

# SCMS FY15 Q2 Quarterly Performance Report

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FY15 Q2 January-March 2015

May 29, 2015

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## **About SCMS**

The Supply Chain Management System (SCMS) was established to enable the unprecedented scale-up of HIV/AIDS prevention, care and treatment programs in the developing world. SCMS procures and distributes essential medicines and health supplies, works to strengthen existing supply chains in the field, and facilitates collaboration and the exchange of information among key donors and other service providers. SCMS is an international team of 16 organizations funded by the US President's Emergency Plan for AIDS Relief (PEPFAR). The project is managed by the US Agency for International Development.

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## **Supply Chain Management System**

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# Acronyms

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ACF	Allocated cost factor
AIDS	Acquired immunodeficiency syndrome
API	Active pharmaceutical ingredient
A/R	Atazanavir/Ritonavir
ARVs	Antiretrovirals
BRC	Blended RDC charge
CDC	Centers for Disease Control and Prevention
CHAI	Clinton Health Access Initiative
CMAM	Central de Medicamentos e Artigos Medicos
CMM	Capability maturity model
CMS	Central medical store
COR	Contracting Officer's Representative
COTD	Client on-time delivery
CPP	Coordinated Procurement Planning
DRC	Democratic Republic of the Congo
ETJ	Emergency travel justification
FASP	Forecasting and supply planning
FDA	US Food and Drug Administration
F&L	Freight and Logistics
FO	Field office
GPRM	Global Price Reporting Mechanism
HIV	Human immunodeficiency virus
HRCD	Human resource capacity development
HRDT	HIV rapid diagnostic test
KPI	Key performance indicator
LMCU	Logistics Management Coordinating Unit
LMIS	Logistics management information system
LMU	Logistics Management Unit
LOP	Life of project
L/R	Lopinavir/Ritonavir
MOH	Ministry of Health
NFO	Non-field office
NPSP	Nouvelle Pharmacie de Santé Publique
OJT	On-the-job training
OTD	On-time delivery
PEPFAR	President's Emergency Plan for AIDS Relief
PFSA	Pharmaceuticals Fund and Supply Agency
PFSCM	Partnership for Supply Chain Management
PPM	Pooled procurement mechanism

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PQ	Price quotation
RDC	Regional distribution center
SOP	Standard operating procedure
TA	Technical assistance
TOT	Training of trainers
TWG	Technical working group
UN	United Nations
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VMMC	Voluntary medical male circumcision
VOTD	Vendor on-time delivery
WHO	World Health Organization
WiB	Warehouse-in-a-box

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# Executive Summary

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SCMS is pleased to submit the FY15 Q2 quarterly report. It is based on the four goal areas outlined in the SCMS Performance Management Plan:

- Access
- Strengthen systems
- Leadership and partnership
- Operational excellence

Quarterly performance highlights and key challenges include the following:

- In FY15 Q2, SCMS delivered \$126 million in products through 979 shipments to 30 countries. A record-high \$54 million in products was delivered in March.
- On-time delivery (OTD) also reached record-high percentages throughout the quarter: 83 percent in January, 86 percent in February, and 88 percent in March. Every product group had an OTD above 80 percent in March; labs achieved 92 percent OTD, driven by performance improvements in field office managed procurement.
- Health systems strengthening performance against target continues to improve, while the scope of reporting continues to expand. This quarter, almost 14,000 sites from 19 countries reported, and four of five SCMS-supported in-country performance measures have exceeded targets.
- In collaboration with USAID | DELIVER, the Global Fund, and other partners, SCMS assisted Ghana after a fire at the central medical store (CMS) led to the loss of \$110 million in uninsured products. The Ghana regional distribution center is serving as an alternative, short-term storage facility for pharmaceutical products being supplied after the fire.
- SCMS hosted the first-ever World Health Organization Technical Working Group on HIV Diagnostic Global Demand Forecast to exchange information on procurement and forecast data; discuss methodologies, limitations, and policy guidelines used to model forecasts; and agree on next steps to prepare for a WHO-hosted meeting with diagnostic manufacturers in April.
- Shortages of Atazanavir/Ritonavir due to limited manufacturing capacity caused potential and actual stockouts in several countries during the quarter.
- Several quality issues with manufacturers and wholesalers were identified, including a recall of products due to nonconformities at the active pharmaceutical ingredient manufacturer, North China Pharmaceutical Group Semisyntech Co., Ltd.
- We began transitioning the procurement of HIV rapid diagnostic tests to Remote Medical International, the newly-appointed USAID Global Health Supply Chain Program contractor for this product category. The current plan is to complete this transition by July 1 and make final deliveries for SCMS-managed shipments around October 2015.
- For several key products in Zambia and Uganda, challenges continue to emerge in maintaining stock levels and avoiding stockouts.
- As the project heads toward its final delivery deadlines, SCMS expects an increase in the number of unplanned orders. As per the original transition plan, all deliveries were due by the end of June 2015. The deliveries made by June 2015 were intended to ensure adequate stock in-country through the remainder of 2015. With those steps taken, it is anticipated that requests received

for deliveries between July 2015 and December 2015 will predominately be unplanned and emergency orders.

## Key Quarterly Statistics

Key statistics	FY15 Q2	Life of project
Value of commodities delivered	\$126.3 million	\$2.24 billion delivered
Number of deliveries	979 deliveries	22,271 deliveries
Countries receiving shipments	30 countries	59 countries
Percent generic ARVs by value	95%	92%
Counterfeit products detected	0 counterfeits	0 counterfeits

## FY15 Q2 Performance

### Goal 1: Access

Objective	Measure	Target	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2
1.1 Security	1.1.1 Product Loss: Shipping and Storage	≤ 3%	0.10%	0.00%	0.00%	0.15%
1.2 Reliability	1.2.1 SCMS-Related Stockout Rates	≤ 12 per year	0	0	0	0
	1.2.2 On-Time Delivery	Core: 80%	85%	78%	82%	86%
		Non-core: 70%	86%	80%	81%	88%
	1.2.3 On-Time PQ Turnaround	ARV: 70%	95%	92%	78%	100%
		Test kits: 85%	94%	64% <sup>1</sup>	80%	67%
		VMMC Kits: 80%	100%	88%	63%	79%
1.2.4 Forecast Accuracy	70%	FY15 to date: 56.7%				
1.3 Quality Products	1.3.1 Pharmaceutical Product Sampling—Actual Pulled versus Flagged	88%	100%	100%	100%	100%
1.4 Strengthen Reach	1.4.1 Planned, Unplanned, and Emergency Orders	Planned: (N/A)	82%	77%	80%	72%
		Unplanned: N/A	14%	19%	18%	25%
		Emergency: N/A	4%	3%	3%	3%

<sup>1</sup>Because of an error in Excel analysis, performance for FY14 Q4 was changed from 79 percent to 64 percent between the FY14 Q4 and FY15 Q1 reports. Performance for this quarter noted in the FY15 Q2 reports reflects the accurate performance.

## Goal 2: Strengthen systems

Objective	Measure	Target (Interim)	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2
2.1 Capacity and Capability	2.1.1a Strategic Plans	50%	42%		47%	
	2.1.1b Forecasting and Supply Planning (FASP) Country Ownership	75%	61%		60%	
	2.1.1c Standard Operating Procedures (SOPs)	80%	85%		87%	
	2.1.2 Competency	80%	77%	85%	87%	85%
	2.1.3 Supply Chain Assessment: Capability Maturity Model (CMM) Score	60%	NSCAs in Mozambique and Nigeria are in discussion with country counterparts prior to publication			
2.2 Performance	2.2.1 Supply Chain Performance: In-Country					
	2.2.1a Facility Reporting Rates	80%	76%	79%	81%	81%
	2.2.1b Expiry	1%	1%	0.26%	0.36%	0.41%
	2.2.1c On-Time Delivery	75%	90%	87%	91%	84%
	2.2.1d Stockout Rate	5%	6%	6%	8%	9%
	2.2.1e Order Fill Rate	80%	72%	80%	74%	93%
	2.2.2 Supply Chain Assessment: Key Performance Indicator (KPI) Score <sup>2</sup>	60%	NSCAs in Mozambique and Nigeria are in discussion with country counterparts prior to publication			

## Goal 3: Leadership and partnership

Objective	Measure	Target	FY14	FY15 to date
3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism	80% (interim)	92%	100%
	3.1.2 Number of CPP Country-at-Risk Schedule Submissions Per Year	4 (annual)	5	3
3.2 Knowledge Exchange	3.2.1 Publishing	6 (annual)	9	3
	3.2.2 Presentations	20 (annual)	20	18

<sup>2</sup> KPI score here reflects only stock-related KPIs, including stockout rates, stocked according to plan, and stock accuracy.

## Goal 4: Operational excellence

Objective	Measure	Target	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2
4.1 Cost Effective	4.1.1a Cost Effective: Regional Distribution Center (RDC) Expiry and Blended RDC (BRC) Reporting	Expiry RDC stock: $\leq 3\%$	0.39%	0.15%	0.42%	0.19%
		BRC reporting rate: 4	FY14: 4		FY15 to date: 1	
	4.1.1b Cost Effective: Surcharge	$\leq 5\%$	Life of project (LOP): 3.86%			
	4.1.1c Cost Effective: Allocated Cost Factor (ACF)	$\leq 12\%$	LOP: 9.92%			
	4.1.2 ARV Price Comparison: SCMS versus Global Pricing Reporting Mechanism (GPRM)	70%	FY14: 83%		Annual measure	
	4.1.3 Ocean Freight: Percentage of All Freight	$\geq 50\%$	81%	63%	66%	80%
4.2 Best Value	4.2.1 Client Satisfaction: Products Ordered/Received and Technical Assistance (TA)	Products ordered/received: 85%	Not Available			
		Technical assistance: 85%	Not Available			
4.3 Continuous Improvement	4.3.1a Annual Partner Operational Review	100%	FY14: 100%		Annual measure	
	4.3.1b Percent of TA Trips Processed On Time	80%	67%	69%	58%	52%
	4.3.2 Core Systems Uptime: Potential versus Actual	Orion: $\geq 95\%$	99.3%	99.9%	100%	99.3%
		KT: $\geq 95\%$	99.8%	100%	100%	99.8%

# Quarterly Performance

## Goal 1: Access

Provide quality HIV/AIDS commodities efficiently and effectively.

SCMS met or exceeded its targets for all measures in Goal 1: Access, with the exception of price quotation (PQ) turnaround time for HIV test kits and voluntary medical male circumcision (VMMC) kits, which fell below their targets at 67 percent and 79 percent, respectively.

- Continued performance challenges for HIV test kits were partially driven by orders from countries where we do not maintain a field office (known internally as non-field office, or NFO). These orders take longer to process because of increased time to obtain freight estimates, secure funding, and send to the client for approval.
- The majority of new quotes for VMMC products are direct drops that can present challenges with freight quotes and finalizing PQs. However, performance is only 1% below target and SCMS will monitor PQs on a weekly basis to PQs where possible

Objective	Measure	Target	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2
1.1 Security	1.1.1 Product Loss: Shipping and Storage	≤ 3%	0.10%	0.00%	0.00%	0.15%
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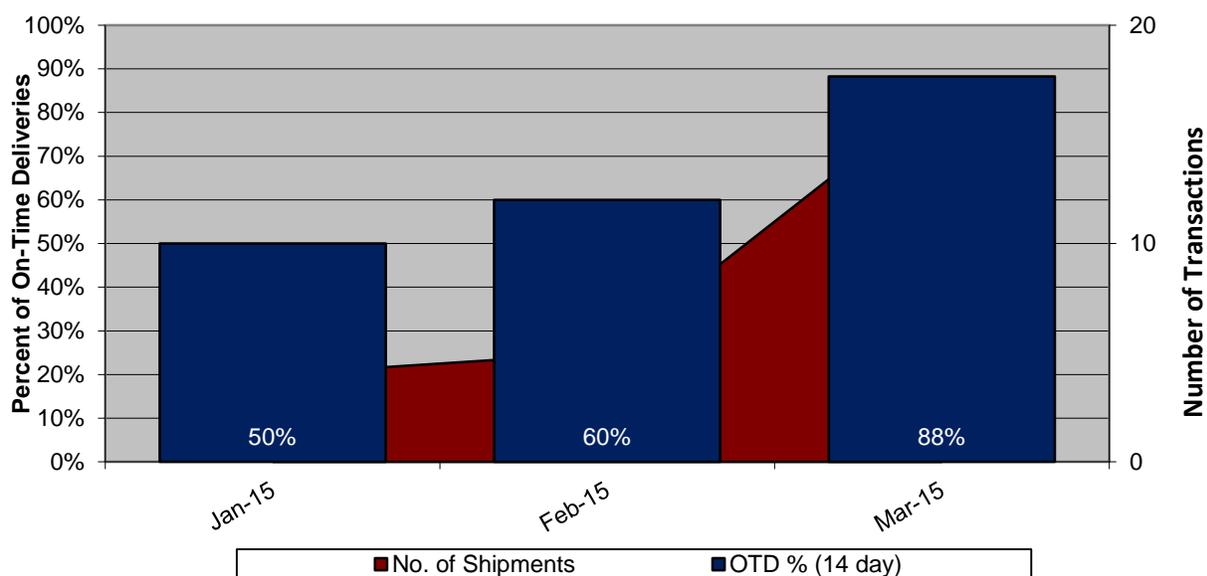
<sup>3</sup>Due to an error in Excel analysis, performance for FY14 Q4 was changed from 79 percent to 64 percent between the FY14 Q4 and FY15 Q1 reports. The performance reflected for this quarter in the FY15 Q2 reports reflects the accurate performance.

## Key results and challenges

OTD continued to exceed its target, improving to 86 percent in FY15 Q2, up from 82 percent in FY15 Q1. Uganda OTD a challenge in FY15 Q1, has improved significantly in FY15 Q2.

Country	Challenge	Update
Uganda	<ul style="list-style-type: none"> <li>The government of Uganda is responsible for quantification and procurement planning for ARVs through the Quantification and Procurement Planning Unit of the Ministry of Health (MOH). This unit's forecasts often fail to meet demand, resulting in emergency orders to fill gaps.</li> <li>The local lab suppliers are providing unrealistic lead times.</li> </ul>	For FY15 Q1, OTD in Uganda was a challenge at 67 percent, although for FY15 Q2, it improved to 77 percent. Performance steadily increased from 50 percent in January to 88 percent in March.

### OTD Uganda: field office managed procurement, FY15 Q2



#### *Procurement and Supply:*

A total \$126.3 million in products was delivered for the quarter: \$34 million in January, \$38 million in February, and \$54 million in March, all while maintaining an overall OTD above 80 percent. Shortages of several ARVs were experienced because of manufacturing challenges and active pharmaceutical ingredient (API) shortages that affected several countries, including Haiti and Uganda. SCMS shared challenges in supply of Lopinavir/Ritonavir (L/R) and Atazanavir/Ritonavir (A/R) because of supply shortage of Ritonavir API with United Nations Children's Fund (UNICEF), World Health Organization (WHO), and Clinton Health Access Initiative (CHAI). UNICEF is having similar challenges:

- Lopinavir/Ritonavir: Innovator AbbVie increased quoted lead times to 20 weeks, and generic manufacturer Hetero announced delays of two months. SCMS is

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investigating with the manufacturers if enough API for LPV/r has been secured for the near future. We are monitoring future shipments and taking action to minimize the impact, working with vendors and partners to prioritize orders/quantities by country need and informing countries of shipment status. We have also advised clients and posted notices on the SCMS website and e-catalog.

- Atazanavir/Ritonavir: Limited manufacturing capacity is having a global impact on the supply of ATV/r. Emcure was approved by the US Food and Drug Administration (FDA) in March, joining Mylan as one of two tFDA-approved manufacturers. Aurobindo is also seeking tFDA approval, now scheduled for October 2015.
- We delivered emergency antiretrovirals to Sierra Leone, avoiding a stockout. With air transport limited since the Ebola outbreak, we contracted a special United Nations (UN) charter from Ghana to deliver Ministry of Health (MOH)-funded products to MOH.
- In Liberia, we conducted a national quantification for essential medicines for 2016. The final output will be estimated commodity requirements for USAID-funded facilities and the rest of the country. The USAID-funded portion will be procured by SCMS.
- In this quarter, several quality issues with different manufacturers emerged, including the following:
  - API manufacturer North China Pharmaceutical Group Semisyntech Co., Ltd. (formerly Hebei Huari Pharmaceuticals Co., Ltd.) was issued a European Union Statement of Notice of Concern because of nonconformance with two critical and four major good manufacturing practices (GMPs). Panpharma issued a manufacturer-initiated recall, communicated through our approved wholesaler Medical Export Group, for three products PFSCM procured with APIs coming from this manufacturer. We issued a quarantine notification to Ethiopia and Liberia, where the products were delivered, and product replacement is underway.
  - Several major issues were observed while inspecting Immuno-Mycologics, Inc., the PFSCM supplier and manufacturer of rapid test kits (RTKs) for the diagnosis of cryptococcus for compliance with ISO 13485 – Medical Devices – Quality Management Systems (QMS). . These issues will need to be rectified for the manufacturer to be in compliance with ISO 13485 and international GMP.
  - Critical departures from ISO 13485 were observed during inspection of BioCan Diagnostics Inc, the PFSCM supplier and manufacturer of RTKs for diagnosing hepatitis B/C and syphilis. Tests in the highest-risk group, hepatitis C, were highly noncompliant with international regulations; tests in the lower-risk group, syphilis, were also non-compliant with international regulations.

*Freight and Logistics:*

- In Nigeria, the US Embassy clearance facility is at risk. Because of a complicated customs clearing environment in Nigeria, SCMS has received quick customs clearance of all inbound consignments through a US Embassy clearance facility. The loss of diplomatic clearance would significantly increase the time and risk involved in customs clearance.

*Emergency Orders and Stockouts:*

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Three countries continue to face challenges with stock levels for key HIV/AIDS commodities including ARVs, lab commodities and test kits.

#### **Zambia:**

Zambia continues to experience significant challenges with stock levels below minimum and stockouts at Medical Stores Limited (MSL)

#### **ARVs:**

- **Abacavir/Lamivudine 60/30mg-** MSL is overstocked of this pediatric ARV as the result of low uptake due to slow implementation of the 2013 pediatric treatment guidelines. SCMS and MOH are monitoring the stock to avert wastage through expiry.
- **Efavirenz 600mg-** Stock out occurred at MSL in January 2015. An SCMS shipment of 4.1 months of stock (MOS) arrived in February 2015. Per MOH directive, this product is being phased out of use in Zambia in favor of the triple fixed dose combination.
- **Nevirapine Suspension (10mg/ml)-** MSL stocks were below the minimum recommended level in January and February 2015 due to delayed UNDP shipments. SCMS placed an unplanned order to alleviate the situation, but this shipment encountered vendor delays. An SCMS shipment of 4 MOS was delivered in March

#### **OIs:**

In addition to an emergency order placed for several essential medicines, stock shortages of co-trimoxazole continue to be a challenge in Zambia. Both co-trimoxazole 480mg and suspension remained below the minimum recommended level at MSL throughout the entire reporting period. Storage space constraints have led to the use of a UPS warehouse for overflow storage. Although this secondary storage location has co-trimoxazole in stock, there are challenges with transfer of stock between the two locations resulting in low levels of stock immediately available for distribution at MSL.

**Labs:** Three lab products experienced stockouts at MSL in this reporting period, including:

- **Plain Vacutainer (red top)-** This product stocked out in November 2014 due to expiry. An SCMS shipment of 10 MOS scheduled for delivery in March has yet to be delivered.
- **Cobas Integra 400 AST/GOT 500 tests-** This product stocked out in November 2014 as the result of a delayed SCMS shipment of 4.2 MOS. The SCMS shipment has yet to be delivered and a UNDP shipment initially planned for November is also delayed.
- **ABX Minolyse-** This product stocked out at the central level in November 2014 because a shipment that was received at MSL but was rejected by MOH due to a short shelf life. The situation was compounded as a shipment with longer shelf life is being held by the vendor until there is adequate space available at MSL to stock the product.

#### **Uganda:**

- **Overstock:** Joint Medical Stores (JMS) and National Medical Stores (NMS) both have an overstock of Nevirapine 50 mg tablets. This product was procured by the GF program in line with the new pediatric ART guidelines, but due to delay in their rollout, the uptake of this product has been low. The commodity security group recommended that the NVP 200 mg tablet orders from facilities be substituted with the equivalent 50 mg tablets to avoid

wastage.

- *Stock Outs:* Fixed-dose Tenofovir 300 mg/Lamivudine 300 mg/Efavirenz 600 mg stocked out at NMS due to higher-than estimated consumption and delay in delivery by Global Fund (GF). SCMS is working with MOH to redistribute stock among facilities. Determine RTKs also stocked out at NMS. The Commodity Security Group, made up of donors and the government, requested that GF expedite shipment, and three months of stock arrived in February to alleviate the stock out situation.
- *Emergency Orders:* In FY15 Q2, Uganda placed two emergency orders for Lopinavir/Ritonavir 200/50mg, Lopinavir/Ritonavir 100/25mg, Atazanavir/Ritonavir 300/100mg, Nevirapine 200mg. These orders were placed to replenish stock at JMS after transfers of PEPFAR stock to NMS to fill gaps in the public sector and avert potential stock outs.

**Panama:**

Panama continues to experience chronic stockouts of several ARVs due to the Ministry of Health’s (MOH) lengthy administrative and approval process for orders. Between October 2014 and March 2015, Panama experienced stock outs of Tenofovir/Emtricitabine 300 mg/200 mg, Raltegravir 400 mg, Lamivudine 10 mg/ml, Lopinavir/Ritonavir 200/50 mg, and Efavirenz/Emtricitabine/Tenofovir. The MOH has yet to approve the emergency orders recommended by SCMS.

**Key issues**

Update on key issues and corrective actions			
Key issues	Corrective actions	Progress	Quarter identified
PQs in Democratic Republic of the Congo (DRC) and NFOs have been late, leading to issues with country-specific PQ turnaround time.	Work with relevant procurement teams to conduct root-cause analysis and identify corrective and preventative actions.	DRC: Complete  NFOs: The process is slightly different than for FOs. Consent or funds are needed before approving/sending a PQ. PQs are processed as best as possible, but the process often stalls while awaiting consent or funds.	FY14 Q4
Mylan vendor on-time delivery (VOTD) has been delayed.	Discuss next steps through continuous discussions with Mylan.	Mylan continues to have performance issues. During the quarter an order for \$1.8 million was canceled and placed with Hetero as a result of delays and inconsistent communication.  SCMS is in continuous discussions with Mylan, which has hired additional staff to support PFSCM requests.	FY15 Q1

Field office delays in sending PQ for client signature impacts HIV RTK PQ turnaround time performance	Re-emphasize the 14 day turnaround timetable HRDT PQs	To be updated in FY15 Q3	FY15 Q2
VMMC kit and commodity forecasting is weak leading to high percentages of unplanned orders	Work with top VMMC countries to improve forecasting	To be updated in FY15 Q3	FY15 Q2

**Key risks**

- Vendor supply issues of Lopinavir/Ritonavir and Atazanavir/Ritonavir pose the continued risk of stock shortages and stockouts. SCMS has yet to have challenges fulfilling the required quantities for clients and will continued monitoring and rationing at a global level with information being regularly communicated to FOs that use these products.
- There is a risk of an increase of unplanned and emergency orders as the project heads towards its last deliveries. As planned orders were placed with the last delivery milestone of June 2015 were intended to provide stock until the end of the year, there is a high probability that ARV orders between the time period of July and December will be unplanned or emergencies.

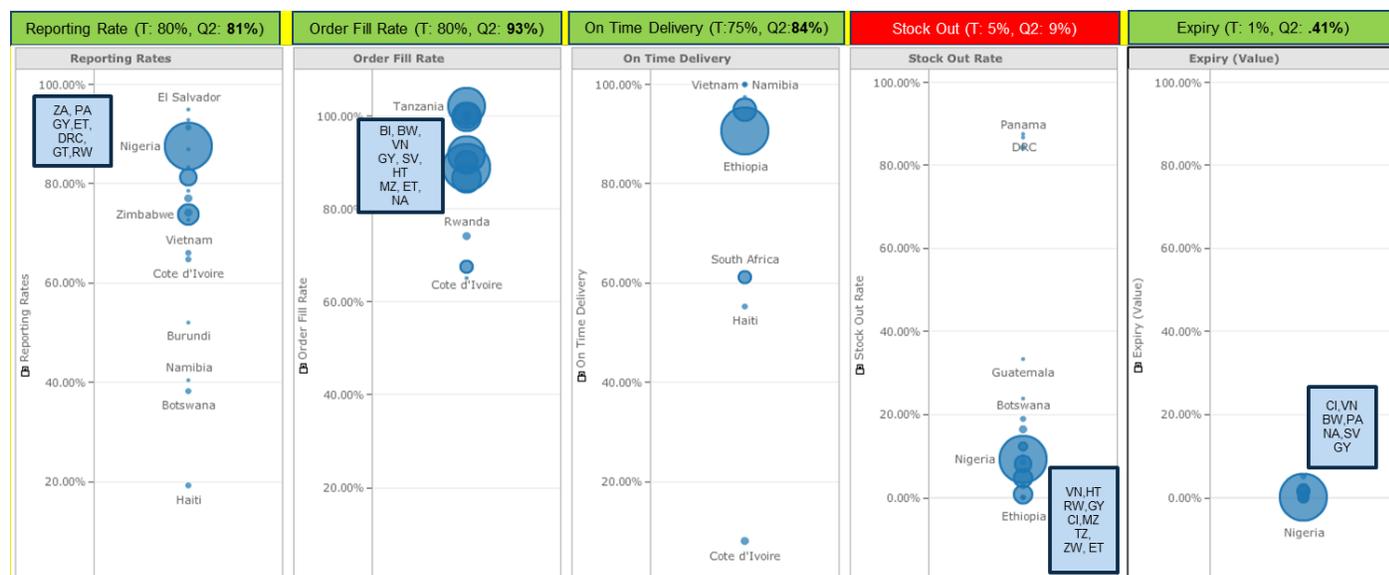
## Goal 2: Strengthen systems

Strengthen supply chains to increase access to quality HIV/AIDS commodities.

### Performance

In FY15 Q2, performance met or exceeded targets for four of the five in-country supply chain performance metrics.

The only measure outside of its target is stockout rates, at 9 percent. Two countries, Panama and DRC, experienced high stockout rates, although in both countries, the number of facilities in question is limited. Stockouts in Panama are a chronic issue resulting from bureaucratic challenges in placing procurements. Stockouts in DRC, the result of a communication breakdown between the SCMS field office and the RDC, are anticipated to be a one-time occurrence rather than a chronic issue.



\*This graphic displays scores for the measures of in-country (supported sites) performance for five key metrics, facility reporting rates, order fill rate, on-time delivery, stock out rates and expiry. The scores are disaggregated, with each bubble representing a specific countries performance for the measure.

### Capacity and Capability

SCMS met two of the four measures gauging in-country capacity and capability. Progress in country ownership of forecasting and supply planning has been slow and inconsistent, although performance is up 50 percent from when this measure was first reported. Country ownership and skill levels of this supply chain function continue to pose a risk.

The percentage of people trained and deemed competent continues to exceed its target. Of note, on-the-job (OTJ) training is on the rise, especially in Tanzania, where OTJ training was conducted with 2,185 people during the quarter.

Objective	Measure	Target (Interim)	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2
2.1 Capacity and Capability	2.1.1a Strategic Plans	50%	42%		47%	
	2.1.1b FASP Country Ownership	75%	61%		60%	
	2.1.1c SOPs	80%	85%		87%	
	2.1.2 Competency	80%	77%	85%	87%	85%
	2.1.3 Supply Chain Assessment: CMM Score	60%	NSCAs in Mozambique and Nigeria are in discussion with country counterparts prior to publication.			
2.2 Performance	2.2.1 Supply Chain Performance: In-Country					
	2.2.1a Facility Reporting Rates	80%	76%	79%	81%	81%
	2.2.2b Expiry	1%	1%	0.26%	0.36%	0.41%
	2.2.2c On-Time Delivery	75%	90%	87%	91%	84%
	2.2.2d Stockout Rate	5%	6%	6%	8%	9%
	2.2.2e Order Fill Rate	80%	72%	80%	74%	93%
	2.2.2 Supply Chain Assessment: KPI Score <sup>4</sup>	60%	NSCAs in Mozambique and Nigeria are in discussion with country counterparts prior to publication.			

## Key results and challenges

- In Nigeria, permits were received in January for the warehouse-in-a-box (WiB) in Abuja. Construction began in March, marked by a groundbreaking ceremony. Despite this success, the Government of Nigeria has not issued SCMS the building permit needed for the Oshodi/Lagos WiB. Because of the recent national elections in Nigeria, this delay is likely to continue.
- In Q2 2015, several MIS projects are in progress:
  - In Côte d'Ivoire, the Sage V6.5 upgrade was deployed. SCMS undertook this project with the central medical store, Nouvelle Pharmacie de Santé Publique (NPSP), with NPSP funding licenses and software development and SCMS funding technical support. Upgrading the existing Sage system was the most cost-effective approach to improving data quality and supporting business operations. Sage V6.5 provides more functionality and capability for sales order management, procurement planning, warehouse management, and financial accounting.
  - In Mozambique, system integration testing is nearly complete for the Central Tool, a data aggregation platform; SIMAM, the logistics management information system (LMIS); and MACS, the warehouse management system. The annual stock count at Mozambique's central medical store, Central de Medicamentos e Artigos Medicos

<sup>4</sup> KPI score here reflects only stock-related KPIs, including stockout rates, stocked according to plan, and stock accuracy.

(CMAM) was conducted, and incorporated into MACS for integration testing. SCMS and CMAM are planning to roll out the integrated system, which will help ensure data consistency, quality, and standardization.

- In Rwanda, development began of a drug coding governance structure and registration process for all pharmaceutical and laboratory products. The governance structure will assign unique identifiers and establish a centralized point for registering. It will also track all medical products from procurement through delivery to the final destination.
- In Botswana, the MOH Permanent Secretary wrote a formal letter to Botswana Couriers & Logistics, the third-party contractor managing warehousing and distribution of health commodities, notifying the company of its nonperformance. The reply from the contractor did not properly address concerns raised. The Permanent Secretary asked the CMS and SCMS to draft his response.
- In Haiti, the first harmonized distribution of HIV/AIDS and family planning commodities was completed. A total 257 sites received 282 types of products worth about \$2.8 million.
- In Nigeria, to increase the pool of certified supply chain management trainers, we conducted a supply chain management training-of-trainers (TOT) program for 22 participants from the Government of Nigeria and other stakeholders, including lecturers from schools of pharmacy, health technology staff, and Institute of Public Health staff.

## Key issues

Update on key issues and corrective actions			
Key issues	Corrective actions	Progress	Quarter identified
Data access issues hinder the in-country implementation of regimen changes.	Implement data mapping pilot. Engage COR team.	Survey has been deployed to determine which countries have data that could be used for these analyses. Pilot analyses conducted in Q2 FY15.	FY14 Q1
MOH has not prioritized leadership of supply chain activities in Haiti (HT)	Work with champions in MOH/CMAM to develop, change, and transfer skills	Quantification training is scheduled with an STTA for July	FY13 Q3
Country ownership of forecasting and supply planning is lacking in multiple countries due to inadequate staffing and insufficient MOH commitment.	Continue to advocate for creating a Logistics Management Unit (LMU) and supply chain champions among counterparts.  Work with human resource capacity development (HRCDD) technical working group (TWG) to identify additional activities to drive and increase ownership.	Review analysis of country LMU status  Survey results currently being analyzed	FY13 Q4

Nigeria unification project expansion into Phase 5 remote facilities has resulted in increased stockouts.	Monitor performance regularly to identify and mitigate issues.	Complete	FY14 Q4
Reporting systems in Tanzania (TZ) and Haiti continues to experience challenges.	Examine TZ and commercial models to gain best practices and apply to updating CI reporting cycle with delivery cycle.  Redesign the system in Haiti.	Tanzania: In progress  Haiti: Completed. With the move to the new warehouse location and the appointment of 3PL providers the Haiti distribution cycle has now been changed to bi-monthly and is therefore more closely aligned to the reporting cycle. This will be reviewed after two full cycles to see if further alignment is required and is feasible given the resources available.	FY15 Q1
Challenges in facility management and LMIS analysis have caused stockouts in DRC and Nigeria (NG).	DRC: Review FO procedures and train staff.  NG: Work with state Logistics Management Coordinating Unit (LMCU) to identify poor-performing facilities for targeted mentoring and capacity building.	DRC: Training was completed in FY15Q2  NG: Continued work with LMCU in progress	FY15 Q1
Stockouts in Haiti and Rwanda (and low stock levels in Ethiopia) caused by Atazanavir API shortage	Careful monitoring and rationing at a global level with information being regularly communicated to FOs that use these products so that order adjustments can be made and countries can manage the downstream supply, rationing as required	To be updated in FY15 Q3	FY15 Q2
Low ownership of forecasting and supply planning due to low traction/motivation	Analyze collected Quantification and Supply Planning Country Surveys to document lessons learned in country ownership	To be updated in FY15 Q3	FY15 Q2
Stockouts in Namibia due to poor supply planning and procurement process coupled with late delivery from suppliers	Build into new LMU formal supply planning and monitoring processes	To be updated in FY15 Q3	FY15 Q2

## Key risks

- Host-country government staff retention is challenging, creating the risk of declining supply chain performance in the interim period while new staff are trained. SCMS will work with governments to institutionalize training programs and TOT, increasing government ownership and capacity.
- Health workers' national strike activities may affect deliveries to health facilities in Nigeria.

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The field office (FO) is using adjusted historical consumption to inform resupply to these facilities when LMIS data is not available.

- A fire at the Nigeria LDC warehouse could affect next quarter's stock availability. SCMS is working with National Agency for the Control of AIDS to anticipate and reduce the impact of stockouts..
- The in-country counterpart has a low capacity for forecasting and supply planning, presenting a risk to continued routine best-practice forecasts after SCMS ends. SCMS plans to transition this supporting function to the new contractor.

## Goal 3: Leadership and partnership

Collaborate with key constituencies to strengthen health supply chains and encourage best-practice adoption.

Objective	Measure	Target	FY14	FY15 to date
3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism	80% (interim)	92%	100%
	3.1.2 Number of CPP Country-at-Risk Schedule Submissions Per Year	4 (annual)	5	3
3.2 Knowledge Exchange	3.2.1 Publishing	6 (annual)	9	3
	3.2.2 Presentations	20 (annual)	20	18

### Key results and challenges

- SCMS attended the Joint WHO/UNAIDS ARV forecasting meeting with manufacturers, held in Geneva March 19 and 20. Our data was used in the global forecasts of ARV demand. We also presented on pediatric ARV demand patterns, specifically, the Interagency Task Team (IATT) Optimal List, and chaired one session of the meeting. For the first time, the meeting also addressed demand for particular formulations, not just drugs and the required API. Forecasts of API and formulation requirements for ART programs for 2015–2016 in MLICs were presented to participants from international pharmaceutical manufacturers and UN agencies and funding organizations. These forecasts highlighted the virtual elimination of Stavudine products and the continued growth of Tenofovir formulations over Zidovudine- containing ARVs, in line with WHO treatment recommendations. Data from quantifications in SCMS countries contributed to the forecasting assumptions. The forecasts were premised on growth in the ARV therapy patient population from 13.7 million in 2014 to 19 million in 2016.
- We began meetings with USAID, CHAI, and the Centers for Disease Control and Prevention (CDC) to discuss releasing ForLab into the public domain as open-source software. Upcoming action items include transferring the source code from CHAI, establishing a server host, developing a long-term management and project plan, and forming a technical working group. ForLab software updates will likely be guided by the TWG and executed by a third-party contractor that SCMS oversees. Once the project plan is completed, a funding concurrence memo will be submitted to USAID for supplemental funding.
- We held the February bimonthly meeting of the CPP. In-depth reviews were made of the ARV supply position in Botswana, Cameroon, Namibia, and Swaziland. A common factor identified was failure or delay of government funding or procurement management systems to ensure prompt product availability. The Togo “emergency” ARV shortage reported in ...month.... abated, and use of the ECF is now unlikely.
- We hosted the first-ever WHO Technical Working Group on HIV Diagnostic Global Demand

Forecast, organized in the context of the Diagnostic Access Initiative, for which one of the pillars is forecasting HIV diagnostics. The purpose of the meeting was to exchange information on procurement and forecast data for CD4, viral load, and early infant diagnosis reagents and HIV rapid diagnostic tests; discuss methodologies, data limitations, scenarios, assumptions and policy guidelines used to model forecasts; and agree on next steps to prepare for the April diagnostic manufacturers meeting. The TWG meeting was attended by 25 people from a variety of organizations, including Avenir Health, CDC, CHAI, Global Scientific Solutions for Health, SCMS, UNICEF, USAID, and WHO.

**Key issues**

Update on key Issues and corrective actions			
Key Issues	Corrective actions	Progress	Quarter identified

**Key risks**

- N/A

## Goal 4: Operational excellence

Operate an organization that provides best-value supply chain and systems strengthening services.

For the sixth quarter in a row, SCMS met or exceeded the performance targets for all measures, except the percentage of technical assistance (TA) trips processed three or more weeks before travel. This measure continues to be below target, falling back to 52 percent in FY15 Q2.

Note that a client satisfaction survey was not conducted in the first two quarters of FY15. The PMU is engaging with internal partners to conduct a SCMS closeout Customer Satisfaction Survey across all countries.

Objective	Measure	Target	FY14 Q3	FY14 Q4	FY15 Q1	FY15 Q2
4.1 Cost Effective	4.1.1a Cost Effective: RDC Expiry and BRC Reporting	Expiry RDC stock: $\leq 3\%$	0.39%	0.15%	0.42%	0.19%
		BRC reporting rate: 4	FY14: 4		FY15 to Date: 1	
	4.1.1b Cost Effective: Surcharge	$\leq 5\%$	LOP: 3.86%			
	4.1.1c Cost Effective: ACF	$\leq 12\%$	LOP: 9.92%			
	4.1.2 ARV Price Comparison: SCMS versus GPRM	70%	FY14: 83%		Annual measure	
	4.1.3 Ocean Freight: Percentage of All Freight	$\geq 50\%$	81%	63%	66%	80%
4.2 Best Value	4.2.1 Client Satisfaction: Products Ordered/Received and Technical Assistance	Products ordered/received: 85%	Not Available			
		Technical assistance: 85%	Not Available			
4.3 Continuous Improvement	4.3.1a Annual Partner Operational Review	100%	FY14: 100%		Annual measure	
	4.3.1b Percent of TA Trips Processed On Time	80%	67%	69%	58%	52%
	4.3.2 Core Systems Uptime: Potential versus Actual	Orion: $\geq 95\%$	99.3%	99.9%	100%	99.3%
KT: $\geq 95\%$		99.8%	100%	100%	99.8%	

### Key results and challenges

- Shipment of VMMC kits was switched from reefer to dry containers to yield cost savings. Our Quality Assurance Unit concluded that kit contents showed no degradation over a two-month period in which kits were subjected to temperatures above 40°C. This is the maximum temperature kits would be transported in a container on any SCMS lane, from loading at the vendor through unloading at the destination-country warehouse. Based on this evidence, SCMS has discontinued the exclusive use of reefer containers for shipping VMMC kits in favor of dry containers, which is expected to save \$2,500 per 40-foot container.
- In Ethiopia, storage capacity issues were addressed, reducing the backlog of product stored in the storage container yard awaiting delivery at Pharmaceuticals Fund and Supply Agency (PFSA). PFSA had considered the Addis Ababa container holding yard as an SCMS product holding area (warehouse) and thus resisted receiving the shipments until commodities were

needed for distribution. However, the change of PFSA management and progress made toward finalizing the soon-to-be-implemented service-level agreement helped encourage PFSA to receive the containers and distribute the commodities.

- The percentage of TA trips processed within the three-week window is still a challenge. Performance continues to fluctuate, with 75 percent of trips achieving the target in February but only 29 percent in March. In FY15 Q2, 8 TA trips were processed with less than three weeks’ lead time. Myanmar and Burma each accounted for three trips processed with less than three weeks’ lead time. Only one of the delays were for an “unacceptable” reason, due to insufficient planning, while the other seven were attributed to a variety of acceptable reasons, including:
  - One human resourcing challenge
  - One ad hoc COR request
  - Two ad hoc Mission requests
  - Three ad hoc MOH requests

## Key issues

Update on key issues and corrective actions			
Key issues	Corrective actions	Progress	Quarter introduced
A shortage of warehouse space at high-ocean-volume destinations, such as Ethiopia and Zambia, has negatively affected ocean tonnage, even though containers are in Addis Ababa and available for delivery. Also, customs issues in Kenya delayed shipping of several ocean containers that are currently on the water.	The Ethiopia and Zambia field offices are working with PFSA and Medical Stores Limited, respectively, to arrange delivery space on an ongoing basis.	The storage situation in Ethiopia has been resolved.  The issue is ongoing in Zambia. The Zambia field office will continue to work with Medical Stores Limited to move product from the overflow storage site to the main CMS warehouse.	FY14 Q4
Overall on-time processing of travel requests is declining, well under the target of 80% of TAs processed on-time.	Meet with management to determine appropriate actions to address ETJ causes.	To be updated in FY15 Q3	FY15 Q2

## Key risks

- N/A

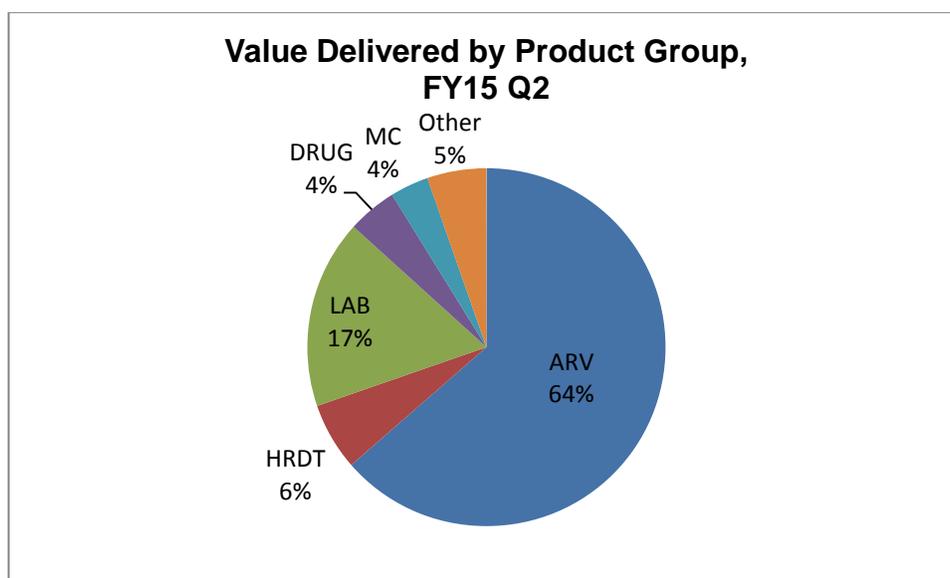
# Appendix 1: Key Quarterly Statistics

## I. Value Delivered

In FY15 Q2, SCMS delivered \$126.3 million in commodities to our clients, including \$80.3 million in ARVs and \$21.5 million in lab products.

	Value delivered		
	FY15 Q2	FY15 to date	Life of project
ARV	\$ 80,320,939	\$ 128,426,620	\$ 1,320,790,410
HRDT	\$ 7,696,081	\$ 12,202,044	\$ 207,419,180
Lab	\$ 21,546,110	\$ 48,656,196	\$ 456,121,898
Drug	\$ 5,614,344	\$ 10,131,205	\$ 98,775,654
Antimalarial	\$ 37,401	\$ 63,081	\$ 1,169,230
Family planning	\$ 1,793,910	\$ 4,749,527	\$ 27,800,652
Male circumcision	\$ 4,392,778	\$ 14,566,675	\$ 61,594,289
Other	\$ 4,923,067	\$ 10,593,359	\$ 69,039,577
Grand total	\$ 126,324,630	\$ 229,388,707	\$ 2,242,710,890

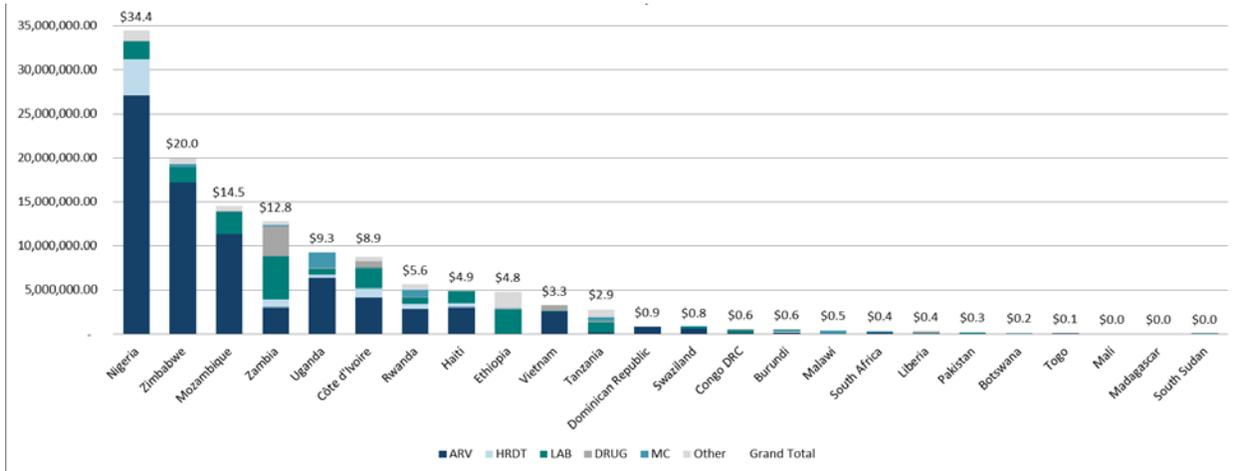
*\*This graph illustrates the value delivered by product category for the current quarter, fiscal year to date, and life of project.*



*\*This graph illustrates the percentage of value delivered by product category for the current quarter. The "other" category includes anti-malarials, food by prescription, and other.*

Nigeria accounted for the largest portion of the value delivered, with \$34.4 million of the \$126.3 million total for FY14 Q4. Five countries, including Nigeria, Zimbabwe, Mozambique, Zambia, and Uganda, accounted for 72 percent of the value delivered.

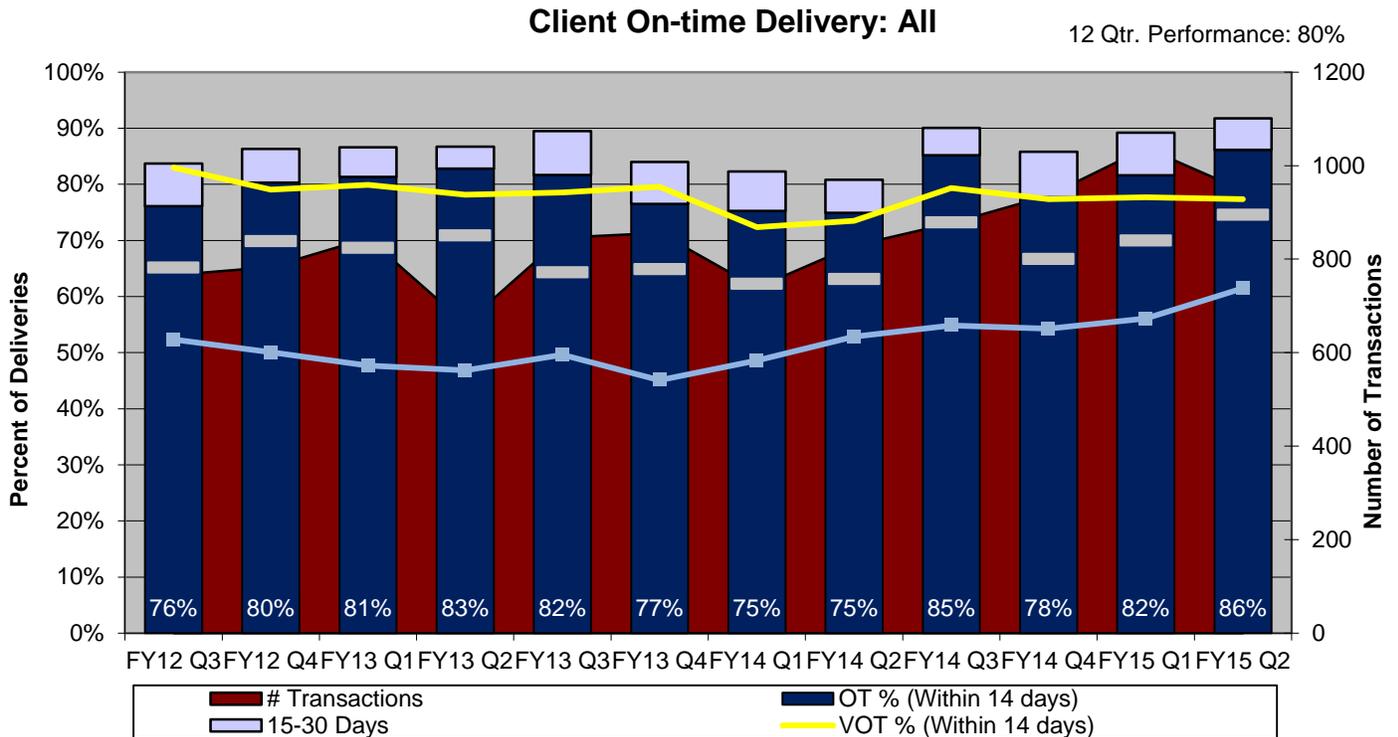
## Value Delivered by Country, FY15 Q2



\*This graph illustrates the value delivered by country for the current quarter. Each color indicates a product category, which is detailed in the legend. Countries receiving less than \$50,000 of deliveries during the quarter are not included in the graph.

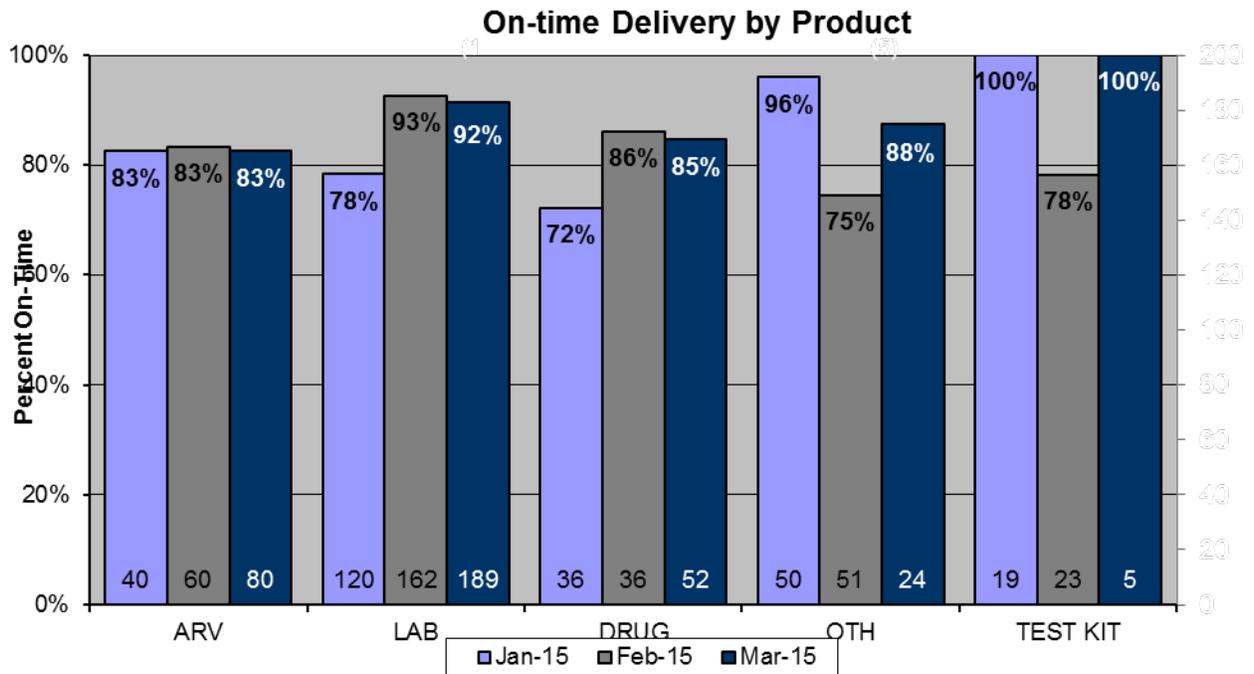
## II. On-time Delivery: All Products

On-time delivery increased to 86 percent in FY15 Q2, a record-high quarterly performance for SCMS.



\*This graph illustrates client on-time delivery for all product categories by month for the past 12 months. As the legend shows, the dark blue indicates the percentage of deliveries that met the OTD target; the light blue highlights the additional percentage of those that were delivered within 15 to 30 days of target; the red background illustrates the number of deliveries per month, labeled on the right axis; and the yellow trend line illustrates the VOTD rate for each month.

OTD by product category was high for all product groups, with each averaging 80 percent or higher for the quarter. Labs achieved high levels of OTD, 93 percent and 92 percent, during the quarter because of performance improvement of FO-managed procurements.

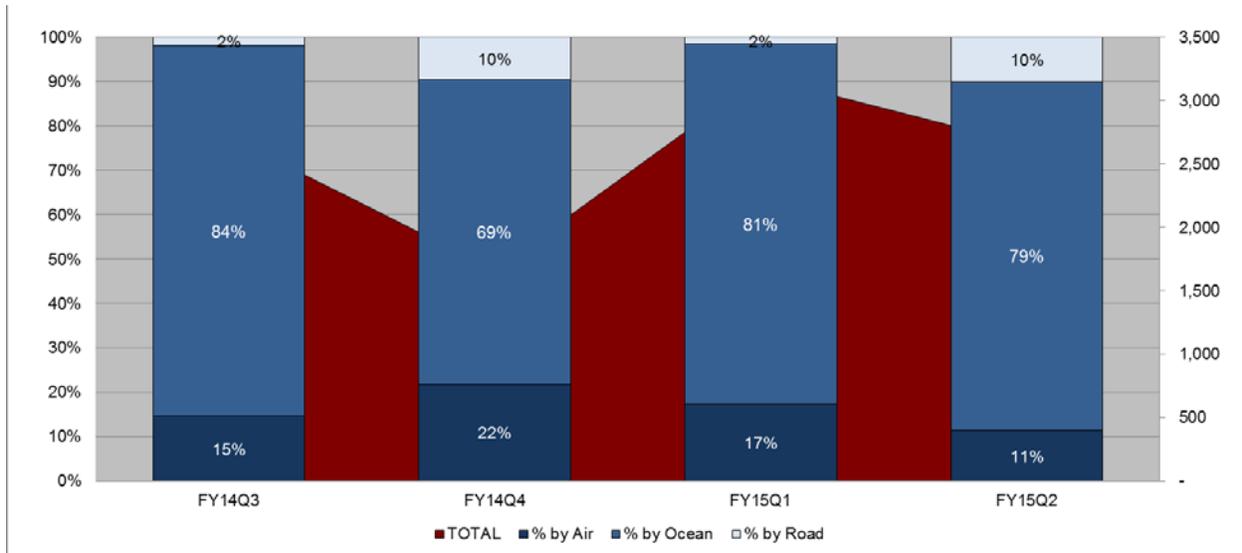


*\*This graph illustrates OTD by product category for each month of the quarter. The number at the bottom of each bar represents the number of shipments.*

### III. Freight

Ocean freight continues to make up most of the SCMS shipment tonnage. In FY15 Q2, ocean freight accounted for 79 percent of tonnage, continuing the trend of being above the 50 percent target.

**Ocean Freight: Percentage of All Freight**



*\*This graph illustrates the volume (tonnage) of shipments by each transportation method (air, ocean, and road) by quarter. Each color represents a different mode of transportation, which is detailed in the legend.*

### IV. Forward Orders

New Orders Placed January-March 2015	
<b>Grand Total</b>	\$73.1 Million
<b>Direct Drop Total</b>	\$49.9 Million
<b>RDC Stock Total</b>	\$23.2 Million
<b>Product Categories</b>	
ARV	\$30.0 Million
DRUG	\$6.0 Million
Test Kits	\$4.7 Million
Lab	\$27.8 Million
MC	\$2.8 Million
Other	\$1.8 Million

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## **Appendix 2. Measure Specific Performance**

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Measure-specific performance updates will be provided in a separate attachment each quarter, sent at the same time as this report.

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## **Appendix 3. Progress Against the Workplan**

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Project-wide workplan progress updates will be provided in a separate attachment each quarter, sent at the same time as this report.

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## **Appendix 4. Quarterly Financial Reports**

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In view of the confidential nature of the financial details, this information will be provided under cover of a separate email, sent at the same time as this report.

## Appendix 5. Risk Matrix

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
<b>FY13</b>								
1	Q3	1.2.1 SCMS Related Stockouts	Stock levels drop below required level; could lead to stockouts.	Medium	High	Mitigate	Provide quarterly updates of supply plans to monitor stock levels.	Chris Larson Robert Burn
2	Q3	2.1.1 Country Ownership	Current SCMS responsibilities must be transitioned to countries effectively.	Medium	High	Mitigate	Advocate for accountability with withdrawal strategy.	Erin Hasselberg
4	Q3	3.1.2 Number of CPP At-Risk Schedule Submissions	External (countries/ CPP members providing data and information).	Medium	Medium	Mitigate	Provide ongoing consultation on CPP value.	Dominique Zwinkels
5	Q3	4.1.1b Cost Effective: Surcharge	Surcharge does not remain within target due to low sales volume or disproportionate operating costs.	Medium	High	Mitigate	Increase volume of commodity sales and/or decrease operating costs.	Delphine Johnson
6	Q3	4.1.1c Cost Effective: ACF	ACF does not remain within target due to lower-than-expected country budgets or higher operating costs.	Medium	High	Mitigate	Maintain country activities according to extension budget or decrease operating costs.	Delphine Johnson
7	Q3	4.1.3 Ocean Freight Percentage of All Freight	Lack of supply planning and emergency orders can limit the use of ocean freight.	Medium	High	Avoid	Monitor supply plans against actual orders to see if lack of compliance resulted in use of premium air transportation.	Freight and Logistics (F&L), Demand Planning
8	Q4	1.2.2a OTD: Core Products	Low VOTD affects overall country OTD (ARVs and essential medicines).	High	High	Mitigate	Continue implementing vendor management.	Ard Van Dongen/ Henk den Besten

FY14								
1	Q2	1.2.2a OTD: Core Products	ARVs: Poor VOTD is caused by API restrictions, resulting in decreased client on-time delivery (COTD).	High	Medium	Mitigate	Carefully allocate available stock, with reporting, meetings, monitoring, and sharing of available stock.	Chris Larson Burt Van Wijk
3	Q2	4.1.1a RDC Expiry and BRC Reporting	Overrun against BRC revenue.	High	Medium	Mitigate	Reroute VMMC, minimize air-in, monitor.	Delphine Johnson
4	Q2	4.1.1a RDC Expiry and BRC Reporting	Expiry leads to stock loss.	Low	Medium	Refine inventory strategies	Review safety stock levels for at-risk items.	Chris Larson
5	Q3	1.2.2a OTD: Core Products	Transition of SCMS to Global Health Supply Chain (GHSC) can disrupt the supply chain.	High	High	Mitigate	Conduct scenario planning.	Steve Patras
6	Q3	1.2.2a OTD: Core Products	Import waiver processing time.	Medium	High	Mitigate	Freight and Logistics to provide regular updates to its lead time matrix so buyers can provide clients with accurate lead time.	Laura Thomas Gary Carle
7	Q3	1.4.1 Planned, Unplanned, and Emergency Orders	Adequate stock must be maintained during transition to GHSC.	Medium	High	Mitigate	Work with countries in ensuring supply plans are in place to understand demand through the transition period.	Chris Larson
8	Q3	2.1.2 Training and Competency	Staff turnover affects capacity-strengthening activities.	Medium	Medium	Mitigate	HRCD TWG will review knowledge management options to address staff turnover and knowledge and skills transfer.	Cheryl Mayo
9	Q3	2.1.2 Training and Competency	OJT/supervision competency standard is lacking, as is the ability to determine performance impact.	Medium	Medium	Mitigate	HRCD TWG will provide complementary activities to support OJT, supervision, and competency mapping.	Cheryl Mayo

10	Q4	1.2.2a OTD: Core Products	Supply of Lopinavir/Ritonavir must be monitored as demand increases and generics lose interest.	High	High	Mitigate	Initiate meetings with AbbVie and generic manufacturers and develop a strategy.	Robert Staley Bert van Wijk
11	Q4	1.2.3b On-Time PQ Turnaround: HIV Test Kits	The PQ process is experiencing delays.	Medium	High	Mitigate	Work with FO and NFO countries to reduce the likelihood of delays after a PQ is submitted for internal approval.	Laura Thomas Irma Karsten Cyril Mabingo
12	Q4	1.2.4 Forecast Accuracy	Future changes in program implementation to address 90-90-90 strategy and WHO's planned review of its current guidelines (2015) will likely affect the validity of current forecast assumptions.	High	High	Mitigate	Initiate conversations with MOH counterparts to address 90-90-90 scale-up and anticipated WHO regimen transitions by June 30, 2015.	Robert Burn
13	Q4	2.1.1 Country Ownership	FASP will be at low capacity after SCMS ends.	Medium	High	Transfer	Transition to the new contractor.	Greg Miles
14	Q4	3.1.1 Coordinated Procurement Mechanism	Zimbabwe MOH funding gaps while continuing to add new patients might contribute to future stockouts.	High	High	Mitigate	Continue to advocate through USAID/ Zimbabwe.	Olya Duzey
<b>FY15</b>								
1	Q1	1.2.2a OTD: Core Products	Vendors have issues with Lopinavir/Ritonavir and Atazanavir/Ritonavir, affecting COTD.	High	High	Discussions with vendors	Mylan claims improvement plan to increase capacity from April for A/R. AbbVie (major for L/R) has increased lead times to 12–20 weeks, so currently cautious with demand fulfillment to serve all clients.	Natasha Chris Larson John Vivalo

2	Q1	2.2.1 Supply Chain Performance (SCMS-Supported)	Organization and management challenges of CMS in Zimbabwe and Tanzania, and BW outsourced contractor, has resulted in declining performance that could significantly affect inbound and outbound challenges.	Medium	High	Mitigate	Create risk profile and recommendations for country cases.	Alan Pringle and Diane Reynolds
3		1.2.2a On-Time Delivery: Core Products	Continued warehouse capacity problems in Zambia	High	Medium	Mitigate	Monitoring the problem closely to manage the deliveries and pace deliveries to allow for acceptance at destination	Gary Carle
4		1.2.2a On-Time Delivery: Core Products	Mistaken short lead times for direct drop shipments from vendors	Medium – Low	High	Mitigate	Discussion with vendors to standardize lead times for direct drop shipments	Juan Jaramillo
5		1.2.3c On-Time PQ Turnaround: VMMC Kits	Majority of new quotes are direct drops risks decrease performance	High	High	Mitigate	Monitor all orders and be in constant contact with vendors	Juan Jaramillo
6		2.2.1 Supply Chain Performance (SCMS Supported)	Burundi political unrest could disrupt supply chain	Medium	High	Mitigate	FO managing crisis operations plan, providing weekly status updates to manage risk	Olya Duzey
7		2.2.1 Supply Chain Performance (SCMS Supported)	National strike actions of health workers may affect deliveries in Nigeria	Medium	Medium	Mitigate	Use adjusted historical consumption to inform resupply for health facilities	Caroline Healey
8		2.2.1 Supply Chain Performance (SCMS Supported)	Fire in NG LDC warehouse could impact next quarter's availability of stock	Medium	High	Mitigate	Program to work with NACA to anticipate and reduce impact of stock outs	Caroline Healey
9		4.1.1a Cost Effective: RDC Expiry & BRC Reporting	Non-sale and possible expiry of PrePek	High	High	Mitigate	Work with USAID to locate consumers	Juan Jaramillo

Risks removed from risk matrix								
1	Q4	1.2.2a OTD: Core Products	An adequate number of vendors (essential medicines) is lacking.	High	High	Mitigate	Follow up with multiple vendors on request for proposal.	Chryste Best Henk den Besten
2	Q4	1.2.2a OTD: Core Products	Demand is increasing for Tenofovir 3 fixed-dose combination.	High	High	Mitigate	Align voluntary pooled procurement and SCMS strategy to balance supply and demand.	Ard van Dongen
3	Q4	2.2.1 Supply Chain Performance (SCMS Supported)	Increasing the number of SCMS-supported sites could affect performance (Mozambique, Nigeria, and Zimbabwe).	High	High	Observe	Accept.	N/A
4	Q3	3.1.2 Number of CPP At-Risk Schedule Submissions	External (Steering Committee decisions).	Low	Medium	Accept	Consult often with Steering Committee members.	Dominique Zwinkels
5	Q3	4.3.1b Operational Performance Management: TA Processed On Time	ETJ becomes a routine travel request process.	High	Low	Avoid	Signatories need to do root cause analysis at time of receipt.	Deputy Director
6	Q1	1.2.2a OTD: Core Products	The new regimen transition brings more unplanned and emergency orders for ARVs.	High	High	Mitigate	Manage expectations closely with customers and field offices.	Inventory Manager and POM at PPU
7	Q1	1.2.4 Forecast Accuracy	Forecast accuracy declines as June 2013 WHO Treatment Guidelines are adopted.	High	High	Mitigate	Provide guidelines to field offices on data, target setting, scheduling, and frequency of forecasting.	DPIM Unit
8	Q3	1.2.2b OTD: Non-Core Products	DRC delivery continues to be a challenge due to import delays and local supplier OTD.	High	Medium	Mitigate	Complete final stages of setting up indefinite quantity contracts and service-level contracts with large local suppliers.	Peter Smith

9	Q3	2.2.1 Supply Chain Performance (SCMS Supported)	Low order fulfillment and potential stockouts are associated with limitations on imported ARVs by the Tanzania FDA.	Medium	High	Mitigate	Currently resolved; SCMS is testing commodities to Tanzania FDA's satisfaction. Monitoring continues.	Tom Layloff
10	Q3	2.2.1 Supply Chain Performance (SCMS Supported)	Greater coordination with PPM is needed to avoid low order fulfillment in Tanzania.	High	High	Mitigate	Streamline SCMS and PPM communication so we can communicate promptly with stakeholders.	Caroline Healey
11	Q4	4.1.1a Cost Effective: Expiry and BRC Reporting	Expiry produces stock loss.	Medium	Low	Mitigate	Actively work to place short-dated stocks with clients who can use them in normal order flow. Actively pursue donation options from RDCs for short-dated stocks.	Chris Larson
12	Q1	2.2.1 Supply Chain Performance (SCMS Supported)	Transition to new regimens in absence of integrated supply chain planning could disrupt stock availability in countries.	Medium	Medium	Mitigate	SCMS Project Management Office to draft updated transition guidance and request advocacy with WHO from COR/Office of the US Global AIDS Coordinator.	Alan Pringle Robert Burn
13	Q3	3.2.2 Presentations	Opportunities for external presentations are reduced.	Medium	Medium	Mitigate	Ensure SCMS is aware of appropriate events where we could add value.	Samantha Salcedo David Jamieson
14	Q4	1.2.2a OTD: Core Products	VMMC deliveries continue to be late during the transition to new warehouses.	Medium	High	Mitigate	Increase communication with new facilities and revise facility SOPs.	Juan Jaramillo

18	Q4	2.1.3 Supply Chain Assessment: CMM	The appropriate number of sites must be determined.	High	High	Engage a sampling expert to evaluate methodology	Develop multiple sampling methods relevant to context.	Diane Reynolds Kate Bartram
19	Q2	2.1.2 Training and Competency	As larger systems roll out (eLMIS, Cdl decentralization), more people with diverse profiles will be trained.	Medium	Medium	Mitigate	HRCD TWG will review (June 2014) approach and identify complementary activities (supervision, mentoring) to increase competency.	HRCD Principal Advisor
20	Q2	1.2.2a OTD: Core Products	New Global Fund ARV tender.	High	High	Mitigate	Monitor and review procurement strategy.	Steve Patras
21	Q2	2.2.1 Supply Chain Performance (SCMS in-country)	Haiti's transition to a new system, DHIS2, and transition of data reporting ownership to PNLAs present performance challenges.	High	High	Mitigate	Implement incentive strategy to ensure timely reports.  Advocate for more PNLAs within networks that currently have 15+ sites.	Alan Pringle
22	Q2	2.2.1 Supply Chain Performance (SCMS Supported)	Countries with low performance management maturity risk low performance scores.	Medium	Medium	Mitigate	Continue to work with field offices that have low performance management maturity.	Alan Pringle Doug Schlemmer
23	Q2	3.1.1 Coordinated Procurement Mechanism	Low levels of SCMS/pooled procurement mechanism (PPM) coordination could affect performance, particularly through transition.	High	High	Mitigate	Develop formal PFSCM interproject communication policy.	Rich Owens Stephanie Xueref Gordon Comstock Greg Miles
24	Q2	1.4.1 Planned, Unplanned, and Emergency Orders	Unplanned MC orders cannot be fulfilled by the requested date.	Medium	Medium	Mitigate	Continue working with countries to improve MC commodity planning.	Juan Jaramillo

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25	Q2	2.2.1 Supply Chain Performance (SCMS-Supported)	Expiring stock is not considered early enough to allow lead times for restock.	Medium	Medium	Mitigate	Issue guidance note to FO with expiry management guidance.	Robert Burn
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# Appendix 6. SCMS Performance Management Plan

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The SCMS quarterly performance report is based on the SCMS Performance Management Plan. Use the link below to access this reference document.



SCMS PMP FINAL  
December 2012