, 2012
Kenya Pharma contacted the PPB (Attachment 3) and the supplier and began the process of recalling the product.	Feb. 9, 2012
PPB responded, acknowledging receipt of Kenya Pharma mail, and instructed project to provide a full report once the recall is complete.	Feb. 9, 2012
Supplier responded (Attachment 5) that the error was due to a transcription problem in the request to the printer, that the product itself is safe and effective, and that they will replace any recalled product.	Feb. 13, 2012
Kenya Pharma issued a letter to the field (Attachment 6) to cause them to examine any Dapsone they had received from Kenya Pharma to identify this batch number, examine the labeling, pull any incorrectly labeled product, and return it to Kenya Pharma central warehouse. The letter was issued through the Field Operations team, dispatched with outgoing orders, and posted on the e-	Feb. 14, 2012

SCM.	
383 jars of this batch returned from health facilities.	April 10, 2012
At end of recall, 503 jars from this batch were returned from the facilities and found to have this labeling problem.	June 30, 2012

RETURNS RECIVED FROM FACILITIES

Return Date	SDP Name	Batch Number	Expiry Date	Quantity
23-02-2012	LODWAR DISTRICT HOSPITAL	10014	01-01-2011	11
23-02-2012	LUGARI DISTRICT HOSPITAL	10014	01-01-2011	1.0
23-02-2012	RACHUONYO DISTRICT HOSPITAL	10014	01-01-2011	9
23-02-2012	NYABONDO DISTRICT HOSPITAL			0
23-02-2012	ST. MARY'S MUMIAS	10014	01-01-2011	4
24-02-2012	AIDS VILLAGE	10014	01-01-2011	9
27-02-2012	KENDU ADVENTIST	10014	01-01-2011	4
27-02-2012	MANDERA DISTRICT HOSPITAL	10014	01-01-2011	1
31-01-2012	ST. JOSEPH MIGORI	10014	01-01-2011	3
15-02-2012	KIMBIMBI SDH	10014	01-01-2011	3
16-02-2012	AIC KIJABE	10014	01-01-2011	4
16-02-2012	ST. ELIZABETH-CHIGA	10014	01-01-2011	2
17-02-2012	BEACON OF HOPE	10014	01-01-2011	3
17-02-2012	DREAM CENTRE	10014	01-01-2011	3
23-02-2012	KAPENGURIA DISTRICT HOSPITAL	10014	01-01-2011	24
29-02-2012	CHULAIMBO	10014	01-01-2011	0.5
7/03/2012	KERICHO DISTRICT HOSPITAL	10014	01-01-2011	19
9/03/2012	AMURT HEALTH CENTRE	10014	01-01-2011	9
9/03/2012	KEMRI CRDR	10014	01-01-2011	2
9/3/2013	NYAMBENE DISTRICT HOSPITAL	10014	01-01-2011	3.5
15/3/2012	NYERI PGH	10014	01-01-2011	24
15/3/2012	HOMA HILLS COMMUNITY	10014	01-01-2011	3
16/3/2012	MWALA DISTRICT HOSPITAL	10014	01-01-2011	4
16/3/2012	KYUSO DISTRICT HOSPITAL	10014	01-01-2011	2

Return Date	SDP Name	Batch Number	Expiry Date	Quantity
16/3/2012	ST FRANCIS COMMUNITY HOSPITAL	10014	01-01-2011	5
16/3/2012	UZIMA DISPENSARY MATERNITY	10014	01-01-2011	3
19/3/2012	ST-CAMILLUS KARUNGU HOSPITAL	10014	01/01/2011	18
19/3/2012	MAUA METHODIST HOSPITAL	10014	01/01/2011	1
12/3/2012	ST.LUKES HOSPITAL (KALOLENI)	10014	01/01/2011	4
19/3/2012	PCEA CHOGORIA HOSPITAL	10014	01-01-2011	4
19/3/2012	CONSOLATA-KYEN	10014	01-01-2011	3
20/3/2012	SENAH HEALTH CENTRE	10014	01-01-2011	9
20/3/2012	ASSUMBI MISSION HOSPITAL	10014	01/01/2011	3
21/3/2012	LUGARI DISTRICT HOSPITAL	10014	1/1/2011	1
21/3/2012	AMPATH	10014	01-01-2011	184
12/4/2012	PCEA KIKUYU HOSPITAL	10014	01-01-2011	2
17/4/2012	GSU H/QUARTERS HEALTH CENTRE	10014	01-01-2011	1
19/4/2012	KOMBEWA DISTRICT HOSPITAL	10014	01-01-2011	22
27/4/2012	MOMBASA CBHC	10014	01-01-2011	4
10/5/2012	KENYATTA NATIONAL HOSPITAL	10014	01-01-2011	16
23/05/2012	WALTER REED PROJECT	10014	01-01-2011	71
05/06/2012	COMMUNITY OF EGIDIO	10014	01-01-2011	4
05/06/2012	KIMILILI DISTRICT HOSPITAL	10014	01-01-2011	3
TOTAL				503

ANNEX G. EXPIRY REPORT

Central Warehouse Expiries for 2012 Pending Disposal

Product	Batch Number	Expiry Date	Quantity	Unit cost (USD)	Total cost (USD)
STAVUDINE/LAMIVUDINE 30/150 MG	K91752	1-Oct-12	9	2.37	21.33
EFAVIRENZ 600MG TABLETS 30'S	E100694	1-Sep-12	4	3.34	13.36
NEVIRAPINE 200 MG TABLETS 60'S	NVSA10001-A	1-Jul-12	1	2.24	2.24
NEVIRAPINE 200MG TABLETS 60'S	NE2010052-A	1-Jun-12	7	2.24	15.68
ZIDOVUDINE 300MG TABLETS	E100364	1-Jun-12	28,393	7.15	203,009.95
	E100364-A	1-Jun-12	8,784	7.15	62,805.60
	E100461	1-Jun-12	39,599	7.15	283,132.85
	E100360	1-Jun-12	1	7.15	7.15
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE 150/300/200MG	1040145	1-Jun-12	2	8.81	17.62
TENOFOVIR/LAMIVUDINE 300/300 MG	1025165	1-Oct-11	8	9.77	78.16
STAVUDINE/LAMIVUDINE/NEVIRAPINE 30/150/200MG TABLETS 60'S	KW0685	3-Jan-12	20	5.7	114
AMPHOTERICIN B 50 MG INJECTION 1'S	V00147	3-Jan-12	11	5.16	56.76
FLUCONAZOLE TABLETS 200MG 100'S	90183	2-Jan-12	10	7.52	75.2
NEVIRAPINE 200 MG TABLETS 60'S	NVSA10001-A	1-Jul-12	1	2.59	2.59
TOTAL VALUE					\$549,352.49

*As of September 2012

Central Warehouse Damaged Goods for 2012 Pending

Product	Batch #	Quantity	Value in USD	Expiry date	Comments
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE 150/300/	1096102	50	499.5	1/1/2014	UNIT PACKS DAMAGED (OUTSIDE OUR WAREHOUSE)
	1095560	2	19.98	1/1/2014	35 DAMAGED ON TRANSIT TO THE W/HSE
	1094813	8	79.92	1/1/2014	
	1094265	1	9.99	1/1/2014	
	1096103	1	9.99	1/1/2014	
	1095338	5	49.95	1/1/2014	
	1094267	2	19.98	1/1/2014	
	1095563	1	9.99	1/1/2014	
	1094268	1	9.99	1/1/2014	
ABACAVIR TABLETS 300MG	1095349	17	225.08	1/1/2015	UNIT PACKS DAMAGED (OUTSIDE OUR WAREHOUSE)
	1094881	2	26.48	1/1/2015	10 OF THE 17 DAMAGED ON TRANSIT TO THE W/HSE
TENOFOVIR/LAMIVUDINE/EFEVIRENZ 300/300/600MG	1093549	18	254.52	1/1/2014	TWO WERE SAMPLED AT THE PORT - MBSA
EFAVIRENZ 600MG TABLETS 30,S	7214818	5	20.5	1/8/2014	UNIT PACKS DAMAGED (OUTSIDE OUR WAREHOUSE)
	7214712	4	16.4	1/8/2014	TWO WERE SAMPLED AT THE PORT - MBSA
NYSTATIN ORAL DROP	10288	2	0.7	1/6/2013	SEAL BROKEN AND THE CONTENT FOUND HALF.
TOTAL VALUE					1,252.97

ANNEX H. PROCUREMENT REPORT

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
Receipts for October - December 2011					
ARVs					
526	10/12/2011	KPP/01/1-HET (B)	Lamivudine 150mg tabs 60's	26,782	2.34
529	13/10/2011	Mpeketoni SDH	Lamivudine 150mg tabs 60's	50	2.4
531	17/10/2011	KPP/01/1-HET (C)	Lamivudine/Zidovudine 150/300mg Tablets 60's	117,720	8
536	10/26/2011	KPP/01/11-STR	Lamivudine/Zidovudine/Nevirapine 150/300/200mg Tablets 60's	150,000	10.6
537	10/26/2011	KPP/03/11-MAT (A)	Abacavir 300mg Tabs 60's	42,770	14
538	10/27/2011	KPP/03/11-ABL (A)	Lopinavir/Ritonavir 200mg/50mg Tablets 120's	30,000	30.82
547	11/8/2011	KPP/09/11 HET (G)	Stavudine/Lamivudine/Nevirapine 30/150/200mg Tablets 60's	200,978	4.72
548	11/8/2011	KPP/01/11-MAT (A)	Tenofovir/Lamivudine 300/300mg Tabs 30's	354,142	6.5
554	11/11/2011	KPP/01/10-HET (D)	Lamivudine/Zidovudine 150/300mg Tabs 60's	82,280	8
555	11/11/2011	KPP/01/10-HET (E)	Lamivudine 150mg Tabs 60's	69,513	2.34
557	11/11/2011	SCMS - stocks	Nevirapine Oral Suspension 240ml	4,000	1.92
562	16/11/2011	KPP/03/11-ABL (B)	Lopinavir/Ritonavir 200mg/50mg Tablets 120's	50,000	30.82
566	21/11/2011	KPP/01/11-MAT (A)	Tenofovir/Lamivudine/Efavirenz 300/300/600mg Tablets 30's	320,133	14.2
577	2/12/2011	KPP/01/11-STR(B)	Efavirenz 600mg Tablets 30's	250,000	4.1
			Stavudine/Lamivudine/Nevirapine 30/150/200mg Tablets 60's	350,000	4.32
			Lamivudine/Zidovudine/Nevirapine 150/300/200mg Tablets 60's	330,000	10.6
589	12/9/2011	KPP/08/10-AUR (D)	Nevirapine Oral Suspension 240ml	25,000	1.95
591	9/12/2011	KPP/03/11-MAT (B)	Abacavir 300mg Tabs 60s	7,230	14
592	13/12/2011	KPP/01/11-MAC	Stavudine/Lamivudine 30/150mg Tablets 60's	150,000	2.639
594	14/12/2011	KPP/05/11-MAT	Lamivudine/Zidovudine/Nevirapine 30/60/50mg Tablets 60's	137,688	4.15
598	22/12/2011	KPP/03/11-ABL (C)	Lopinavir/Ritonavir 200mg/50mg Tablets 120's	20,000	30.82
603	29/12/2011	KPP/08/10-AUR(E)	Nevirapine Oral Suspension 240ml	52,406	1.95
OI Drugs					
520	10/7/2011	KPP/10/10-UCL (S)	Cotrimoxazole 960mg Tabs 100's	51,014	1.91
542	11/1/2011	KPP/05/09(C)-COS	Pyridoxine 50mg Tablets 100's	10,000	0.67
546	11/7/2011	KPP/10/10-UCL (X)	Cotrimoxazole 960mg Tabs 100's	50,715	1.91
540	10/31/2010	KPP/10/10-UCL (V)	Cotrimoxazole 960mg Tabs 100's	50,482	1.91
541	10/31/2010	KPP/10/10-UCL (W)	Cotrimoxazole 960mg Tabs 100's	50,310	1.91
552	11/10/2011	KPP/02/11-UCL(A)	Cotrimoxazole 480mg tablets,1000's	12,102	9.4
553	11/10/2011	KPP/02/11-UCL(B)	Cotrimoxazole 480mg tablets,	7,898	9.4
Receipts for January - March 2012					
ARVs					
610	3/1/2012	KPP/01/11-MAT (A)	Tenofovir/Lamivudine 300/300mg Tabs 30's	245,858	6.5
			Tenofovir/Lamivudine/Efavirenz 300/300/600mg tablets 30's	4,867	14.2
613	1/5/2012	KPP/05/11-CIP (A)	Abacavir/Lamivudine 60/30mg Tabs 60's	12,632	7

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
642	1/19/2012	KPP/05/11-CIP (B)	Abacavir/Lamivudine 60/30mg Tabs 60's	12,960	7
656	2/9/2012	KPP/05/11-CIP (C)	Abacavir/Lamivudine 60/30mg Tabs 60's	25,840	7
657	2/9/2012	KPP/05/11-MAT (B)	Lamivudine/Zidovudine/Nevirapine 30/60/50mg tablets 60's	2,312	4.15
667	20/02/2012	KPP/01/11-STR (C)	Nevirapine 200mg tablets 60's	335,000	2.54
668	2/21/2012	KPP/05/11-CIP (D)	Abacavir/Lamivudine 60/30mg Tabs 60's	52,022	7
670	24/02/2012	KPP/06/11-HET (A)	Lamivudine/Zidovudine 150/300mg Tabs 60's	150,000	7.79
671	2/24/2012	KPP/06/11-MAT (A)	Lamivudine/Zidovudine 150/300mg Tabs 60's	200,000	7.85
673	3/2/2012	KPP/06/11-MAT (B)	Tenofovir/Lamivudine/Efavirenz 300/300/600mg tablets 30's	175,000	14.1
683	3/8/2012	KPP/06/11-AUR	Lamivudine/Zidovudine/Nevirapine 150/300/200mg tablets 60's	200,000	10.4
692	13/03/2012	Returns from MSF	Lamivudine/Zidovudine/Nevirapine 150/300/200mg tablets 60's	1,000	9.99
695	14/03/2012	KPP/06/11-MAT (C)	Lamivudine/Zidovudine 150/300mg Tabs 60's	8,500	7.85
703	3/22/2012	KPP/05/11-CIP (E)	Abacavir/Lamivudine 60/30mg Tabs 60's	73,511	7
OI Drugs					
635	1/13/2012	KPP/05/09(C)-COS	Fluconazole 200mg tablets 100's	3,800	5.45
636	13/01/2012	KPP/02/11-RPL (C)	Cotrimoxazole 240mg/5ml Suspension, 100ml	100,000	0.33
665	16/02/2012	KPP/05/09(C)-COS (C)	Fluconazole 200mg tablets 100's	1,200	5.47
666	16/02/2012	KPP/05/09(D)-COS (A)	Fluconazole 200mg tablets 100's	5,627	5.47
TB Drugs					
648	27/01/2012	Returns from MSF	Isoniazid 300mg tablets 100's	300	3.54
690	3/9/2012	KPP/09/11-COS	Ethambutol 400mg tablets 100's	560	6.57

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
Receipts for April - June 2012					
ARVs					
713	4/10/2012	KPP/06/11-MAT (D)	Lamivudine/Zidovudine/Nevirapine 150/300/200mg Tablets 60's	289,034	9.99
716	4/12/2012	KPP/05/11-CIP (F)	Abacavir/Lamivudine 60/30mg Tabs 60's	39,181	7
717	4/12/2012	KPP/05/11-CIP (G)	Abacavir/Lamivudine 60/30mg Tabs 60's	38,964	7
718	4/12/2012	KPP/08/11-HET	Lamivudine 150mg Tablets 60's	50,000	2.12
719	4/12/2012	KPP/06/11-MAT (E)	Lopinavir/Ritonavir 200mg/50mg Tablets 120's	99,937	30.5
720	4/12/2012	KPP/06/11(B)-AUR (A)	Tenofovir/Lamivudine 300/300 Tablets 30's	81,789	5.25
721	4/12/2012	KPP/06/11(B)-AUR (B)	Tenofovir/Lamivudine 300/300 Tablets 30's	68,211	5.25
724	4/17/2012	KPP/05/11-CIP (H)	Abacavir/Lamivudine 60/30mg Tabs 60's	44,890	7
729	19/04/2012	KPP/06/11-MAT (F)	Abacavir 300mg Tablets 60's	88,294	13.24
735	4/30/2012	KPP/08/11-MAT	Tenofovir/Lamivudine/Efavirenz 300/300/600mg Tablets 30's	100,000	14.1
749	16/05/2012	KPP/06/11-HET (B)	Efavirenz 600mg Tablets 30's	100,000	3.89
782	6/25/2012	KPP/09/12-ABL	Ritonavir Oral Solution 90x1ML	30	8.22
OIs					
714	4/11/2012	KPP/05/09(D)-COS (B)	Fluconazole 200mg Tablets 100's	1,949	5.47
733	4/27/2012	KPP/02/12-COS (A)	Multivitamin Tablets 1000's	520	7.8
736	5/4/2012	KPP/02/12-RPL	Paracetamol 500mg Tablets, 1000's	156	4.15
740	5/9/2012	KPP/02/12-UCL	Ibuprofen 200mg tablets, 1000's	156	5
			Omeprazole 20mg Capsules, 20's	5,184	0.48
742	5/10/2012	KPP/05/09(C)-COS	Pyridoxine 50mg Tablets 100's	8,000	0.67
750	5/16/2012	KPP/02/12-RPL	Paracetamol 500mg Tablets, 1000's	156	4.15

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
777	6/21/2012	KPP/05/09(D)-COS (C)	Fluconazole 200mg Tablets 100's	2,424	5.45
778	6/21/2012	KPP/05/09(E)-COS (B)	Pyridoxine 50mg Tablets 100's	17,000	0.67
			Dapsone 100mg Tablets 1000's	4,500	11.74
			Fluconazole 200mg Tablets 100's	3,284	5.45
TB Drugs					
710	4/3/2012	Returns from Pfizer	Rifabutin 150mg Capsules 30's	120	30
733	4/27/2012	KPP/02/12-COS (A)	Isoniazid 300mg Tablets 100's	2,000	2.8
736	5/4/2012	KPP/02/12-RPL	Promethazine 25mg Tablets, 1000's	14	3.44
747	5/15/2012	Returns from Pfizer	Rifabutin 150mg Capsules 30's	251	36
750	5/16/2012	KPP/02/12-RPL	Promethazine 25mg Tablets, 1000's	14	3.44
770	6/11/2012	KPP/08/12(B)-COS	Pyrazinamide 500mg Tabs 100's	500	3.9
771	6/11/2012	KPP/02/12-COS (A)	Isoniazid 100mg Tabs 100's	3,641	1.125
Masks					
725	4/17/2012	KPP/04/12-BAK	Respiratory Masks N-95, 10's	400	36.39
			Surgical Masks, 50's	432	4.09
Machines(One Off Procurement for the National Quality Control Laboratory)					
763	6/4/2012	KPP/07/11-CHEM	HPLC System With Ultra-Violet Detector	6	55,463.80
			HPLC System With Ultra-Fluorescent Detector	1	60,962.70
781	25/06/2012	KPP/07/11- F&S	Dissolution Testers	7	14,600.00
Dispensing Envelopes					
769	6/11/2012	KPP/07/12-AMM	Dispensing Envelopes 1000's	4,000	6.038

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
Receipts for July - Sept 2012					
ARVs					
790	7/5/2012	KPP/05/12-MYL (A)	Tenofovir/Lamivudine/Efavirenz 300/300/600mg Tabs 30's	199,798	14.10
791	7/11/2012	KPP/05/12-AUR (B)	Tenofovir/Lamivudine 300/300mg Tablets 30's	365,000	5.00
792	7/12/2012	KPP/05/12-HET (A)	Nevirapine 200mg Tabs 60's	200,000	2.32
793	7/12/2012	KPP/05/12-HET (B)	Lamivudine/Zidovudine 150/300mg Tabs 60's	100,000	7.40
794	7/12/2012	KPP/10/12-HET	Lamivudine 150mg Tabs 60's	100,000	2.15
799	18/07/2012	KPP/05/12-STR (A)	Lamivudine/Zidovudine/Nevirapine 150/300/200mg Tabs 60's	100,000	8.81
800	7/18/2012	KPP/05/12-AUR (A)	Tenofovir/Lamivudine 300/300mg Tablets 30's	70,000	5.00
801	7/20/2012	KPP/09/12-ABL (B)	Ritonavir Oral Solution 90x1ML	50	8.22
805	26/07/2012	EX-PPL	Tenofovir 300mg tabs 30's	2	17.00
809	7/27/2012	KPP/05/12-MYL (B)	Tenofovir/Lamivudine/Efavirenz 300/300/600mg Tabs 30's	83,896	14.10
812	8/2/2012	KPP/05/12-AUR (B)	Nevirapine 200mg Tablets 60's	2,800	2.41
814	8/2/2012	KPP/05/12-STR (B)	Lamivudine/Zidovudine/Nevirapine 150/300/200mg Tabs 60's	500,000	8.81
			Efavirenz 600mg Tabs 30's	250,000	3.46
817	8/3/2012	KPP/05/12-MYL (D)	Tenofovir/Lamivudine/Efavirenz 300/300/600mg Tabs 30's	184,400	14.10
818	8/6/2012	KPP/05/12-MYL (C)	Lopinavir/Ritonavir 200mg/50mg Tablets 120's	45,195	26.05
819	8/8/2012	KPP/05/12-AUR (C)	Lamivudine/Zidovudine 150/300mg Tabs 60's	150,000	7.66
			Nevirapine 200mg Tablets 60's	424,281	2.41
830	8/29/2012	Loan Stock - EX PPL	Tenofovir 300mg tabs 30's	4	17.00
832	8/29/2012	KPP/09/12-ABL (C)	Ritonavir Oral Solution 90x1ML	50	8.22
833	8/31/2012	KPP/05/12-AUR (D)	Nevirapine 200mg Tablets 60's	75,717	2.41

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
834	9/5/2012	KPP/01/11-AUR (B)	Nevirapine Oral Suspension 240ml	110,000	1.96
836	9/7/2012	Loan Stock - EX PPL	Tenofovir 300mg tabs 30's	2	17.00
838	9/10/2012	KPP/09/12-ABL	Ritonavir Oral Solution 90mlx1	40	8.22
839	9/11/2012	KPP/11/12-AUR (B)	Lamivudine/Zidovudine/Nevirapine 150/300/200Mg Tabs 60's	100,594	8.50
841	17/09/2012	KPP/11/12-AUR (A)	Lamivudine/Zidovudine/Nevirapine 150/300/200Mg Tabs 60's	90,610	8.500
842	19/09/2012	KPP/14/12-ABL	Lopinavir/Ritonavir Oral Solution 80Mg/20Mg, 5x60MI	4,000	32.64
843	19/09/2012	KPP/11/12(B)-AUR (A)	Lamivudine/Tenofovir 300/300Mg Tabs,30's	325,864	4.85
844	21/09/2012	KPP/17/12-PPL (A)	Tenofovir 300mg tabs 30's	42	19.49
Ols					
788	7/5/2012	KPP/02/12-COS (C)	Carbamazepine 200mg Tabs 100's	160	3.00
789	7/5/2012	KPP/05/09(D)-COS (C)	Fluconazole 200mg Tablets 100's	11,716	5.45
807	7/27/2012	KPP/05/09(D)-COS (D)	Pyridoxine 50mg Tablets 100's	10,000	0.67
808	7/27/2012	KPP/04/12 A&B (VMC)-COS (A)	Erythromycin 500mg Tabs 100's	1,000	10.70
815	8/3/2012	KPP/04/12-A&B (VMC)-UNI	Norfloxacin 400mg Tablets 100's	60	1.93
			Acyclovir Cream 10gms 1's	500	1.00
			Paracetamol 500mg Tablets 100's	11,000	0.70
			Doxycycline 100mg Capsules 1000's	7	13.60
816	8/3/2012	KPP/04/12-A&B (VMC)-RPL	Ampicillin/Cloxacillin 500mg Capsules 1000's	180	3.60
			Ibuprofen 400mg Tablets 100's	600	1.10
			Metronidazole 400mg Tablets 1000's	7	7.20
820	8/9/2012	KPP/04/12 A&B (VMC)-LBL	Ceftriaxone injection	600	14.05
829	8/28/2012	KPP/05/09(D)-COS (E)	Pyridoxine 50mg Tablets 100's	10,000	0.67
835	9/6/2012	KPP/04/12 A&B (VMC)-COS (B)	Erythromycin 500mg Tabs 100's	1,500	10.70
837	9/7/2012	KPP/06/12-UNI (A)	Cotrimoxazole Oral Suspension 240mg/5ml, 100ml	99,800	0.31
845	21/09/2012	KPP/16/12-COS (A)	Ethambutol Tablets BP 400Mg	250	6.00

Goods Arrival Receipt No.	Receipt Date	Order No.	Product Description	Quantity	Unit Price (\$)
TB Drugs					
788	7/5/2012	KPP/02/12-COS (C)	Isoniazid 100mg Tabs 100's	775	1.125
			Isoniazid 300mg Tabs 100's	27,855	2.8
802	7/20/2012	KPP/08/12(B)-PFI	Rifabutin 150mg Capsules 30's	350	10.67
Masks					
798	7/17/2012	KPP/04/12-BAK (B)	Respiratory Masks N-95, 10's	6,888	36.39
			Surgical Masks, 50's	438	4.09
Dispensing Envelopes					
840	11/09/2012	KPP/13/12-AMM	Dispensing Envelopes 1000's	4,000	5.70

ANNEX I. FINANCIAL REPORT

No.	Cost Line Items	Year 3 (October 2011 - September 2012)				Life of Project (As of 30-September-2012)			
		Budget	Actual Cost	Variance	%	Budget	Actual Cost	Variance	%
1	Salaries	\$1,447,087	\$1,187,171	\$259,916	82%	\$3,847,318	\$3,378,010	\$469,307	88%
2	Fringe Benefits	\$570,766	\$500,714	\$70,052	88%	\$1,837,919	\$1,375,677	\$462,242	75%
3	Overhead	\$941,119	\$550,262	\$390,857	58%	\$3,128,977	\$2,115,030	\$1,013,948	68%
4	Travel & Transportation	\$363,402	\$172,937	\$190,465	48%	\$1,452,049	\$777,549	\$674,500	54%
5	Allowances	\$601,125	\$332,377	\$268,748	55%	\$714,733	\$1,048,282	(\$333,549)	147%
6	Other Direct Costs	\$1,120,929	\$493,462	\$627,467	44%	\$1,027,476	\$1,544,686	(\$517,210)	150%
7	Equipment, Vehicles & Freight	\$29,600	\$38,415	(\$8,815)	130%	\$200,503	\$297,039	(\$96,536)	148%
8	Training	\$34,047	\$69,744	(\$35,697)	205%	\$0	\$127,034	(\$127,034)	0%
9	Subcontracts (incl. PHSL,DHL)	\$6,169,102	\$5,589,780	\$579,322	91%	\$18,435,442	\$11,723,337	\$6,712,106	64%
10	General & Administrative	\$295,279	\$123,511	\$171,768	42%	\$744,679	\$550,447	\$194,232	74%
11	Fixed Fee	\$168,790	\$119,611	\$49,179	71%	\$605,617	\$370,904	\$234,713	61%
12	Award Fee	\$290,108	\$292,039	(\$1,931)	101%	\$729,316	\$421,547	\$307,769	58%
Total Management Items		\$12,031,354	\$9,470,023	\$2,561,331	79%	\$32,724,030	\$23,729,542	\$8,994,488	73%
13	Procurement of Drugs + Vimta	\$118,305,882	\$72,669,651	\$45,636,231	61%	\$321,782,178	\$151,842,641	\$169,939,536	47%
14	Procurement Services Fee	\$1,245,456	\$1,425,739	(\$180,283)	114%	\$3,217,822	\$2,277,971	\$939,851	71%
Total Procurement Items		\$119,551,338	\$74,095,390	\$45,455,948	62%	\$325,000,000	\$154,120,612	\$170,879,388	47%
Grand Total		\$131,582,692	\$83,565,413	\$48,017,279	64%	\$357,724,030	\$177,850,154	\$179,873,876	50%

ANNEX J. BRANDING AND MARKING REPORT

The following table outlines the types of materials produced for Kenya Pharma during the third year.

Material	USAID/ Kenya Pharma sub- brand	Kenya Pharma name only	PEPFAR marking	No branding	Notes
Administrative Items					
Signage	X		X		Signage at the project's new premises (Parklands Plaza) carried the project sub-brand.
Business cards		X			Business cards for new staff that joined the project during the quarter did not use USAID or PEPFAR branding as per ADS 320.3.1.6s.
QMS Posters	X		X		Printed posters describing the project's QMS policy and objectives were printed and placed on the wall within the office premises.
Tender documents and advertisements	X		X		Advertisements in the local newspaper "Daily Nation" for vacant positions on the project carried the project sub-brand.
Stationary (includes letterhead, envelopes, fax coversheet)	X		X		Chemonics letterhead was used when project was entering contractual relationships with third party (hiring staff, leases) as per ADS 320.3.1.5.
Deliverables (reports)	X		X		
Tender documents and advertisements	X		X		
Technical and Promotional Materials					
Project website	X		X		
Newsletter/e-bulletin	X		X		Internal newsletter circulated to staff and external e-bulletin circulated to project stakeholders are both branded with USAID and PEPFAR co-brand
Success stories	X		X		Success story writing competition started in last quarter for field staff generated material for potential success stories. Three of the winning entries were formatted and placed in the appropriate format.

Material	USAID/ Kenya Pharma sub- brand	Kenya Pharma name only	PEPFAR marking	No branding	Notes
PowerPoint presentations	X		X		Two oral presentations using PowerPoint slides were made at the PSK Annual Conference and were appropriately branded.
Banners	X		X		Process banners were reprinted with the new project address.
Donated equipment (HPLC machines and dissolution testers) to NQCL	X				The donated equipment was procured by USAID funds and stickers have been placed on the donated equipment to acknowledge USAID support.
e-SCM certificates	X		X		Certificates of participation were printed with the sub-brand and given to participants of training on how to use the e-SCM conducted at the AMPATH training centre in Eldoret.
Commodities and Materials Associated with Shipments					
Waybill				X	As a security measure, the waybill contains only the name of the shipper, usually DHL.
Boxes/cartons	X		X		Cartons of commodities continue to be marked with PEPFAR co-branded stickers upon arrival in Kenya Pharma warehouse and with "Quality Assurance–Released" stickers after QA inspection and approval. Cartons dispatched to SDPs were sealed with PEPFAR co-branded packing tapes.
Monthly packet of ARVs, Ols		X			Commodities procured by the project are marked with the project name and "not for resale" on the individual packaging. This marking is only applied to non-emergency procurements.
Materials for KP staff					
Polo shirts	X		X		Promotional items worn by project staff and also given to project stakeholders.
Bags	X		X		Promotional items used by project staff and also given to selected project stakeholders.

Material	USAID/ Kenya Pharma sub- brand	Kenya Pharma name only	PEPFAR marking	No branding	Notes
Shirts and Blouses		X			These are worn by the project's field staff during site visits. They have been branded with only the project name and do not carry the USAID identity to prevent field agents from being misconstrued as USAID employees.

ANNEX K. STOCK STATUS REPORT AS OF SEPTEMBER 30, 2012

Commodity	Units
LOPINAVIR/RITONAVIR 200MG/50MG TABLETS 120s	19,202
LAMIVUDINE/ZIDOVUDINE/NEVIRAPINE 150/300/200MG TABLETS 60s	656,615
NEVIRAPINE ORAL SUSPENSION 240ML	109,997
TENOFOVIR/LAMIVUDINE 300/300MG TABLETS 30s	123,415
STAVUDINE/LAMIVUDINE/NEVIRAPINE 30/150/200MG TABLETS 60s	533,255
ZIDOVUDINE TABLETS 300MG 60s	87,378
ABACAVIR/LAMIVUDINE 60/30MG TABLETS 60s	56,592
STAVUDINE/LAMIVUDINE 30MG/150MG TABLETS 60s	229,364
ABACAVIR TABLETS 300MG, 60s	43,771
TENOFOVIR/LAMIVUDINE/EFVIRENZ 300/300/600MG TABLETS 30s	303,769
RITONAVIR ORAL SOLUTION, 90ML	78
EFVIRENZ 600MG TABLETS 30s	413,503
LAMIVUDINE 150MG TABLETS 60s	85,908
LAMIVUDINE/ZIDOVUDINE 150MG/300MG TABLETS 60s	192,493
NEVIRAPINE 200MG TABLETS 60s	305,970
LOPINAVIR/RITONAVIR ORAL SOLUTION 5X60ML	2,186
ACYCLOVIR 200MG TABLETS 30s	25,642
CHLOPHENIRAMINE MALEATE 4MG TABLETS 1000s	435
COTRIMOXAZOLE 960MG TABLETS 100s	1,879,184
DAPSONE 100MG TABLETS 1,000s	8,509
FLUCONAZOLE 200MG TABLETS 100s	8,702
COTRIMOZAXOLE 480MG TABLETS 1,000s	982
NYSTATIN ORAL DROPS 30ML	72,533
COTRIMOXAZOLE 960MG TABLETS 500s	32
PYRIDOXINE 50MG TABLETS 100s	28,645
AMPHOTERICIN B 50MG INJECTION 1s	3,954
COTRIMOXAZOLE 240MG/5ML SUSPENSION 100ML	111,977
ETHAMBUTOL 400MG TABLETS 100s	205
ISONIAZID 300MG TABLETS 100s	146
PYRAZINAMIDE 500MG TABLETS 100s	154
RIFABUTIN 150MG CAPSULES 30s	18
DISPENSING ENVELOPES (70X100X0.040MM) 1,000s	6,103
PARACETAMOL 500MG TABLETS, 100s	11,000
DOXYCYCLINE 100MG CAPSULES, 100s	70
NORFLOXACIN 400MG TABLETS, 100s	60
ACYCLOVIR CREAM 5%, 10s	50
CEFTRIAZONE INJ. 1G, VIAL, 10s	60
ERYTHROMYCIN 500MG TABLETS, 100s	2,500
IBUPROFEN 400MG TABS, 100s	600
AMPICILLIN/CLOXACILLIN 500MG TABS, 100s	180
METRONIDAZOLE 400MG TABS, 100s	70
TOTAL	5,325,307

ANNEX L. TRIP REPORT

Name/Title of Traveler	Trip Location	Travel Date(s)	Purpose of Travel
2011			
Reden Sagana – home office, project manager	Kenya	September 19 – October 6	Facilitate transition and handover by Jennifer Chavez, outgoing director of technical coordination
Anthony Savelli – home office, project director	Kenya	November 14 – 17	Award fee meeting support/attendance
2012			
Tony Savelli – home office, project director	Kenya	April 1 – 12	Support with KENYA Pharma Supply Chain QMS launch and ISO 9001:2008 certification
Tiffany Darabi – home office, Quality Management Unit director	Kenya	April 1 – 12	Support with KENYA Pharma Supply Chain QMS launch and ISO 9001:2008 certification
Sara Roswurm – home office, project associate	Kenya	May 20 – June 7	Support operations director with staff recruitments, ISO QMS rollout, and record clean up
Ousmane N'Diaye – field office, finance director	USA	June 18 – July 31	Home leave
Carrie Carnevale – home office, project manager	Kenya	June 24 – August 3	Interim finance director
Tony Savelli – home office, project director	Kenya	July 21 – August 3	Work planning and management visit
Ruth Njoroge – field office, director of technical coordination	Tanzania	September 5 – 7	Attend SCMS supplier's conference
Sara Roswurm – home office, project associate	Kenya	September 22 – October 6	Annual report preparations

ANNEX M. SELF-ASSESSMENT REPORT

This past year, the Kenya Pharma Project has continued to be a reliable supplier of high quality, low cost HIV/AIDS commodities and an active and collaborative participant in the Kenyan HIV/AIDS community. The project has continued to improve collaboration with NASCOP, KEMSA, NQCL, and the Kenya PPB at the central level and focused more attention on activities that increase the sustainability of the supply chain. We have also broadened our collaborative efforts with other stakeholders and deepened that collaboration to lower levels. In addition, the prices we receive from suppliers continue to be excellent and generally trending downward. All of these activities have also occurred at a time when Kenya Pharma completed the steps necessary to achieve ISO 9001:2008 certification for its core technical functions and continued its support for local manufacturers and local test labs.

Below, we present brief discussions of our performance and our self-assessment in each of the project's five Award Fee criteria areas.

Procurement. Procurement, storage, and distribution are at the core of our business and we continue to perform solidly in these areas. During Project Year 3, our stock management, buffer stock levels, and proactivity increased and our collaboration with the national policy apparatus helped us to anticipate shifts in regimens in order to be more foresighted and less reactive. Through these efforts, we managed our stocks through a challenging transition in ART regimens with almost no stock-outs of critical ARVs in the service delivery points we supply³ and only modest expiries of the ARVs that are being phased out.

Over the course of the year we cut back somewhat on our procurements from local suppliers for OI drugs, primarily because we have more than sufficient stocks on hand for many of the OI drugs they were supplying. However, as our stock levels stabilize in Project Year 4, we anticipate that we will again increase our local OI procurements. Our relationships with these suppliers continue to be good and we greatly value these contributions to local sustainability.

All factors considered together, we feel that the current performance in the procurement area warrants a small increase in our performance rating. We have moved our score up to a rating in the high end of the "Excellent" range – 84.

Quality. During this project year we had no major quality problems and the few that occurred (Dapsone and Nevirapine) were quickly resolved in partnership with PPB. The response times from our various testing laboratories have also been good. The project highlight of Year 3 in the QA area was the infrastructural support to NQCL through the procurement of HPLC machines and dissolution testers that doubled their capacity and put them on the path to sustainability. We have also received comments back from

³ Three of our ordering sites reported a shortage of the FDC AZT/3TC/NVP in the January to March quarter during data collection after the quarter ended. The cause is not yet understood since there were adequate stocks in the central warehouse at the time.

NQCL regarding our proposed subcontract with them and we are hoping that addressing these comments will allow us to finalize the proposed agreement in the next quarter. We have also finalized the recruit for the new QA manager and this new staff member is onboard as of this writing (though not within the reporting period).

In view of this performance in the quality arena, we feel that it is appropriate to increase our performance self-assessment in the QA area by one point, but still at the high end of the “Excellent” range – 84.

Price. Our prices continue to be generally below median international prices (only 64 percent, on average) and on a downward trend line, which is not surprising given worldwide trends. However, global prices are not necessarily the best comparison for our rather specialized piece of the market. For a comparison against market prices that are more closely parallel to our own and as preparation for the GAO visit earlier this year, we examined our procurements as compared to the prices listed on the SCMS website as of May and found total savings on the order of 8.5 percent. For this annual report we updated that analysis for the period ending in September and found that the savings are still holding. As can be seen in the table below, on an overall basis factoring in what we procured and what SCMS lists as their website prices, procuring through the Kenya Pharma Project saved USAID/Kenya about \$2.6 million, or about 10.2 percent, over the course of the latest Kenya Pharma procurements.

Commodity	Most Recent KP Price	SCMS Price (Sep)	Difference	Percent Difference	KP Cost	SCMS Equivalent
ZDV/3TC/NVP	\$8.50	\$9.62	\$1.12	13%	\$6,800,000	\$7,696,000
TDF/3TC/EFV	\$13.30	\$13.27	\$(0.03)	0%	\$2,660,000	\$2,654,000
TDF/3TC	\$4.87	\$5.36	\$0.49	10%	\$974,000	\$1,072,000
ZDV/3TC	\$7.06	\$7.72	\$0.66	9%	\$2,824,000	\$3,088,000
TDF/3TC+NVP	\$9.77	\$10.00	\$0.23	2%	\$974,000	\$996,929
3TC	\$2.15	\$2.16	\$0.01	0%	\$215,000	\$216,000
NVP	\$2.23	\$2.42	\$0.19	9%	\$669,000	\$726,000
EFV	\$3.35	\$3.64	\$0.29	9%	\$670,000	\$728,000
ZDV	\$5.92	\$6.76	\$0.84	14%	\$355,200	\$405,600
ABC	\$13.24	\$12.96	\$(0.28)	-2%	\$1,178,360	\$1,153,440
Lop/Rit	\$22.00	\$26.70	\$4.70	21%	\$5,500,000	\$6,675,000
NVP Oral	\$1.96	\$1.95	\$(0.01)	-1%	\$98,000	\$97,500
Total					\$22,917,560	\$25,508,469
Total Savings						\$2,590,909
Percent Savings						10.2%

We have also been asked to compare our prices to the prices recently obtained by KEMSA. This comparison is made somewhat difficult because KEMSA and Kenya Pharma have different criteria for determining the eligibility of ARV suppliers (they use WHO, while we use USFDA) and they also use Delivery Duty Unpaid terms (cost all the way to their warehouse). That said, we did find prices for five common ARVs that both organizations have purchased recently and generated the table below to show our relative cost positions.

	Recent Kenya Pharma Average	KEMSA Average	Price Difference	Percent Difference
ZDV/3TC/NVP	\$9.61	\$10.29	\$0.68	7%
TDF/3TC	\$5.66	\$7.99	\$2.33	41%
ZDV/3TC	\$7.67	\$8.22	\$0.54	7%
NVP	\$2.35	\$2.51	\$0.16	7%
ZDV	\$5.92	\$8.42	\$2.50	42%

For these few ARVs and combinations, our comparative average costs over the last two years have been as little as 7 percent below KEMSA costs (modest, but enough to pay for our inbound freight, which averages about 4.5 percent across all international procurement), ranging to as much as 40 percent.

In view of the above and based on our overall performance in the Price area, our self-assessment in this area is slightly above our previous level – 92.

Collaboration. Based on feedback from USAID, Kenya Pharma has been focusing more of its collaborative efforts directly on KEMSA. In particular, we now include both KEMSA and NASCOP in our monthly procurement planning meetings so that information sharing and joint management of the consolidated national supply chain is possible. Through this collaboration, we have now been asked to develop a joint consolidated tracking and procurement planning tool, which we hope to have in place in time for the meeting in November. In addition to these national-level efforts, we continue to actively and widely collaborate in the field through the support of provincial- and district-level Technical Working Group meetings. Due to this increased collaboration, we feel that our score within the Collaboration arena warrants an increase to the lower end of the “Exceptional” range – 89.

Reporting. In the past quarter, our reporting has continued to be generally accurate, timely, and complete. We have also instituted many changes in the e-SCM that are increasing its usability for sites and implementers to analyze and aggregate data in order to be able to generate their own reports. In addition, we have also concentrated a great deal of effort in recent months in correcting the identified problems with patient data from sites and supporting their increased “ownership” of their data and reports. We have done this, both through our efforts in support of the national DQA process and our own initiatives through the FSRs. Recent data seem to indicate that these efforts are resulting in some positive impact. In view of these improvements, we have increased our self-assessment score in this area, but still within the “Excellent” range – 85.

As can be seen in the table on the following page, in the aggregate and after applying the specified weighting factors, these ratings result in a composite Award Fee Self-Assessment Score of 86.3.

	Weight	Q1 Y3	Q2 Y3	Q3 Y3	End Y3
Procurement	40%	82	83	82	84
Quality	25%	87	83	83	84
Price	25%	89	91	90	92
Collaboration	5%	84	87	86	89
Reporting	5%	80	83	82	85
		85	85	84.45	86.3