



# SUPPLIER SUMMIT

**USAID Global Health  
Supply Chain Program  
Supplier Summit  
February 21-23, 2017**

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USAID Global Health Supply Chain Program

# GLOBAL HEALTH SUPPLY CHAIN HIV RAPID TEST KITS PROJECT



**USAID**  
FROM THE AMERICAN PEOPLE



**PEPFAR**  
U.S. President's Emergency Plan for AIDS Relief



**USAID**  
FROM THE AMERICAN PEOPLE



U.S. President's Malaria Initiative

# USAID GHSC-RTK PROGRAM AGENDA

- Program Overview
- Historical Analysis
- 2017 and 2018 Forecasting
- Country Challenges
- Self-Testing

# WHO IS GHSC-RTK?





- RMI is a small business that focuses on providing medical training, equipment and supplies, medical staffing, support services, and emergency medical evacuation.
- RMI provides these services for individuals, companies, and industries in challenging environments throughout the world.



- Tetra Tech is a provider of consulting, engineering, and technical services worldwide
- Tetra Tech employs individuals with expertise in science, research, engineering, construction, and information technology with a focus on providing sustainable solutions and innovations for water and environmental infrastructure, resource management, and international development challenges.

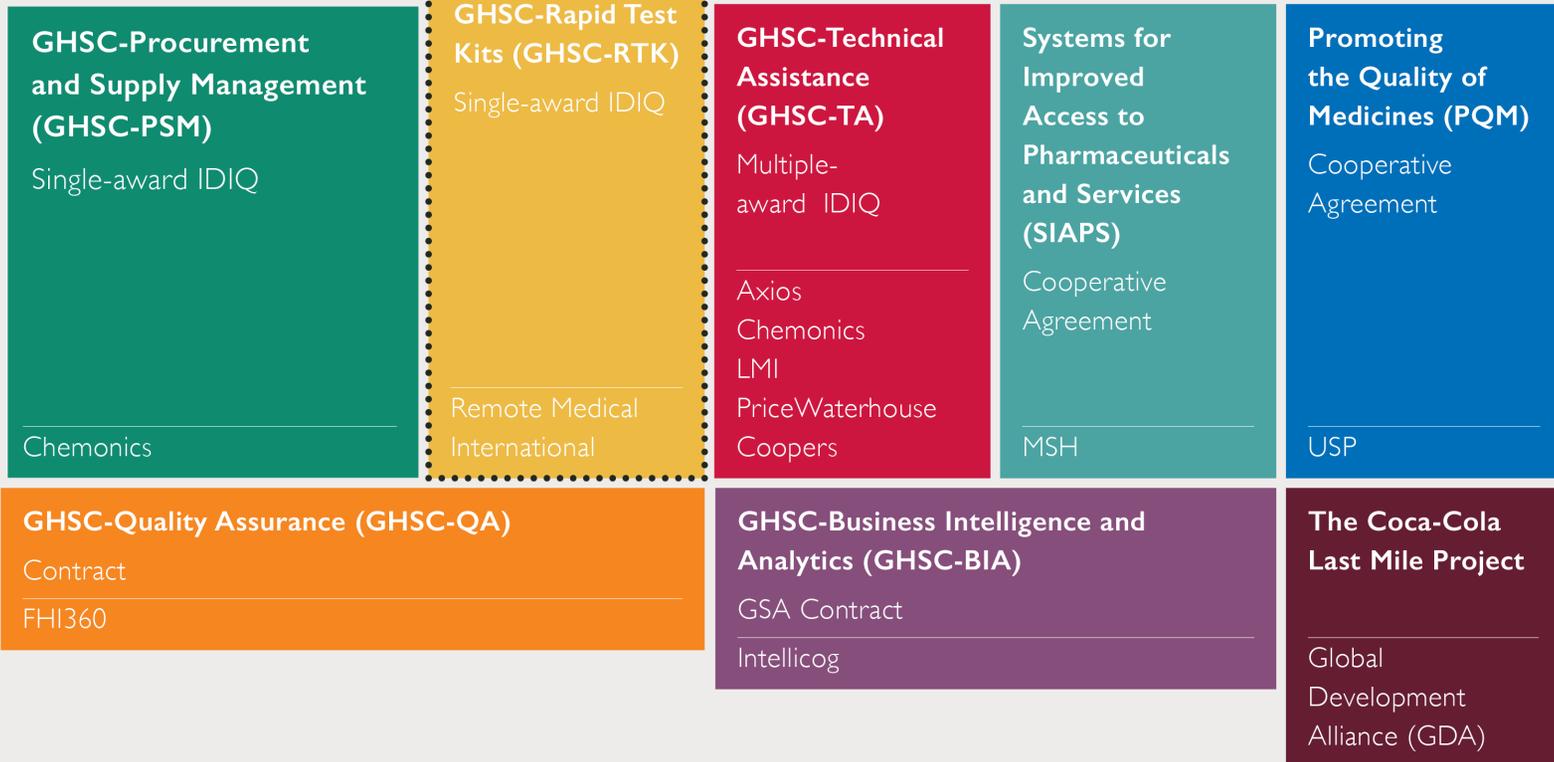
# USAID AWARD FOR HIV RAPID TEST KITS

- A single award Indefinite Delivery Indefinite Quantity contract (IDIQ)
- RMI and Tetra Tech Roles:
  - RMI (prime contractor)
  - Tetra Tech (served as a mentor)
- On February 27, 2015, RMI together with Tetra Tech was awarded a \$95 million contract from USAID to provide HIV Rapid Test Kits to USAID partner programs throughout sub-Saharan Africa
- Worked closely with the incumbent to ensure a smooth and quick transition without stock interruptions



# HOW DO WE FIT INTO THE GHSC ARCHITECTURE?

# USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM

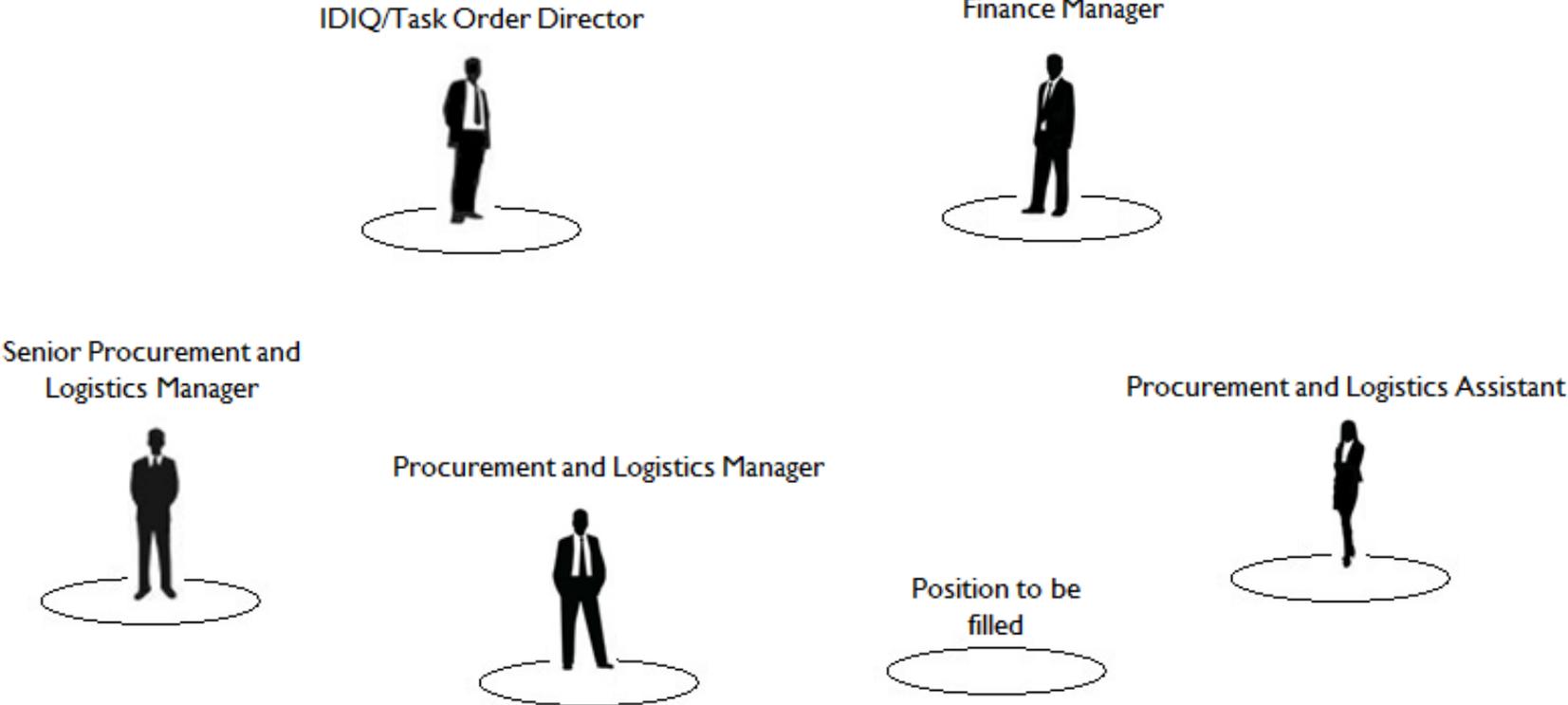


# GETTING TO KNOW THE USAID GHSC-RTK PROJECT

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# THE USAID GHSC-RTK ORGANIZATIONAL STRUCTURE



# USAID GHSC-RTK PROJECT

- Small operation
  - Staff of 5
  - Currently recruiting for one more employee for procurement support
- In addition to our staff we utilize 6 different freight forwarders for delivery
  - An RFP for additional freight services providers has recently closed
  - Expand our list of eligible freight forwarders to continue to provide delivery/insurance to our clients
- ERP System - NetSuite



# GHSC-RTK Business Operating Software

## Manage All Client Requests

- Customer Reference Number (PSM RO#)
- Recipient Name
- Funding Mechanism
- Consignee/Destination information
- Order Type – Planned, unplanned, emergency order
- Pertinent dates – inquiry date, requested delivery date, products, quantities, pack sizes, special instructions
- Maintain all approved country justifications in regards to single/sole-sourced RTKs
- NetSuite is our platform to capture:
  - Pricing
  - Weights and volume information
  - Lead times
  - Freight pricing/insurance
- NetSuite produced an electronic quotation for client approval
- Ability to produce and store all relevant communication automatically per transaction (Quotations and Purchase Orders)

# GHSC-RTK Business Operating Software

## Commodity Vendor Management

- GHSC-RTK produces all of its commodity vendor RFQs from NetSuite
- Captures vendor information – pricing, weight/volume, pickup location, lead times – INCO date, actual INCO dates, delays [reasoning], QA sample dates, origin pickup dates
- Use this information to manage commodity vendor scorecards

## Freight Forwarder Vendor Management

- GHSC-RTK creates all freight forwarder RFQs from NetSuite using customized templates
- Enter in freight forwarder estimates for freight and insurance costs, lead times, pickup location (EXW), delivery location (usually DDP), mode of shipment, promised delivery dates, origin departure dates, destination port arrival date, customs clearance initiation dates, custom clearance date, inland transit dates, actual delivery dates, and delays
- Use this information to manage all Freight Forwarder scorecards

# THE GHSC-PSM/GHSC-RTK PARTNERSHIP

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# MEMORANDUM OF UNDERSTANDING

On July 2016, GHSC-PSM and GHSC-RTK signed an MOU outlining roles and responsibilities of each party to include:

- Supply plans are to be provided by GHSC-PSM-supported countries to GHSC-RTK
- GHSC-PSM-supported countries will submit their procurement related requests through the GHSC-PSM ordering mechanism (ARTMIS)
- GHSC-RTK and GHSC-PSM are currently working on integrating ARTMIS and NetSuite to ensure smooth transition of inquiries from GHSC-PSM support field offices directly to GHSC-RTK ERP System (NetSuite)
- Where there is no GHSC-PSM field office presence in country, GHSC-PSM HQ will enter the requisition order (RO) into ARTMIS and send the inquiry over to GHSC-RTK for order processing
- GHSC-PSM-supported countries will provide support to GHSC-RTK where needed
  - mission approvals, import waiver applications, and proof of delivery confirmation
- GHSC-RTK will support all GHSC-PSM countries using their internal mechanisms in the case of emergencies and urgent orders

# WHERE WE DELIVER

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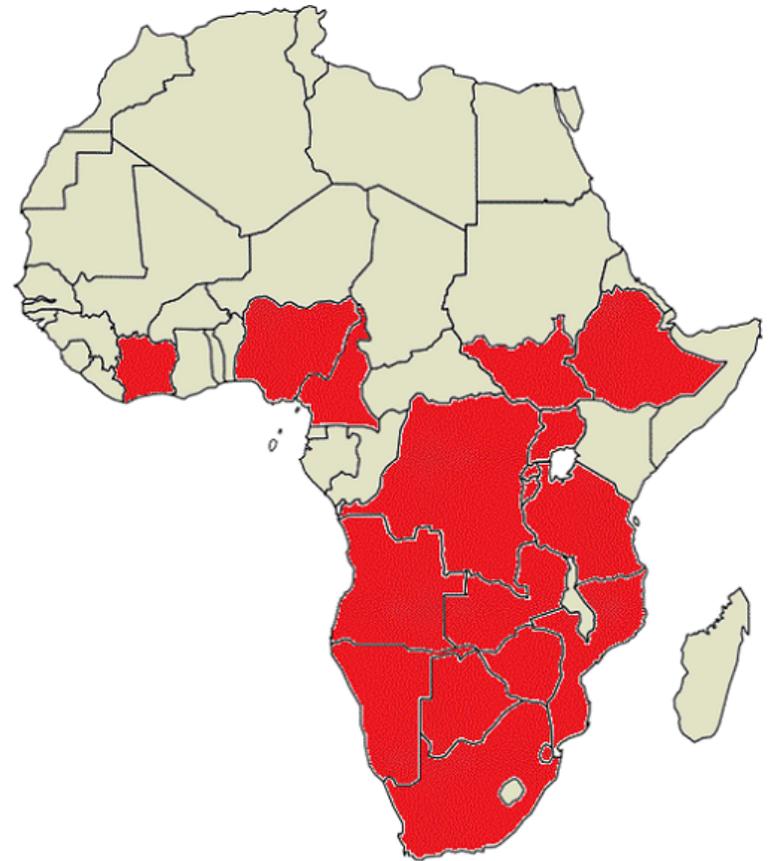
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# GHSC-RTK SUPPORTED COUNTRIES TO DATE

- Haiti



- Angola
- Botswana
- Burundi
- Cameroon
- Côte d'Ivoire
- Democratic Republic of the Congo
- Ethiopia
- Mozambique
- Namibia
- Nigeria
- Rwanda
- South Africa
- South Sudan
- Swaziland
- Tanzania
- Uganda
- Zambia
- Zimbabwe



# GHSC-RTK INDIVIDUAL TESTS DELIVERED THROUGH DECEMBER 2016

Destination	Individual tests	%
Nigeria	20,519,020	45.9%
Tanzania	10,668,655	23.9%
Zambia	3,984,125	8.9%
Uganda	2,673,610	6.0%
Haiti	1,476,400	3.3%
Mozambique	1,370,280	3.1%
DRC	1,125,920	2.5%
Cote d'Ivoire	799,800	1.8%
Swaziland	488,960	1.1%
Burundi	480,000	1.1%
Zimbabwe	429,780	1.0%
Botswana	413,130	0.9%
South Sudan	147,520	0.3%
Cameroon	55,500	0.1%
Rwanda	39,360	0.1%
Ethiopia	17,680	0.0%
Angola	11,400	0.0%
<b>Grand Total</b>	<b>44,701,140</b>	

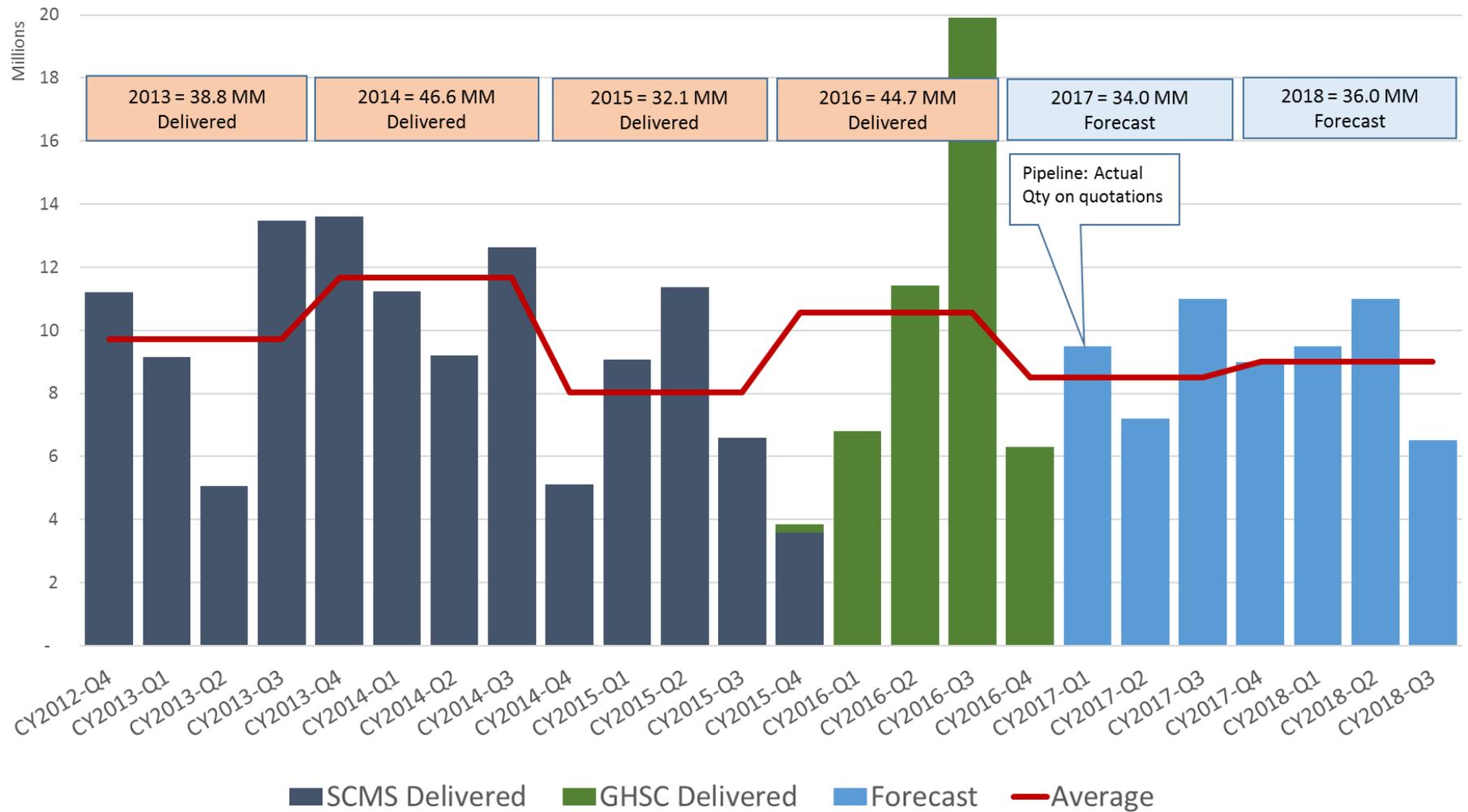
# GHSC-RTK DELIVERED VALUE THROUGH DECEMBER 2016

	Amount	%
Nigeria	\$ 18,149,857	46.7%
Tanzania	\$ 9,160,980	23.6%
Zambia	\$ 3,196,983	8.2%
Uganda	\$ 2,192,855	5.6%
Haiti	\$ 1,499,800	3.9%
Mozambique	\$ 1,222,472	3.1%
DRC	\$ 966,912	2.5%
Cote d'Ivoire	\$ 640,690	1.6%
Swaziland	\$ 429,216	1.1%
Burundi	\$ 384,000	1.0%
Zimbabwe	\$ 373,659	1.0%
Botswana	\$ 344,153	0.9%
South Sudan	\$ 149,632	0.4%
Rwanda	\$ 61,008	0.2%
Cameroon	\$ 59,250	0.2%
Ethiopia	\$ 28,643	0.1%
Angola	\$ 10,080	0.0%
<b>Grand Total</b>	<b>\$ 38,870,187</b>	

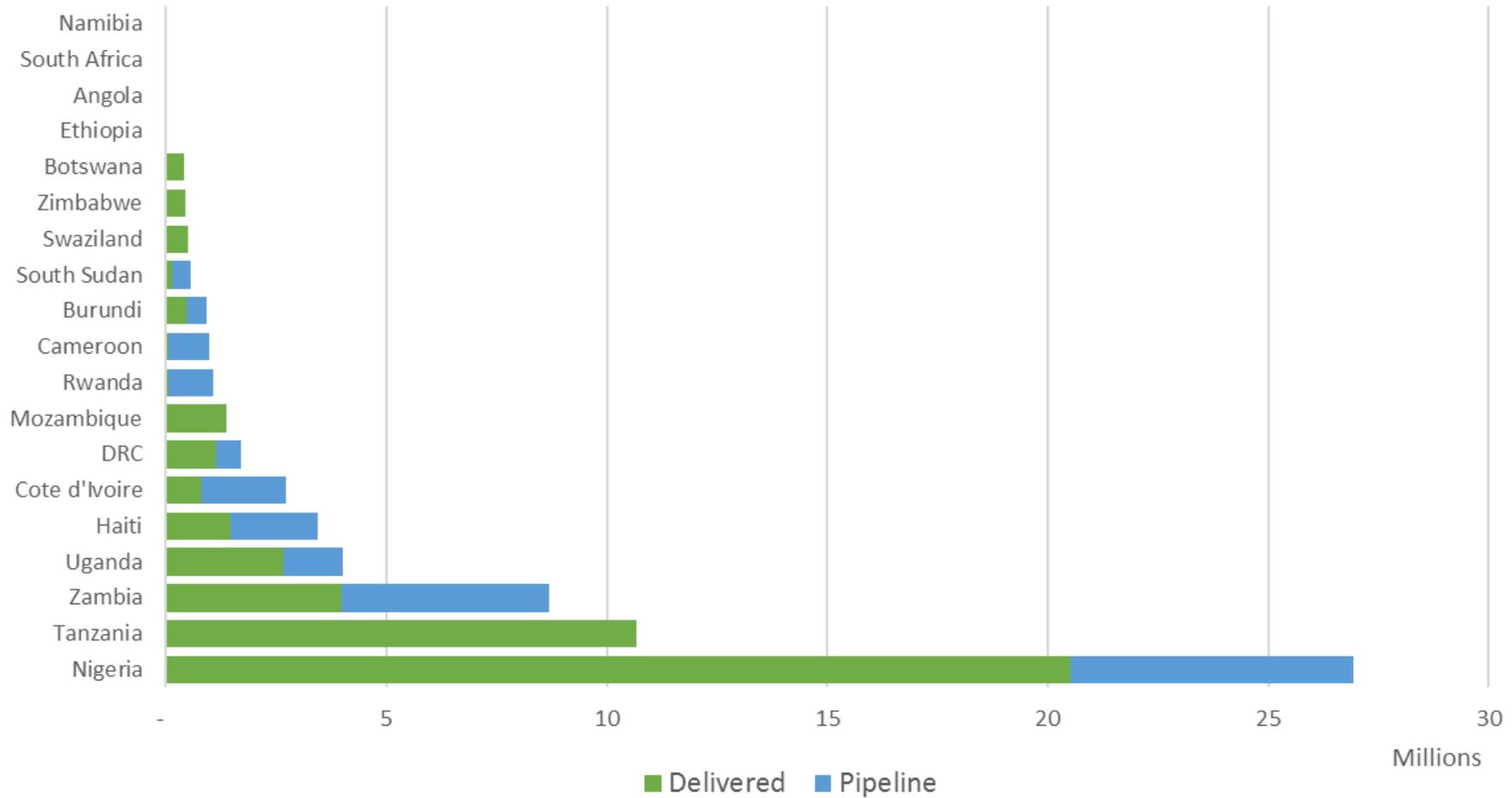
# HISTORICAL ANALYSIS OF RTK PROCUREMENT THROUGH THE YEARS WITH A FOCUS ON 2017 FORECAST

## GHSC-RTK Procurement

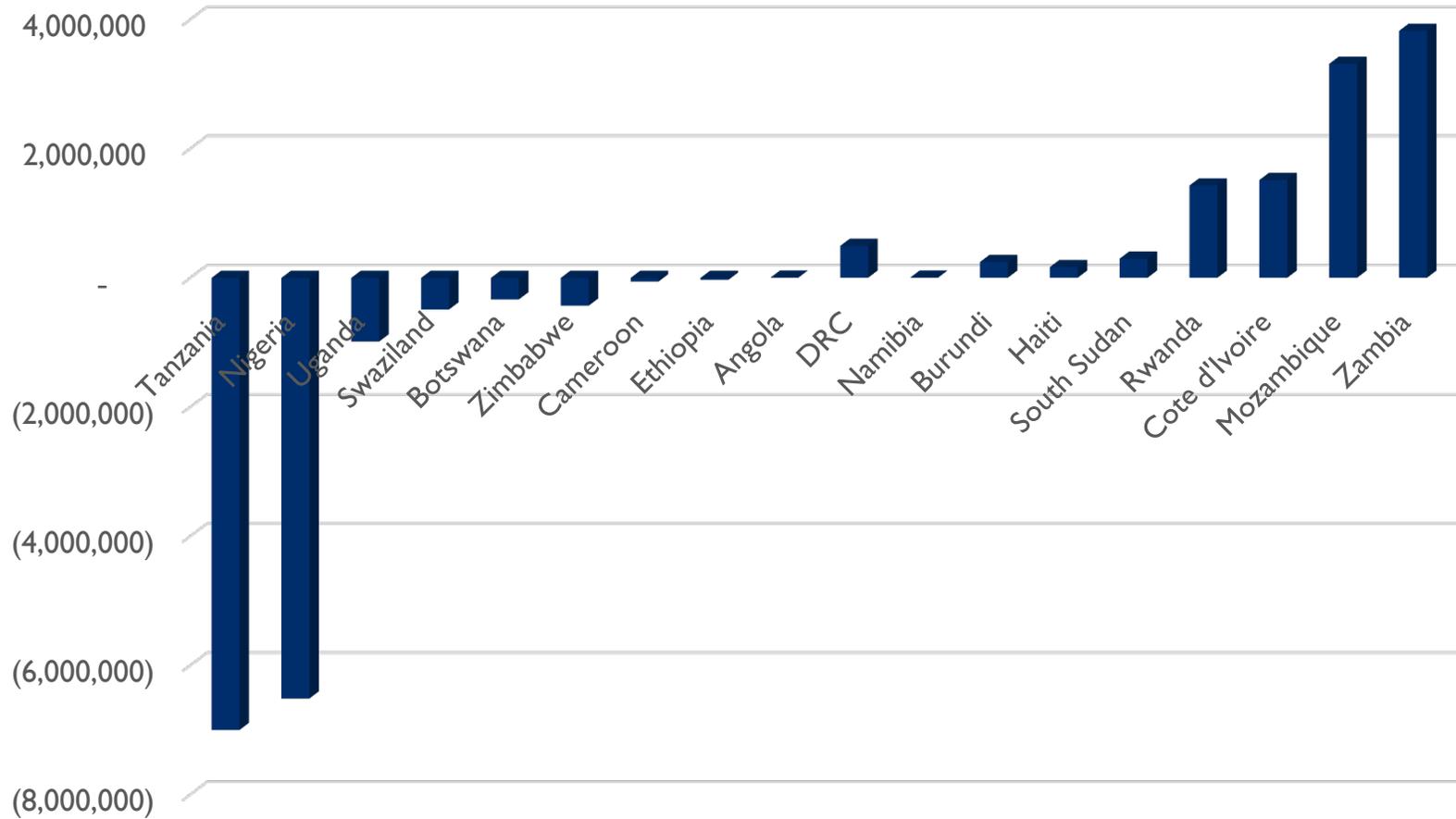
Individual tests - Calendar Year



GHSC-RTK Individual tests delivered and in pipeline: LOP through 12/31/2016  
64.4 million tests total



## GHSC-RTK 2017 Country Procurement Estimate Compared to 2016 Actual - 4.5MM less in 2017



# COUNTRY CHALLENGES AND REQUIREMENTS

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Unreliable Forecasting/Lack of Supply Plans



Potential Stock Outs



Emergency Orders



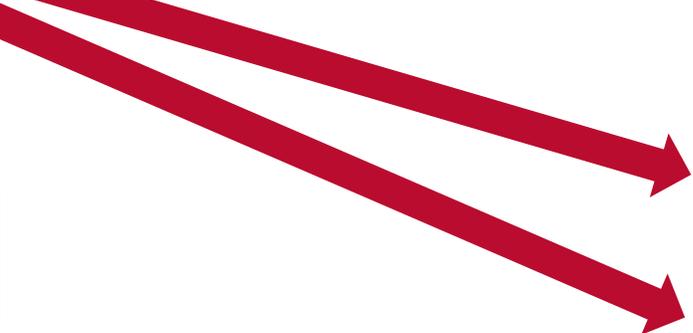
Procurement Agent



RTK Vendors



Freight Forwarder



Quality Assurance Unit



Final Delivery

# WHAT CAN OUR RTK VENDORS DO TO SUPPORT COUNTRY HURDLES?

Flexible order management

Coordination for pre-shipment sampling (Quality Assurance Unit)

Accurate Export Documentation

Clear communication between vendor warehouse – GHSC-RTK  
– nominated freight forwarder agent (at origin)



Vendor Managed Stock

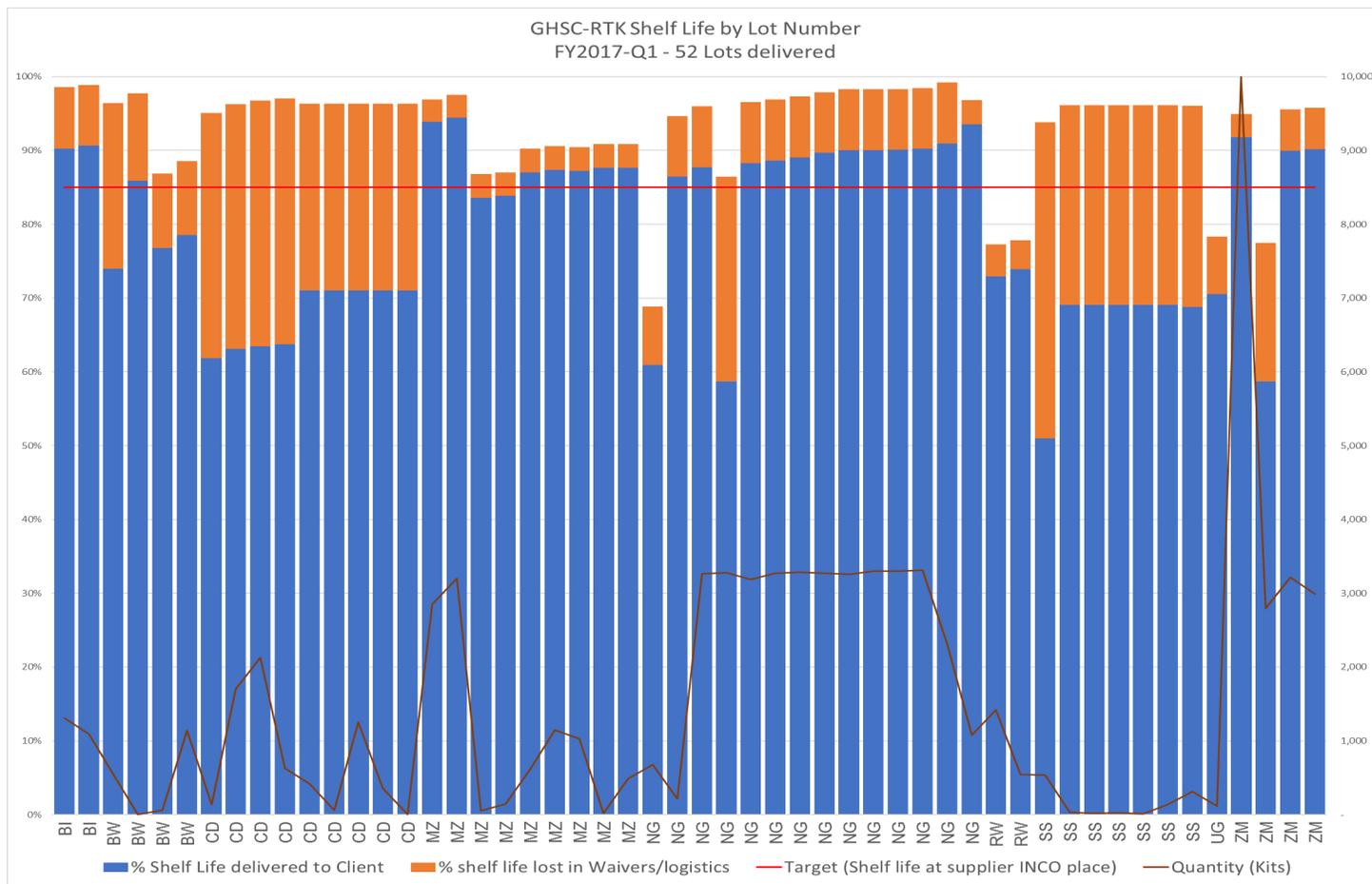
# COUNTRY REQUIREMENTS: IMPORT WAIVER PROCESSING LEAD TIMES AND RISK MANAGEMENT

- Long Storage time at vendor warehouse can cause unneeded strain on supplier storage
  - Risk: Storage costs
  - Risk: Freight forwarder storage costs at origin or destination
- Depleted shelf life
  - Risk: Client may request fresher stock
  - Risk: Order cancellation
- Uncontrollable issues at origin country (political insurgency, strikes, etc.)
  - Risk: Order delivery delay
  - Risk: Order cancellation

# AVERAGE DAYS TO SECURE IMPORT WAIVER TO DELIVERY

Country	Average days to process waiver	Average days from waiver to delivery	Sum: Waiver plus shipping
Angola	15	29	44
Botswana	26	24	51
Burundi	10	29	39
Cameroon	78	16	94
Côte d'Ivoire	5	17	22
DRC	76	68	144
Ethiopia	6	41	47
Haiti	7	6	13
Mozambique	19	19	39
Nigeria	4	15	19
Rwanda	9	17	26
South Sudan	61	37	98
Swaziland	27	18	45
Tanzania	15	19	34
Uganda	13	19	33
Zambia	2	11	13
Zimbabwe	10	30	40
<b>Grand Total</b>	<b>30</b>	<b>28</b>	<b>58</b>

# LONG IMPORT WAIVER LEAD TIMES AND THE EFFECT ON DELIVERING PRODUCT WITH MAXIMUM SHELF LIFE



# SELF-TESTING AND THE FUTURE OF GHSC-RTK PROCUREMENT

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# SELF-TESTING AND FUTURE DEMANDS

Self-testing is a way to reach more people with undiagnosed HIV

- Empowers individuals
- Earlier diagnosis
- Creates a higher demand for HIV testing
- Accesses key populations to increase testing

# SELF-TESTING INQUIRIES

- 23 countries have national policies that support HIV self-testing
  - GHSC-RTK has received inquiries from three PEPFAR-supported countries – South Africa, Namibia, and Zimbabwe (ongoing)
- Wide-scale self-testing remains limited
- There is a need for self-testing at *affordable prices*
- How can RTK vendors support GHSC-RTK with supply of self-tests
  - What challenges do our vendors face? – labeling? Packaging? Forecasting? Lead time for production?
  - How can GHSC-RTK assist?

QUESTIONS?

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The USAID Global Health Supply Chain-Procurement and Supply Management project provides commodity procurement and logistics services, strengthens supply chain systems, and promotes commodity security. We support USAID programs and Presidential Initiatives in Africa, Asia, Latin America, and the Caribbean, focusing on HIV/AIDS, malaria, maternal and child health, and reproductive health commodities.

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