Quarterly Report

Appendix 2: Measure Specific Performance

FY15 Q2 January – March 2015

May 29, 2015

PFSCM's Quality Management System has been certified to ISO 9001:2008 Quality Management System Standard by UL DQS Inc.
Ref registration # 10012936.

Goal One: Access

SCMS Vision

Transforming health care delivery by ensuring that quality medicines reach people living with or affected by HIV and AIDS

SCMS Mission

We strengthen or establish secure, reliable, cost-effective and sustainable supply chains to meet the care and treatment needs of people living with or affected by HIV and AIDS. In collaboration with in-country and international partners we will:

- Deploy innovative solutions to assist programs to enhance their supply chain capacity
- Ensure accurate supply chain information is collected, shared and used
- Provide quality, best value, health care products to those who need them

Access
Provide quality HIV/AIDS commodities efficiently and effectively

- **Security** Manage a secure supply chain
  - 1. Product Loss
- **Reliability** Deliver the right product to the right place at the right time
  - 2. On-time Delivery
  - 3. Stock-Outs
  - 4. PQ Turn-around Time
  - 5. Forecast Accuracy
- **Quality Products** Ensure products delivered are appropriate for their intended use and meet all required standards
  - 6. Sampling Processes
- **Strengthen Reach** Improve capacity to reach all patient populations requiring HIV/AIDS related products and services
  - 7. Planned, Unplanned, Emergency Orders

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

- **Capacity & Capability** Enhance capability and capacity of supply chain systems to meet defined standards
  - 8. Country Ownership of Supply Chain Processes
  - 9. Competency
  - 10. Supply Chain Maturity Assessment
- **Performance** Enable performance improvement against agreed benchmarks in execution of supply chain services
  - 11. Supply Chain System Performance (SCMS-Supported)
  - 12. Supply Chain Performance Assessment

Leadership & Partnership
Collaborate with key constituencies to strengthen health supply chains and encourage the adoption of best practices

- **Collaboration** Collaborate with stakeholders to improve global response to emerging supply chain challenges
  - 13. Coordinated Procurement
  - 14. Number of CPP Country-at-Risk Schedule submissions per year
- **Knowledge Exchange** Promote exchange of ideas to encourage adoption of best practices and innovations
  - 15. Number of journal articles published
  - 16. Number of formal, public presentations to key constituencies

Operational Excellence:
Operate an organization that provides best value supply chain and system strengthening services

- **Cost Effective** Control the cost of internal SCMS operations and the in-country, regional, and global solutions we implement
  - 17. Cost Effective
  - 18. Pricing
  - 19. Freight
- **Best Value** Offer the best procurement and technical assistance experience for SCMS customers
  - 20. Client Satisfaction
- **Continuous Improvement** Operate effective and efficient internal business processes
  - 21. Operational Performance Management
  - 22. Core Systems Uptime

Strategic Objective 1.1: Security
Measure 1.1.1 Product Loss: Shipping & Storage

Measure Definition	Measure Owner	Target	LoP	FY15 Q2	Trend
The sum value of losses (damage, theft, diversion) from shipments controlled by SCMS as a percentage of total value delivered	Chris Larson	≤3%	0.14%	0.15%	↓

Context

The stock loss due to damage and other related losses at the RDCs during the period was $136K. The majority of this amount was a transactional write off of cotrimoxazole that had been recalled, credited by the vendor to SCMS, but not fully transacted out of SCMS stock ledger. Hence the actual loss due to damage was minimal.

Additionally, there were two instances of loss in the supply chain outside the RDCs. One was a short delivery of cotrimoxazole to Nigeria by 20 cases ($5,900) where the ocean container was delivered with seals intact. Second is a case of damaged VMMC kits as part of a shipment to Uganda. Incident under review, vendor packaging sturdiness and quality being assessed. Loss value $43K.

Performance

Quarter	Product Loss	Value Delivered	Product Loss
FY13 Q3	$252,439.00	$74,274,345.48	0.34%
FY13 Q4	$281.18	$85,916,578.47	0.00%
FY14 Q1	$72,356.79	$90,649,700.00	0.08%
FY14 Q2	$45,325.03	$96,660,883.00	0.00%
FY14 Q3	$114,081.06	$110,395,769.00	0.10%
FY14 Q4	$2,133.01	$99,447,947.00	0.00%
FY15 Q1	$823.89	$103,064,077.00	0.00%
FY15 Q2	$185,963.68	$126,324,630.00	0.15%

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Strategic Objective 1.2: Reliability
Measure 1.2.1 Recipient Stockout Rates (SCMS Accountable)

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
The total number of SCMS related stock-outs of ARVs or Test Kits on the core product list reported by SCMS clients.	Chris Larson	**<12 per year**	0	0	0	**=**

Context

There were no confirmed stock outs of core ARV drugs or HIV rapid test kits reported by SCMS clients during the period. We seek to avoid stock outs by working with countries to generate supply plans and forecasts for commodities thereby planning the procurements better.

We also work closely with countries to monitor the ongoing supply situations in countries relative to the larger supply plans and requirements beyond what SCMS is buying for a country.

Performance

Quarter	Number of Stockouts
Q3	0
Q4	0
Q1	0
Q2	0

NB: SCMS related stock-outs are defined as a stock-out due to a breakdown in the SCMS delivery process, resulting in a deviation from the planned delivery schedule. Stock outs may occur in SCMS supported countries but will not be reported for this metric. These stock outs of products outside the scope of the indicator or stock outs not caused by SCMS.

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Stock levels drop below required level	Medium	High	Mitigate	Emergency orders, Quarterly updates of SPs to monitor stock levels	Chris Larson, Robert Burn

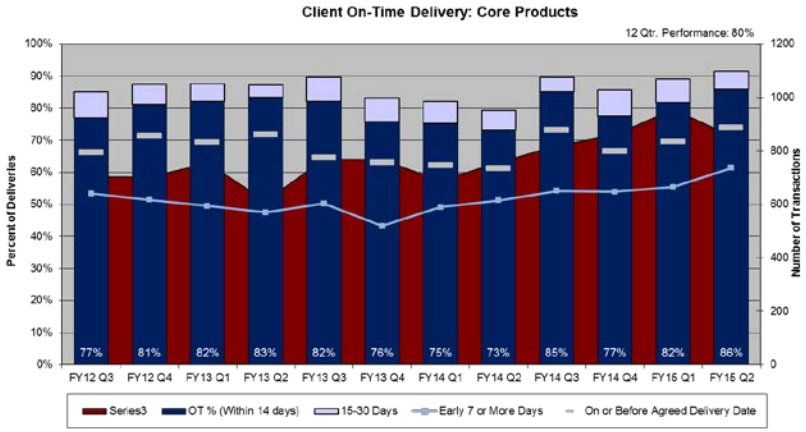
Strategic Objective 1.2: Reliability
Measure 1.2.2a On-Time Delivery: Core Products

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Percentage of orders delivered no more than 14 days after the PQ projected delivery date.	Steve Patras	**Core: 80%** ARV, LAB, DRUG, HIV Test Kit, VMMC Kits	82%	86%	84%	↑

Context

ARVs: 83% on time for this quarter which is an improvement as a result of improved vendor performance.
HIV Test Kits: HIV RTKs were 93% on time for this quarter. This is well above target.
Lab: 89% OT, a new record high. Graduated FOMP countries (most of the lab transactions) posted strong OT delivery this month. PMO and many of the non-graduated field offices also posted strong numbers. Zambia is still on the watch list with full warehouses turning away delivery trucks.
VMMC: The on-time delivery for VMMC products in the quarter was 76%. This is a reduction from the previous quarter and is caused by direct drop shipments from vendors for a new product.
Essential Drugs: 82% on time for this quarter with more procurements from local/regional suppliers

Performance



Note: (i) Core includes ARV, HIV Test, VMMC, Drug, Lab. Non-Core includes FP, Test, OTH, ACT and ANTM.

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Late deliveries due to new products delivered directly from vendors	Lead time from vendors needs to be verified specially for new products	Juan Jaramillo	May 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
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
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

Strategic Objective 1.2: Reliability
Measure 1.2.2b On-Time Delivery: Non-Core Products

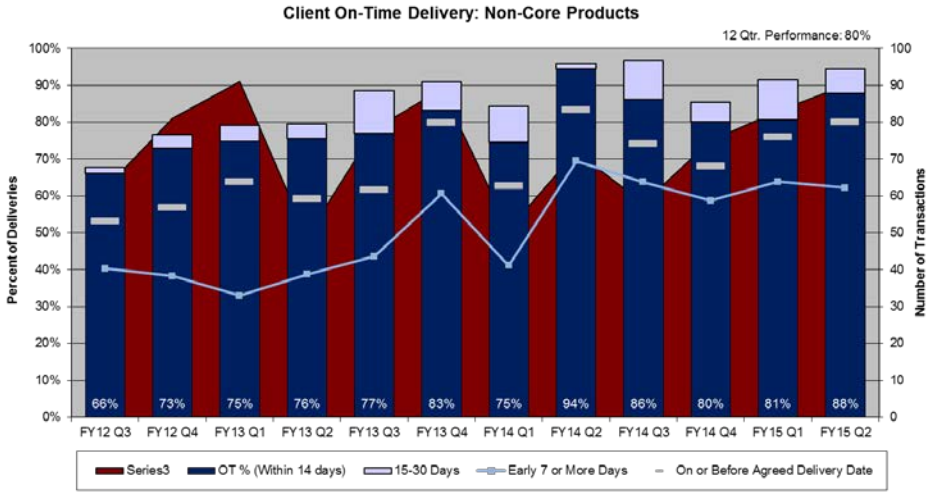
Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Percentage of orders delivered no more than 14 days after the PQ projected delivery date.	Peter Smith	**Non-Core: 70%** ORDT, MRDT, ANTM, ACT, FP, OTH	81%	88%	84%	↑

Context

Overall non-core OTD is at record highs. No issues at this time.

ANTM: 100% on time delivery but only one order to DRC
Food by Prescription: 50% on time delivery with FOMP managed procurements for Ethiopia

Performance



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Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Strategic Objective 1.2: Reliability
Measure 1.2.3a On-Time PQ Turnaround: PMO ARV (via RDC)

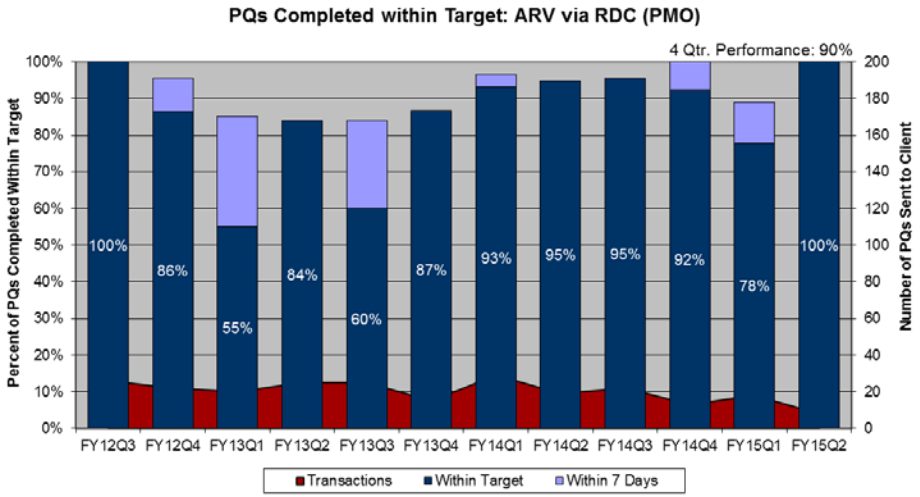
Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Average number of days between client initially contacting SCMS for a price request (PR) and SCMS sending a price quote (PQ) to the client, broken out by 5 milestones/"steps" in the process.	Chris Larson	**70%**	78%	100%	85%	↑

Context

As illustrated in the graph, the number of PQ's processed has declined. This is due to the previous efforts taken while working towards a last delivery date of June 2015 prior to the extension. PQ's received over the past quarter were predominately unplanned and urgent requests, all planned orders were processed in anticipation of the June 2015 last delivery date and resulting in the steady decline.

Given the current environment steps are being taken to support countries that may need to receive quantities to maintain their desired stock levels.

Performance



Note: The target PQ turnaround time for ARVs fulfilled via RDC is 14 days

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Order timing due to GHSC transition	Medium	High	Review stock status with countries	Place orders to shore up stock positions	Chris Larson

Strategic Objective 1.2: Reliability
Measure 1.2.3b On-Time PQ Turnaround: HIV Test Kits

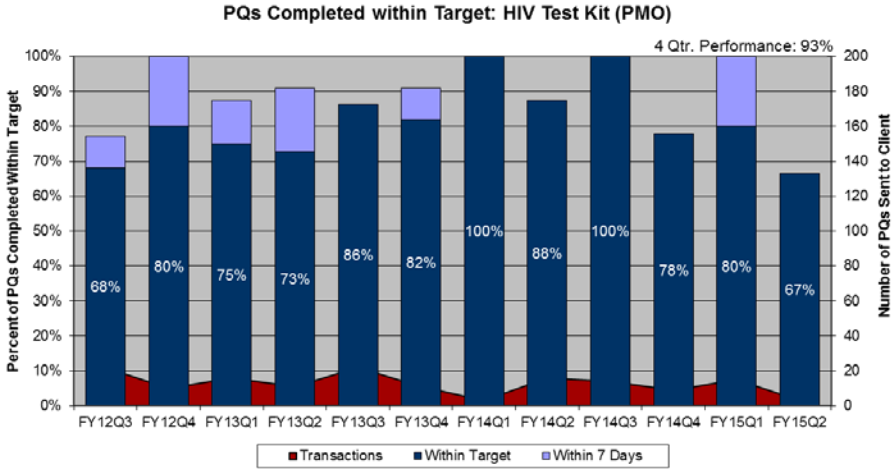
Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Average number of days between client initially contacting SCMS for a price request (PR) and SCMS sending a price quote (PQ) to the client, broken out by 5 milestones/"steps" in the process.	Laura Thomas	**85%**	80%	67%	78%	↓

Context

There were only 3 PQs processed in FY15Q2.

- Two were submitted within the target
- One were submitted outside the target. The other PQ was processed on time, but the field office did not submit it to the client for signature until 21 days later.

Performance



Note: The target PQ turnaround time for HIV test kits is 21 days,

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Field office delays in sending PQ for client signature	Re-emphasize the 14 day turnaround timetable HRDT PQs	Laura Thomas	June 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

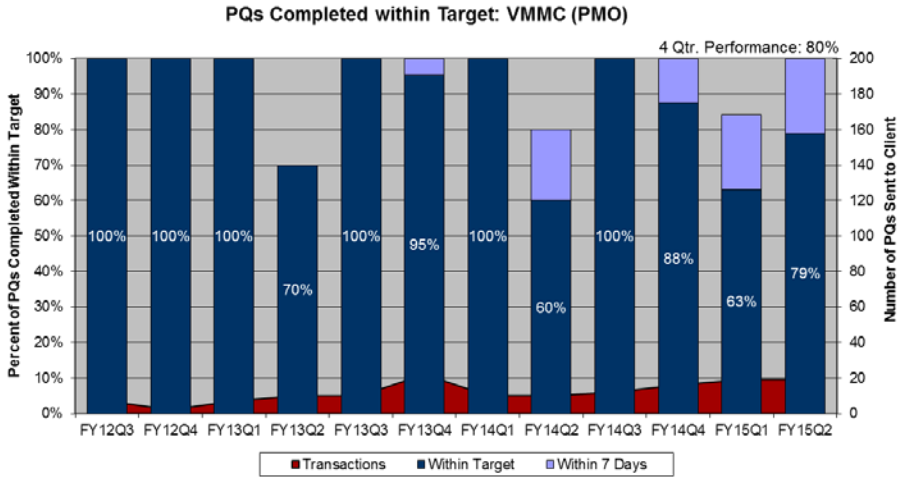
Strategic Objective 1.2: Reliability
Measure 1.2.3c On-Time PQ Turnaround: VMMC Kits

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Average number of days between client initially contacting SCMS for a price request (PR) and SCMS sending a price quote (PQ) to the client, broken out by 5 milestones/"steps" in the process.	Juan Jaramillo	**80%**	63%	79%	71%	↑

Context

The performance during the quarter increased to 79%. The 4 transactions that were not on time were cleared within the next 7 days of target.

Performance



Note: The target PQ turnaround time for VMMC is 42 days.

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
PQ turnaround data below 80%	Monitor turnaround data report weekly to identify corrective actions and expedite PQs where possible	Juan Jaramillo	May 2015

Risk & Mitigation

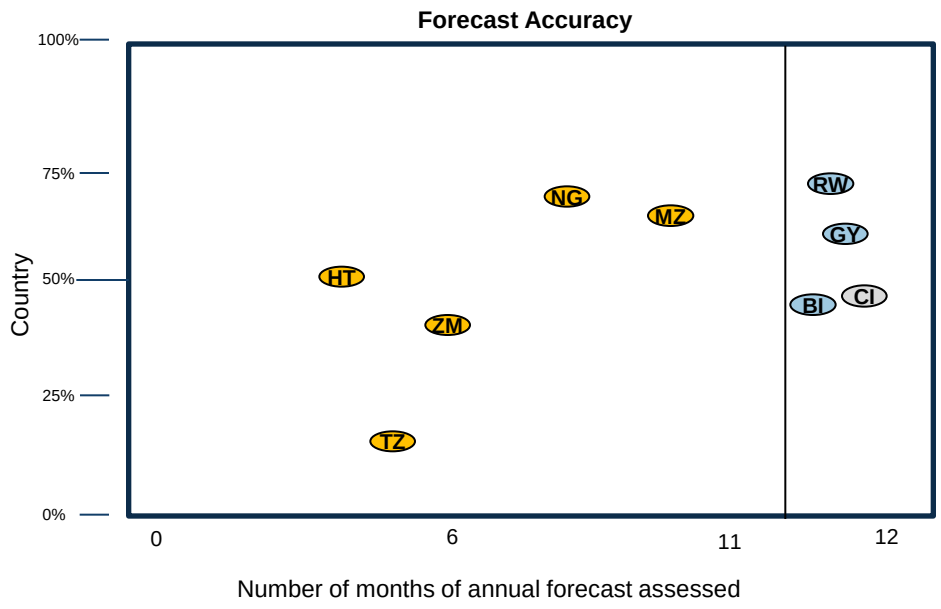
Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Majority of new quotes are direct drops risks decrease performance	High	High	Mitigate	Monitor all orders and be in constant contact with vendors	Juan Jaramillo

Strategic Objective 1.2: Reliability
Measure 1.2.4 Forecast Accuracy

Measure Definition	Measure Owner	Target	FY15Q1	FY15Q2	Trend
Variance between forecasted and reported consumption/issues data for a set of tracer ARVs	Robert Burn/ Alan Pringle	**70%**	46.2%*	56.7%	↑

Context

- Reminder: the aggregate performance value reflects only completed annual forecasts, i.e. 12 months data is compared
- *Q1 aggregate score updated after clarification of MZ data
- Tracer list criteria includes 3 adult and 3 pediatric formulations
- RW: Strong score despite poor accuracy for one tracer ARV, a very low volume 3rd line product
- GY: 64% performance, just below target
- BI: Forecast assumed WHO 2013 first line recommendations would be implemented but it is yet to be rolled out.
- TZ: Switch from TEE to TLE was slower than planned. Under-estimation of adult formulation of AZT/3TC/NVP use by pediatric patients. Staggered reporting deadlines delays consolidation of consumption leading to a five month lag in data availability which hinders timely forecast review.



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
TZ data lag prevents current forecast review	Conduct root cause analysis on TZ data lag to document targeted corrective actions	Seun Ayanniyi	July 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Future changes in program implementation to address 90-90-90 strategy and WHO's planned review of its current guidelines (2015) will likely impact 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

Strategic Objective 1.3: Quality Products
Measure 1.3.1 Pharmaceutical Product Sampling–Actual Pulled vs Flagged

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
The number of pharma POs with samples pulled for testing as a percentage of the total number required to pull according to the Pharmaceutical Product Sampling and Testing Policy.	Chryste Best	**88%**	100%	100%	100%	=

Context

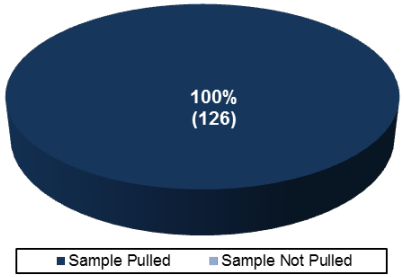
This is the first quarter using the new sampling algorithm. POs flagged have increased from about 30 - 40 per quarter to 147 for this quarter.

ARVs – 38 samples collected
20 samples collected for Pharmacy Direct
3 samples collected from IHS Ghana
1 sample collected from Guyana
5 Samples collected from IHS South Africa
1 Sample collected from IHS Kenya
1 sample collected from Dominic Republic
2 samples collected from Vietnam
5 samples collected from Haiti

Drug – 88 samples collected
23 Samples requested from Mali
18 samples collected from Tanzania
18 samples collected from Cote d'Ivoire
10 samples collected from Mozambique
8 samples collected from Burundi
4 samples collected from Zambia
2 samples from each of Liberia and Nigeria
1 sample collected from each of Malawi, Rwanda and Ethiopia

Performance

Product Sampling - Actual Pulled vs. Flagged



Product Type	Flagged	Collected	In Transit	Unable to Collect
ARV	38	38	-	-
DRUG	88	88	-	-

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Impact	Probability	Mitigation Action	Owner

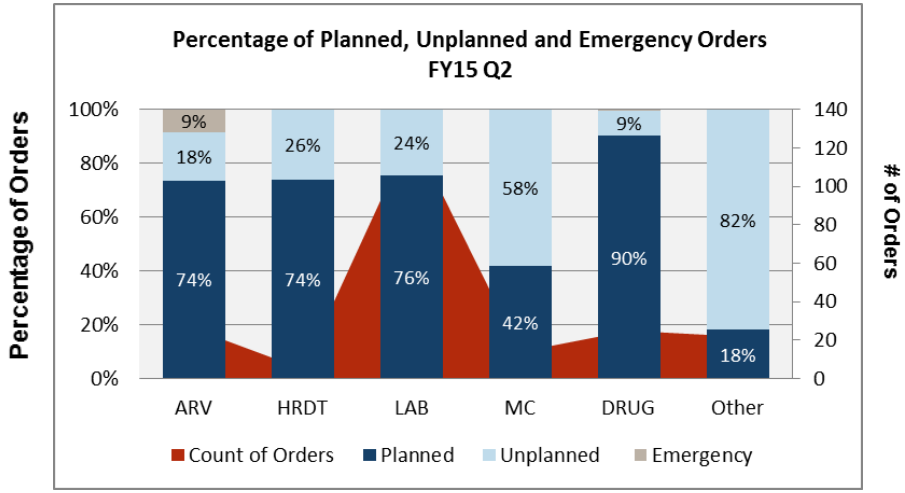
Strategic Objective 1.4 Strengthen Reach
Measure 1.4.1 Planned, Unplanned and Emergency Orders

Measure Definition	Measure Owner	Target		FY15 Q1	FY15 Q2	FY15
Percentage of SCMS orders that are planned, unplanned & emergency Orders	Chris Larson	**N/A**	**Planned**	79.6%	72%	78%
			Unplanned	17.9%	25%	19%
			Emergency	2.5%	3%	3%

Context

- All of the emergency orders during the period with the exception of Guyana, were NFO countries coming to SCMS for a stock out intervention. The countries placing emergency orders for ARVs include Sierra Leone, Guyana, Dominican Republic, Togo, Cameroon, South Africa, Swaziland.
- VMMC kits continue to be a challenge in terms of unplanned orders. Countries still have difficulty predicting the demand for VMMC commodities. We continue to work on improving this.
- HRDT PQ volume was low, only one unplanned order as was the case for new LAB PQs.

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
VMMC kit and commodity forecasting weak	Work with top VMMC countries to improve forecasting	Juan Jaramillo	June 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Stock outs	High	High	Mitigate	Fulfill emergency needs from RDCs	Chris Larson

Goal Two: Strengthen Systems

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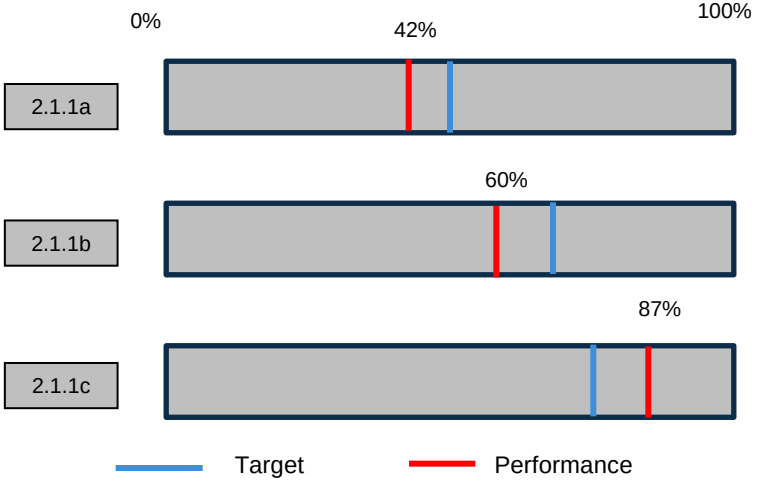
Strategic Objective 2.1: Capacity and Capability
Measure 2.1.1 Country Ownership

Measure Definition	Measure Owner	Target	FY14 Q4	FY15 Q2	Trend
2.1.1a-Number of SCMS-supported countries with approved national supply chain strategic plans	Caroline Healey	**50%**	42%	47%	↑
2.1.1b-Level of country counterpart ownership Forecasting & Supply Planning((FASP)		**75%**	61%	60%	↓
2.1.1c-% of supply chain functions documented in SOPs		**80%**	85%	87%	↑

Context

- Continued upward movement in two indicators, with steady FASP score
- Strategic Plans: Slow, steady progress towards target (up from 33% six quarters ago). Improved score resulting from finalization and inclusion of BW plan . BI plan is expected to be finalized by end of fiscal year.
- FASP: Slow and inconsistent progress, up from 50% six quarters ago. Low country commitment, high turnover of designated staff. Countries at risk of no or low country ownership approaching end of contract.
- SOPs: Continued progress, up from 66% six quarters ago with growing scope. Working closely with country counterparts to develop and finalize SOPs with successes in BI, GT, and PA.

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Low ownership of FASP across several countries due to low traction/motivation	Analyze collected Quantification and Supply Planning Country Surveys to document lessons learned in country ownership	Cheryl Mayo / Robert Burn	August 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Low capacity for FASP after SCMS ends	Medium	High	Transfer	Transition to new contractor	Greg Miles

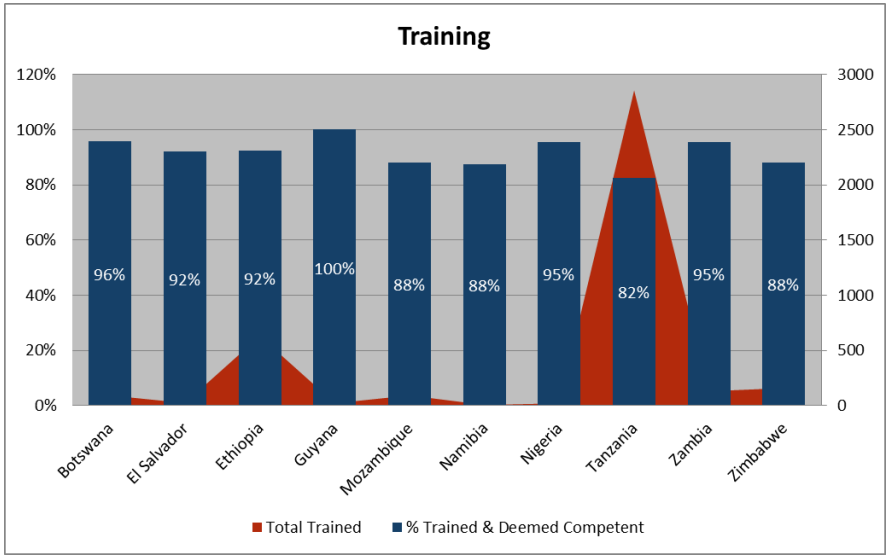
Strategic Objective 2.2: Performance Measure 2.1.2 Training & Competency

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	Trend
2.1.2 Competency-Percent of non-SCMS staff trained and deemed competent in supply chain functions	Cheryl Mayo	**80%**	87%	85%	↓

Context

- Competency levels continue above target in Q2 though slightly less than last quarter's percentage
- FY 15 Q2 total number of people trained increased to 4041 from 3660 in Q1, with OJT increasing as stand alone and follow up trainings
- ET: 92% deemed competency achievement, an increase from Q1 performance 84% due to pre-training orientation, revision to competency test questions to create succinct, focused tests
- GY: 23 OTJ SCM/SOP training with MMU staff, using a written examination and on-site competency demonstration
- MZ: 91% with 22 OTJ on Viral Load Qualitative and Quantitative process
- TZ: continues to report steady competency achievements while training the largest number of people (2,860) in IST, TOT and OJT, with OJT in inventory management constituting largest number (2,185)

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
TZ and Namibia reported trainee issues regarding the competency examinations, including language, examination structure levels and complexity of the course structure/delivery.	1. Restructure the competency examinations to reflect country language/terminology and identify how technical examinations are structured in the country education system	Cheryl Mayo	August 2015
	2. Follow-up visits to observe previously trained participants skills and knowledge application in work settings	Cheryl Mayo	August 2015

Risks & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Staff retention continues to remains a challenge requiring new people to be trained and risk supply chain performance long term	High	High	Mitigate	Instituonalize training programs, implement a SCM staff development process for host governments and partners, and leverage HRCD TWG and FO strategies to share experiences and produce recommendations by FY 15 Q3	Cheryl Mayo

Strategic Objective 2.1: Capacity and Capability
Measure 2.1.3 Supply Chain Assessment: CMM Score

Measure Definition	Measure Owner	Target	Country	FY15 Q1	Country	FY15 Q2	Trend
2.1.3 Results of the Supply Chain Assessment CMM tool, illustrating capability maturity of in-country supply chains	Diane Reynolds	**60%**	N/A	N/A	N/A	N/A	N/A

Context

Currently awaiting final approvals of NSCA reports in Nigeria and Mozambique. No assessments were conducted in FY15 Q2

Performance

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
None.					

Strategic Objective 2.2: Performance
Measure 2.2.1 Supply Chain Performance (SCMS Supported)

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	Trend
2.2.1a Facility Reporting Rates	Alan Pringle	**80%**	81%	81%	=
2.2.1b Expiry		**1%**	0.36%	0.41%	↑
2.2.1c On-time Delivery		**75%**	91%	84%	↓
2.2.1d In-Country Facility Stockout Rates		**5%**	8%	9%	↑
2.2.1e Order Fill Rate		**80%**	74%	93%	↑

Issues & Corrective Actions

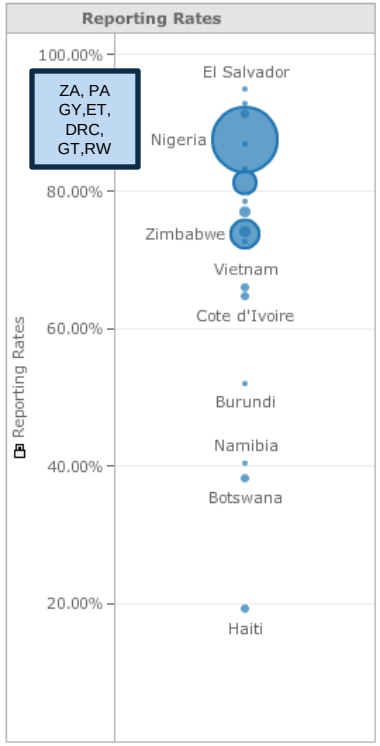
Issues	Corrective Actions	Owner	Deadline
Stockouts in Haiti and Rwanda (and low stock levels in Ethiopia) caused by Atazanavir API shortage	Careful monitoring and rationing at a global level with information being regularly communicated to FOs that use these products so that order adjustments can be made and countries can manage the downstream supply, rationing as required	John Vivalo	June 2015
Stockouts in Namibia due to poor supply planning and procurement process coupled with late delivery from suppliers	Build improvements into new LMU formal supply planning and monitoring processes	Olya Duzey	September 2015

Risks & Preventative Actions

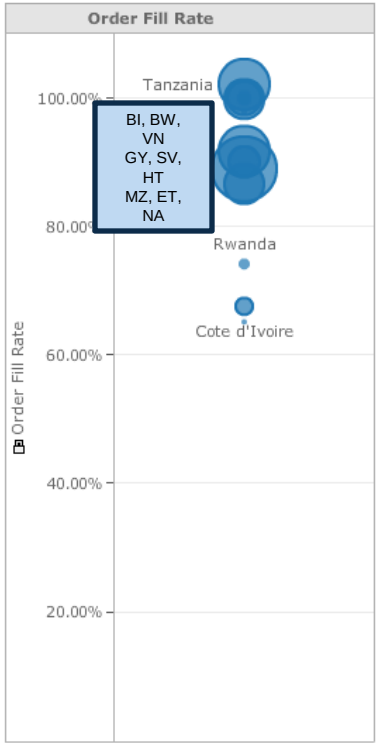
Risk	Prob.	Impact	Response Option	Mitigation Action	Owner
Atazanavir API shortage could impact stock levels	Medium	High	Mitigate	Continued monitoring and rationing at a global level with information being regularly communicated to FOs that use these products	John Vivalo
National strike actions of health workers may affect deliveries in Nigeria	Medium	Medium	Mitigate	Use adjusted historical consumption to inform resupply for health facilities	Caroline Healey

Strategic Objective 2.2: Performance
Measure 2.2.1 Supply Chain Performance (SCMS Supported)

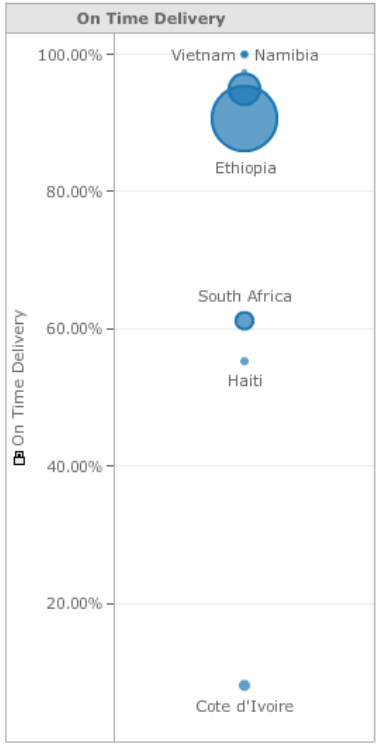
Reporting Rate (T: 80%, Q2: **81%**)



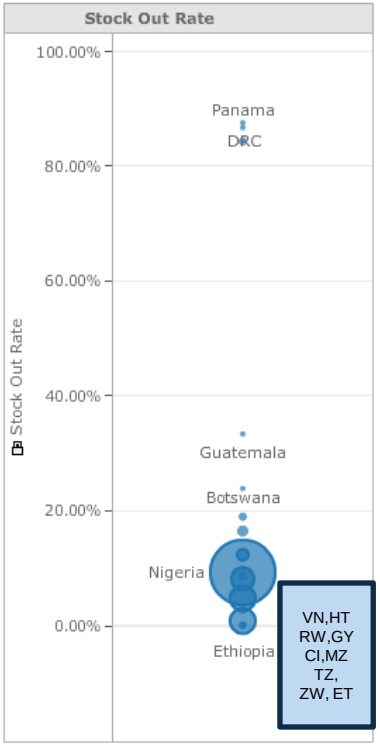
Order Fill Rate (T: 80%, Q2: **93%**)



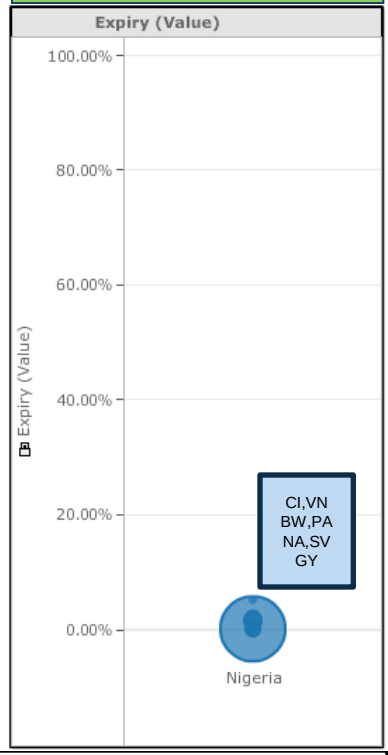
On Time Delivery (T:75%, Q2:**84%**)



Stock Out (T: 5%, Q2: 9%)



Expiry (T: 1%, Q2: **.41%**)



Context

- Overall strong performance with four of five indicators above target. MZ included 719 facilities reporting stock outs for first time, 13,928 sites overall.
- RR: Continued success with supervision to and communication of low performing sites (BI, CI, GY, GT, HT, MZ, NG, TZ). RW, ZA and TZ moving to various LMIS automation and alignment enabling targeted follow-up. SCMS in MZ Regional advisors following up with Districts; FO supporting CMS to produce monthly feedback and monitoring reports. Challenges where lack of staff for follow-up (BW, HT). ARV Tool in VN will enable PACs to better manage reports.
- OF: Strongest performance in seven quarters. Quarterly meetings with TZ MSD and improved ARV availability. ET executed SLA with PFSA creating incentives for effective distribution and clearing backlog. Slight drop due to transition to Central Tool (which improved in last pilot test) in MZ and to SAGE v5 to v6 in CI.
- OTD: Continued strong performance in ET and improved performance in NG due to increased number of service providers. CI stock count delayed commencement of deliveries which were measured against original schedule. HT integrated HIV/FP distribution planned for end of January but sites requested products earlier causing delayed delivery to prioritize FP. In ZA short supply due to end of ARV tenders/ & challenges in flow of information from Limpopo.
- SO: 12 of 18 countries reporting more than 5%. NG national strike resulted in facilities not resupplied in January. BW manufacturers withheld deliveries due to non-payment of invoices. Residual effects of delayed tenders in NM. TZ RTK stock outs due to poor data quality and quantifications, and partners surpassing targets. Continued effects of ZW uptake of Peds, and DRC shipment delay from miscommunication with RDC (addressed in previous CAPAs). ZM NVP transition distorts SO score

Strategic Objective 2.2: Performance
Measure 2.2.2 Supply Chain Assessment: KPI Score

Measure Definition	Measure Owner	Target	Country	FY14 Q4	Country	FY15 Q1	Trend
2.2.2 Results of the Supply Chain Assessment KPI tool, illustrating performance of in-country supply chains	Diane Reynolds	**60%**	N/A	N/A	N/A	N/A	N/A

Context

Currently awaiting final approvals of NSCA reports in Nigeria and Mozambique. No assessments were conducted in FY15 Q2

Performance

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
None.					

Goal Three: Leadership & Partnership

SCMS Vision

Transforming health care delivery by ensuring that quality medicines reach people living with or affected by HIV and AIDS

SCMS Mission

We strengthen or establish secure, reliable, cost-effective and sustainable supply chains to meet the care and treatment needs of people living with or affected by HIV and AIDS. In collaboration with in-country and international partners we will:

- Deploy innovative solutions to assist programs to enhance their supply chain capacity
- Ensure accurate supply chain information is collected, shared and used
- Provide quality, best-value, health care products to those who need them

Access
Provide quality HIV/AIDS commodities efficiently and effectively

- **Security** Manage a secure supply chain
  - 1. Product Loss
- **Reliability** Deliver the right product to the right place at the right time
  - 2. On-time Delivery
  - 3.Stock-Outs
  - 4. PQ Turn-around Time
  - 5. Forecast Accuracy
- **Quality Products** Ensure products delivered are appropriate for their intended use and meet all required standards
  - 6. Sampling Processes
- **Strengthen Reach** Improve capacity to reach all patient populations requiring HIV/AIDS related products and services
  - 7.Planned, Unplanned, Emergency Orders

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

- **Capacity & Capability** Enhance capability and capacity of supply chain systems to meet defined standards
  - 8. Country Ownership of Supply Chain Processes
  - 9. Competency
  - 10. Supply Chain Maturity Assessment
- **Performance** Enable performance improvement against agreed benchmarks in execution of supply chain services
  - 11. Supply Chai System Performance (SCMS-Supported)
  - 12. Supply Chai Performance Assessment

Leadership & Partnership
Collaborate with key constituencies to strengthen health supply chains and encourage the adoption of best practices

- **Collaboration** Collaborate with stakeholders to improve global response to emerging supply chain challenges
  - 13. Coordinated Procurement
  - 14. Number of CPP Country-at-Risk Schedule submissions per year
- **Knowledge Exchange** Promote exchange of ideas to encourage adoption of best practices and innovations
  - 15. Number of journal articles published
  - 16. Number of formal, public presentations to key constituencies

Operational Excellence:
Operate an organization that provides best value supply chain and system strengthening services

- **Cost Effective** Control the cost of internal SCMS operations and the in-country, regional, and global solutions we implement
  - 7. Cost Effective
  - 8. Pricing
  - 9. Freight
- **Best Value** Offer the best procurement and technical assistance experience for SCMS customers
  - 20. Client Satisfaction
- **Continuous Improvement** Operate effective and efficient internal business processes
  - 21. Operational Performance Management
  - 22. Core Systems Uptime

Strategic Objective 3.1: Collaboration
Measure 3.1.1 Coordinated Procurement Mechanism

Measure Definition	Measure Owner	Target	FY14Q4	FY15Q2	Trend
Percentage of SCMS-supported countries with coordinated procurement plans	Caroline Healey	**80%**	92%	100%	↑

Context

- All Coordinated Procurement Plans in place for first time since reporting against this target
- Success in Botswana and Haiti in established coordinated procurement plans for HIV Test Kits

ET: SCMS does not procure ARV drugs and RTKs in Ethiopia except for emergencies
VN: SCMS manages a specific lane of procurement with no stakeholder coordination.

Performance

Country	ARVs	Test Kit
Botswana	Yes	Yes
Burundi	Yes	Yes
Cote d'Ivoire	Yes	Yes
DRC	Not in program scope	Not in program scope
El Salvador	Not in program scope	Not in program scope
Ethiopia	Not in program scope	Not in program scope
Guatemala	Not in program scope	Not in program scope
Guyana	Yes	Yes
Haiti	Yes	Yes
Mozambique	Yes	Yes
Namibia	Yes	Yes
Nigeria	Yes	Yes
Panama	Yes	Yes
Rwanda	Yes	Yes
South Africa	Not in program scope	Not in program scope
Tanzania	Yes	Yes
Vietnam	Not in program scope	Not in program scope
Zambia	Yes	Yes
Zimbabwe	Yes	Yes

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
ZW MoH funding gaps while continuing to add new patients, might contribute to future stock outs	Medium	High	Mitigate	As a result of advocacy, USAID ZW expecting increased ARV funds	Olya Duzey

Strategic Objective 3.1 Collaboration: Measure 3.1.2 Number of CPP Country-at-Risk Schedule submissions per year

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Number of CPP country-at-risk schedule submissions per year	Dominique Zwinkels	4	2	1	3	↑

Context

- One bi-monthly CPP Steering Committee/Technical Working Group meeting was held in FY15 Q2; February 13th. One revised Countries At Risk Schedules was submitted to CPP members.
- At the meeting, four countries identified for review were discussed: Botswana, Cameroon, Namibia and Swaziland. The meeting also gave an opportunity to discuss the recently reported stockout situation in Togo. Discussions focused on medium-term risks of inadequate funding and/or PSM challenges.
- Bi-monthly country risk reports were submitted by Botswana (SCMS), Swaziland (SIAPS), Namibia (SCMS), and Cameroon (SIAPS).

Performance

Country	Number of Submissions According to Schedule
Angola	1
Botswana	1
Cameroon	2
DRC	1
Ethiopia	1
Guinea Conakry	1
Liberia	1
Namibia	1
Sierra Leone	1
Swaziland	2
Tanzania	1
Zimbabwe	1

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Challenges with collecting data on ARV/RTK funding and stock availability	Created the bi-monthly country risk analysis reports to help inform meetings and provide information on the imminent risks to the supply chain	Dominique Zwinkels	Continuous
Challenges with data collection in West and Central Africa	Engaging SIAPS to assist with data collection	Dominique Zwinkels	Continuous

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
External (Steering Committee decisions)	Medium	Medium	Accept	New meeting format	Dominique Zwinkels
External (Countries/CPP members providing data and information)	Medium	Medium	Mitigate	Ongoing consultative process of CPP value	Dominique Zwinkels

Strategic Objective 3.2 Knowledge Exchange
Measure 3.2.1 Publishing

Measure Definition	Measure Owner	Target	FY14	FY15 (to date)	Trend
Number of journal articles published	Samantha Salcedo	**6**	**9**	**3**	**=**

Context

None during FY15 Q2. However, the following articles are being considered for publication by (trade) journals:

- PFSCM White Paper: Is a Quality Management System "One Size Fits All"? Implementing a QMS in a Consortium (being considered by American Society for Quality)
- Strengthening Public Health Supply Chains: PEPFAR-Supported Expansion of Access and Availability (follow-up to Harvard Business Review) (being considered by Development in Practice)

Performance

Title	Publisher
"Proceedings of the 2nd People that Deliver (2nd PtD) Global Conference on Human Resources in Supply Chain Management (Building blocks for enhancing personnel performance: activities, best practices and lessons learned from Ethiopia)	Journal of Pharmaceutical Policy and Practice
Strategies to Reduce Risks in ARV supply chains in the Developing World	Global Health: Science and Practice
Ensuring Access to Generic Anti-retroviral Drugs in Middle- and Low-income Countries: factors influencing production, regulation and provision to people living with HIV in middle- and low-income countries	UNAIDS supplement International Medical Press

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Strategic Objective 3.2 Knowledge Exchange
Measure 3.2.2 Presentations

Measure Definition	Measure Owner	Target	FY14	FY15 (to date)	Trend
Number of presentations to key constituencies	Samantha Salcedo	**20**	**20**	**18**	↑

Context

Four presentations made during FY15 Q2.

Performance

#	Audience or Event
1	SCMS Burma approach, accomplishments and possible future focus
1	Laboratory Commodities Forecast and Quantification in Botswana
1	Healthcare Waste Management
1	Update on the IATT Pediatric Formulary

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Goal Four: Operational Excellence

SCMS Vision

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  - 5. Forecast Accuracy
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  - 7.Planned, Unplanned, Emergency Orders

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

- **Capacity & Capability** Enhance capability and capacity of supply chain systems to meet defined standards
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  - 9. Competency
  - 10. Supply Chain Maturity Assessment
- **Performance** Enable performance improvement against agreed benchmarks in execution of supply chain services
  - 11. Supply Chain System Performance (SCMS-Supported)
  - 12. Supply Chain Performance Assessment

Leadership & Partnership
Collaborate with key constituencies to strengthen health supply chains and encourage the adoption of best practices

- **Collaboration** Collaborate with stakeholders to improve global response to emerging supply chain challenges
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Operational Excellence:
Operate an organization that provides best value supply chain and system strengthening services

- **Cost Effective** Control the cost of internal SCMS operations and the in-country, regional, and global solutions we implement
  - 17. Cost Effective
  - 18. Pricing
  - 19. Freight
- **Best Value** Offer the best procurement and technical assistance experience for SCMS customers
  - 20. Client Satisfaction
- **Continuous Improvement** Operate effective and efficient internal business processes
  - 21. Operational Performance Management
  - 22. Core Systems Uptime

Strategic Objective 4.1 Cost Effective
Measure 4.1.1a Cost Effective: RDC Expiry & BRC Reporting

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
4.1.1a Expiry RDC Stock	Chris Larson	**4.1.1a ≤ 3%**	0.42%	0.00%	0.19%	↓
4.1.1a BRC Reporting Rate	Delphine Johnson	**4.1.1b 4**	Annual Measure	Annual Measure	Annual Measure	

Context

- Expiry RDC Stock

There was no loss due expiry in the FY15Q2 performance period. Projected expiry of ARVs through 2015 is $33K

- BRC reporting rate:

Although the RDC costs have slightly increased this quarter due to higher volume and compressed schedule, the BRC has decreased from 5.33% to 5.25% at quarter close. SO value in FY15 Q2 increased from $34m. to $77m. which contributed to the BRC rate decreased.

Performance

	Expiry Value	Expiry Percentage
FY14Q3	$427,773.12	0.39%
FY14Q4	$148,162.05	0.15%
FY15Q1	$436,566.62	0.42%
FY15Q2	$0.00	0.00%

	BRC Reporting
FY14 Q3	3 months
FY14 Q4	3 months
FY15 Q1	3 months
FY15 Q2	

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Adjusted BRC deficit close to $6.3m.	To explore 2nd subsidy of 1.6m from Overs/Unders to compensate for sales price adjustment.	Delphine Johnson	June 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Overrun against BRC revenue	High	Medium	Mitigate	Minimize air-in; monitor	Delphine Johnson
Non-sale and possible expiry of PrePek	High	High	Mitigate	Work with USAID to locate consumers	Juan Jaramillo

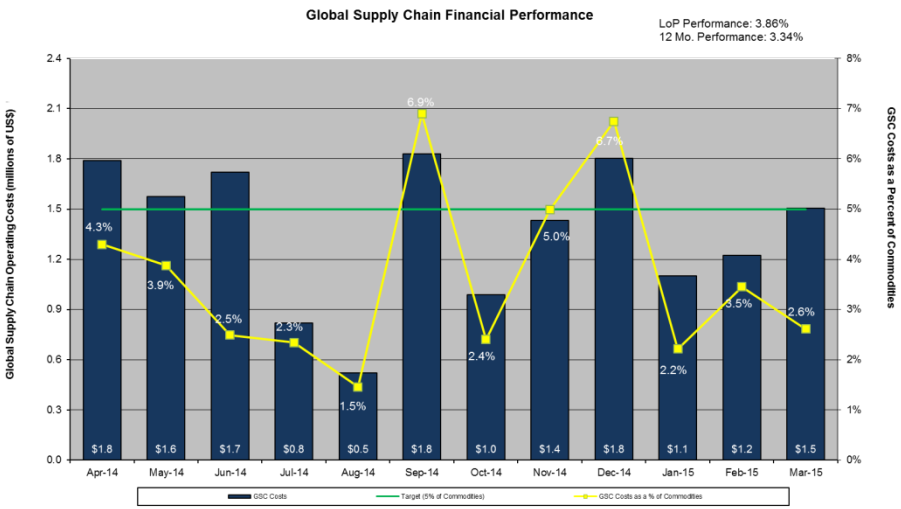
Strategic Objective 4.1 Cost Effective
Measure 4.1.1b Cost Effective: Surcharge

Measure Definition	Measure Owner	Target	LoP Performance
4.1.1b Surcharge	Delphine Johnson	**4.1.1c ≤ 5%**	3.86%

4.1.1b <u>LOP Surcharge</u>:

- The pool (operating) costs over the past quarter totaled an average of $1.28m per month. This is compared to the $1.4m monthly average last quarter.
- The monthly average base (total commodity procurements) for the quarter is $47.6m. This is compared to $32.2m last quarter.
- The monthly average surcharge for FY15 Q2 decreased from 4.37% to 2.68%.

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Surcharge does not remain within target due to low volume of sales or un-proportionate operating costs.	Medium	High	Mitigate	Increase volume of commodity sales and/or decrease operating costs.	Delphine Johnson

Strategic Objective 4.1 Cost Effective
Measure 4.1.1c Cost Effective: ACF

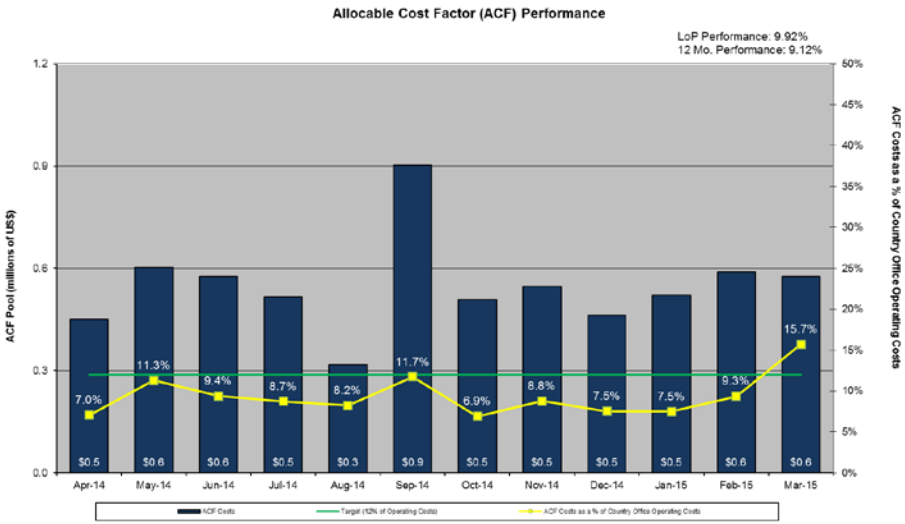
Measure Definition	Measure Owner	Target	LoP Performance
4.1.1c ACF	Delphine Johnson	**4.1.1d ≤ 12%**	9.92%

Context

4.1.1c <u>LOP ACF</u>

- The pool (operating) costs for the past quarter equal a monthly average of $562k, an increase from $506k last quarter.
- The monthly average base (total field operating costs) for the quarter is $5.6m, compared to $6.6m last quarter.
- The monthly average ACF for FY15 Q2 was 9.96% compared to 7.68% last quarter.

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
ACF does not remain within target due to lower than expected country budgets or higher operating costs.	Medium	High	Mitigate	Maintain country activities per extension budget or decrease operating costs.	Delphine Johnson

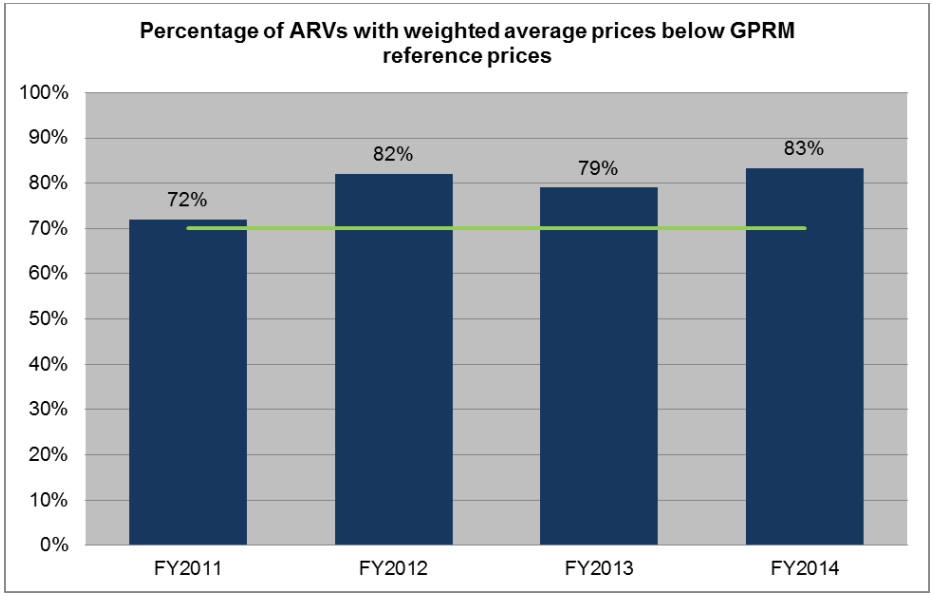
Strategic Objective: 4.1 Cost Effective
Measure: 4.1.2 ARV Price Comparison: SCMS vs. GPRM

Measure Definition	Measure Owner	Target	FY14	FY15	Trend
This measure compares SCMS ARV price to those in the GPRM	TBD	**70%**	82%	TBD (FY15 Q4)	↑

Context

- Annual indicator to be reported on in FY15 Q4

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

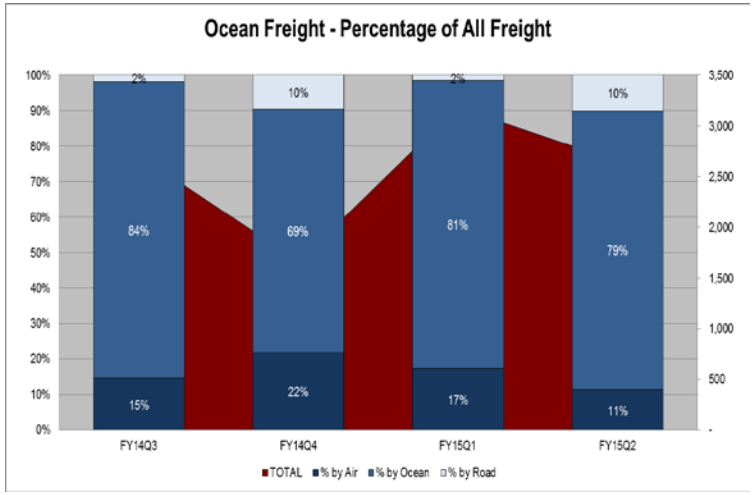
Strategic Objective 4.1: Cost Effective
Measure 4.1.3 Ocean Freight: Percentage of All Freight

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
Tonnage of international deliveries shipped by ocean as a percentage of all international freight	Gary Carle	**≥50%**	81%	79%	80%	↓

Context

- F15Q2 overall ocean volumes delivered remained above plan and consistent with the previous quarter. We look for ocean volumes to remain robust for the next quarter.
- Ocean volumes delivered this quarter were positively impacted by deliveries that had been previously delayed in ET due to lack of warehouse space. Ocean deliveries to Zambia remain delayed due to lack of warehouse space at MSL Warehouses
- Ocean volumes were also impacted by the seasonal "Red Zone" as sailings were pushed into January to avoid arrival during the Holiday period.
- We will continue to closely monitor compliance of supply plans and emergency orders which can negatively impact this metric.

Performance



**Note: Small volumes of freight moved by shipper agent truck are not visible on the graph*

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline
Due to the shortage of warehouse space at Zambia's MSL Central Medical Stores, a high volume ocean shipping destination, ocean tonnage has been negatively impacted as containers have been placed in temporary storage while awaiting delivery to MSL.	Zambia FO team is working with MSL to arrange additional delivery space on an ongoing basis.	Zambia Field Office/F&L	Ongoing

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
Lack of supply planning and emergency orders can limit the use of ocean Freight.	Medium	High	Mitigate	Monitor supply plans against actual orders to see if lack of compliance resulted in use of premium air transportation. Continue to work with SCMS field office staff to improve coordination of Ocean deliveries to ZM	F&L, Demand Planning and ZM Field Office Staffs.

Strategic Objective 4.2: Best Value
Measure 4.2.1 Client Satisfaction: Products Ordered/Received and Technica Assistance

Measure Definition	Measure Owner	Target	FY14 Q3-Q4	FY15 Q1-Q2	Trend
Rating is based on client response to "Overall Satisfaction" on Products Ordered/Products Received and Technical Assistance client survey.	GSC: Gordon Comstock	**85%**	TBD	TBD	
	TA: Diane Reynolds	**85%**	TBD	TBD	

Context

PMU engaging with internal partners to conduct a SCMS closeout Customer Satisfaction Survey across all countries

Performance

Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner
None.					

Strategic Objective 4.3 Continuous Improvement
Measure 4.3.1a Operational Performance Management

Measure Definition	Measure Owner	Target	FY14	FY15	Trend
4.3.1a Annual Partner Operational Review	Delphine Johnson	**100%**	**100%**	**TBD**	**=**

Context

- In Q2, the Finance Unit worked on following up on action items from the FY 14 reviews. These are currently still in progress and should be completed in Q3. The new Finance Associate who manages subcontractors will coordinate the FY 15 annual partner reviews starting in June 2015.

Performance

Annual Partner Operational Review			
Partner	Review Complete	CAPA Complete	Follow Up Complete
Imperial	Completed	In process	In process
Manoff	Completed	In process	In process
Voxiva	Completed	In process	In process
I+ Solutions	Completed	In process	In process
Crown Agents	Completed	In process	In process
3i	Completed	In process	In process

Issues & Corrective Actions

Issues	Corrective Actions	Owners	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Strategic Objective 4.3 Continuous Improvement
Measure 4.3.1b Operational Performance Management

Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
4.3.1b % of TA trips processed on-time	Diane Reynolds	**80%**	58%	52%	55%	↓

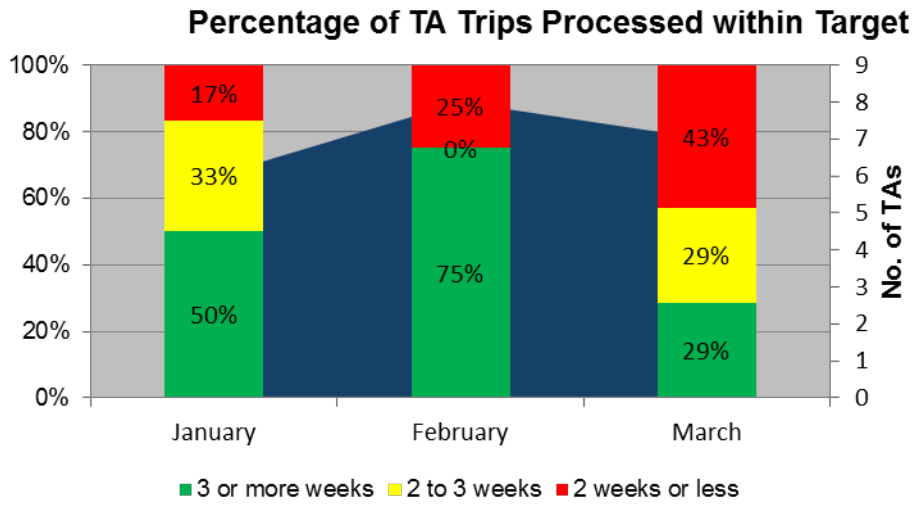
Context

A decline between Q1 and Q2 can be seen as the number of trips processed on time fell to 29% in March.

Acceptable Delay (AD)/ Unacceptable Delay (UD) and Client delay codes are also monitored to understand performance:

- Only one of the delays were for an "unacceptable" reason, due to insufficient planning.
- One acceptable delay was related to human resource challenges. The remaining acceptable delays were due to ad hoc or delays related to clients. Specifically, one ad hoc COR requests, two ad hoc mission, and three ad hoc MOH requests. Myanmar had three late trips, requiring follow-up.

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owners	Deadline
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.	FPS Management Team	June 2015

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner

Strategic Objective 4.3: Continuous Improvement
Measure 4.3.2 Core Systems Uptime: Potential vs Actual

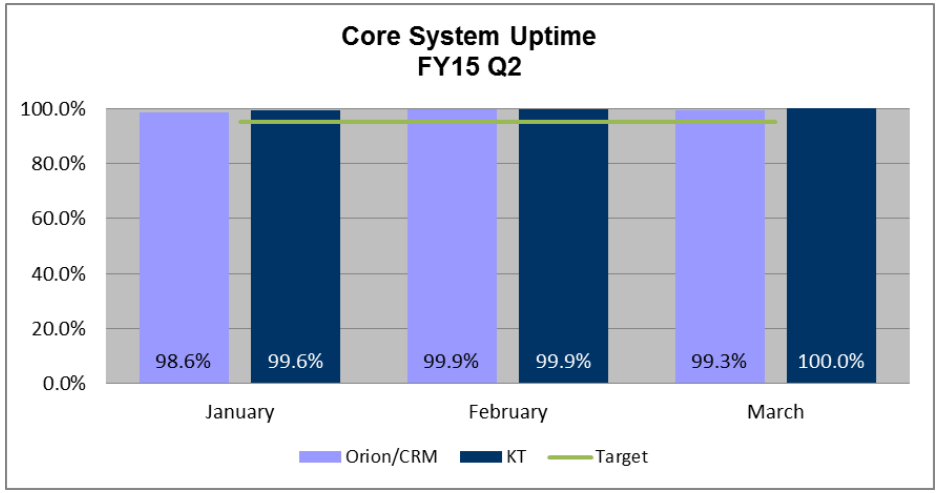
Measure Definition	Measure Owner	Target	FY15 Q1	FY15 Q2	FY15	Trend
% of time that KT & Orion are alive during stated support hours	Srihari Chelluri	**Orion: ≥95%**	100.0%	99.3%	99.9%	↓
		KT: ≥95%	100.0%	99.8%	99.9%	

Context

Performance continues to exceed targets.

Note: The availability in required SLA is [7 AM – 10 PM GMT].

Performance



Issues & Corrective Actions

Issues	Corrective Actions	Owner	Deadline

Risk & Mitigation

Risk	Probability	Impact	Response Option	Mitigation Action	Owner