

Order Fulfillment

Reducing the need for emergency procurements

Procuring life-saving medicines and other supplies for HIV/AIDS requires careful planning and an appropriate lead time to ensure an adequate supply of commodities. Lack of planning can result in costly emergency orders. SCMS offers our clients a systematic, well-planned, transparent approach to order fulfillment that reduces the need for expensive emergency procurements. We work closely with clients and vendors to ensure programs get the appropriate pharmaceuticals and supplies—how, when and where they need them—at the best value.

The Challenge

Health officers and program managers for HIV/AIDS care and treatment programs face significant challenges when procuring essential commodities:

- Ensuring timely availability of medicines and supplies
- Navigating customs clearance and preparing proper documentation
- Ensuring newly available medicines are registered for use
- Handling the hazards of emergency procurement situations, from higher costs to potential stockouts

To ensure adequate supply and avoid emergency procurement, health care programs must accurately plan requests for commodities, procurement, order fulfillment and shipping and delivery.

Meeting the Need

SCMS organizes order fulfillment into four-steps to streamline the process for essential HIV/AIDS commodities:

Step 1. Inquiry. Clients complete a SCMS price request indicating their required commodities and quantities, the preferred delivery dates and the delivery location. Clients can use our e-catalog for product descriptions, identifiers, pricing or specifications. (On the web at <http://scms.pfscm.org/scms/ecatalog>)

Special requirements such as product labeling, shipping instructions and customs clearance documentation are also captured at this stage. From order placement to pickup and delivery, the SCMS logistics management information system provides a real-time track and trace capability—enabling all parties to know what will be delivered, how and when.

A systematic, well-planned approach to order fulfillment reduces the need for costly emergency procurements.

Step 2. Quotation. Next, we determine whether commodities will be taken from existing stock at our regional distribution centers (RDCs), procured from an international vendor or sourced locally. Following US Government procurement guidelines, we then issue a

tender, analyze bids, and prepare and submit a price quotation to the client, for review and, if acceptable, approval.

To shorten the process for items SCMS procures on a frequent basis—such as antiretrovirals, other medicines, rapid test kits and laboratory commodities—we buy under Indefinite Quantity Contracts (IQCs) or Blanket Purchase Agreements (BPAs). Stocking ARVs in regional distribution centers shortens delivery times from many months to within one month for planned orders.

Items that are infrequently procured, unique or not readily available require a much longer time to deliver; SCMS assists clients with advance planning.

Step 3. Ordering. Once the client signs off on the price quote, we leverage the expertise of our procurement services agents (PSAs)—Crown Agents USA, Inc., i+solutions—to complete the procurement for international orders and of procurement staff in our field offices for local orders. Our procurement staff prepares US government waivers (if required) and issues purchase orders with the selected vendor(s). We actively managed orders to hold vendors to promised delivery dates.

Step 4. Shipping and delivery. This final step includes shipment planning, scheduling and delivery to recipients. Actions include:

- Determine the least-expensive shipping option that will satisfy the client.
- Document how items will clear customs, including required paperwork, for international orders.
- Deploy appropriate security measures.
- Detail the delivery location and timing, as well as special instructions and how delivery will be confirmed.

On a case-by-case basis, SCMS may request a preshipment inspection at the shipment origin, which will be conducted by a qualified third-party provider. The SCMS quality assurance team prepares a scope of work and inspection strategy in such instances.

Once the products are ready, SCMS arranges for pickup, consolidation, or both, of goods, along with their trans-

portation. We track the shipment from point of origin until destination.

The recipient receives goods either from the RDC or by direct shipment. An SCMS representative confirms with the recipient and client that the delivery has been completed satisfactorily and then closes the order with a goods receipt note. Any concerns raised by either party are addressed in a timely manner.

Sustained Benefits

By consolidating procurement across all clients, SCMS leverages volume purchasing to obtain the best-value products for our clients. This fulfillment approach also enables vendors to optimize their production schedules. By effectively communicating with our clients and vendors at all steps in the process, SCMS is well positioned to respond to client needs. With an integrated supply chain and the ability to manage the order from initial quantification to full delivery, SCMS clients benefit from enhanced visibility of their orders, increased flexibility and greater confidence in having the uninterrupted supply of essential commodities necessary to support their HIV/AIDS patients.

ABOUT SCMS

The Supply Chain Management System (SCMS) was established to collaborate with in-country and global partners to ensure a reliable, cost-effective and secure supply of high-quality medicines and health products for HIV/AIDS prevention, care and treatment. SCMS is funded as part of the US President's Emergency Plan for AIDS Relief through the US Agency for International Development. Visit [Hwww.scms.pfscm.org](http://www.scms.pfscm.org) or write to Hscmsinfo@pfscm.org for more information.

The author's views expressed in this publication do not necessarily reflect the views of the US Agency for International Development or the United States government.