



USAID | DELIVER PROJECT

Task Order 5

Procurement and Distribution of Essential Public Health Supplies

Annual Report FY2015

October 2014–September 2015



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Task Order 5

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Supplies

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Cover photos: Upper left—women carry essential medical supplies from the Central Health Department headquarters in Mathiang to health facilities in Longechuk County in South Sudan. Interchurch Medical Assistance. Upper right—containers filled with health supplies await unloading and transportation to Central Medical Stores before being distributed to local health facilities. USAID | DELIVER PROJECT. Bottom right—an ambulance boat procured by the USAID | DELIVER PROJECT to improve access to regular and emergency healthcare across Lake Attabad in Pakistan. Pakistan's Office of the District Health Officer, Hunza. Bottom left—Kalsoom Bashir, a Lady Health Worker explains the use of injectable contraceptives to her clients in Lahore, Pakistan. Photo credit: Derek Brown for USAID.

USAID | DELIVER PROJECT

John Snow, Inc.
1616 Fort Myer Drive, 16th Floor
Arlington, VA 22209 USA
Phone: 703-528-7474
Fax: 703-528-7480
Email: askdeliver@jsi.com
Internet: deliver.jsi.com

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Acronyms

ACS	Authorization of Contraceptive Shipments
ASAP	as soon as possible
BI&A	Business Intelligence and Analysis (USAID)
CCP	Central Contraceptive Procurement (USAID/CSL)
CHAI	Clinton Health Access Initiative
COMT	Customer Service and Order Management team
CPSR	Commodity Planning Status Report
CSL	Commodities Security and Logistics Division (USAID)
DRC	Democratic Republic of Congo
DTP	Delivery-to-Promise
EMF	Essential Medicines Fund
ERP	Enterprise Resource Planning/Expert Review Panel
FY	fiscal year
GHSC	Global Health Supply Chain
IUD	intrauterine device
JUUN	Jonglei, Unity, and Upper Nile
JSI	John Snow, Inc.
MCH	maternal and child health
MIS	management information system (but Management Information System team)
MOH	Ministry of Health
MSI	Marie Stopes International
OAA	Office of Acquisition and Assistance (USAID)
PMP	Performance Monitoring Plan
PPMR	Procurement Planning and Monitoring Report
QA	quality assurance
RFQ	Request for Quote
RHSC	Reproductive Health Supplies Coalition
RO	requisition order
SCMS	Supply Chain Management System

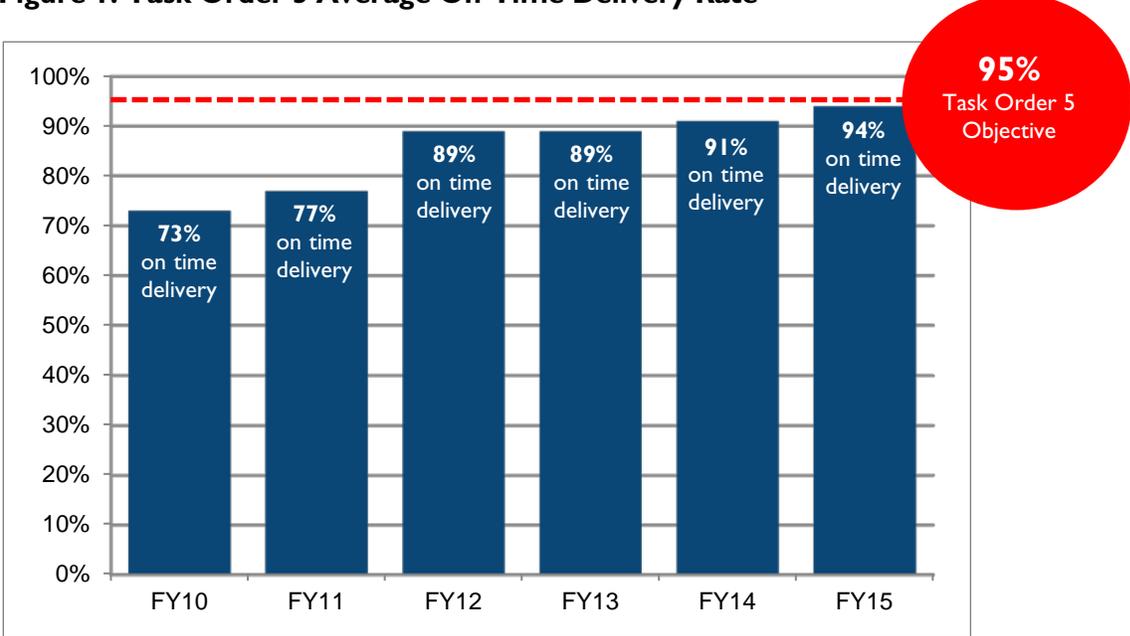
SOP	standard operating procedure
SRM	Supplier Relationship Management
STTA	short-term technical assistance
UNFPA	United Nations Population Fund
USAID	U.S. Agency for International Development
USG	U.S. Government

Executive Summary

During fiscal year (FY) 2015, Task Order 5 (TO5) of the USAID | DELIVER PROJECT (the project) continued to focus on strengthening USAID’s integrated supply chain for contraceptives and condoms, on-time delivery, and meeting USAID Mission requests for maternal and child health (MCH) commodity procurement.

TO5's overall on-time delivery, as measured through the Delivery-to-Promise (DTP) monitoring tool, increased from an average of 89 percent in FY2013 to an average of 94 percent in FY2015—bringing the task order very close to achieving its objective of 95 percent DTP for contraceptives and condoms (see figure 1). This increase was driven by improvements in global supply chain operations. Additionally, continuing efforts to mitigate registration, supplier, shipping, and supply planning constraints bolstered the task orders performance. When shipments were late, it was most often due to shipping pre-approval delay, shipper performance, consignee delay, customs clearance delay, or registration delay.

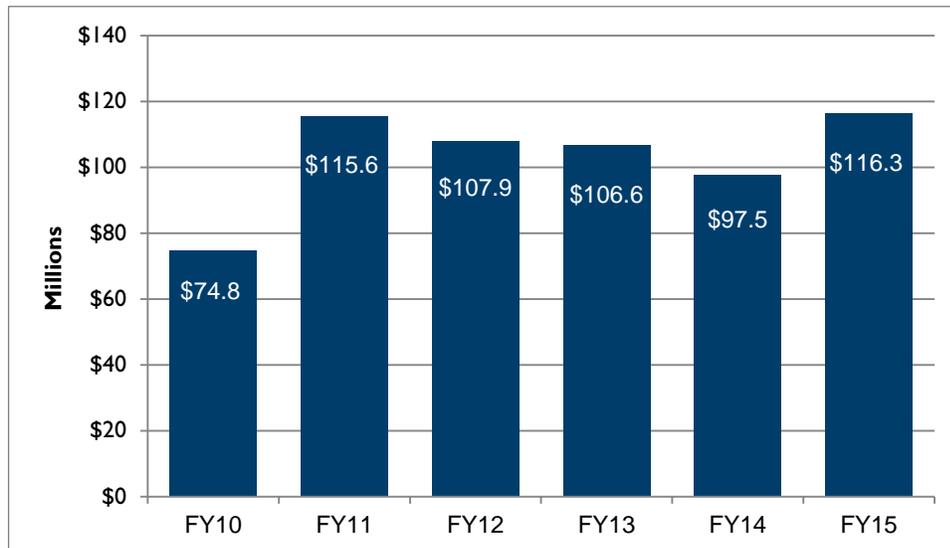
Figure 1. Task Order 5 Average On-Time Delivery Rate



The total value of the Central Contraceptive Procurement (CCP) project’s contraceptive and condom shipments in FY2015 was U.S.\$116,275,679, as shown in Figure 2. The total value of condoms and contraceptives shipped in FY2015 increased from previous years and the task order continued to procure and deliver large volumes of non-contraceptive public health products. See figure 3 for additional information about the value of contraceptives and condoms shipped worldwide during FY2015.

In FY2015, the task order continued to strengthen CCP’s integrated supply chain for contraceptives and condoms to ensure it delivers a high level of customer service, as efficiently as possible.

Figure 2. Contraceptive and Condom Shipment Values



Note: Shipment values include freight and handling costs. Data sourced from USAID | DELIVER PROJECT website, <http://deliver.jsi.com> on Oct 14, 2015.

Improvements made to CCP’s supply chain during the last year include—

- **Improved data visibility** by refining the Commodity Planning Status Report (CPSR) to better focus on countries that had not placed orders; expanding collaboration and information sharing through the coordinated supply planning process with the United Nations Population Fund (UNFPA), Clinton Health Access Initiative (CHAI), and the Bill & Melinda Gates Foundation (the Gates Foundation); improving the alignment of funding, procurement, and order data; and creating detailed transition plans and assumptions.
- **Increased agility** by updating inventory, procurement, and shipping strategies, as part of the evolving transition plan; maintaining additional warehouse space for inventory storage; continuing to evaluate non-contraceptive procurement requests, based on lead time and risk; supporting the growth and introduction of two new contraceptive products; and continuing to share information and plans with the task order’s freight forwarders and suppliers.
- **Improved trust, clarity of roles, and alignment of objectives** by routinely meeting with USAID’s Commodities Security and Logistics Division (CSL) and FHI 360; holding monthly performance reviews with CSL; backstopping four missions; and regularly sharing scorecards and meeting with suppliers and forwarders.

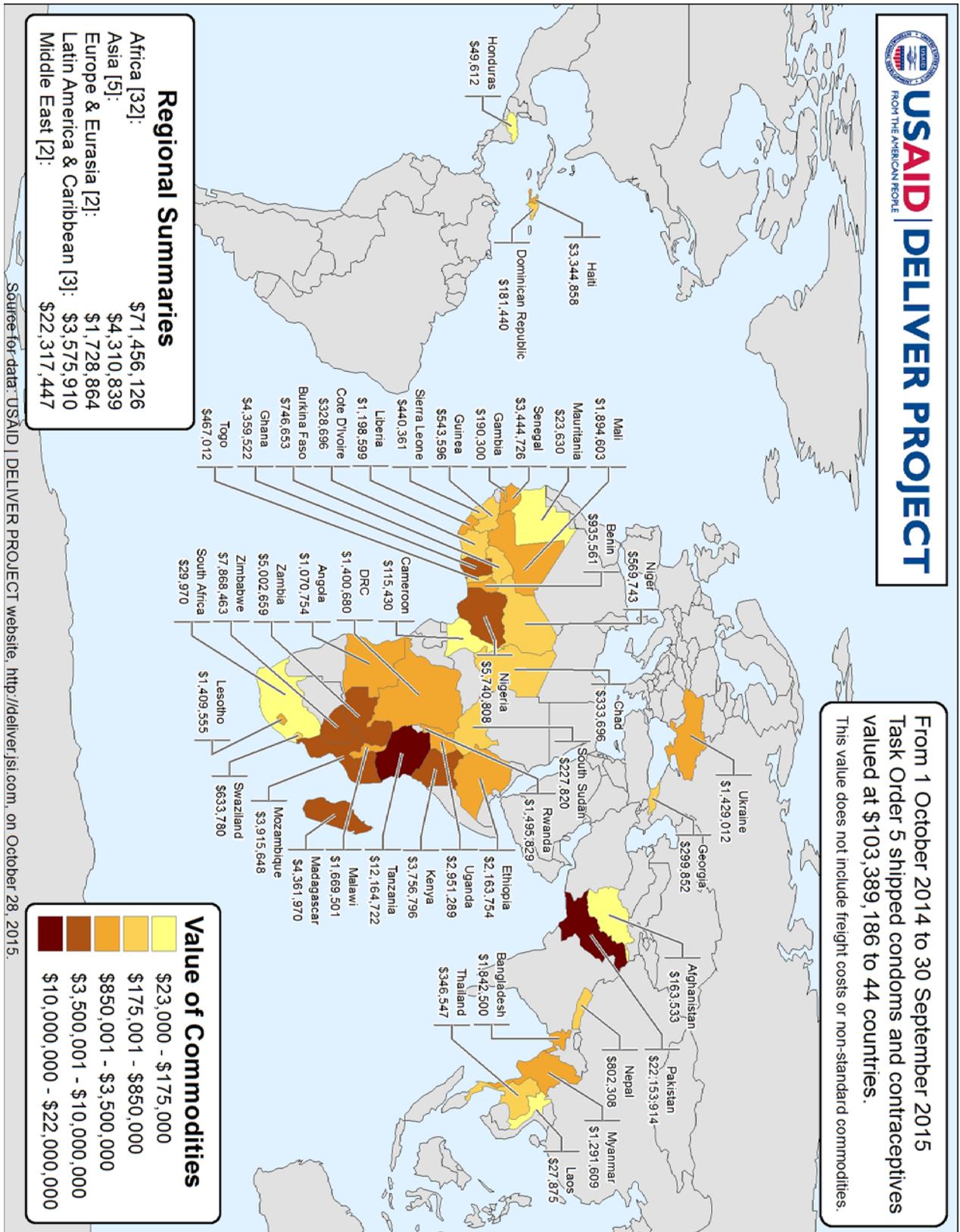


Credit: John Snow, Inc. 2012. Getting Products to People.

- **Continuous improvement** by using the DTP monitoring tool and the task order's performance monitoring plan to manage and communicate task order performance, and using internal tickler reports to monitor operating processes.

The following sections provide additional details on the task order's activities and performance in each of the key areas of the task order: (1) procurement; (2) supply operations; (3) short-term technical assistance; (4) management information systems; and (5) management, monitoring, and evaluation.

Figure 3. Value Map of Framework Commodities Shipped during FY2015, by Country



Procurement

The TO5 Procurement team manages the direct procurement of public health supplies for USAID-supported countries and oversees manufacturing sub-contractors. Throughout the year, the team contributed to an improved global market place for reproductive health supplies by building a healthier, more qualified, and robust supplier base for the USAID | DELIVER PROJECT. The task order's sourcing and vendor management strategy was an important enabling component of this accomplishment.

In FY2015, with the task order extension to September 30, 2016, the procurement team's building on its strong foundation ensured a high level of responsiveness to USAID needs and a high level of vendor performance, while preparing for the transition to the Global Health Supply Chain (GHSC) contract.

Framework Contracts

Vendor Management and USAID Contract Transition

Before the announcement of the task order extension, the procurement team dedicated its energy to explaining and operationalizing the agreed-upon GHSC contract transition plan, including the supply plan and inventory plan (ramping up of central stock) with the suppliers. The large increase in quantities ordered took place as planned, and resulted in a higher level of inventory to buffer against the risk of delayed procurement during the transition period.

With the announcement of the extension, the procurement team quickly turned their focus to explaining and implementing the necessary changes with the suppliers. This resulted in a full revision of the procurement plan and development of a strong communication strategy to ensure understanding, flexibility, and engagement from the suppliers. Ultimately, the task order placed orders for just over \$90 million worth of commodities. See table 1 for details. This value is slightly lower than FY2014, due to lower than expected demand from the field and the change in inventory strategy with the extension.



Table 1. Contraceptive and Condom Procurement Orders Issued in FY2015

Commodity	Orders Value (\$)
Contraceptive implants	29,612,404
Cycle beads	651,940
Emergency contraceptives	45,425
Female condoms	4,700,465
Injectable contraceptives	20,783,552
IUDs	750,600
Male condoms	19,796,594
Oral contraceptives	12,379,835
Personal lubricant	1,928,642
Grand Total	90,649,457

The communication strategy for suppliers evolved over time. Initially, the procurement specialists communicated with their supplier points of contact. Based on those conversations, the procurement team proposed and organized joint calls between the Central Contraceptive Procurement’s (CCP’s) supplier relationship management team—John Snow, Inc. (JSI), Commodities Security and Logistics Division (CSL), and FHI 360—and the suppliers. To prepare for these calls, the Supplier Relationship Management (SRM) team developed supporting documents, a structured approach to the calls, and a presentation to guide the discussion.

During the calls, it became apparent that suppliers had various levels of understanding about the transition, its potential impact on the supply chain and their production, and the contracting and procurement cycles. This was especially true of the suppliers of medical devices, who required extensive education and guidance.

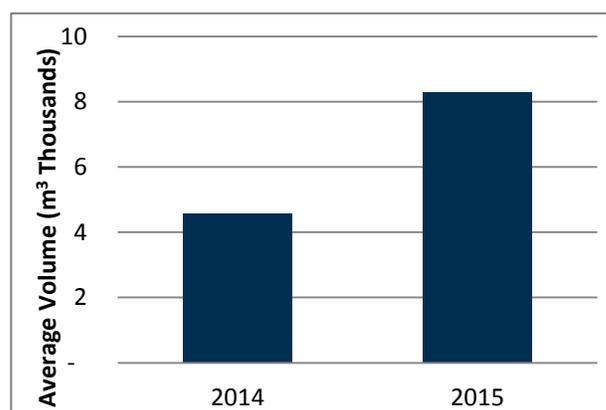
Due to the changing closeout and transition strategy, all suppliers struggled with uncertainty, the lack of visibility into future orders, and the volatility of the forecasts.

This intensive approach to vendor management yielded a number of important benefits to the task order and USAID during this period of uncertainty:

- 85 percent average on-time performance
- contract extensions without price increases
- build-up of transition inventory (see figure 4)
- growth in new products (see *New Products* section)
- flexibility and responsiveness by the suppliers of contraceptive implants during the ramp-up of the implants access program.

Finally, engagement around the impending transition allowed JSI and CSL to better understand the task orders suppliers’—especially condom

Figure 4. Change in Total Inventory Volume for Transition Plan in FY2015



manufacturers—experience working with the task order and how the task order has influenced and improved their operations, as well as the global market.

New Products

In FY2015, the procurement team continued to support the launch and growth in demand for Implanon NXT and Sayana Press through collaborative planning with CCP, USAID's Service Delivery Improvement Division, United Nations Population Fund (UNFPA), and Gates' Implants Access Program; the development and dissemination of product fact sheets to facilitate in-country planning; and routine forecast and order reviews with the suppliers.



Left: Implanon NXT. Right: Sayana Press

To prevent any disruptions in supply to USAID-supported programs, the procurement team also worked closely with its supplier of combined oral contraceptives as they planned their change in primary packaging for their combined oral contraceptives. The supplier decided on the change to improve the stability of their product in very hot and humid climates. The task order's efforts included (1) advising on the overall transition plan, taking into account the task order and USAID's interests; (2) developing fact sheets for CCP to share within USAID and with Missions, which will ensure a clear understanding of the new product, the reasons for change, what it means for existing products in country, and the timeline for change; (3) advising on the sequencing of countries to switch; and (4) designing a prioritization tool to help identify the highest priority countries from USAID's supply perspective, the current status of shipments to those countries, and what action was needed.

Managing Leakage and Diversion

During FY2015, the task order encountered several instances of leakage of USAID-supplied commodities from the intended recipient to the commercial market or cross-border: Microgynon in Liberia, Zambia, and the Dominican Republic; and Combination3 in Togo, Nigeria, and the Dominican Republic. These incidents were recorded in the task order's incident management system, suppliers were informed of the details, and the task order supported investigations into the incidents, as appropriate. The procurement team acted as a facilitator among the various stakeholders (USAID Washington, USAID Missions in-country, implementing partners, manufacturers, USAID's quality assurance contractor (FHI 360), the task order's freight forwarders, etc.), ensuring that all parties had access to any information that was available.

Thanks to the task order's systems and transparency, suppliers are confident that their products are being managed consistently with their internal standards. This trust gives the task order leverage when working with suppliers to better meet USAID's and their partners' needs.

Supplier Performance

The task order measures supplier performance for each order, based on suppliers' promised and actual goods available dates. For FY2015, the on-time release of orders for all contraceptive and condom methods was 85 percent.

The following orders were released on time:¹

- 100 percent of male condom orders
- 98 percent of female condom orders
- 98 percent of intrauterine device (IUD) orders
- 86 percent of cycle bead orders
- 83 percent of injectable orders
- 72 percent of contraceptive implant orders
- 55 percent of oral contraceptive orders.

The low level of on-time performance for orals was due to a combination of factors (manufacturing changes, higher level of orders to build up stock mainly); the low on-time performance for implants was due to the vendors' limited production capacity and switch to a new product. Deliveries and delivery performance are reviewed routinely with the vendors; none of the late releases led to an in-country stockout or late delivery to a recipient. Even when they were late, the majority of orders were no more than a week late, enabling the task order to deliver commodities, as promised, in almost all cases.

Supplier Relationship Management Team

As noted above, the SRM team consists of representatives from JSI, CSL, and FHI 360. This year, the team mainly focused on strategic communication around the transition from the USAID | DELIVER PROJECT contract to the new GHSC contract.

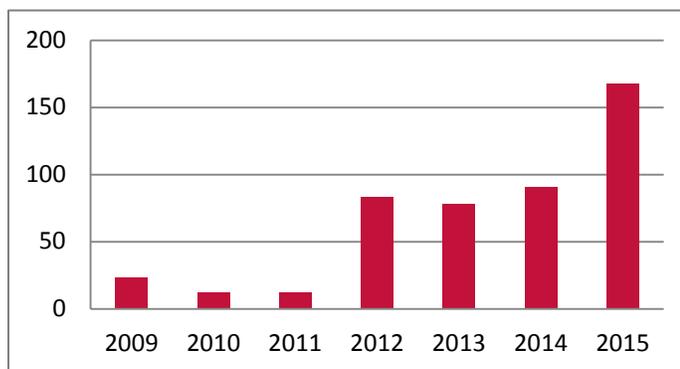
During the mini-retreat in July 2015, the SRM team—

- Planned and prepared the September transition calls with the suppliers.
- Reviewed and assessed the task order's supply status for each product category and the risks linked to the transition, and identified potential mitigation strategies.
- Mapped out the main roles and responsibilities of the taskforce and its members to develop a sustainable model for its work.

Non-Contraceptive Country Procurements

In FY2015, the procurement team continued to demonstrate its agility, adaptability, and creativity while conducting non-contraceptive

Figure 5. Trend in Quantity of Non-Contraceptive Purchase Orders, FY2009–FY2015



¹ These data represent the percentage of number of orders for which the products were available, on time, from October 1, 2014–September 30, 2014, as monitored on the FY2014 DTP report.

procurements: each one typically requires specific technical knowledge, identification of new or different vendors and sources, and customized supply management approaches. The task order uses a team approach to draw upon the skills and expertise of all the specialists to ensure the best possible service to in-country customers.

In FY2015, the task order provided missions with a wide range of non-contraceptive products and services, valued at \$14.4 million, split among 16 vendors, 168 purchase orders, and 218 items. See table 2 for product and value details and see figure 5 for year-on-year trends in quantities of non-contraceptive purchase orders.

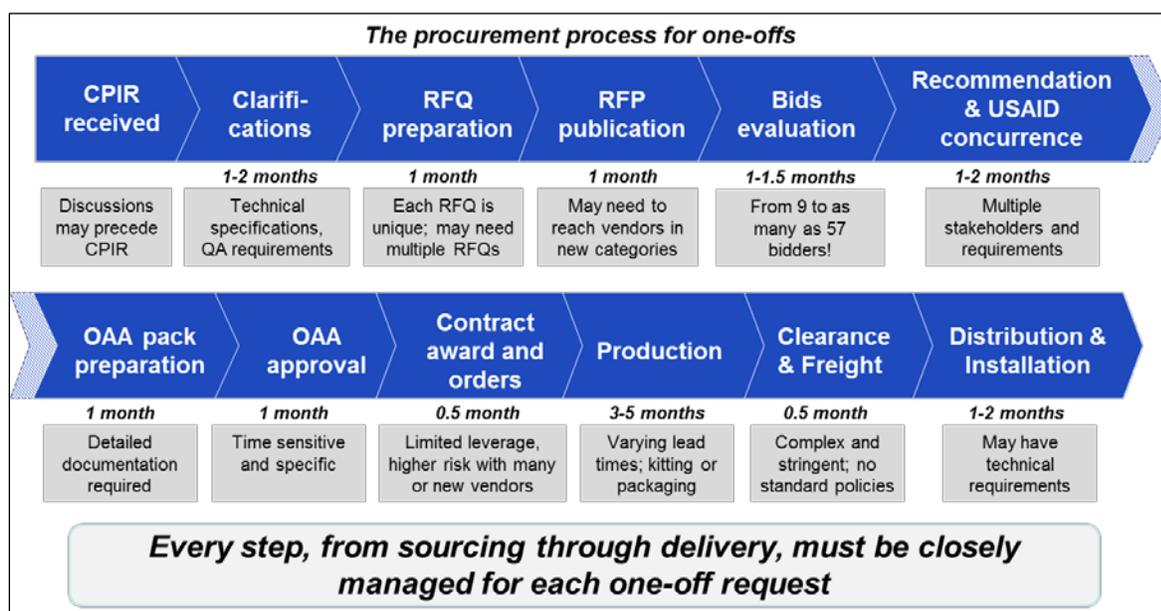
Table 2. Non-Contraceptive Commodities and Services Procured in FY2015

Country	Products/Services	Value (\$)
DRC	Medical equipment	84,000
El Salvador	Hospital equipment	510,235
Ghana	Nutritional supplements	1,390,221
Kenya	MCH equipment	1,841,820
Mozambique	Medical equipment	686,696
Pakistan	X-ray machines	2,404,566
Pakistan	In-country distribution of reproductive health, tuberculosis, and HIV products	145,375
Rwanda	Hospital equipment	21,953
South Sudan	Essential medicines and in-country distribution	7,321,565
TOTAL		14,406,431

Each procurement required a project management plan and approach, and a specialized solution to complete all stages of the one-off cycle; this was especially demanding in the uncertain context of FY2015 (see figure 6). To highlight the challenges of non-contraceptive procurements, the task order offers a few examples.

- **Democratic Republic of Congo (DRC):** Provided a detailed quantification and budget projection for the maternal and child health (MCH) equipment.
- **Mozambique:** Required a complex procurement, consolidation, and delivery plan to overcome the challenge of sourcing commodities from many suppliers and importing them using Mozambique’s complicated and time-consuming import procedures.
- **Ghana:** This required a high level of coordination and management to ensure that all stakeholders’ expectations were aligned and that they were aware of ongoing progress and constraints. The procurement itself required an analysis of new regulatory and registration requirements in-country, incorporation of the technical requirements into the Request for Quote (RFQ), and a global search for potential sources for the nutritional commodities that would meet national requirements.

Figure 6. Non-Contraceptive Procurement Process and Key Challenges



Essential Medicines Fund Project in South Sudan and X-Ray Rooms in Pakistan

The Essential Medicines Fund (EMF) project for South Sudan has been, and remains, the largest and most complex of the task order’s non-contraceptive procurements.

With the delivery of the last and final container of essential medicines kits to Juba in early July 2015, the main focus throughout FY2015 has been to maintain a continuous flow of supplies in-country. South Sudan continues to face political challenges, which affects the project’s ability to deliver the essential medicines kits where they are needed. The task order has worked closely with all partners to minimize supply risks and distribute the kits as efficiently as possible.

In Pakistan, the task order supported the Ministry of Health (MOH) in its fight against tuberculosis by equipping six hospitals with x-ray systems, for a value of more than \$2.5 million. Given the complexity of the system, the Procurement team built and oversaw a comprehensive project plan, including the coordination with the Government of Pakistan for renovating the installation sites; a risk mitigation plan; a complex RFQ (including a site assessment); a technical review panel, including observers from CSL and USAID’s Health, Infectious Disease, and Nutrition Office; the tailoring of the systems to the fit the configuration of the destination sites, etc. The contract was awarded to a local Pakistani company that provided excellent and timely service for the procurement and delivery of the equipment; however, the remaining installations are still a challenge because of the slow progress on some renovations.

Support to the USAID Maternal and Child Health Team

Based on the variety and complexity of projects carried out during the last few years, the Procurement team has developed extensive technical knowledge about MCH products, sound project management experience, and significant operational experience.

CCP's and the team's expertise was recognized within USAID. In particular, in FY2015, to support their efforts to design their own procurement mechanism, the MCH team at USAID requested that CSL and JSI make a detailed presentation on one-offs, primarily focused on the procurement cycle.

Product Registration

Registration Task Force

The registration task force—with members from the task order, CSL, and FHI 360—was launched in 2011. In FY2015, the registration task force continued to develop and strengthen its global strategic approach, with a focus on monitoring and coordination, managing and supporting vendors, generating technical resources, maintaining market vigilance, and responding to any registration-related issues.

During its annual retreat, the registration taskforce took stock of the work accomplished because its formation paved the way for the future registration taskforce of the USAID GHSC contract. The taskforce discussed and documented the key lessons learned for pharmaceuticals and medical device registration. This was done for each category within the context of—

- regulatory surveillance: maintaining regulatory information, registration priorities, and guidance on registration for a product with multiple names or modes of distribution
- manufacturer management: general supplier management approach, manufacturer regulatory capability, and technical assistance
- coordination between the various and numerous stakeholders
- resource development: identify resources and develop knowledge within the USAID | DELIVER PROJECT (at the home office and in the field); and support and advocate for investments in registration resources by the supplier.

The taskforce identified the following main challenges:

- the risk that new suppliers under the USAID GHSC contract do not have registrations in place
- incentives for the manufacturers to secure registrations in USAID's low- or non-priority countries
- use of local sourcing that meets USAID quality requirements
- USAID's potential support (technical support, identification of local agents) to assist manufacturers
- complexity and multiple registrations for social marketing/rebranded products.

Additionally, the taskforce articulated the taskforce mandate by—

- reviewing the composition, key roles, and responsibility of the taskforce
- defining and articulating the taskforce mandate
- discussing and developing recommendations for USAID regarding the GHSC regulatory approach for family planning commodities
- identifying key registration considerations for future tenders.

Main Activities in FY2015

Because of the uncertainty caused by the end of the USAID | DELIVER PROJECT, and the changing transition timeframe, the registration taskforce work has intensified in FY2015 to maintain a smooth supply of commodities through the following main activities:

- Continuously manage and support the suppliers to help complete the existing registrations (condoms).
- Coordinate the various facets of registration for new products (Sayana Press, Implanon NXT, ACLAR packaging for orals): supplier management, regulatory, global demand, procurement forecasts, priority countries, etc.
- Define the USAID | DELIVER PROJECT registration strategy until the end of the contract, the subsequent expectations from suppliers, and communication to the vendors.

Global Health Supply Chain Transition Planning

Throughout FY2015, the procurement team extensively and successfully worked with other JSI functional teams, CSL, FHI 360, and the suppliers to design and implement the initial transition plan before the extension of the USAID | DELIVER PROJECT through September 30, 2016, was announced.

Despite the multiple challenges and the complexity of doing so, the efforts were then redirected to accommodate the necessary change of plan. This was successfully done so that the project is now in a healthy position regarding procurement: reliable sources and secured supply, and continuous strong suppliers' understanding and engagement.

With the end of the USAID | DELIVER PROJECT set for September 30, 2016, from a procurement perspective, the project will continue to collaborate with vendors on production needs and schedules and wind down current procurement contracts within a compressed production period. This includes covering replenishment orders, serving the missions until the end of the project, and coordinating with the USAID-designated agent for the GHSC contract.

This will remain a top priority through the end of the task order.

Priorities for FY2016

- **Project closeout and transition to the GHSC contract:** This will remain a top priority throughout the end of the task order to ensure that the supply of products and the accumulated inventory can serve the missions' orders during the last year of the task order and the start-up period for the GHSC contract.
- **Further strengthen the supplier management effort and activities.** To facilitate the needed supply of products for the transition period, the Supplier Management team will continue to build strategic, positive, and productive relationships with the main vendors during the last year of the task order.
- **Closing of the non-contraceptive procurements.** Given the complex and challenging context of the EMF project for South Sudan, as well as the complexity of the other ongoing non-contraceptive procurements, the task order will continue to monitor and manage the risks to successful delivery; they will also depend on the active support and collaboration of the USAID missions, as well as CSL.

Supply Operations

The Supply Operations team works to ensure that commodities supplied meet country demand. The team oversees planning, warehousing, inventory management, freight, and distribution for all commodities procured under TO5; as well as customer service and order management for all country-specific commodity supply requests.

As in past years, the task order completed its annual audit of standard operating procedures (SOPs) for all key functional areas. The SOPs were revised to ensure that they are aligned with current processes and that they reduce the overall risk of performance breakdowns.

In FY2015, the Supply Operations team responded to the additional complexities of the anticipated closeout of the task order and subsequent extensions. Throughout this period, the team continued to work closely with USAID and all its country clients and supply chain partners to ensure high levels of customer service and order fulfillment.

Improving the Global Supply Chain Operations

The team continued to work closely with CSL to increase visibility into potential demand from country programs. Additionally, information from working groups, such as the Coordinated Supply Planning group, helped provide insight into country needs. This data was used to develop demand forecasts and supply plans, which were routinely shared with task order suppliers to ensure production was available when required. The team also developed forecasts for storage and shipping requirements and shared them with warehousing and freight forwarding partners to ensure that the warehousing and freight requirements were met. This seamless flow of information up and down the supply chain contributed to increased visibility of demand and supply data, and to improved vendor performance, allowing us to better meet country needs. As a result, the overall on-time delivery performance for FY2015 increased from 91 to 94 percent.

Demand Planning

Information Sharing

During FY2015, the Supply Operations team continued to improve information sharing with suppliers. The Demand Planning team participated in the procurement team's monthly calls with suppliers to review the latest forecasts, pending order information, and shipment history reports provided to them—answering supplier questions and providing any additional information requested. By fostering collaborative relationships, and improving data visibility, the team can better understand each other's needs and constraints and anticipate the upcoming needs of the task order. These activities have continued to strengthen the team's relationship with suppliers and have allowed the task order to benefit from greater production flexibility, when needed.

In FY2015, the demand planning unit participated in the registration task force to better understand current product registration constraints and to give the task force the most current information on future commodity orders.

Forecast Analysis

The demand planning unit uses order history, pending orders, and in-country forecast information to create an 80/20 commodity summary, identifying the top countries that reflect 80 percent of commodity demand. This analysis allows the task order to focus on countries that have the highest impact on demand, as well as to prioritize order inquiries with CSL and in-country staff to ensure that all current and upcoming orders for high-impact countries have been accounted for. The demand planning unit also generates a bottom-up forecast that reflects demand from the country or recipient level, providing insight into ordering patterns. This allows the demand planning unit to compare the bottom-up country/recipient forecast with the overall aggregate demand forecast to ensure a full understanding of commodity demand from both a micro- and macro-level. The 80/20 analyses and bottom-up forecasts facilitate better-informed procurement and inventory decisions, contributing to an improved on-time delivery rate.

The demand planning unit worked to improve forecasting by—

- Continue to coordinate with the task order finance manager to monitor funding requirements and ensure product procurement activities can be executed in a timely manner.
- Coordinate with CSL to create the FY2015/16 demand forecast for the final year of the task order.
- Adjust supply plans and supplier forecasts after the FY2016 extension was put in place to reduce the originally planned increases in inventory levels to accommodate the transition to GHSC.

Buffer Stock and Inventory Balances

In FY2015, the task order responded to unplanned and planned orders, reporting zero late shipments due to product availability. The demand planning unit worked to maintain optimum inventory levels. To ensure that CSL understood why the task order experienced lower- than-average or higher-than-average stock levels at any point, the demand planning unit provided CSL with a monthly inventory narrative.

To manage the impact of emergency orders on inventory levels, emergency orders were split, whenever possible, with one portion shipping immediately to meet in-country demand and the remaining portion going at a later date. As a result, the task order was able to meet both planned and emergency requests. The task order minimized the cost of emergency orders by sending urgent portions of the orders by air and the remaining quantities via ocean. For large emergency orders, standard items were scheduled as direct drop shipments instead of filling the requests from inventory stock; this reduced transportation, handling, and warehouse costs.

As part of the transition plan, the initial transition inventory strategy agreed-to with CSL was to increase inventory levels to 10 months of stock. When the subsequent FY2016 extension was approved, TO5 revised the forecasts and supply plans. Under the extension, the buffer stock threshold was adjusted to four months of stock. At the time of implementation, some purchase orders had already been placed in line with the original transition plan; therefore, some inventory levels were elevated and have remained higher than the subsequently agreed-to four months of stock.

0%

Shipments late due to
availability of product

Warehouse Management

The task order continued to maintain inventory in its two primary locations: Singapore and Netherlands. In FY2014, a third pharma-grade facility was added in Venlo, Netherlands, to help store increased inventory levels planned, as part of the task order's agreed-to transition strategy with USAID. Use of this additional facility has enabled TO5 to accommodate inventory surges and has provided space for the increase in inventory planned for the transition to the GHSC project.

The Singapore facility continues to maintain inventory of male and female condoms, while both the Roermond and Venlo Netherlands facilities continue to maintain inventory of pharmaceuticals and other inventoried items. Both locations have been used for storage and order consolidation for non-contraceptive procurements, allowing the task order to consolidate many orders into one shipment and simplifying the import process by obtaining pre-clearance prior to shipment from one location. Based on the terms of the task order, all warehouse facilities are in the process of completing inventory audits and the final report is expected in early November 2015.



The project's warehouse in Roermond, Netherlands.

Process Improvements

During FY2015, the supply operations team continued to work to reduce transportation costs by consolidating orders, thereby reducing the number of overall shipments—using direct drop shipments, whenever possible; or changing the mode of transit from air to ocean. All orders submitted through the online ordering system were closely reviewed to determine if they could be consolidated or shipped directly from the manufacturer, or if any new orders could be combined and shipped with the existing orders in the system. In FY2015, nearly one-third of all shipments were sent as direct drop shipments.

Both warehouses and freight forwarders have continued to streamline communication on shipment preparation and pick-up procedures. This directly contributed to an as-soon-as-possible (ASAP) pick and pack success rate (within 10 days of notification for ocean and five days for air shipments) of 98 percent for all emergency shipments processed in both warehouses. Furthermore, the warehouses had a combined inbound processing success rate (within two days of shipment arrival) of 100 percent.

An analysis of the reason codes for late shipments from FY2014 was conducted to look for opportunities to address problems to improve delivery. The bulk of the reasons for late delivery were related to shipment pre-approval delays and customs clearance delays. The results of this analysis were shared with the freight forwarders so they could work with their agents to focus more on mitigating pre-clearance and customs clearance delays.

The task order also developed and implemented a new Incident Management System to better track reports of problems and issues in a central database. Root cause analysis is now easier and monitoring of incidents can be better tracked to determine whether they are systemic or isolated incidents. The system focuses on supply chain and quality assurance (QA) incidents, specifically. The

system also allows for document attachment and reporting to ensure all information related to an incident is maintained in a central place, and to monitor and ensure incidents are closed with a satisfactory resolution.

Freight Forwarding

The task order continued to manage and award shipments to the freight forwarding partners—Logenix and UPS—according to the published freight forwarding strategy. Shipments to countries were bid between the forwarders, with the exception of destinations where a forwarder had a clear advantage in being able to meet local requirements for import and delivery, or where the USAID Mission in the receiving country requested a specific freight forwarder. Shipping lanes were awarded to a single forwarder for the following countries:

- Afghanistan
- Bangladesh
- Cambodia
- DRC
- Ghana
- Kenya
- Mali
- Mozambique
- Nigeria
- Rwanda
- South Sudan
- Tanzania

Lanes for Mali and South Sudan were both awarded to a single forwarder in FY2015. Shipments to Mali were awarded to UPS, based on superior performance for on-time delivery; while South Sudan was awarded to Logenix for the same reason.

Through continued bidding of shipments, TO5 obtained an overall cost savings of 15 percent—\$371,273.36—for FY2015. This savings was calculated based on the difference between the highest and lowest bids for individual shipments.

The task order achieved
\$371,273
overall cost savings as a result of a
competitive bidding process

In FY2012, the task order began maintaining a quarterly score card for each freight forwarder to monitor their overall performance and to ensure that forwarders are aware of any issues observed. For FY2015, the task order's freight forwarders obtained an overall score of 94 percent for on-time delivery. This improvement was due to closer collaboration between the task order and its forwarders and a better understanding of each others' needs and requirements.

The team is also continuously improving its processes to plan and monitor the status of outbound orders. In FY2015, important enhancements were made to the current shipment report. A Lead Time Matrix was added to the report to summarize lead times needed for each milestone of the shipment—booking, transit time, clearance, and delivery. This provides the team with a more detailed view of how much time is needed in each stage of the shipment, enabling better planning and coordination of each shipment. In addition, based on shipping lead times and the recipient's desired receipt date, the report now estimates the date on which the shipment should depart to ensure an on-time delivery. The freight unit monitors these dates to ensure that a pick up or booking has been confirmed in advance of the estimated ship date. If no activity is seen, an alert is sent to the

freight forwarder. These enhancements enable the team to identify which freight forwarder is performing better for a specific country, pinpoint problems that shipments to a specific country may be having, and estimate more accurate lead times.

In-Country Warehousing and Distribution

As part of the South Sudan EMF project, the task order managed the warehousing and distribution activities for the EMF commodities using its freight forwarder Logenix. In FY2014, the task order secured a total of 3,546 square meters of warehouse space, which is used to receive, store, and dispatch the essential medicine kits. The primary warehouse space is fully climate controlled and furnished with three 40-foot refrigerated containers for storing cold chain products.

In FY2015, the project, in collaboration with MOH/CMS, delivered 132,817 cartons of essential medicine cartons; including 1,006 cartons of cold chain products to the seven non-conflict states—Central Equatoria, Western Equatoria, Eastern Equatoria, Northern Bahr El Gazal, Western Bahr El Gazal, Warrap, and Lakes. During this period, the project completed the distribution of the third and fourth (final) quarter EMF kits, except the keep cool items, in all counties in these states. The project further facilitated the delivery of anti-malarial medicines to all seven states. This allowed service delivery points to have the drugs before the onset of the long rains.

The movement of goods to a majority of the counties in the three conflict states—Jonglei, Unity, and Upper Nile (JUUN)—states has remained a challenge, which affected the delivery of the EMF supplies. To mitigate this, the project signed a contract with the World Food Programme (WFP), in August 2014, to deliver the EMF kits by air to the conflict-affected counties; the project continues to work with WFP to distribute EMF commodities to these states.

By the end of reporting period, 29 counties in the JUUN states had been fully supplied with their third quarter EMF allocations; six were either partially supplied or their allocations were enroute (see figure 7). For the 4th quarter distribution, 18 counties received their complete consignment and supplies for seven counties were either in transit or being prepared for dispatch from Juba. Quantities distributed by WFP on behalf of the project are in addition to the quantity noted above for the seven non-conflict states; data were not available at the time of this writing.

Figure 7. Quarter 3 EMF Distribution by State, as of Oct. 5, 2015

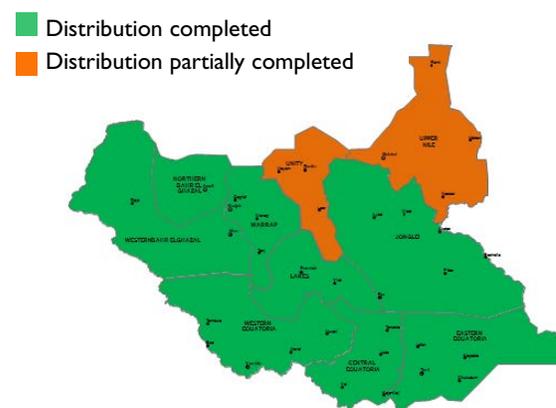


Table 3. Distribution of Essential Medicines Cartons to the Seven Non-Conflict States in South Sudan, October 2014–September 2015

EMF Kits Delivered	Number of Cartons	Total Weight (metric tons)	Volume (CBM)
Ambient	131,811	1,781,764	7,262
Cold chain	1,006	4,551	38
All kits	132,817	1,786,315	7,300

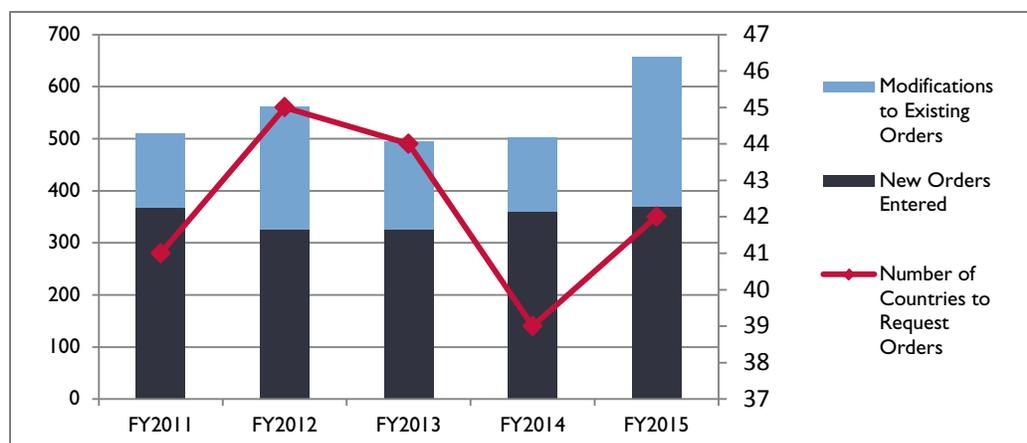
Customer Service and Order Management

The Customer Order Management team (COMT) is the first point of contact for customer orders. Throughout the order fulfillment process, from the order’s acceptance to shipment, the COMT plays a vital role in order management and data integrity.

TO5 receives country commodity orders (Authorization of Contraceptive Shipments [ACSs] from the USAID missions through CSL backstops via the task order’s online ordering system). After thorough vetting by the TO5 coordinator, the COMT enters new orders into the ORION Enterprise Resource Planning system, and makes all requested modifications to existing orders.

During FY2015, the task order processed 289 ACSs for 42 countries. These ACSs resulted in 369 new requisition orders (ROs) and 287 modifications to existing orders, including 204 changes and 79 cancellations. The total number of order-related transactions that TO5 processed in FY2015 was notably higher than in previous years (see figure 8). This was primarily because the project transition plan in effect at the end of FY2014, in which countries were asked to submit commodity orders by the end of September, 2014. Some countries, most notably, Thailand, submitted many orders just after the deadline; they were, subsequently, processed in October.

Figure 8. Number of Orders Processed



Ordering Catalog 2015 Version

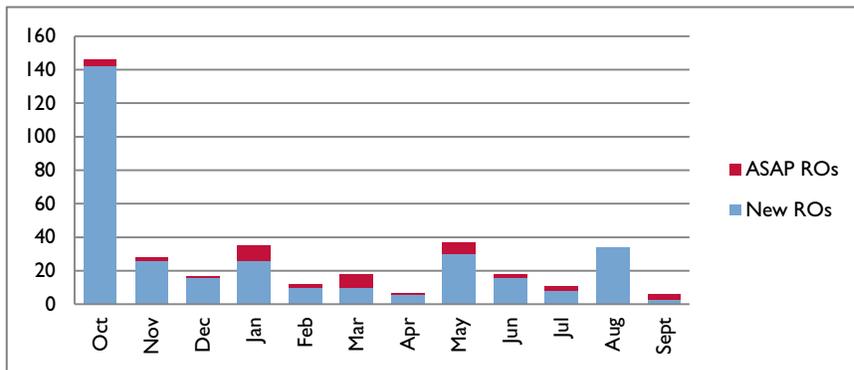
In FY2015, the *USAID Contraceptive and Condom Catalog* was updated to include the new items introduced: Sayana Press, Implanon NXT, and various male condom foils.

Emergency Order Summary

Fourteen percent of ACSs received in FY2015 included emergency orders or urgent modifications.; this is a reduction from 20 percent in FY2014. In FY2015, there were 42 emergency shipments and four urgent modifications. See figure 9 for a month-by-month summary of new orders.

Emergency orders, requested to be delivered ASAP in response to a stockout or threat of a stockout, are shipped immediately in entirety or partially to prevent supply disruption. Urgent modifications include requests to delay an order that a freight forwarder has already packed, or to cancel an order already scheduled, or in production with the manufacturer.

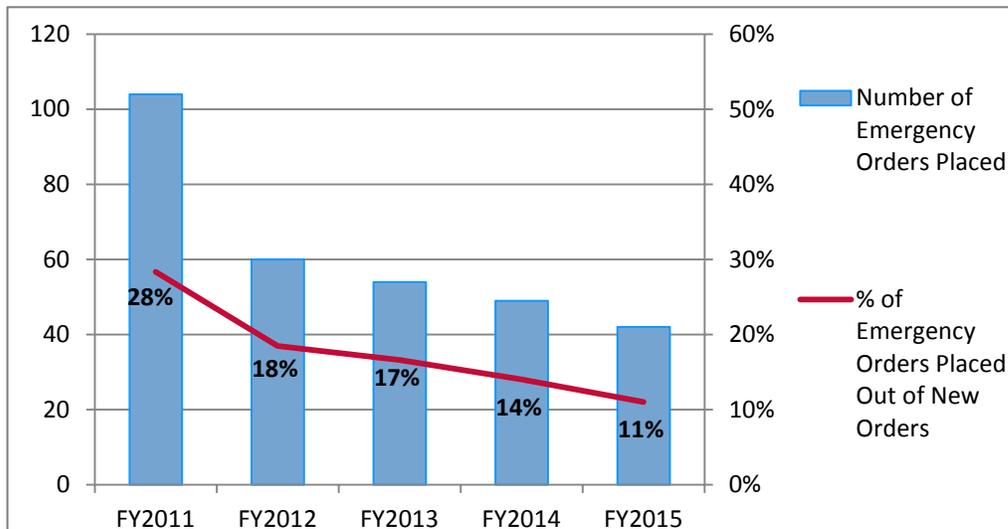
Figure 9. Orders That Included Emergency Orders in FY2015



The task order received a total of four urgent modifications in FY2015:

- Three late production change requests: (1) A request to cancel a special order product that was already produced. The task order was able to accommodate this request by shifting the product to a new order for a different country. (2) One request to split a special order into an ocean and air shipment after the order was already issued for shipment preparation. The task order was able to accommodate this change. (3) A special order was requested to arrive earlier than originally requested. It was too late in production to change the date, but coordinating with FHI 360 for testing and with the freight team for shipping, the order arrived according to the new request.
- One late shipment change in which the order was requested to be placed on hold after the order was picked and packed but not yet shipped. The task order was able to accommodate this request and hold the shipment.

Figure 10. Decrease in Number of Emergency Orders in FY2015



The trend of decreasing emergency orders continued in FY2015. This year, the task order received the fewest number of emergency order requests (42) since tracking them began in FY2011; this resulted in only 11 percent of new orders requested as emergency orders (see figure 10). The reduction in emergency orders is a result of improved visibility into customer demand and improved global coordination.

The reasons for emergency orders in FY2015 included other donor fall through, programmatic issues, registration delays, unknown reasons, and other reasons (miscommunication, warehouse fires, late orders, and need for research trial). See figure 11 for a summary of emergency order reasons in FY2015, and appendix B for descriptions of reasons for emergency orders.

In FY2015, male condom, implant, and oral contraceptives were the most requested three items for emergency orders; each accounted for 21 percent of the emergency orders. Jadelle saw a decrease from 19 percent in FY2014 to 14 percent in FY2015, which may be due to the work of the Coordinated Supply Planning group that focuses on in-country implant stock levels. Injectables and orals saw an increase in total percentage of emergency requests compared to FY2014. See figure 12 for a summary of the emergency orders, by commodity.

Online Order Entry

The task order first implemented online ordering in FY2012. In this year, significant enhancements focused on a redesign of the ACS Order form and the ACS Order Tracking form.

Enhancements to the ACS Order form improved its functionality and made its use more efficient. An auto-save function was also added to prevent the loss of data.

Enhancements to the ACS Order Tracking form enable users to access ACS data more easily and more quickly. Users can now view more line items of data, and view the total number of orders displayed. Improved search parameters enable users to independently search on country, mission, or status. In addition, the overall speed of order retrieval has been improved.

The online order entry system, and its subsequent enhancements, continues to be an important

Figure 11. Reasons for Emergency Orders, FY2015

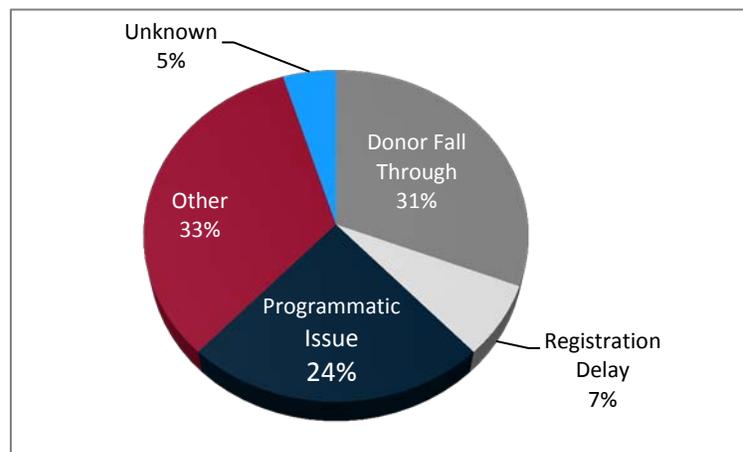
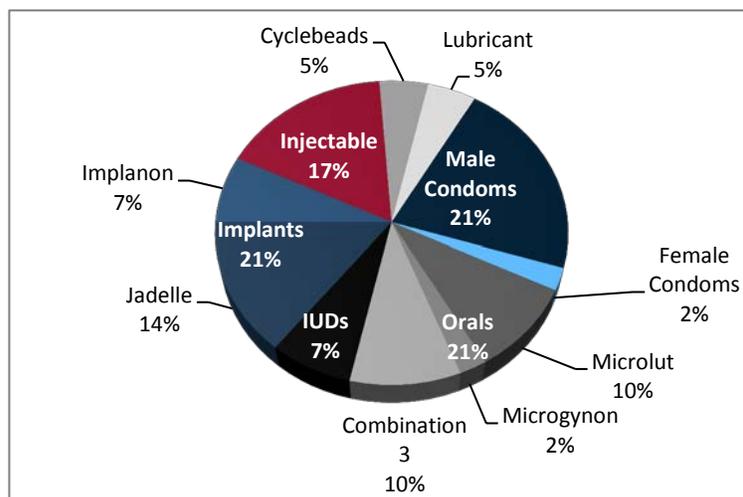


Figure 12. Emergency Orders by Commodity, FY2015



enabling tool for both the task order and CSL. Benefits of the system include—

- **Errors are minimized** by requiring users to select quantities that align with minimum requirements, if any; and quantities must be in case size increments for each product. The transport mode—either ocean or air—is also automatically selected. depending on the user’s in-country receipt date; products that can only ship via air are restricted to this mode.
- **Suggested receipt dates are populated** to provide realistic estimates to the user, based on updated lead time for products and countries. This aids users in better understanding order cycle times and the required lead time for placing future orders.
- **An attachment field** allows all relevant documents to be grouped with the ACS. Supporting documentation can be included with the ACS, such as image information for special foil condoms.
- **Document tracking and version control** of ACSs allows documents to be electronically tracked and viewed for the progression of changes. A comments field enables additional information about the ACS and orders to be added, over time.
- **Email notifications** are sent to alert CSL backstoppers and the Customer Order Management team when ACSs are submitted, approved, and accepted. When action has not been taken, a reminder is sent, thus eliminating the possibility that requests will be forgotten.

Country Backstopping

In FY2014, the task order began backstopping four missions: Kenya, Liberia, Malawi, and Pakistan. The task order’s role of backstopping continued in FY2015 with direct communication with the missions. Transferring these backstopping roles to TO5 has streamlined communication, improved coordination, increased the task order’s visibility into country needs, and enabled CSL to focus on policy and funding questions. In these four countries, there has been a notable decrease in the time from order request to order approval for these countries; it has also allowed the task order to request information on needs and orders directly, providing insight for demand planning and forecasting needs. Additionally, three of the four countries the task order backstopped saw a decrease of emergency orders in FY2015 compared to FY2014. Liberia was the only country that had an increase in emergency orders, a result of the Ebola outbreak during FY2015. See table 4 for the summary of the change in emergency orders for the task order’s backstopping countries.

Table 4. Overall Decrease in Emergency Orders for Task Order Backstopped Countries

Country	FY2014	FY2015
Kenya	1	0
Malawi	4	0
Pakistan	5	0
Liberia	0	3
Total	10	3

Global Collaboration

Since FY2014, the task order has participated in two principal collaboration efforts. This task order has been a key member in the inter-agency Coordinated Supply Planning (CSP) group, which began as a workstream of the Reproductive Health Supplies Coalition’s (RHSC) System Strengthening Working Group in 2012. Its members include representatives of USAID; UNFPA’s Procurement Services and Commodity Security Branches; the Clinton Health Access Initiative (CHAI); JSI (through the Implant Access Program and the USAID | DELIVER PROJECT); and the RHSC.

CSP seeks to prevent supply chain crises through better coordination among the two key procurers of family planning commodities—USAID and UNFPA.

The group has established tools and processes to develop and update joint forecasts and supply plans for USAID and UNFPA for contraceptive implants and Depo-Provera. Based on the initial success with these tools, the group is now working with funding from the RHSC, and the Bill & Melinda Gates Foundation, to develop the tool on top of the USAID's Business Intelligence and Analytics platform for improved automation, data visibility, and expansion to additional family planning products. TO5's work with CSP this past year included—

- Attended CSP meetings in Washington, DC, and New York, including participation in the Procurers and Manufacturers Summit organized by RHSC in August 2015.
- Participated in the review of UNFPA's 2015 Global Program for Reproductive Health Commodity Security (GPRHCS) requests and helped shift procurement of 3.7 million vials of Depo-Provera to USAID, assisting with UNFPA funding constraints.
- Contributed to the monthly review of country supply plans for implants and DMPA to foresee stock imbalances six to 15 months in the future and took coordinated action to prevent these from becoming issues.

The second collaboration effort has been with the Supply Chain Management System (SCMS). Through meetings between functional teams, and by co-locating the freight teams on the same floor of the building, both projects understand and can act on situations in countries that may affect both projects. The task order is also sharing ideas and coordinating inbound shipments to countries to avoid bottlenecks with the simultaneous arrival of multiple shipments. Additionally, TO5, SCMS, and the malaria task order will work together to determine in-country storage capacity and to coordinate shipping schedules for commodities to be delivered toward the end of the three projects. This will avoid overloading ports, customs agencies, and in-country supply chains as the projects closeout and transition to the next contractor.

Global Health Supply Chain Transition Planning

In FY2014, the task order worked closely with CSL to develop a transition plan to ensure that product would be accessible when the new contract was awarded. Considering the subsequent extension, the transition plan was revisited to accommodate the anticipated demand. As a part of the plan's revision, inventory levels for all standard commodities have been re-evaluated to ensure the availability for emergency needs while the program transitions. The task order and CSL are sharing information regularly with countries to assist them with planning during the transition period. As mentioned above, the task order began collaborative planning with the malaria task order and the SCMS to ensure that countries are not overwhelmed with end-of-project shipments.

The original plan agreed-to with CSL was to hold 10 months of stock to ensure no gaps in product availability occurred during the transition to GHSC. After the FY2016 extension was communicated and implemented, the transition plan was adjusted to reduce inventory levels to four months of stock, using the extra time now available for the transition. The current transition plan is to draw down on existing inventory levels, with new supplies to be delivered to the new contractor's facility. USAID will determine the timing of the shift to the new facility.

The team developed a new forecast and transition plan in line with the new timeline. This plan was presented to CSL and, subsequently, a final 2016 demand forecast was agreed-to. All procurement

planning and inventory monitoring will now be executed using these forecast numbers for the duration of the task order. All supplier forecasts for 2016 have been shared with manufacturers; these will continue to be provided on a monthly basis to ensure optimum product availability throughout the duration of the contract.

As mentioned earlier, the Supply Operations team and SCMS have begun working more closely to coordinate shipments, sharing information related to country warehouse capacity and situations on-the-ground that may impact either projects' logistics activities. In addition, the demand planning teams of the two projects have begun working more closely to provide additional operational support and to share best practices.

Priorities for FY2016

- **Continue to improve the global supply chain operations** through close coordination between functional areas within the task order and CSL.
- **Implement and monitor the inventory strategy for the transition** by working closely with CSL to ensure that inventory levels are established within the parameters set by the transition plan and that adjustments are made to the plan as activities unfold during the coming year.
- Continue global collaboration efforts currently underway—
- **Between USAID and UNFPA on forecasting and data sharing** to better support USAID programs and to continue to refine and improve forecast information sent to vendors, with the goal of improving service and product availability.
- **With SCMS on coordinating closeout activities** by continuing to share and coordinate information across all projects to ensure a smooth transition.
- **Maintain high levels of warehouse performance** by continuing to improve information sharing, such as pallet-level forecasts; and refining inbound and outbound prioritization processes.
- **Partner with freight forwarders to mitigate customs clearance delays** by continuing weekly calls with the task order's freight partners to obtain the latest shipment information, rapidly addressing logistic challenges, and understanding new country requirements that may necessitate an adjustment in the shipping instructions or lead-time information.
- **Ensure a smooth closeout and transition to the next contract** by working closely with CSL and other partners to meet contractual requirements, inventory needs, etc.

Short-Term Technical Assistance

This core element supports continuous improvement of quantification for contraceptives, and utilizes quantification data to inform USAID's inventory and demand planning strategies, as well as to prevent or mitigate stock imbalances. At USAID's discretion, short-term technical assistance (STTA) is provided for quantification in countries that do not have a project presence.

Procurement Planning and Monitoring Report: Supporting Analysis and Decisionmaking

The Procurement Planning and Monitoring Report (PPMR) system has become a robust and widely utilized source of contraceptive stock data since its debut in FY2012. In FY2015, the task order began the process of incorporating the PPMR into the USAID Business Intelligence and Analysis (BI&A) database, through close coordination with USAID's BI&A contractor, Intellicog. PPMR data are now routinely fed into the BI&A to support USAID decisionmaking and supply chain analysis.

This year, analysis from the PPMR used by the Coordinated Supply Planning (CSP) group resulted in the cancellation of two unneeded USAID Jadelle shipments to the MOH in Liberia. This action saved \$435,200 in product costs for the USAID Liberia Mission, and prevented overstock of the commodity at the Liberia National Drug Store (NDS). Task Order 5 staff coordinated quickly and closely with Bayer to reallocate the quantity from one cancelled shipment to UNFPA, which mitigated a stockout in the public sector in Nigeria. USAID prevented a stockout in Zambia in the public sector by rerouting the second cancelled Liberia shipment.

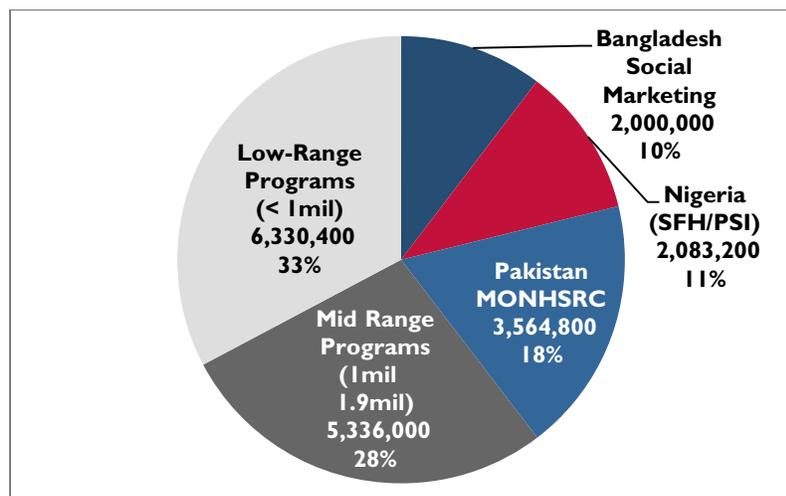
Outside the CSP analysis, two unneeded IUD shipments to Society for Family Health (SFH)-Nigeria were also cancelled when the PPMR showed they would result in a significant overstock for the program, saving \$48,000 in commodity costs for the USAID-Nigeria Mission.

This fiscal year, TO5 welcomed Marie Stopes International (MSI)-Madagascar as the first program to report from Madagascar. MSI-Madagascar receives commodity support from both UNFPA and USAID. TO5 continues the outreach to incorporate social marketing and the public sector in Madagascar.

Commodity Planning Status Report

For the past four years, the Commodity Planning Status Report (CPSR) provided a snapshot of stockout and emergency order risk to USAID-supported programs and to countries by evaluating a variety of factors. This fiscal year, TO5 tested and incorporated a series of visualizations that show how product demand from countries is changing over time, with a focus on which countries and programs are responsible for the majority of demand for specific contraceptive methods. Figure 13, shows an example of one visualization, describing the percentage contribution of various recipients to the overall total of Depo-Provera shipped by USAID.

Figure 13. Calendar Year 2015 Depo-Provera Quantities by Country/Program Recipient, August 2015 CPSR



Contraceptive Quantification Data for Global Forecasting and Inventory Management

The task order collected supply plans for 18 countries and 32 programs, including non-presence countries. The collected supply plans were shared with the Supply Operations team to support global forecasting and inventory planning. They were also shared with partners, through the Coordinated Supply Planning (CSP) group, informing the group's work at preventing long-term stockouts of Jadelle, and orienting limited supplies of this commodity.

In FY2015, quantifications were received from TO4 offices in Burkina Faso, Ethiopia, Ghana, Liberia, Malawi, Mauritania, Mozambique, Niger, Nigeria, Rwanda, Tanzania, Togo, Zambia, and Zimbabwe (USAID supplies only male and female condoms to the public sector in Zimbabwe). An additional quantification under the West Africa and Central Africa initiative in Côte d'Ivoire was also received. Although outreach by project and USAID staff, and contacts from the PPMR, the task order also received quantification data from countries and programs not supported with project technical assistance; but that receive commodity support from USAID, including the MOH in Kenya, the MOH and PSI in Mali, and the Society for Family Health in Nigeria.

Priorities for FY2016

- **Identify and mitigate risk of stockout to USAID-supported programs during project transition** through support to USAID backstops, use of project-developed tools, and improved visibility into downstream demand.
- **Continue to support CSP in building a close working relationship and joint planning processes with UNFPA** to benefit recipient countries, USAID, and the wider global reproductive health community, during and after project transition. Close coordination of shipments with UNFPA is expected to be especially valuable during the transition from the current task order to the follow-on GHSC project; this will allow USAID to request scheduling of UNFPA shipments to meet country needs if USAID shipments are not available.

- **Support TO5 project closeout and handover of activities to the follow-on GHSC project** by providing data, documented processes, and introductions to key partners and stakeholders, as directed by USAID.

Management Information System



The Management Information System (MIS) team completed a series of maintenance projects to make the system more responsive, easier to use, and more robust. The complete supply chain cycle—from procurement to delivery—underwent almost weekly minor updates and enhancements to the ORION Enterprise Resource Planning (ERP) software and the USAID | DELIVER PROJECT website. In addition, executing its primary mission, the MIS team provided day-to-day operational support to the system that records and provides information for management review, including (1) aggregate demand by country and recipient program, (2) shipment requests by country and recipient program, (3) financial accounts by country and funding source, production, and warehouse stock levels; and current status of shipments.

The MIS was continuously available to authorized users from the project, the U.S. Government (USG) and partners, both centrally and in the field; via a secure web-based user interface, My Commodities, on the USAID | DELIVER PROJECT website. The MIS, managed according to the highest project management standards as defined by the Project Management Institute, uses a standard system development life cycle approach. Periodic updates of the MIS were provided to ensure customer satisfaction, based on requests from internal and USG sources.

Performance

MIS reliability, availability, and ease of secure access are measured against a service level agreement (SLA); the task order met or exceeded the SLA standards in FY2015.

The USAID | DELIVER PROJECT website enables authorized users to access shipment and financial information. Visibility into shipment status is an important aspect of worldwide supply chain management. These key data are refreshed three times during each business day to provide the most current status. The website received an average of 7,374 visits per month (see figure 14).

The project’s website was available 99.85 percent of the time, essentially providing shipment and funding information nonstop. The website registered an average of 565 authorized sessions—defined as a successful logon by a registered user—per month. See figure 15 for details.

Figure 14. Total My Commodities Website Visits

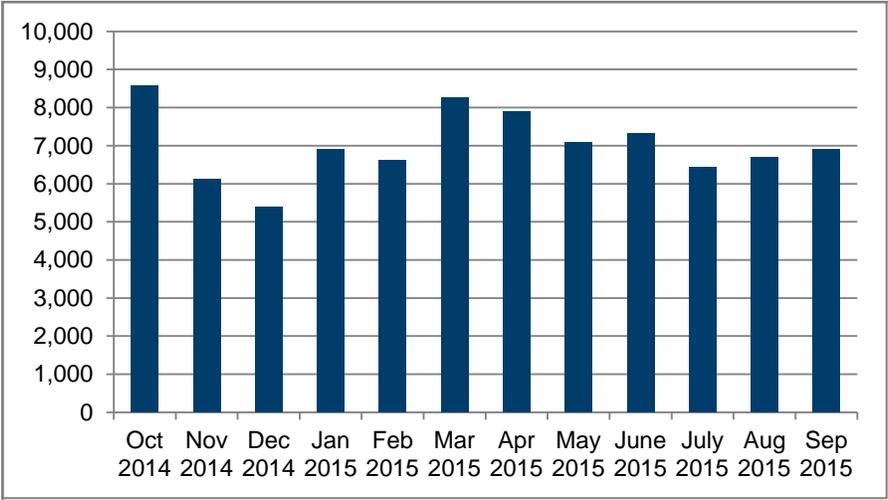
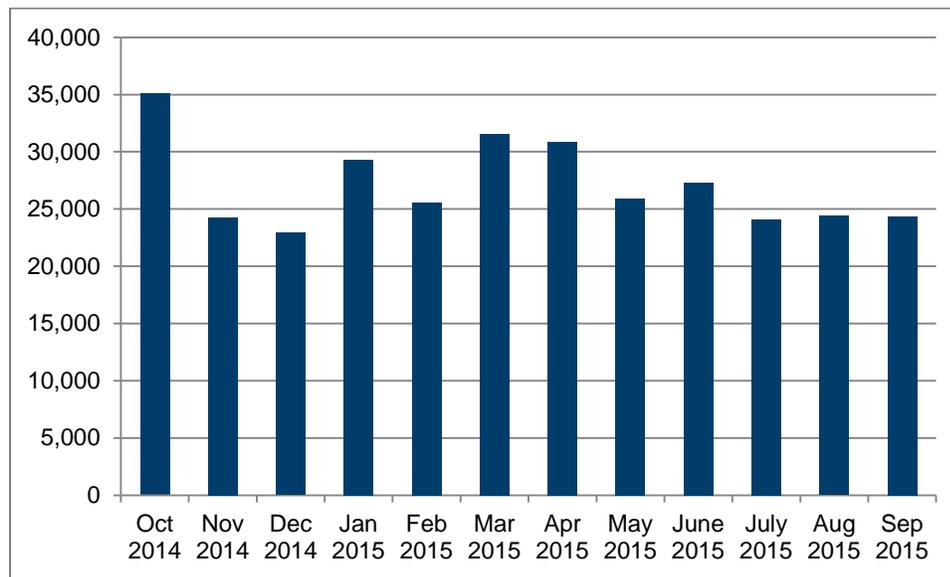


Figure 15. Logons to USAID | DELIVER PROJECT Website



Maintenance Work Completed

The MIS team modified the ORION ERP system and the USAID | DELIVER PROJECT website to improve data availability and operational productivity. This ongoing effort is characterized by daily support of operations, including ad hoc queries, user assistance, anomaly research and resolution, and pre-project definition and estimation. The following are highlights from the past year's enhancements.

- **Data provision to USAID's BI&A contractor.** Agreed on data and data formats, developed and implemented data exchange mechanisms, and supplied analyses of data sensitivity for USAID's new business intelligence and analytics contractor.
- **Updated electronic data interchanges (EDI) processing.** Resolved data exchange issues with one freight forwarder to ensure that up-to-date information is received and entered into the MIS.
- **Updated MIS documentation.** Completed all requested documentation for the MIS and posted it on the web in Github, making it easily accessible to USAID.
- **Improved online ordering.** Enhanced the online ordering system to make it faster and easier to use.
- **Enhanced tickler reports.** These reports identify open and pending transactions so the business teams can ensure that all transactions are closed and all essential data elements are completed.
- **Improved loan and donation functionality.** Automated the processing of loans and donations to make it easier for users to process and manage them and to reduce the risk of inaccurate data (see figure 16).
- **New balance sheets for TO5 and TO7.** These balance sheets help ensure that the transactions in the system are complete and that the task order clients' assets are accounted for.

- **Improved gain or loss functionality.** Implemented rules to limit or completely eliminate any possible financial gain or loss that may result from shipments from the warehouse where batches were purchased at different prices.
- **New incident management system.** Implemented an incident management system-building on work done by SCMS to create a central repository for procurement, distribution, and quality assurance incidents and their resolution.
- **Maintained the list of transition tasks.** These tasks will be performed when the new GHSC project is awarded.
- **Improved USAID | DELIVER PROJECT website and ORION ERP.** Numerous enhancements were made to reports, screens, and functions to improve usability, speed-up transaction processing, and address operating issues. Several software upgrades were implemented to tighten security and reduce vulnerability to unauthorized access.

Figure 16. Loans and Donations—New Features on the ORION Sales Order/Flex Tab

The screenshot displays the ORION ERP interface for a Sales Order. The top navigation bar includes the JSI logo, the company name 'JOHN SNOW, INC. TEST 10/01/2015', and the ORION logo. The main form area is divided into tabs: Header, Flex, Address, Reference, Item, Terms, Total, Reference Document, Authorization, and Internal Remarks. The 'Flex' tab is active, showing a grid of input fields for various order details. A red box highlights a section titled 'Lender/Donor Project' with the following options: Loan, Donation, and NA. There is also a 'Partial Loan?' checkbox.

Priorities for FY2016

- **Day-to-day operations support.** Developing ad hoc queries, providing user assistance, anomaly research and resolution, and pre-project definition and estimation. to ensure ongoing maintenance and support of procurement, inventory management, shipment, and all other operations.

- **Continue to support the business intelligence contractor.** Provide required data to the business intelligence contractor.
- **Complete the transition tasks.** Complete the transition to the new contractor when the GHSC project is awarded.

Management, Monitoring, and Evaluation

The task order continues to prioritize the following areas:

- supplier management
- global donor coordination
- expanding supplier base
- inventory strategy and supply planning
- transition planning.

During the year, TO5 and CSL met monthly to review task order performance and to identify high-priority items for resolution; both groups met weekly to discuss outstanding operational issues. The efforts in supplier management and supplier base expansion are discussed in the Procurement section. TO5's inventory strategy and supply planning efforts are discussed in the Supply Operations section. Global coordination and transition planning are addressed in the Procurement, Supply Operations, and STTA sections. See the Contents page for specific locations.

Risk Management

Throughout this year, the task order continued to use a risk-management approach to operations. The major risks to achieving the overall objectives are similar to last year's: missions not ordering leading to the task order being unable to accurately forecast; registration; suppliers unable to meet demand; and countries not accepting USAID QA results. During the last year, TO5 continued to reduce the registration and supplier risk. Thanks to work by CSL country backstops, the CPSR and PPMR reviews, routine updates to supply plans, and the continuing coordinated supply planning efforts with UNFPA and others, the risk of missions not ordering, and the task order being unable to meet demand was reduced. The reduction in emergency orders is noted in the section on supply operations. Despite these efforts, downstream visibility into demand and mission orders and supply constraints for implants remain as challenges.

At the operational level, the task order identifies and mitigates risks through—

- weekly order reviews to ensure the task order is responding to Mission orders accurately and in a reasonable time
- monthly procurement and financial reviews to ensure enough funding is available to meet TO5's procurement needs
- inventory planning with monthly updates to ensure sufficient inventory to meet demand
- supplier engagement, forecasts, and scorecards to promote good performance and redundancy in case of supplier failure

- monthly review of internal and external metrics to monitor performance and correct deviations, as quickly as possible.

TO5 continued to apply the risk-management approach to complex non-contraceptive procurements, as well. In these cases, each procurement was treated like a large project, including a timeline (work plan), risk plan, and budget. This improved how challenges were managed and anticipated, managed expectations with in-country partners and USAID, and estimated the time and cost for these procurements. South Sudan, as described earlier, continues to be a good example of how successful this approach has been.

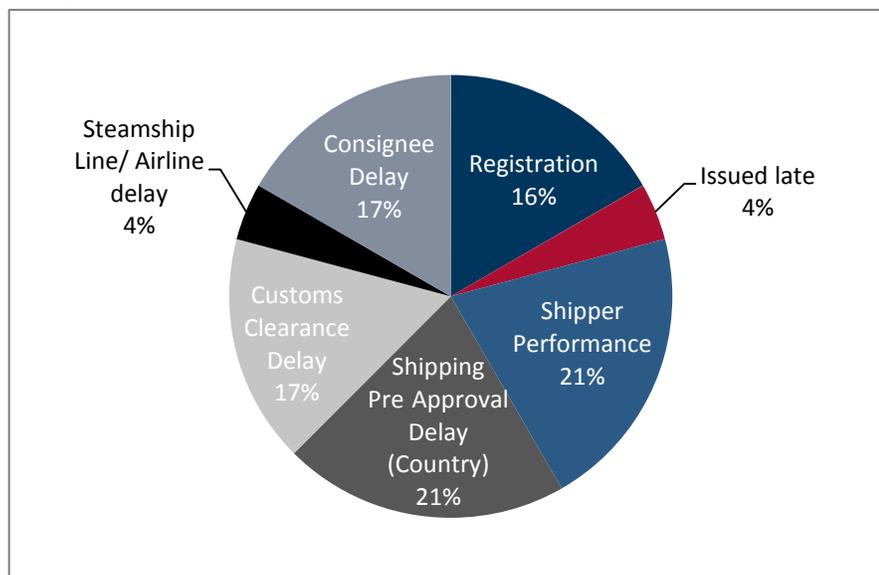
Performance Monitoring and Reporting

The task order provides a series of routine reports to the USAID management team for performance monitoring, and to ensure full visibility into procurement activities and supply operations. These include weekly, biweekly, monthly, quarterly, semi-annual, annual, and ad hoc reports containing detailed data on task order operations. All routine reports are posted to the *Project Spaces* website, which authorized CSL and task order staff can access at any time. Email notices are sent to staff when reports of interest to CSL are posted and ready for review.

In addition, the task order produces two monthly reports for performance monitoring; they are reviewed monthly, in detail, with the USAID management team. Both the Delivery-to-Promise (DTP) monitoring tool and the Performance Monitoring Plan (PMP) tool enable the task order to track performance using key indicators that signal how well each part of the supply chain is performing and raise issues that need to be addressed. This year, there were no significant changes to the performance reports.

The DTP report includes data on key supply chain functions, including on-time shipments; inventory levels; and freight forwarder, warehouse, supplier, and QA performance. Figure 17 shows the breakdown of all late shipments in FY2015 from the DTP report, by reason code.

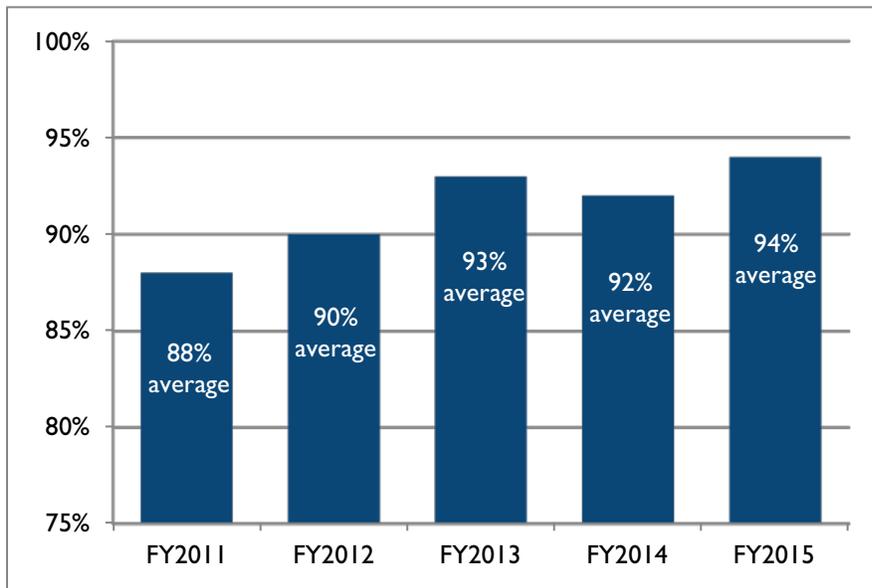
Figure 17. Late Shipments by Reason Code, FY2015



The PMP report includes

14 indicators; it is organized according to five performance criteria that cover the key operational areas of the task order, as described in the contract. The average overall PMP score for FY2015 was 94 percent, which is within the preferred range. See figure 18 for the trend in overall average PMP scores during the last five years. The PMP report includes a section on client satisfaction with task order performance, which is measured by a monthly survey of CSL staff and includes feedback on performance in each technical area. For FY2015, the average client satisfaction score was 19.2 out of

Figure 18. Average Overall PMP Score, FY2011–2015



Note:

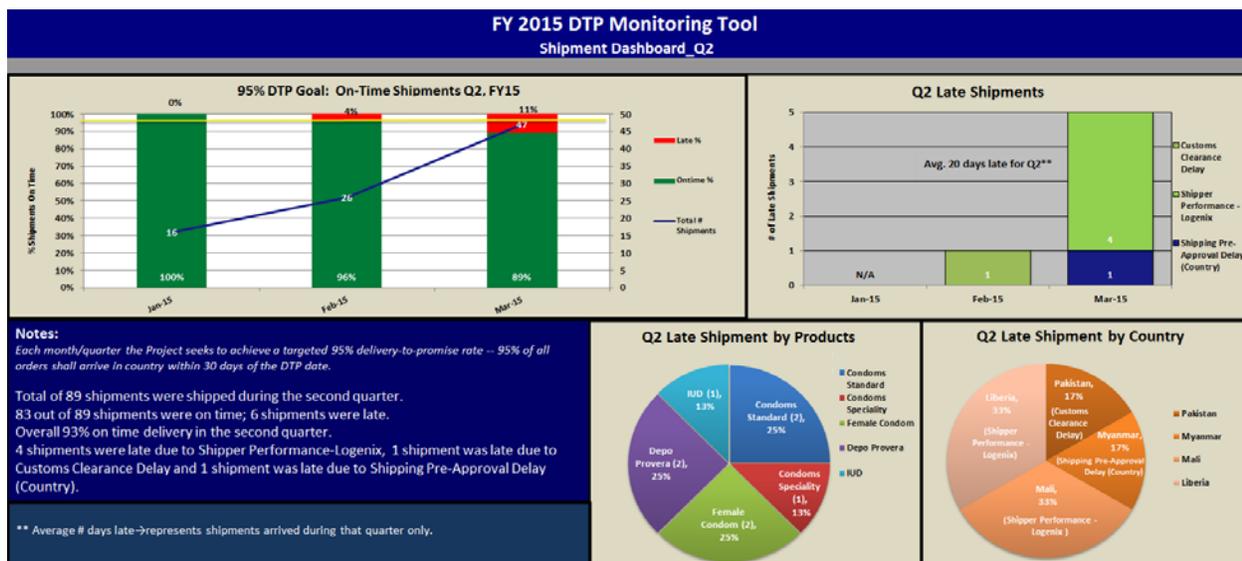
Data for FY2011 represent the average overall PMP score for months March 2011–September 2011.

20 (96 percent), overall, for general procurement, supply operations, STTA, performance management, and MIS. The TO5 team continued to provide feedback to the CCP team on a quarterly basis.

At the end of FY2013, the team developed a new report, the Quarterly On-Time Shipment dashboard, and submitted it throughout FY2015 for senior CSL leadership review. This dashboard summarizes on-time shipments for each quarter and presents a graphic summary of late shipments by reason code, product, and country (see figure 19).

These data are used for ongoing performance management and improvement and to ensure strong communication between the USAID and the task order teams.

Figure 19. FY2015 On-Time Shipment Dashboard



Operating Cost Analysis

The task order continues to periodically analyze operating costs to measure and monitor the costs of ensuring supply and meeting demand. Year-over-year analysis of the key cost drivers has highlighted

continuous efficiency gains in the project's operations, even as demand continues to rise and the inventory strategy evolves with the closeout transition plan. As the quantity and volume of shipments has increased, the project has maintained high rates of on-time deliveries and has continued to lower costs.

Financial Management

A critical financial activity during this reporting period was to collaborate with the task order's demand planning and procurement teams to ensure that resources are adequate and applied appropriately to meet procurement requirements.

Meetings were held at least quarterly, and will continue to be held monthly to—

- evaluate future demand for all products and services
- assess the status of utilization against approved contract ceilings
- account for supplier production capacity and delivery lead times
- evaluate available funding by type
- identify potential funding concerns—shortages or excesses—to provide early warning to CCP.

TO5 continued to maintain the CCP project's central financial database of USAID Mission accounts, client and procurement expenditures data, and CCP surcharge collections and expenses.

Priorities for FY2016

In the coming year, task order management, monitoring, and evaluation efforts will focus on the following priorities:

- Improve on-time performance using risk management, performance monitoring, and collaborative planning with CSL, FHI 360, and other partners.
- Support CSL in planning the transition to the follow-on award.
- Monitor and manage final TO5 funding levels with CCP to ensure alignment with procurement and inventory transition strategies.
- Complete CCP operations support and contract closeout.

Conclusion

Key Accomplishments

The key accomplishments for this year were—

- improved on-time delivery performance
- continued high overall PMP scores
- successful management of a significant amount of non-contraceptive procurements
- improved integration of CSL's global supply chain
- dynamic planning for the transition to the new GHSC contract.

These accomplishments were possible because of dedicated efforts from the TO5, CCP, and FHI 360 teams, and their collaborative approach to meeting the task order's objective.

Vision and FY2016 Priorities

For 2016, the task order's priorities will be to continue strengthening CCP's integrated supply, to improve on-time delivery performance, and to successfully transition task order activities to CCP's next contractor. It will be accomplished by—

- continuing the coordinated approach to vendor and registration management, in collaboration with CCP and FHI 360
- monitoring and refining the end-of-task order inventory strategy so that CCP has sufficient inventory to meet customer demand during the transition to the next contract
- under CCP's guidance, collaborating with other international organizations to reduce the risk of stockouts in-country, better plan shipments and orders, assist vendors in their production planning, and identify potential new suppliers
- continuing to monitor and improve the task order's performance
- collaborating closely with the new GHSC contractor.

Challenges

In the coming year, TO5 expects to face a number of challenges:

- Procurement and delivery activities will be ongoing through 2016. If there are production, delivery, or political issues, or natural disasters, completion of these procurements could be at risk. However, close monitoring of these procurements and risk planning will allow us to bring them to completion or to a satisfactory end.
- In 2016, TO5 will have little flexibility to change the framework production. In the event of an emergency need or a production failure, the alternatives may be very limited. The task order will

monitor client demand and vendor performance closely and identify options for CCP should demand or production become an issue.

The new GHSC contractor will start up in 2016. The transition to the new contractor is still to be defined, which means expectations about the task order's orders, shipments, production, and inventory will likely evolve through the first part of 2016. Despite these challenges, the task order expects on-time performance in the coming year to be good; and expects to successfully transition the inventory and orders to a new contractor.

Appendix A

Reasons for Late Shipment, FY2015

Reasons for Late Shipment, FY2015														
Reason	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	FY2015 TOTAL	TOTAL %
Consignee delay	2		1									1	4	17%
Customs clearance delay			1		1				1	1			4	17%
Issued late											1		1	4%
Registration									2		1	1	4	17%
Shipper performance						4	1						5	21%
Shipping pre-approval delay (country)						1	1	1		2			5	21%
Steamship line/airline delay			1										1	4%
TOTAL LATE SHIPMENT	2	0	3	0	1	5	2	1	3	3	2	2	24	100%

Appendix B

Emergency Order Tracking

Code	Reason for Emergency or ASAP Order
1	Other Donor Unable to Fulfill Order(s) Another donor (not the MOH) was unable to fill a prior commitment to procure a specific product.
2	MOH Procurement Lag An MOH-funded procurement did not arrive when expected.
3	Registration Delay The product was only recently registered, the government has initiated a new registration requirement, or USAID did not initially receive a waiver to import an unregistered product.
4	Programmatic Issue The product is needed for programmatic purposes, such as provider training or an informational campaign.
5	Political Instability War, coup d'état, or political turmoil—either within the country as a whole or in parts of the government—has delayed shipments.
6	Manufacturer Delay/QA Problem A supply problem—either at the manufacturer of the product, or with the quality of the product after arrival—has resulted in the need for a shipment.
7	Unknown, Other, or Multiple Reasons Use this code when the above codes do not adequately describe the reason for the order, or when multiple codes apply.

For more information, please visit deliver.jsi.com.

USAID | DELIVER PROJECT

John Snow, Inc.

1616 Fort Myer Drive, 16th Floor

Arlington, VA 22209 USA

Phone: 703-528-7474

Fax: 703-528-7480

Email: askdeliver@jsi.com

Internet: deliver.jsi.com