

Supply Chain Management System

Providing Quality Medicines for People Living with and Affected by HIV and AIDS

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SCMS Annual Report FY 2006

Submitted By:

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SCMS Annual Report 2006

1.0 YEAR IN REVIEW

In its first year, the Supply Chain Management System (SCMS) established the infrastructure necessary to bring 17 organizations together to establish a global enterprise with the capability of procuring and delivering \$500 million worth of life-saving HIV/AIDS drugs and supplies to those who need them. The project not only met, but exceeded its goal of making initial country visits to all 15 of the President's Emergency Plan for AIDS Relief (PEPFAR) focus countries with an additional trip to Zimbabwe. Moreover, SCMS responded to Mission requests for long-term technical assistance by opening 10 country offices, which is three more than originally planned.

Since October 2005, SCMS has ensured an uninterrupted supply of antiretrovirals (ARVs), test kits, and other vital commodities to HIV/AIDS programs in Botswana, Côte d'Ivoire, Guyana, Haiti, Nigeria, Rwanda, Vietnam, and Zambia. In total, SCMS placed over \$6.9 million in commodity orders on behalf of country programs that were frequently in danger of stockouts. Additionally, SCMS was enlisted to contribute to the coordination of significant donor-funded initiatives such as the World Health Organization (WHO)/Joint United Nations Programme on HIV/AIDS (UNAIDS) efforts to prepare a global ARV demand forecast, including active pharmaceutical ingredients, through 2008. As the technical secretariat of the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank, and PEPFAR's joint procurement planning initiative, SCMS will facilitate national procurement planning and supply chain management of HIV/AIDS commodities in six countries (Ethiopia, Guyana, Haiti, Mozambique, Rwanda, and Vietnam).

2.0 PROJECT HIGHLIGHTS/MAJOR ACCOMPLISHMENTS

Key Activities/Expected Accomplishments for FY 2006

Annual Milestones	Status
2.1.1 Procurement	
<ul style="list-style-type: none"> Develop procurement strategy, negotiation approach, and implementation plan.. Initiate requests for quotations, negotiate with vendors, and develop vendor IQC contacts. 	<p>Strategy and approach completed. RFPs for HIV test kits and ARVs published and responses received. Negotiation timeframes scheduled.</p>
<ul style="list-style-type: none"> Develop procurement policy, procedures, and formsets. 	<p>Completed</p>
<ul style="list-style-type: none"> Develop and publish the e-catalog product list. 	<p>Ongoing. Initial e-catalog list completed, further functionality and information to be added in future versions.</p>
<ul style="list-style-type: none"> Conduct first global demand forecast. 	<p>Partially completed. Initial global forecast developed based on survey of historical data.</p>

Annual Milestones	Status
<ul style="list-style-type: none"> Conduct inventory, donation assessment, and planning. 	<p>Ongoing. First regional distribution center (RDC) stocked. Other African RDC inventory levels set and stocking orders initiated.</p>
2.1.2 Freight Forwarding and Logistics (FFL)	
<ul style="list-style-type: none"> Establish FFL capability (phase 1 and 2), including country profiles. 	<p>Completed</p>
<ul style="list-style-type: none"> Define RDC feasibility plan and execute initial RDC contracts. 	<p>Project planning completed. West Africa deployed and operational. South Africa contracted and awaiting bond store licensing. East Africa deployment plan finalized.</p>
<ul style="list-style-type: none"> Integrate the SCMS Orion system with the UPS and Fuel Group online systems. 	<p>Partially completed. Interface process flows designed, primary mapping completed and first test data in review.</p>
<ul style="list-style-type: none"> Conduct initial international freight management plan. 	<p>Completed</p>
<ul style="list-style-type: none"> Deliver first order. 	<p>Completed</p>
2.1.3 In-Country Operations Management (ICOM)	
<ul style="list-style-type: none"> Conduct 15 initial country visits. 	<p>Completed. Visited each focus country plus Zimbabwe.</p>
<ul style="list-style-type: none"> Establish presence in seven countries. 	<p>Completed. Presence established in 10 countries.</p>
<ul style="list-style-type: none"> Quantify demand in seven countries. 	<p>Partially completed. Quantified demand in six countries. Final country quantification to be performed in FY2007.</p>
<ul style="list-style-type: none"> Complete commodity orders for six countries. 	<p>Completed. Commodity orders completed in eight countries.</p>
<ul style="list-style-type: none"> Engage Track 1 partners. 	<p>Ongoing</p>
2.1.4 Quality Assurance (QA)	
<ul style="list-style-type: none"> Complete flowchart review and standard operating procedures (SOP) harmonization. Complete baseline unit SOPs. Publish SCMS quality manual. 	<p>The flowchart reviews were completed and baseline unit SOPs are approximately 80% complete.</p>

Annual Milestones	Status
<ul style="list-style-type: none"> Complete proposed wholesaler standards and requirements policy. Complete product sampling protocols. 	<p>Partially completed. Wholesaler standards and requirements policy developed. USAID input/approval pending. Product sampling protocols completed.</p>
<ul style="list-style-type: none"> Conduct technical assistance (TA) country assessment. Conduct TA delivery plan. 	<p>Note: This milestone was removed since TA is centralized out of ICOM, not QA. TA is only provided as requested. An individual TA country assessment to identify specific needs is no longer the intended approach.</p>
2.1.5 Performance Monitoring and Evaluation (PME)	
<ul style="list-style-type: none"> Conduct vision workshops and establish measurement hierarchy. 	Completed
<ul style="list-style-type: none"> Submit updated SCMS Performance Management Plan to USAID. 	<p>Partially completed. Performance Management Plan update completed. Submission to USAID in FY2007.</p>
<ul style="list-style-type: none"> Complete detailed review and reporting requirements (and related guidance). 	Completed
<ul style="list-style-type: none"> Complete final measures data dictionary. 	<p>Partially completed. Finalizing definitions of key goal areas such as sustainability. Data dictionary to be completed by February 2007.</p>
<ul style="list-style-type: none"> Conduct first PME review. 	<p>Ongoing. PME review scheduled for early FY 2007.</p>
2.1.6 Management Information Systems (MIS)	
<ul style="list-style-type: none"> Release version 1.0 of Orion; sales requisition system; and enhanced functional release of PipeLine. 	Completed
<ul style="list-style-type: none"> Establish intranet. 	Completed
<ul style="list-style-type: none"> Establish an initial web presence for the e-catalog and more robust electronic exchange of information from Orion to the e-catalog. 	<p>Release 1.0 completed. Release 2.0 on schedule for completion December 2006.</p>

Annual Milestones	Status
<ul style="list-style-type: none"> • Complete management dashboard baseline reporting requirements. 	Completed
<ul style="list-style-type: none"> • Commence development of planning system software. 	Developing the functional blueprint of the features that are required to support this process.
<ul style="list-style-type: none"> • Deploy a travel voucher system. 	Ongoing. Currently mapping JSI-developed tool to SCMS accounting codes.
<ul style="list-style-type: none"> • Select and deploy a document management system. 	Ongoing. Gathering requirements that will form the basis of the RFP.
<ul style="list-style-type: none"> • Release version 1.0 of Orion, sales requisition system, and enhanced functional release of PipeLine. 	Completed
2.1.7 Operations Unit Management	
<ul style="list-style-type: none"> • Relocate to new office located at 1616 N. Fort Myer Drive, Arlington, VA. 	Completed
<ul style="list-style-type: none"> • Complete first rebudgeting/workplan exercise and finalize subcontractor and year-two budgets. 	Completed. Have begun five-year budget exercise for submission to USAID in November 2006.
<ul style="list-style-type: none"> • Initiate use of Accounting and Finance modules of Orion. 	Completed
<ul style="list-style-type: none"> • Establish contracts with partner organizations. 	Partially completed. 60% of technical subcontracts executed; finalizing remaining 40% in first quarter of second project year.
<ul style="list-style-type: none"> • Develop insurance solution, material handling charge (MHC) procedure, and non-USG finance policy. 	Partially completed. MHC and non-USG finance policy have been completed. Insurance solution discussion timeline has been revised due to request by USAID received September 18, 2006.
2.1.8 Communications	
<ul style="list-style-type: none"> • Develop communications strategy and plan. 	Completed

Annual Milestones	Status
<ul style="list-style-type: none"> Develop corporate communications materials, the technical solution model, and in-country communication tool-kits. 	<p>Partially completed. Materials and technical solution model finished. In-country communication tool-kits in development.</p>
<ul style="list-style-type: none"> Attend and represent SCMS at conferences (e.g., Global Health Council, PEPFAR Implementers', and International AIDS) and provide ongoing communications outreach and stakeholder management. 	<p>Completed</p>
<ul style="list-style-type: none"> Establish Web site presence and develop Web site/intranet strategy and plan. 	<p>Partially completed. Web site presence established. Web site firm being solicited to develop strategy and redesign.</p>
<p>2.1.9 Project Management Office (PMO)</p>	
<ul style="list-style-type: none"> Generate project progress reports for USAID. 	<p>Completed</p>
<ul style="list-style-type: none"> Establish HR policies and procedures, staff orientation program, performance management guidelines, and training needs assessment. 	<p>Partially completed. Policies and procedures and on-boarding program completed. Performance management guidelines and training needs assessment to be completed in FY 2007.</p>
<ul style="list-style-type: none"> Complete detailed technical solution design. 	<p>Completed</p>
<ul style="list-style-type: none"> Complete stakeholder needs assessment. 	<p>Completed</p>
<ul style="list-style-type: none"> Engage key stakeholders in Washington, DC. 	<p>Ongoing</p>
<ul style="list-style-type: none"> Complete Smart Card analysis. 	<p>Completed</p>
<ul style="list-style-type: none"> Complete Therapeutic Chemistry Evaluation report. 	<p>Completed</p>

3.0 PROCUREMENT HISTORY

For the Quarter July-September 2006

Country	Product Category	\$ Purchased
Botswana	<i>Other (Infant Formula)</i>	156,312
Côte d'Ivoire	<i>Antiretroviral Medicines</i>	95,259
Côte d'Ivoire	<i>HIV Test Kits</i>	143,317
Côte d'Ivoire	<i>Laboratory Supplies</i>	1,261,137
Haiti	<i>HIV Test Kits</i>	79,615
Nigeria	<i>Antiretroviral Medicines</i>	86,550
Nigeria	<i>HIV Test Kits</i>	127,500
Rwanda	<i>Laboratory Supplies</i>	68,034
Vietnam	<i>Antiretroviral Medicines</i>	25,800
Zambia	<i>HIV Test Kits</i>	220,000
Total July-September		2,263,524

Total procurement for FY 2006 by country

Country	Product Category	Total Purchased for FY2006
Botswana	<i>Other (Infant Formula)</i>	156,312
Côte d'Ivoire	<i>Antiretroviral Medicines</i>	3,421,948
Côte d'Ivoire	<i>HIV Test Kits</i>	161,684
Côte d'Ivoire	<i>Laboratory Supplies</i>	1,299,623
Guyana	<i>Laboratory Supplies</i>	9,489
Haiti	<i>HIV Test Kits</i>	79,615
Nigeria	<i>Antiretroviral Medicines</i>	8,655
Nigeria	<i>HIV Test Kits</i>	127,500
Rwanda	<i>Laboratory Supplies</i>	68,034
Vietnam	<i>Antiretroviral Medicines</i>	1,390,314
Zambia	<i>HIV Test Kits</i>	220,000
Total for FY2006		6,943,174