HIGH LEVEL TRANSITION PLAN

GHSC-PSM SINGLE AWARD IDIQ TRANSITION DELIVERABLE

Global Health Supply Chain-Procurement and Supply Management (GHSC-PSM)
Contract No. AID-OAA-I-15-00004

DISCLAIMER

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### ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>Artemisinin-based Combination Therapy</td>
</tr>
<tr>
<td>ARV</td>
<td>Antiretroviral</td>
</tr>
<tr>
<td>BMGF</td>
<td>Bill and Melinda Gates Foundation</td>
</tr>
<tr>
<td>CHAI</td>
<td>Clinton Health Access Initiative</td>
</tr>
<tr>
<td>CSL</td>
<td>Commodities Security and Logistics</td>
</tr>
<tr>
<td>GHSC</td>
<td>Global Health Supply Chain</td>
</tr>
<tr>
<td>GFATM</td>
<td>Global Fund for AIDS, Tuberculosis, and Malaria</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>IDIQ</td>
<td>Indefinite Delivery Indefinite Quantity Contract</td>
</tr>
<tr>
<td>IUD</td>
<td>Intrauterine Device</td>
</tr>
<tr>
<td>MDAWG</td>
<td>Market Development Approaches Working Group</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>PEPFAR</td>
<td>President’s Emergency Plan for AIDS Relief</td>
</tr>
<tr>
<td>PMI</td>
<td>President’s Malaria Initiative</td>
</tr>
<tr>
<td>PRH</td>
<td>Population and Reproductive Health</td>
</tr>
<tr>
<td>PSM</td>
<td>Procurement and Supply Management</td>
</tr>
<tr>
<td>QA/QC</td>
<td>Quality Assurance/Quality Control</td>
</tr>
<tr>
<td>RDC</td>
<td>Regional Distribution Center</td>
</tr>
<tr>
<td>RDT</td>
<td>Rapid Diagnostic Test</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal</td>
</tr>
<tr>
<td>RHGTAG</td>
<td>Reproductive Health Global Advisory Traceability Group</td>
</tr>
<tr>
<td>RHSC</td>
<td>Reproductive Health Supplies Coalition</td>
</tr>
<tr>
<td>SCMS</td>
<td>Supply Chain Management System</td>
</tr>
<tr>
<td>SCOR©</td>
<td>Supply Chain Operations Reference Model</td>
</tr>
<tr>
<td>SOP</td>
<td>Standard Operating Procedure</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TO</td>
<td>Task Order</td>
</tr>
<tr>
<td>TWG</td>
<td>Transition Working Group</td>
</tr>
<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USG</td>
<td>United States Government</td>
</tr>
<tr>
<td>VMMC</td>
<td>Voluntary Medical Male Circumcision</td>
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</table>
EXECUTIVE SUMMARY

The Global Health Supply Chain - Procurement and Supply Management (GHSC-PSM) Single Award Indefinite Delivery Indefinite Quantity Contract (IDIQ) is transitioning. All major milestones for this phase of startup have been met. The GHSC-PSM project startup conference and the transition meeting with incumbents SCMS and DELIVER laid the foundation for working together among our teams. The Transition Working Groups (TWGs) have been meeting weekly to plan and facilitate the transition and exchange information among GHSC-PSM, USAID, and incumbent technical peers. GHSC-PSM and USAID are meeting each week to monitor the progress of the TWGs. And, the Commodity Councils are starting the medium-term strategic planning around specific commodity groups.

The Global Supply Chain team is working as an integrated group of functional teams – Plan, Source, Deliver/Return, and Quality Assurance (QA). The four phase approach to commodity procurement – pre-award, commodity prioritization, procurement planning and transition from SCMS and DELIVER to GHSC-PSM is progressing. Each of the pre-award milestones were met, we have completed the commodity prioritization and we are processing order requests that have been received. GHSC-PSM will place its first orders less than three months into implementation. GHSC-PSM, together with USAID, has been meeting with SCMS and DELIVER to plan the smooth handover and fulfillment of procurement requests, the use of existing warehouse inventory, and the continuation of in-country technical assistance. GHSC-PSM is negotiating short-term agreements with the incumbent’s warehouse service provider to manage the existing stock, as well as the warehouse inventory of GHSC-PSM procurements until we competitively bid the warehouse services. This minimizes the risk of supply interruptions due to stock transfers. The task order transition plans in this report are high level, by product category. GHSC-PSM will develop more detailed task order transition plans with each additional transition working group meeting.

The GHSC-PSM management information system (MIS) will provide end-to-end visibility of the global supply chain. At USAID’s request, GHSC-PSM has changed the delivery of the MIS from three releases in 12 months to four releases in 18 months to prioritize critical functionality and reduce risk.

Mozambique initiated a GHSC-PSM buy-in before USAID officially opened the project with the startup meeting. GHSC-PSM immediately mobilized a team and—with timely preparation support by USAID—met with the Mission, SCMS and DELIVER teams, and other key stakeholders in-country. The scoping visit met its objectives in defining the timing and types of activities for the work plan. Since then, 19 more countries have expressed interest in a GHSC-PSM buy-in. Based on current discussion with USAID, GHSC-PSM plans to transition 17 country offices in 2016.
GHSC-PSM has also begun global collaboration activities by participating in the RH Product Global Traceability Advisory Group (RHGTAG) monthly calls and GHSC-PSM will attend the WHO/UNAIDS joint meeting with Pharmaceutical and Diagnostics Manufacturers in Geneva March 8-11, 2016.
SECTION 1
INTRODUCTION

GLOBAL HEALTH SUPPLY CHAIN-PROCUREMENT AND SUPPLY MANAGEMENT (GHSC-PSM) PROGRAM

The Global Health Supply Chain (GHSC) - Procurement and Supply Management (PSM) Single Award Indefinite Delivery Indefinite Quantity Contract (IDIQ) is ensuring an uninterrupted supply of health commodities to prevent suffering, save lives, and create a brighter future for families across the globe. The IDIQ has three task orders that directly support the President’s Emergency Plan for AIDS Relief (PEPFAR), the President’s Malaria Initiative (PMI), and Population and Reproductive Health (PRH) through a comprehensive array of services for health commodity procurement and related systems strengthening technical assistance encompassing the different elements of a comprehensive supply chain.

GHSC-PSM PROGRAM OBJECTIVES

GHSC-PSM is improving availability of health commodities and providing supply chain technical assistance through the following objectives:

Objective 1: Global Commodity Procurement and Logistics

- **Health Commodity Procurement:** Supporting strategic sourcing, selection, procurement and subcontractor management, risk management, supply and demand forecasting, and continuous improvement of quality assured commodities.
- **Logistics:** Deploying expert technical assistance to strengthen all logistics processes associated with the storage and delivery of any health commodity to any point in donor supported countries.
- **Health Commodity Quality Assurance:** Ensuring adherence to USAID’s quality assurance requirements and application of consistent quality assurance and quality control processes to manage product recalls and build in-house QA capacity of key stakeholders throughout the supply chain.
- **Data Visibility:** Providing USAID and partner countries the capacity to effectively manage global supply chain from end to end in real time.

Objective 2: Systems Strengthening Technical Assistance

- **Strategic Planning:** Supporting strategic planning and implementation related to supply chain management and commodity security.
- **In-Country Logistics:** Providing technical assistance in health commodity quantification and forecasting, supply planning, procurement, warehousing, inventory management, distribution and transportation, healthcare waste management, quality assurance, product selection, identification of barriers to importation, loss prevention, recalls, supply chain design and data collection.
- **Capacity-Building**: Implementing strategies to transfer health commodity supply chain management skills, knowledge, and technology to the partner country, and identifying and overcoming barriers to effective skills transfer.

- **Enabling Environments**: Advocating for change through collaboration with key stakeholders to formulate and implement new and better policies, to allocate resources effectively, to engage and coordinate multi-sector efforts to improve health supply chains, and to compile and present the data necessary for sound decision-making.

**Objective 3: Global Collaboration to Improve Long-Term Availability of Health Commodities**

- **Global Strategic Engagement**: Engaging with relevant global partners to ensure that there is appropriate strategic coordination and participating in key global health supply chain meetings and sharing lessons learned and best practices.

- **Global Market Dynamics**: Collecting, analyzing, and reporting market intelligence information and data for USG and partner strategic making decisions.

- **Advocacy**: Supporting awareness-raising efforts with partners who have global or regional reach in health supply chain management, with the goal of making commodity security part of development agendas, strengthening programs, and helping mobilize new and additional resources for commodity security.

- **Global Coordination**: Coordinating and collaborating with other programs under USAID’s Global Health Supply Chain Program, and facilitating coordination across task orders within this IDIQ.

**GHSC-PSM TASK ORDERS**

**TASK ORDER 1 HIV**

Task order one provides USAID Missions, Bureaus, and operating units with a worldwide mechanism to support PEPFAR’s and USAID’s goals of moving towards an AIDS-Free Generation and strengthening health systems by improving the availability of health commodities and the provision of technical assistance. TO1 is supporting USAID’s implementation of PEPFAR programs through the procurement, management, and delivery of high quality, safe, and effective HIV-related commodities; on-the-ground logistics, supply chain, and related systems strengthening technical assistance and implementation capacity; and technical leadership to strengthen the global supply, demand, financing, and introduction of existing and future HIV-related commodities.

**TASK ORDER 2 PRESIDENT’S MALARIA INITIATIVE**

Task order two provides USAID Missions, Bureaus, and operating units with a worldwide mechanism to support PMI’s and USAID’s goal of reducing the burden of malaria in line with USAID’s maternal and child health and infectious disease goals. TO2 is supporting USAID’s implementation of malaria programs through the procurement, management and delivery of high quality, safe, and effective malaria commodities; on-
the-ground logistics, supply chain, and related systems strengthening technical assistance and implementation capacity; and technical leadership to strengthen the global supply, demand, financing, and introduction of existing and future malaria commodities.

TASK ORDER 3 POPULATION AND REPRODUCTIVE HEALTH

Task order three increases the availability of health products in public and private services through strengthened supply systems and supportive environments, and high-quality support to USAID field programs to address their health commodity needs. TO3 is serving as the primary vehicle through which USAID procures and provides family planning health commodities for USAID health programs; provides technical assistance to improve supply systems and commodity security in partner countries; and provides technical leadership to strengthen the global supply demand, financing, and introduction of existing and future population and reproductive health commodities.
SECTION 2

TRANSITION APPROACH AND STATUS UPDATE

The GHSC-PSM transition approach includes three key elements: (i) transitioning two separate supply chains (SCMS and DELIVER) into a single supply chain without interruption in supply of commodities to low and middle income countries; (ii) transitioning country system strengthening programs to ensure no interruption in critical technical assistance; and, (iii) transitioning participation in global collaboration. To accomplish this we created, and are implementing, a comprehensive transition framework that is mitigating risk, enabling transparency, and ensuring the best possible start. This transition approach facilitates rapid decision making by key stakeholders, including USAID, global procurement actors, vendors, and partner countries. The three key principles guiding our work to ensure a smooth and effective transition are: (i) no loss of momentum; (ii) a well-planned transition work plan; and, (iii) stakeholder buy-in.

VISION AND KEY PRINCIPLES

*Maintain program momentum.* Our highest priority is to ensure there is no interruption in supply of essential health commodities and no halt to critical technical assistance supporting partner countries to operate and improve in-country supply chain systems. Within days of the project beginning, the first country, Mozambique, expressed interest in a buy-in. To date, 20 countries have expressed interest in a GHSC-PSM buy-in. We are maintaining the momentum.

*Leave no detail to chance.* As required, our project proposal included a detailed transition plan that GHSC-PSM is continuously adapting and refining to manage the transition. This enables us to plan, monitor, and manage for best value in program performance and cost control while remaining focused on the primary transition elements, namely: no interruption in the supply of commodities, technical assistance, or global collaboration.

*Practice transparency.* We are working together with USAID, SCMS and DELIVER staff, global actors, and key stakeholders in the countries that GHSC-PSM is beginning to support. We are focusing on securing stakeholder buy-in through openness, transparency, and constant communication, enabling a free flow exchange of data, plans, and challenges.

GENERAL FRAMEWORK AND PROGRAM TRANSITION PLAN

GHSC-PSM created a transition framework and plan that is ensuring a continual flow of information among stakeholders until the transition is complete. The framework includes: (i) a Start-Up Conference; (ii) Transition Working Groups; and, (iii) a Transition Meeting. The transition plan contains activities, milestones, date and person responsible by project objective. The transition framework and plan are providing structures that
allow all parties to engage in the transition in a timely manner. The transition plan is also driving the development of subject areas work plans—such as the network optimization plan, MIS plan, country transition plans, and task order transition plans—that ensure all transition tasks are completed.

**TRANSITION FRAMEWORK**

*Start-Up Conference.* The transition began with a startup conference on January 7-8, 2016 where GHSC-PSM and USAID discussed the general transition approach, launched the Transition Working Groups (TWG) and discussed the types of data and information sets that GHSC-PSM needs from USAID, SCMS and DELIVER. One of the key decisions at the startup conference was that January 11, 2016 would be Day 1 of implementation for the purpose of establishing due dates for deliverables. The Start-Up Conference was also the beginning of relationship building between USAID and GHSC-PSM.

*Transition Working Groups.* Our initial transition plan included the establishment of seven TWGs for the core project areas. USAID recommended expanding to 10 groups and organized the second day of the startup conference by TWG as follows:

- TWG1: Senior management/operations
- TWG2: Finance
- TWG3: Monitoring and evaluation (M&E)
- TWG4: Supply planning
- TWG5: Health commodity procurement
- TWG6: Logistics
- TWG7: Quality assurance (QA)
- TWG8: MIS/data visibility
- TWG9: Country programs technical assistance
- TWG10: Global collaboration

The TWGs ensure that information is exchanged and functions are transferred in a timely manner. The groups are meeting weekly and will continue through the transition period or until their goals are met. Most of the groups have developed and are implementing a detailed transition plans by tasks, milestones, schedules, and deliverables. The level of detail in these plans varies from the most detailed (the TWG8 plan is nearly 1,000 lines) to plans that are just starting to take shape (such as TWG10). Each group is led by a GHSC-PSM functional team leader and includes representatives from USAID (by task order). As needed, the groups are inviting representatives from SCMS and DELIVER to plan and validate the functional transitions.

- TWG1-3 represent the high level management of GHSC-PSM – senior management, finance, and M&E.
TWG4-7 represent the integrated supply chain following the SCOR© model – plan, source, deliver/return and QA. While these TWG have and will continue to meet weekly for their functional area we are finding that there is also added-value in meeting in a group to plan the integrated supply chain of each task order – HIV/AIDS, malaria and reproductive health.

TWG8 represents the MIS and data visibility team of GHSC-PSM and USAID.

TWG9 represents the team tasked with strengthening the healthcare delivery systems in partner countries.

TWG10 represents the team tasked facilitating the collaboration with global healthcare organizations.

TWG1 meets weekly and the GHSC-PSM transition manager provides an update on the TWGs to USAID. The updates include staffing, meeting schedules, issues and challenges, and outstanding information and data requests.

Transition Meeting. On January 20-21, USAID convened a meeting with GHSC-PSM, SCMS and DELIVER. The main message of the conference was that USAID expects a crisp, clean transition with no stock-outs or interruption in system strengthening technical assistance. The conference participants began detailed discussions on general management, global supply chain, technical assistance, communication protocols, and the substantive transmission of knowledge and data.

CHANGE MANAGEMENT

Exchanging large amount of information and integrating plans during the first six months of GHSC-PSM is a monumental task. Working together and establishing mutually respectful relationships with SCMS and DELIVER is a critical task that began at the transition meeting and has gained momentum in subsequent meetings. All parties are working together to align roles and responsibilities through the transition working groups and establish a sense of shared purpose and a time horizon for achievements. GHSC-PSM is assessing the performance and interaction of each working group and highlighting potential issues. We are providing weekly updates to USAID and will continue to do so throughout the transition period.

GHSC-PSM will follow USAID guidance in managing changes in country programs. Many countries may be satisfied with the current supply chain processes and have formed working relationships with procurement agents and technical assistance providers that they are reluctant to relinquish. They may be comfortable working with the SCMS and DELIVER teams and may not welcome the change. Getting the human element right is critical to success. Change management resources and tools will be made available, in headquarters and at the country level, as needed.
STAFF AND FACILITIES TRANSITION

TRANSITION STATESIDE

GHSC-PSM is operationalizing the global supply chain, even as we are building it, by responding immediately to field requests to start procurements and in-country work. Upon award, we immediately mobilized a majority of the senior management positions on the technical team, including key personnel, at our 1717 H Street office. The startup conference was held in that office on January 7-8, 2016 and we moved into our temporary Crystal City office (2345 Crystal Way) on February 1, 2016. We will move to the long term Crystal City office on or about August 1, 2016. Agreements with our consortium partners were pre-negotiated through teaming agreements so they have been able to mobilize staff with little delay. Forty-seven (47) of the 144 staff have begun work, 9 more have accepted offers and we are aggressively recruiting for the remaining 88 open positions. On February 24, 2016, Chemonics is hosting a job-fair that is open to all interested candidates including SCMS and DELIVER staff. If GHSC-PSM decides to make an employment offer to an SCMS or DELIVER employee, we will negotiate a start date that balances the need for GHSC-PSM to startup quickly with the need for SCMS and DELIVER to complete their program obligations. In addition to billable project team members, Chemonics has staffed the home-office Project Management Unit (PMU) that is backstopping the project. PMU staff are located with the project staff in the Crystal City office.

Chemonics home-office support divisions also are facilitating our rapid startup. The home office contracts and procurements teams are working with technical leads to establish contracts with manufacturers and suppliers.

*Milestones.* Key stateside transition milestones include: (i) fully staffed and functioning office in Crystal City; (ii) startup conference hosted; (iii) transition meeting with SCMS and DELIVER participation; and, (iii) transition plans developed for each of the transition working groups.

TRANSITION FIELD OFFICES

Twenty countries (20) have expressed interest in a GHSC-PSM buy-in. Based on current discussions with USAID, GHSC-PSM will be opening offices in 17 of these countries. The SCMS and DELIVER (TO7 and TO4) programs will end on September 26, 2016 and their field offices will close June 26, 2016, three months before the project end date. Therefore, GHSC-PSM has 4 months to open 17 country offices. If SCMS and DELIVER (Malaria) are extended until February 2017, then GHSC-PSM could have an additional 5 months to open the field offices (by November 2016). USAID has already approved the extension of the DELIVER Reproductive Health TO5 program until February 2017 (their offices will be closed in September 2016). Table 1, below, presents the GHSC-PSM office opening and the SMCS and DELIVER office closure and program end dates by task order.
Table 1: Office Opening, Closure, and Program End Dates by Task Orders

<table>
<thead>
<tr>
<th>Health Area</th>
<th>GHSC-PSM Task Order</th>
<th>GHSC-PSM Field Offices Open</th>
<th>Incumbent Program (Task Order)</th>
<th>Office Closure</th>
<th>Program End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>TO1</td>
<td>July 1, 2016</td>
<td>SCMS</td>
<td>June 26, 2016</td>
<td>September 26, 2016</td>
</tr>
<tr>
<td>Malaria</td>
<td>TO2</td>
<td>July 1, 2016</td>
<td>DELIVER (TO7)</td>
<td>June 26, 2016</td>
<td>September 26, 2016</td>
</tr>
<tr>
<td>Reproductive Health</td>
<td>TO3</td>
<td>July 1, 2016</td>
<td>DELIVER (TO4 TA)</td>
<td>June 26, 2016</td>
<td>September 26, 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>July 1, 2016</td>
<td>DELIVER (TO5 Procurement)</td>
<td>September 26, 2016</td>
<td>February 2017</td>
</tr>
</tbody>
</table>

GHSC-PSM will follow an open and competitive process to staff the country offices. Positions will be advertised just as in any startup. However, GHSC-PSM also assumes that many of the administrative and technical staff from the current SCMS and DELIVER offices will transition to GHSC-PSM. If their performance has been good and they have strong recommendations, they would be highly competitive because of their experience on the prior project, and the relationships they have established with the USAID Mission, host government, and other stakeholders.

GHSC-PSM has already identified several country directors and other senior staff for GHSC-PSM country offices. GHSC-PSM provides an orientation for all new employees on Chemonics’ policies and procedures, including “Living our Values” training to establish our expectations for performance and integrity in GHSC-PSM management. The training will incorporate change management as needed to ensure a smooth transition to the new supply chain and technical assistance operations.

Milestones The key field operation milestones are fully operational offices in each of the 17 countries, as requested by USAID. A fully operational office is complete with support and technical staff capable of implementing the work plans.

Table 2, below, presents the status of the GHSC-PSM project startup, Global Supply Chain and Country Systems Strengthening transition milestones. The following sections will provide greater detail on the transition of each project objective and task order.

Table 2: GHSC-PSM Transition Milestones

<table>
<thead>
<tr>
<th>GHSC-PSM Technical Area</th>
<th>Transition Milestones</th>
<th>Date</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Management</td>
<td>Startup Conference Completed</td>
<td>January 7-8, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>USAID Guidance on Transition Initiated</td>
<td>January 7-8, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Transfer of FY 2015 Plans Completed</td>
<td>January 7-8, 2016</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Transition Framework Agreement Proposed | January 7-8, 2016 | Yes

Development of TWG Plans Initiated | January 7-8, 2016 | Yes

GHSC-PSM formally requests data from USAID, Business Intelligence and Analytics contractor, SCMS and DELIVER | January 15, 2016 | Yes

Collaboration Conference Completed | January 20-21, 2016 | Yes

<table>
<thead>
<tr>
<th>Global Supply Chain</th>
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</thead>
<tbody>
<tr>
<td>GHSC-PSM executes, with USAID/OAA approval, transitional framework agreements with key commodity suppliers for each TO</td>
</tr>
<tr>
<td>GHSC-PSM prepared to process one-off and emergency order requests</td>
</tr>
<tr>
<td>GHSC-PSM places routine commodity orders</td>
</tr>
<tr>
<td>Establish GHSC-PSM regional distribution center capability (with current providers)</td>
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<table>
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<tr>
<th>In-Country TA</th>
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<tr>
<td>GHSC-PSM opens 17 field offices (Staff, leases, inventory);</td>
</tr>
<tr>
<td>Transfer of In-country TA from SCMS/DELIVER to GHSC-PSM (3 months prior to SCMS/DELIVER program end)</td>
</tr>
<tr>
<td>17 GHSC-PSM field offices opened</td>
</tr>
<tr>
<td>SCMS and DELIVER (Malaria TO7 and PRH TO4) cease technical assistance 3 months before contract completion</td>
</tr>
<tr>
<td>SCMS and DELIVER (Malaria TO4 and PRH TO4) programs end</td>
</tr>
<tr>
<td>DELIVER PRH TO5 (Procurement) program ends</td>
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**OBJECTIVE 1: SUPPLY CHAIN TRANSITION**

**HEALTH COMMODITY PROCUREMENT**

GHSC-PSM is transitioning procurement in four phases: (i) pre-award; (ii) commodity prioritization upon award; (iii) procurement planning; and, (iv) procurement transition from SCMS/DELIVER to GHSC-PSM.

**Phase 1: Pre-Award**

Prior to award (April 17, 2015) GHSC-PSM analyzed the available data (the J9 file provided by USAID during the proposal phase) and prepared for the MIS capabilities and logistics network. Data included classifications for SCMS commodities, SCMS and DELIVER electronic catalogs, partial historical procurement transactions with data on
product type, inventory levels of warehoused products, source and customer master data, through fiscal year 2012 only. We analyzed this data to understand the procurement patterns and develop a procurement model. In addition to analyzing data, GHSC-PSM also: (i) configured the MIS to generate requisitions using eCatalog to convert to purchase orders and send to manufacturers for direct drop shipments; (ii) updated the transition plan with available procurement and distribution data; (iii) prepared to begin competitive bidding and emergency procurements using U.S. government commercial forms and templates; (iv) prepared to organize drops shipments on Day 1; (v) identified potential laboratories for TO1-3 product testing (GHSC-PSM has QA/QC responsibility for TO2, and will collaborate with GHSC-QA contractor FHI360, who has QA/QC responsibility for TO1 and TO3); (vi) identified potential suppliers for all commodities based on SCMS and DELIVER catalogs; and, (vii) identified potential warehouses for use if needed.

Phase 2: Commodity Prioritization Upon Award
Managing the information required to stand up the planning, sourcing/procurement, logistics, quality assurance, and MIS components of the supply chain is complex. The following data are critical to create a prioritized commodity list for procurement:

- **Data received from SCMS/DELIVER.** This task is not complete. The data includes current project level and country level supply plans, historical purchases, and lead times, information on the status of current contracts, product registration by country, current inventory levels and expiration dates for all products at multiple levels of the supply chain, current information on direct shipments and project warehouses, shipments in route, orders placed but not yet filled (country to project and project to country) and historical cycle times for SCMS and DELIVER by supplier.
- **Status of Quality Assurance Project.** This task is complete. GHSC-PSM needed to clarify when FHI360, as a prime contractor for the GHSC-QA award, would be ready to conduct testing for TO1 and TO3. FHI360 is ready.
- **SCMS and DELIVER contract transfer feasibility.** This task is complete. GHSC-PSM needed to confirm if contracts transfer is feasible. USAID confirmed that selected SCMS contracts (GHSC-PSM TO1) are assignable to GHSC-PSM. The DELIVER contracts (GHSC-PSM TO2 and TO3) cannot be transferred.

The SCMS and DELIVER data and information is required in order to produce the prioritized commodity list which will organize procurements by: 1) *Urgent* – one-time and emergency procurements; 2) *Near-term*, the products/quantities for existing contracts from which SCMS and DELIVER draw; and 3) Medium-term, the products for which GHSC-PSM is immediately beginning to plan for competitive procurement for long term implementation of the project.

GHSC-PSM requested this information informally in the January 7 project kick-off meeting and then formally on January 15, 2016. To date, some of this information has been provided. On February 18, 2016 GHSC-PSM provided an update on every line item of the initial request, by TWG, and, by associated function (e.g., forecast, supply plan,
The update indicates what has been received and each line item that has not yet been received was assigned a color coded priority – high (red), medium (orange) and low (yellow), GHSC-PSM is proceeding as quickly as possible to transition. GHSC-PSM is already capable of placing orders, arranging transportation and storing commodities in pharmaceutical grade warehouses. However, the requested data and information would facilitate a more rapid transition.

Phase 3: Procurement Planning
If GHSC-PSM had the historical forecast, procurement, logistics and QA data, and information, the Health Commodity Procurement transition working group (TWG5) would produce a more complete prioritized commodity list to better plan procurement activities by Task Order. However, as an outcome of the Commodity Councils (CC)\(^1\) and significant market dynamics input provided by participants, we have been able to prioritize the commodity list. With the submission of the “draft strategic sourcing strategies” deliverable on February 23, 2016, we identify the specific sourcing events by commodity that will be conducted throughout 2016. We are proceeding to Phase 4, the start of GHSC-PSM procurements. During the procurement planning phase TWG7 (Quality Assurance) is engaging with the laboratories identified in the pre-award.

Phase 4: SCMS/DELIVER to GHSC-PSM Procurement Transition
We are currently entering this phase. We will begin placing one-off and emergency orders, while SCMS/DELIVER will continue drawing down existing contracts. GHSC-PSM has received 10 order requests for malaria commodities and we have started processing each of them. The first routine orders will be placed with manufacturers by April 11, 2016 (3 months into implementation).

\(^1\) Commodity Councils were launched on February 2-4, 2016. They are organized by product category and include representatives from the Plan, Source, Deliver/Return, and QA teams under the Global Supply Chain as well as the GHSC-PSM task order directors and USAID task order contracting officer representatives. While the transition working groups focus on the transition of their technical area, the commodity councils are strategically managing commodity categories. GHSC-PSM subcontractor McKinsey has put together a proposal to support our Commodity Councils, provide market dynamics research, and to identify promising market shaping opportunities. In addition, McKinsey will be proposing a longer-term set of activities to implement the market shaping ideas. There are 8 commodity councils, including:

- HIV/AIDS Pharma
- Lab Equipment and Medical Supplies
- Malaria Pharma
- Bed Nets and Malaria RDT
- Reproductive Health Pharma and Devices
- Male and Female Condoms
- Essential Medicines
- Other Global Health Commodities

The commodity councils will meet periodically to analyze commodity and market data, develop commodity-specific sourcing strategies, and initiate communications with potential suppliers to inform planning and sourcing over the life of the project.
Table 3, below, presents the Health Commodity Procurement transition milestones by phase. Each of the pre-award milestones were completed. Each of the phase 2 milestones were completed, except the transfer of data and information from SCMS/DELIVER to GHSC-PSM. The request was submitted by GHSC-PSM on January 15, 2016 and we are working toward completing the receipt of data by March 15, 2016.

Table 3: Health Commodity Procurement Transition Milestones

<table>
<thead>
<tr>
<th>Phase</th>
<th>Health Commodity Procurement Transition Milestones</th>
<th>Date/Target Date</th>
<th>Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1: Pre-Award</td>
<td>2012 Data file analyzed</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>MIS configured to generate requisitions using eCatalog, convert to POs for direct drop shipment</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Updated the transition plan with available procurement and distribution data</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Prepared to begin competitive bidding and emergency procurements</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Prepared to organize drops shipments on Day 1</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Identified potential laboratories for TO1-3 product testing</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Identified potential suppliers for all commodities based on SCMS/DELIVER catalogs</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Identified potential warehouses for use if needed.</td>
<td>Pre-award</td>
<td>Yes</td>
</tr>
<tr>
<td>Phase 2: Commodity Prioritization Upon Award</td>
<td>Data request submitted to USAID</td>
<td>January 15, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Data transferred from SCMS/DELIVER to GHSC-PSM</td>
<td>March 15, 2016</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Clarify status of QA Project</td>
<td>January 21, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>SCMS/DELIVER contract transfer feasibility confirmed</td>
<td>January 7, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Commodity list prioritized</td>
<td>February 24, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Commodity councils launched</td>
<td>February 2 and 4, 2016</td>
<td>Yes</td>
</tr>
<tr>
<td>Phase 3. Procurement Planning</td>
<td>TWG7 engages the QA labs identified pre-award</td>
<td>March 14, 2016</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>TWG5 produces comprehensive procurement plan</td>
<td>March 21, 2016</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>TWG5 produces TO procurement plans</td>
<td>March 21, 2016</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>USAID approves procurement plans</td>
<td>March 28, 2016</td>
<td>No</td>
</tr>
<tr>
<td>Phase 4: SCMS/DELIVER to GHSC-PSM Procurement Transition</td>
<td>GHSC-PSM begins processing procurement requests</td>
<td>February 2016</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Establish initial GHSC-PSM regional distribution center capability (with current providers)</td>
<td>March 15, 2016</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>GHSC-PSM places first routine commodity orders</td>
<td>April 11, 2016</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>GHSC-PSM launches RFP for warehouses services</td>
<td>April 29, 2016</td>
<td>No</td>
</tr>
</tbody>
</table>
GHSC-PSM assumes full responsibility of current regional distributions centers (RDCs) | May 15, 2016 | No
---|---|---
SCMS/DELIVER end technical program activities (3 months before close) | June 26, 2016 | No
GHSC-PSM offices established in 17 countries | July 1, 2016 | No
GHSC-PSM established new regional distribution centers | 2017 | No

The PSM Project Transition Milestones (Table 2) and Health Commodity Procurement Transition Milestones (Table 3) are presented in Annex 1: GHSC-PSM Project Milestones – High Level Transition Plan.

LOGISTICS

The GHSC-PSM logistics plan transitions the responsibility for transportation and warehouse inventory from SCMS and DELIVER to GHSC-PSM quickly and responsibly while minimizing risks associated with the transfer of inventories between programs. UPS and Imperial Health Services (IHS) manage the transportation logistics and warehouses for SCMS and DELIVER. GHSC-PSM will establish initial warehouse/Regional Distribution Center (RDC) capability with current warehouse service providers by March 15, 2016. This is a temporary measure until GHSC-PSM can competitively bid the warehouse services. GHSC-PSM will release a request for proposal (RFP) for warehouse services on April 29, 2016.

The current warehouses will contain both SCMS and DELIVER inventory and GHSC-PSM-procured inventory, in the same facility. Our goal is to minimize the transfer of stock between SCMS and DELIVER and GHSC-PSM and minimize the risk of supply interruptions. The older SCMS and DELIVER inventory will be depleted as the GHSC-PSM inventory builds, until GHSC-PSM assumes responsibility for all inventory on May 15, 2016.

GHSC-PSM has requested current and historical procurement and logistics data, supply plans, stock level by product category, minimum allowed stock level, restocking quantities and inventory turns from SCMS and DELIVER. When we have this information we will conduct analyses to determine and verify how we can optimize inventory positioning in consultation with USAID. The establishment of new regional distribution centers for GHSC-PSM procured commodities will be completed in 2017.

**Milestones.** (i) initial warehouse/Regional Distribution Center (RDC) capability established with current service providers (March 15, 2016); (ii) GHSC-PSM launches RFP for warehouse services (April 29, 2016); (iii) GHSC-PSM assumes full responsibility for SCMS and DELIVER inventory and RDC capability (May 15, 2016); (iv) GHSC-PSM establishes new RDCs (2017).
COMMODITY QUALITY ASSURANCE

Under the previous contract, SCMS managed the Quality Assurance (QA) and Quality Control (QC) for HIV/AIDS products and FHI360, as a sub to DELIVER, managed the QA/QC for malaria and reproductive health commodities. Under the new GHSC architecture, FHI360, as the GHSC-QA awardee, is providing QA/QC for HIV/AIDS (GHSC-PSM Task Order 1) and reproductive health (GHSC-PSM Task Order 3). GHSC-PSM will be responsible for the QA/QC for Malaria (TO2) through our consortium partner SGS. See Table 4 below.

Table 4: QA/QC Responsibility

<table>
<thead>
<tr>
<th>Health Area</th>
<th>Prior Contract</th>
<th>GHSC-PSM</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>SCMS</td>
<td>GHSC-PSM TO1</td>
</tr>
<tr>
<td></td>
<td>DELIVER (FHI360)</td>
<td>FHI360</td>
</tr>
<tr>
<td>Malaria</td>
<td>DELIVER (FHI360)</td>
<td>GHSC-PSM TO2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(SGS)</td>
</tr>
<tr>
<td>PRH</td>
<td>DELIVER (FHI360)</td>
<td>GHSC-PSM TO3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(FHI360)</td>
</tr>
</tbody>
</table>

GHSC-PSM began working on the QA/QC transition at the January 7-8 Startup Meeting and the January 12-13 GHSC-PSM integrated supply chain meeting. FHI360 is part of the GHSC-PSM TWG7 and is an active participant in the commodity councils.

SOPs. The HIV/AIDS QA/QC SOPs will either have to be received from SCMS or developed by FHI360. FHI360 has already transferred the Malaria SOPs to GHSC-PSM and they are being reviewed and updated as needed. FHI360 already has the SOPs for PRH so there is no need to create new ones.

Labs. GHSC-PSM has received the list of current laboratories for testing of HIV/AIDS, malaria and reproductive health products and our goal is to have lab contracts nu March 28, 2016.

GHSC-PSM QA Staff. Two positions are planned to support the GHSC-PSM QA/QC activities – a QA Team Manager and a TO2 QA/QC Manager. GHSC-PSM is currently recruiting for the positions, however two employees from the SGS office in Rotterdam are serving in acting capacities for these positions.

Milestones. The QA transition milestones include: (i) standard operating procedures (SOPs) for all three task order by March 28, 2016 (two weeks prior to beginning routine procurements); (ii) supplier performance measurement scorecard template developed and approved by July 2016, 90 days after the start of routine procurements; and (iii) contracts with the labs that provide the quality control by March 28, 2016.

DATA VISIBILITY

Information and data migration. Migrating data from SCMS and DELIVER systems to GHSC-PSM management information system (MIS) is critical to project success. GHSC-PSM has requested complete data sets on procurement and logistics, commodity pricing,
supplier subcontracts, supplier performance, and country supply plans. Our approach to data migration and transition consists of two major parts - transition planning and discrete data migration tasks. Transition planning is addressing the detailed planning requirements that make the data migration process an engineered process. Our objective is to be systematic and programmatic in managing information requests and data migrations. The transition working groups are taking the lead on requesting information from USAID, SCMS and DELIVER.

*MIS.* The GHSC-PSM MIS is a unified solution, with integrated, tested systems developed and used by IBM, K+N, and Chemonics. Integrating these systems requires some configuration. The core elements of the system are already functional. We have been able to accept orders since Day 1 (January 11, 2016). USAID requested that GHSC-PSM change the delivery schedule for the complete system from three phases in 12 months to four phases in 18 months. Each new release will have additional functionality and capability. Based on USAID’s verbal approval, the PSM MIS implementation schedule will start on February 29, 2016, and the date will be confirmed by written approval. This will start the clock on MIS development and implementation and release dates for the MIS will be the following:

- Release 0, Initial Operating Capability (30 days) – March 29, 2017
- Basic Sourcing 0.5 (3 months) – May 30, 2016
- Release 1.0 (6 months) – August 29, 2016
- Release 2.0 (9 months) – November 29, 2016
- Release 3.0 (12 months) – March 1, 2017
- Release 4.0 (15 months) – May 29, 2017

*Milestone.* Each release will be an MIS milestone.

**OBJECTIVE 2: SYSTEMS STRENGTHENING TRANSITION**

The transition of technical assistance activities under Objective Two: Systems Strengthening began before the GHSC-PSM startup conference. USAID/Washington confirmed Mozambique’s interest in initiating a GHSC-PSM buy-in on December 29, 2015 (between the December 22, 2015 notification and the official opening at the January 7-8, 2016 startup conference). GHSC-PSM immediately mobilized a team for a scoping visit to Mozambique.

The first strategic discussions between USAID and GHSC-PSM about the general approach to the transition of existing SCMS and DELIVER country programs occurred at the GHSC-PSM startup conference with the establishment of Transition Working Group 9, Country Programs TA. The working group discussed the scope of current and future
activities, the number of offices to be either transitioned or opened, and initial parameters on timing.

At the Transition Meeting hosted by USAID on January 20-21, 2016, the GHSC-PSM Country Programs Team presented our general approach to country transition and timing to SCMS and DELIVER. We agreed on general principles to working together to transition country offices, such as providing information on planned scoping visits. We also agreed to a meeting of TWG9 in which SCMS and DELIVER would provide a high level overview of their country programs. On January 29, 2016, SCMS and DELIVER presented their high-level approach and we agreed to plan a series of “deep dive” meetings on the current operation and technical activities of their country offices. The deep dive meetings began with Ghana and Liberia, followed by Madagascar, Malawi and Nigeria. There will be deep dive meetings for each of the transition countries.

USAID has identified 20 countries that are interest in a GHSC-PSM buy-in:

1. Botswana
2. Burma
3. Burundi
4. Democratic Republic of Congo (DRC)
5. Ethiopia
6. Ghana
7. Haiti
8. Nepal
9. Pakistan
10. Lesotho
11. Liberia
12. Madagascar
13. Malawi
14. Mozambique
15. Namibia
16. Nigeria
17. Rwanda
18. Vietnam
19. Zambia
20. Zimbabwe

GHSC-PSM has, at the request of USAID, held initial conversations with the USAID backstops and Missions for almost all of these countries. The purpose of the calls has been to get a preliminary understanding of the scope of any current programs, the scope of the TA that they want to either continue or initiate, and their preferred timing for a visit by a scoping team. Based on these preliminary conversations, the GHSC-PSM Country Programs Team has developed a transition plan. The GHSC-PSM Country Transition Plan will be submitted to USAID on February 24, 2016.
Each country transition begins with timely preparation support by the USAID country backstop followed by calls to the Mission to plan the scoping visit. The scoping visit is an opportunity to meet with the Mission, the DELIVER and SCMS team and other key stakeholders in-country, discuss the types of technical assistance and supply chain activities that the Mission would like to have, and visit sites to ground-truth proposed plans. The scoping visit has three main objectives:

- **Relationship building**
  - Conduct meetings with USAID, USG partners, incumbent project staff, and the host government.
- **Technical**
  - Develop a detailed transition work plan that includes technical and operational activities.
  - Establish a timeline for the development of GHSC-PSM’s first year technical work plan and budget.
  - Identify new initiatives to build on for next year’s work plan.
- **Operational**
  - Identify the requirements for the transition of operational functions from SCMS and DELIVER and initiation of a GHSC-PSM program.

The team for the scoping visit to Mozambique, for example, included Country Programs Manager Doris Youngs and a small team of technical and operational startup experts. Ms. Youngs was in Mozambique for about a week. She returned to headquarters after presenting her report to USAID Mozambique. The work plan specialist remained in-country to finalize the transition work plan, while the operational startup specialist remained in-country to continue the administrative tasks required to open an office such as registration, opening bank accounts, initiating recruitment, and identifying office space.

GHSC-PSM is working with the USAID country backstops and missions to prepare for each of the in-country scoping visits and the opening of country offices. The scoping missions will be led by the GHSC-PSM Regional Managers, joined by Systems Strengthening Managers when appropriate, with support from Country Programs Manager Doris Youngs as needed.

GHSC-PSM will take over the management of in-country health commodity supply chains currently operated by SCMS and DELIVER to prevent any interruptions in essential drugs or supplies to partner countries. The risks involved in facilitating the transition of procurement and logistics responsibilities between projects includes gaps or delays in transmitting information related to commodity priority orders, forecasting, stock levels, product expiration, supplier information, and product registration information specific to the host country. During the startup of each country office, GHSC-PSM meet with local stakeholders and the incumbent to develop a transition plan for transferring procurement responsibilities to GHSC-PSM.
Regional Managers oversee development of the country transition work plan, for transferring procurement responsibilities to GHSC-PSM as well as systems strengthening activities. If there is a period of overlap between projects GHSC-PSM – with guidance from USAID – will take a phased approach to gradually assume responsibility for procuring specific categories of products in the in-country supply chain.

**OBJECTIVE 3: GLOBAL COLLABORATION**

USAID provided the guiding principles for the GHSC-PSM approach to Global Collaboration in the January 7-8, 2016 startup conference. GHSC-PSM will be a representative of USAID in all GHSC-PSM global collaboration activities. USAID provided a list of priority groups, by task order, that require GHSC-PSM participation and an “events calendar” that indicates upcoming meetings and events where GHSC-PSM may be requested to attend. Additional guidance will also be provided by USAID on GHSC-PSM’s role in these groups (e.g. attend, participate or lead). This information will support GHSC-PSM coordination, collaboration, and information dissemination with the broader global health community.

**MARKET DYNAMICS**

During transition, the GHSC-PSM Market Dynamics Manager will work with USAID to engage with working groups at the U.N. Commission on Life Saving Commodities, UNITAID, Roll Back Malaria, Reproductive Health Supplies Coalition (RHSC), Family Planning 2020, and more as identified by USAID. To date, GHSC-PSM has participated in meetings for the RHSC’s Market Development Approaches Working Group (MDAWG) and the Reproductive Health Global Advisory Traceability Group (RH GTAG). As a result of the RH GTAG meeting, GHSC-PSM is actively working with USAID/PRH colleagues to develop draft contract language and an action plan to implement GS1 product identification standards on all health commodities procured by GHSC-PSM.

The Market Dynamics team will also establish relationships with other large buyers in the global health pharmaceutical market, through USAID, including: (i) the Global Fund for AIDS, Tuberculosis, and Malaria (GFATM); (ii) the United Nations Population Fund (UNFPA); (iii) the Bill and Melinda Gates Foundation (BMGF); (iv) the Clinton Health Access Initiative (CHAI); and, (v) the World Bank, to determine the best way for GHSC-PSM to provide timely, sound market intelligence and develop strategies for harmonizing supply planning, tendering, and quality assurance efforts across the global community. GHSC-PSM will leverage data gathered via market research and the MIS on the viable supplier base, registration status, shipments, demand shifts, and country stock status to apply analytics that will inform the broader community of countries at risk for commodity security, potential disruptions in the supply base, and opportunities for market shaping.
Milestone. Development of a strategy for commodity security information sharing and collaboration with global actors.

GLOBAL STRATEGIC ENGAGEMENT

The Global Collaboration Transition Working Group (TWG10) will maintain relationships with global health actors and the exchange of information that was initiated under SCMS and DELIVER. After the transition, this group will become a global strategic engagement working group. It will engage with the global health actors to understand their plans and strategies for procurement and technical assistance and identify opportunities for GHSC-PSM to continue to engage with these partners.

Milestones. (i) establish working relationships with global health actors; and, (ii) develop multi-year strategic plans for engagement.

APPROACH TO DISSEMINATE BEST PRACTICES GLOBALLY

GHSC-PSM has three goals for disseminating best practices: (i) advocacy for commodity security; (ii) coordination across GHSC awards and within the IDIQ; and, (iii) robust knowledge management to make GHSC-PSM a go-to resource for health commodity issues. Through conversations with global partners and our country directors’ conversation with regional and national actors GHSC-PSM will identify the levers for persuading global, regional, and national actors to support improved commodity security.

GHSC-PSM is currently drafting a knowledge management strategy which includes a baseline assessment of all knowledge management tools, technologies and outlets currently used by SCMS and DELIVER. The development of a GHSC-PSM website and blogs is a high priority. The GHSC-PSM knowledge management team will build audience engagement by providing information about USAID goals and accomplishments with GHSC-PSM supply chain, technical assistance, and global collaboration activities. Our goal is to make GHSC-PSM online contributions a “must read” in the global health community and disseminate online tools and guides to build practitioner capacity and retain qualified health commodity supply chain professionals in the work force.

Milestones. (i) GHSC-PSM website and blog established. (ii) strategic engagement plan developed; (iii) quarterly newsletter launched; (iv) social media campaign developed and branded; and, (v) interactive calendar of global and regional strategic meetings developed.
**TASK ORDER TRANSITIONS**

TWGs have been meeting each week since the January 7-8, 2016 startup conference to facilitate the transition and exchange information among GHSC-PSM, USAID and incumbent technical peers. While the TWG meetings are helpful, we now realize that it is more effective to have all four of the integrated supply chain TWGs (Plan, Source, Deliver/Return and QA) meet at the same time to discuss a specific Task Order. We have just started having these meetings but their advantage is clear. It allows an integrated discussion of product categories with input from GHSC-PSM, USAID, and the incumbent. It is similar to a Commodity Council but its focus is specifically on managing the transition whereas the Councils are designed to focus on the medium and long-term strategic planning around specific commodity groups.

The task order transition plans described below and (and graphically in Appendices 2-4) are presented by product category within the task orders. The task order transition plans are high level and based on initial meetings that focused on a few product categories within the task order. Each task order team will, in the coming weeks, develop detailed task order transition plans. Every task order meeting reveals more information about the current status and plans for transition.

The TO1 HIV/AIDS, TO2 Malaria and TO3 PRH transition plans are presented in similar format in the appendices. Each row presents the time between the start of routine GHSC-PSM orders and date the goods are available at the manufacturer as a GREEN bar, the time that Goods are Available for Deliver (GAD) as a RED bar, and the transport time as a YELLOW bar, by product category. The time between the beginning of the GREEN and the end of the YELLOW is the total time required to procure and deliver the product.

<table>
<thead>
<tr>
<th>Time to Manufacture</th>
<th>Goods Available for Delivery</th>
<th>Delivery Transit Time</th>
</tr>
</thead>
</table>

Key milestones are represented by thin, color-coded, vertical lines including: (i) February 24, 2016 - today; (ii) April 11, 2016 - GHSC-PSM will begin placing routine orders. (GHSC-PSM is already processing procurement requests, but it will become a routine by); (iii) May 15, 2016 – GHSC-PSM will assume full responsibility for inventory; (iv) June 26, 2016/July1, 2016 – SCMS, DELIVER Malaria and DELIVER PRH (TO4) offices close/GHSC-PSM country offices open; (v) September 26, 2016 - SCMS, DELIVER Malaria and DELIVER PRH (TO4) programs end and DELIVER Reproductive Health (TO5) offices close; and (vi) February 28, 2017 DELIVER Reproductive Health (TO5) program ends.

The transportation and logistics for any orders placed by SCMS/DELIVER for delivery after their offices are closed will be managed by GHSC-PSM.
TASK ORDER 1: HIV/AIDS TRANSITION

The purpose of task order 1 is to advance the President’s Emergency Plan for AIDS Relief (PEPFAR) goals. There are five categories of commodities procured and managed under TO1:

1. Antiretrovirals (ARVs) to stock the Regional Distribution Centers (RDCs) - orders that are shipped from the manufacturer or supplier to an RDC
2. Antiretrovirals (ARVs) for Direct Drop - orders that are shipped from the manufacturer or supplier directly to in-country consignees
3. Voluntary medical male circumcision kits (VMMC)
4. Laboratory diagnostics, equipment and consumables
5. Essential medicines to treat opportunistic infections

The first integrated supply chain meeting occurred on February 16, 2016 and focused primarily on ARVs through delivery to RDCs and Direct Drop. ARVs are the largest and most urgent product procurement category for TO1. ARVs are a high priority because they are life-saving medicines and missed doses are a critical factor in the development of resistance and the failure of patients to achieve a suppressed viral load. GHSC-PSM’s highest priority, for all task orders, is to avoid stock-outs.

As part of the transition from SCMS to GHSC-PSM, two key actions will occur immediately: (i) SCMS will inform their country offices to send their procurement requests to SCMS until further notice. The date when countries send orders to GHSC-PSM will depend on the date when SCMS ceases technical activity in their country offices; and (ii) SCMS will share their supply plans with GHSC-PSM, as requested by GHSC-PSM on January 15, 2016.

GHSC-PSM awaits further information from the QA contractor about the sampling algorithm used to determine which TO1-related shipments require QA testing.

SCMS currently has about 160 orders in process and a few hundred deliveries per month. Until GHSC-PSM has country offices and staff in place to work with countries to develop annual forecasts and supply plans, GHSC-PSM will utilize SCMS plans, as well as other information sources to schedule orders and deliveries. The latest ARV supply plans were submitted in December 2015 (GHSC-PSM has requested copies). March 2016 is the next due date for updated supply plans, a process that occurs quarterly.

SCMS has placed orders for products that will be available for delivery (Goods Available for Delivery or GAD) in June (there is about a 4-6 month manufacturer lead time). The March orders will be available between July-September 2016. GHSC-PSM will prepare the March orders. GHSC-PSM will submit the March purchase orders to ARV manufacturers and when the orders are available for delivery GHSC-PSM will deliver them either to an in-country consignee or to a regional distribution center (RDC). As explained in the logistics section, GHSC-PSM will temporarily use the same warehouse...
service providers as SCMS to minimize the risk of stock-outs due to inventory transfers. This will ensure a smooth transition of procurements and inventory from SCMS to GHSC-PSM.

GHSC-PSM is in discussions with USAID about assuming VMMC orders. Currently, SCMS has planned not to place any additional orders. With GHSC-PSM’s assumption of RDC operations, we await word as to whether SCMS will place orders in March, or if this will be transferred to GHSC-PSM. Subsequent TWG 4-7 meetings will elaborate further on specific issues related to laboratory orders.

GHSC-PSM is prepared to place routine orders by April 11, 2016 and SCMS will gradually phase out their procurements as GHSC-PSM capabilities rapidly increase. GHSC-PSM will manage the complete supply chain by July 2016.

GHSC-PSM is prepared to adapt the plans for orders and for quantities stored in the RDCs as country guidelines change to be consistent with WHO Guidelines that suggest direct service delivery sites to provide 3-6 month instead of 1-3 month prescriptions/scripts to patients and to use viral load to monitor patients on treatment.

*Milestones.* see Appendix 2: GHSC-PSM Task Order 1 HIV/AIDS Transition Plan

**TASK ORDER 2: MALARIA TRANSITION**

Task order two directly supports the President’s Malaria Initiative. There are 5 general categories of commodity procurements:

1. ACTs: orders that are shipped from the manufacturer or supplier directly to the in-country consignee with a limited stockpile in the Netherlands
2. Severe Malaria and Limited Intervention Meds: orders that are shipped from the manufacturer or supplier directly to the in-country consignee
3. SP: orders that are shipped from the manufacturer or supplier directly to the in-country consignee
4. Bed Nets: orders that are shipped primarily by ocean from the manufacturer or supplier directly to the in-country consignee
5. RDTs: orders that are shipped from the manufacturer or supplier directly to the in-country consignee

The first TO2 integrated supply chain meeting (TWGs4-7) focused primarily on ACTs, Bed Nets and RDT orders. Earlier this year USAID/PMI asked all countries to inform them of their upcoming orders. Based on the requests, they determined which orders would be placed by DELIVER and which orders would be placed by GHSC-PSM. DELIVER is no longer accepting new orders for almost all malaria commodities. Based on the DELIVER transition plan that was developed in December 2015, the last order date (orders to manufacturers or suppliers) has passed for every commodity except RDT.
DELIVER will be responsible for the QA for all orders that they have placed. DELIVER will be responsible for all orders that are estimated to arrive before June 26, 2016 (3 months before the DELIVER malaria program ends). GHSC-PSM will take responsibility for the shipment of all orders that are scheduled to be delivered after June 26, 2016. Please see Appendix 3: GHSC-PSM Task Order 2 Malaria Transition Plan.

GHSC-PSM has ten pending malaria commodity procurement requests. GHSC-PSM will place these orders with the manufacturers as soon as we have supplier contract agreements or spot orders are approved by USAID. GHSC-PSM has already assumed all malaria commodity procurement requests (as of February 2016). GHSC-PSM will deliver them either to an in-country consignee.

*Milestones:* see Appendix 3: GHSC-PSM Task Order 2 Malaria Transition Plan

**TASK ORDER 3: PRH TRANSITION**

Task Order 3 directly supports the Office of Population of Reproductive Health (PRH) in the procurement of contraceptives and condoms for family planning and the Office of HIV/AIDS in the procurement of condoms and lubricant for prevention. This is done in coordination with PRH’s Commodities Security and Logistics division (CSL). Currently, there are nine general categories of commodity procurements:

1. Oral contraceptive pills (combined, progestin-only, and emergency)
2. Contraceptive implants (1-rod and 2-rod)
3. Injectable contraceptives (Depot medroxyprogesterone acetate (DMPA) Intramuscular (IM) and DMPA Subcutaneous (SC))
4. Intrauterine devices
5. Standard days method
6. Male condoms
7. Female condoms
8. Personal lubricants
9. Other emerging or existing quality assured condoms or contraceptives as requested (e.g., the Woman’s Condom, vaginal rings, Noristerat, LNG IUS, etc.)

Similar to other TOs, the highest priority for TO3 transition is to avoid in-country program stockouts as a result of GHSC-PSM’s inability to fulfill orders. Unlike other TOs, TO3 carries a healthy “buffer stock” inventory of most standard (non-“special” order) catalog items in warehouses in the Netherlands and Singapore. During transition, GHSC-PSM intends to use the same warehouse services provider as DELIVER to minimize the risk of stock-outs due to inventory transfers and avoid costs related to transfer of products from one warehouse to another. GHSC-PSM will assume full responsibility for warehouse inventory on May 15, 2016. GHSC-PSM will receive and fulfill all new, routine country orders beginning April 11, 2016. GHSC-PSM is working with DELIVER to perform an analysis of existing country orders to assign responsibility
for order fulfillment through the end of the incumbent contract. To the extent possible, orders will be filled from inventory to draw down on existing stocks and mitigate risk of product wastage (i.e., to avoid product leaving the warehouse with less than 80% shelf life). All special order items and new orders for stock items beyond current inventory levels will be executed against GHSC-PSM contracts and largely direct dropped until new warehouses are in place. Products procured by GHSC-PSM during this transition timeframe will only be source-to-warehouse as needed to maintain minimum stock levels needed to respond to unplanned or emergency orders, while simultaneously minimizing the cost of transferring inventory to new warehouses upon award. This inventory minimum will be defined by product by the GHSC-PSM Optimization Team.

TO3 will award bridge contracts, either sole source or restricted tender, on an as-needed basis, prioritizing shipping from inventory over issuing new purchase orders. However, the overall approach will be to develop strategic long-term framework contracts as quickly as possible, based on client demand and inventory stability.

CSL has identified the highest priority contract as a sole source award with Pfizer for procurement of Sayana Press. Given that a 4-6 month manufacturing break is planned to expand the production line for this product in mid-2016, a contract must be in place by April 1, 2016. This will enable GHSC-PSM to place a purchase order for a specific quantity defined by CSL based on registration status, existing orders, and additional anticipated demand. The prioritization to award this contract as soon as possible is paramount to being able to receive any product in 2016.

In tandem to the Pfizer award for Sayana Press, a number of other PRH commodities are eligible for sole source or restricted tender awards based on the limited supplier base that is able to meet product specifications. Specifically, emergency contraceptives, contraceptive implants, CycleBeads, female condoms, and personal lubricants will all have relatively streamlined award processes. CSL will provide specifications for these products so that GHSC-PSM can begin the solicitation process.

Combined oral contraceptive pills, progestin-only contraceptive pills, DMPA IM, IUDs, and male condoms all have potentially broader supplier bases than those manufacturers who currently have agreements in place with DELIVER. As a result, defining the sourcing strategy, service requirements, packaging standards, and product specifications for these tenders will require additional time and market research to develop a solicitation that will garner interest from a broader pool of qualified suppliers. Restricted tender bridge contracts will be issued for these products as needed, based on the specific needs of a given country order, but the primary focus over the next six months will be to build out the sourcing strategies for these commodities to support a competitive solicitation. CSL will provide specifications for these products so that GHSC-PSM can start market research efforts in support of strategy development.
Regular meetings with relevant USAID, DELIVER and GHSC-PSM staff will continue to take place on a weekly basis to streamline the procurement process of each product and for each priority.

*Milestones:* (i) the urgent, high priority Sayana Press order placed; (ii) bridge contracts in place; (iii) work plan for core funded activities; and (iv) procurements started for each commodity category, see Appendix 4: GHSC-PSM Task Order 3 Population and Reproductive Health Transition Plan.
ANNEXES

Please note that the annexes are an addendum to this report as one Excel work book called “GHSC-PSM High Level PSM Transition Plan Annexes” containing four tabs as noted below.

ANNEX 1: GHSC-PSM PROJECT MILESTONES - HIGH LEVEL TRANSITION PLAN
   *Tab One: Project_Milestones_Gantt

ANNEX 2: GHSC-PSM TASK ORDER 1 HIV/AIDS TRANSITION PLAN
   *Tab Two: TO1_Gantt

ANNEX 3: GHSC-PSM TASK ORDER 2 MALARIA TRANSITION PLAN
   *Tab Three: TO2_Gantt

ANNEX 4: GHSC-PSM TASK ORDER 3 POPULATION AND REPRODUCTIVE HEALTH TRANSITION PLAN
   *Tab Four: TO3_Gantt