USAID GLOBAL HEALTH SUPPLY CHAIN
PROCUREMENT AND SUPPLY MANAGEMENT PROJECT

SEMI-ANNUAL & QUARTERLY REPORT
YEAR 1 QUARTER 2, APRIL 1 TO JUNE 30, 2016

July 29, 2016

DISCLAIMER

CONTENTS

ACRONYMS

3PL .... third-party logistics

4PL .... fourth-party logistics

ACT .... artemisinin-based combination therapy

AIDS .... acquired immune deficiency syndrome

ARV .... antiretroviral

AS/AQ .... artesunate/amodiaquine

CARhs .... Coordinated Assistance for Reproductive Health Supplies

CDC .... Centers for Disease Control and Prevention

CO .... Contracting Officer

COR .... Contracting Officer's Representative

CSP .... Coordinated Supply Planning Group

DFID .... Department for International Development

DSIP .... demand supply inventory planning

eLMIS .... electronic logistics management information system

FASP .... forecasting and supply planning

FBP&A .... freight, bill, payment, and audit

FMIS .... financial management information system

FOMP .... field office-managed procurement

FP2020 .... Family Planning 2020

GHSC .... Global Health Supply Chain

GPC .... Global Product Code

HIV .... human immunodeficiency virus

IAPHL .... International Association of Public Health Logisticians

IDIQ .... indefinite delivery indefinite quantity contract

IHS .... Imperial Health Sciences

IPPF .... International Planned Parenthood Federation

IQC .... indefinite quantity contract

ISO .... International Organization for Standards

KPI .... key performance indicator

LDC .... local distribution center

LLIN .... long-lasting insecticidal net

LMIS .... logistics management information system

M&E .... monitoring and evaluation

MIS..management information system

MOU ....memorandum of understanding

OAA.. USAID Office of Acquisition and Assistance

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

PMI...President's Malaria Initiative

PMP ....performance management plan

PPMR... Procurement Planning and Monitoring Report

PSI... Population Services International

PSM ....Procurement and Supply Management

QA..quality assurance

QC.. quality control

QMS .... quality management system

RDC ....regional distribution center

RDT ....rapid diagnostic test

REOI...request for expressions of interest

RFP ....request for proposals

RFQ .... request for quotations

RFX...request for offer (unspecified)

RHSC..Reproductive Health Supplies Coalition

RMI .... Remote Medical International

RTK .... rapid test kit

SCMS...Supply Chain Management System

SLA ....service level agreement

S&OP .... sales and operations planning

SOP ....standard operating procedure

SOW ....statement of work

TDM ....technical direction memorandum

TLE .... Tenofovir, Lamivudine and Efavirenz

TLP ....targeted local procurement

TO ....task order

UNAIDS..Joint United Nations Program on HIV/AIDS

UNFPA .... United Nations Population Fund

UNSPSC ....United Nations Standard Products and Services Code

UPS..United Parcel Service

USAID .... U.S. Agency for International Development

VMI .... vendor-managed inventory

VMMC ....voluntary medical male circumcision

WHO ....World Health Organization

EXECUTIVE SUMMARY

At the six-month mark, the USAID Global Health Supply Chain-Procurement and Supply Management team is pleased to report a successful transition period with most milestones achieved and few issues of concern. During this period, the team has moved from officially launching the project and opening our Crystal City headquarters in January and February to placing our first procurement order and making our first delivery while also preparing to open 12 country offices by July 1 – within three months of initial scoping activities.

Achieving so much in such a short time has required sustained focus, effort, collaboration, and communication among partners, incumbents, the USAID team, and the project's many talented staff. Consultative systems and tools such as the Transition Plan, Transition Working Groups, and Commodity Councils proved indispensable to bringing key stakeholders together and helping the team achieve the project's ambitious targets and goals.

This report serves as both the Semi-Annual and second Quarterly reports, summarizing project activities and outcomes for Year 1, Quarter 2, April 1 to June 30, 2016. The Executive Summary provides an overview of project achievements and results over the past six months. The subsequent sections articulate each area's key achievements and challenges, with a focus on this past quarter's activities.

This report also closes out the project's Transition Plan and notes where activities have moved to routine operations. The project is pleased to report that we have exceeded our transition milestone by preparing to begin operations on July 1 in 12 countries; the remaining country offices will become operational on a rolling basis.

Subsequent Semi-Annual reports will focus on current work plan progress.

FROM STARTUP TO TRANSITION TO OPERATIONS

In the past six months, the project has moved from startup and establishing ourselves as a project to transitioning incumbents' services and operations to completing that transition phase and successfully launching our independent operations.

> **USAID Global Health Supply Chain Procurement and Supply Management**
>
> The USAID Global Health Supply Chain program includes six projects aimed to strengthen health supply chain systems. The Procurement and Supply Management project specifically provides commodity procurement and logistics services, strengthens supply chain systems, and promotes global collaboration.
>
> With operations in Africa, Asia, Latin America, and the Caribbean, the project supports the U.S. President s Emergency Plan for AIDS Relief (PEPFAR), as well as the President s Malaria Initiative (PMI) and USAID s family planning and reproductive health programs.

Project Startup

As part of project start up, the team opened our temporary Crystal City office and oversaw build out of our permanent office site, with the move scheduled for Aug. 1. Systems were put in place to hire staff, with more than 240 headquarters staff (181 billable staff and 59 project support staff) and 170 country office staff hired as of June 30. Collaborative management and communications structures were put in place vis-à-vis Commodity Councils and Transition Working Groups. And a transition framework and plan were put in place, with the first startup and collaboration conferences held in January.

Warehousing Transition

While implementing project start-up activities, teams also began to establish service provider contracts and agreements to replace incumbent services as part of the project transition. In March, the project established initial regional distribution center (RDC) capability. Contracts were put in place to transition incumbent RDCs to the project, including Imperial Health Sciences (IHS) warehouses in Ghana, Kenya, and South Africa, and United Parcel Service (UPS) warehouses in the Netherlands and Singapore.

In April, after a detailed RDC network optimization analysis, the team released a global RFP for warehouse services to establish a new RDC network in 2017. The team released a request for proposal (RFP) for air and ocean freight forwarding services as well, competing 1,500 lanes.

At the country level, teams launched processes for inventory transfers, and conducted and reconciled stock counts at local distribution centers (LDC) in Ghana, Haiti, Liberia, Malawi, Mozambique, and Nigeria.

Project Procurement Begins

As we stood up systems, the project quickly began to receive and process client requisition orders, with the first orders coming in April. These orders originated from a variety of countries, including countries that have or will have country offices and those that will not have offices; encompassed various stages of work, from issuing RFP/requests for quotations (RFQs) to selecting providers to placing purchase orders; and included a range of incumbent involvement.

USAID GLOBAL HEALTH SUPPLY CHAIN
6 MONTHS IN

26 — 26 Green-lighted Country Programs, Including Central America Region

12 — 12 Country Offices to Open July 1

9 — 9 Country Directors Hired

170 — 170 Other Field Staff Hired

271 — 271 Requisition Orders In Process

5 — 5 Framework Contracts with Key Suppliers

5 — 5 Regional Distribution Center Contracts Signed

12 — 12 Significant Global Collaboration Engagements

80% — 80% of Headquarters Staff in Place

The team handled this rapidly increasing volume of requisition orders while leveraging a detailed manual requisition order management process and building the project's management information system (MIS). As of June 30, the project had received, by task order (TO):

- HIV (TO1): 76 requisition orders (including 1 restocking order), representing 580 line items
- Malaria (TO2): 134 requisition orders, representing 161 line items
- Population and Reproductive Health (TO3): 61 requisition orders, representing 71 line items.

By June, the project began to engage in regular operations activities and experienced many firsts such as our first:

- Commodity purchase order, a $1 million order for Panther specialty condoms from Malaysia to Zimbabwe
- Shipment, of female condoms from Malaysia to the Democratic Republic of the Congo, scheduled for delivery in July
- Product quality control testing, using FHI360 to test samples of long-lasting insecticidal nets (LLIN)

12 Country Offices Prepare to Launch July 1

The shift from project transition mode to full operations perhaps is best illustrated by the effective preparation to launch 12 country offices on July 1. With the exception of Mozambique, scoping trips first began in March, providing three months to fulfill the necessary staffing, systems building, planning, and collaboration needed to establish country programs in Ghana, Haiti, Lesotho, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Pakistan, Rwanda, Zambia, and Zimbabwe.

To launch these required country operations and platforms, the Country Programs team benefitted greatly from close collaboration and communications with USAID teams and the incumbents while leveraging the expertise of other teams within the project, including the Program Operations team; the Global Supply Chain team; the Supply Chain Solutions' Security Management unit and others – putting in action the spirit of the project's one-team approach.

For example, Program Operations ensured installation of Office 365 equipment on all field office computers for staff upon their arrival. This set up the project for unified and coordinated communication and information organization. The country teams were thus able to access Chemonics' Global Quality Management System (QMS) as well as the standard operating procedures (SOPs) developed in coordination by the Global Supply Chain and Systems Strengthening teams for Day One operations.

Critically, the team also secured the all-risk marine and storage insurance to cover project commodities, with an effective date of July. The project's global commodity insurance coverage was in place on June 30.

GLOBAL HEALTH SUPPLY CHAIN'S GROWING GLOBAL PRESENCE

Ghana · Liberia · Haiti · Lesotho · Nigeria · Mozambique · Nepal · Burma · Uganda · Pakistan · Ethiopia · Cambodia · Guyana · Burkina Faso · Cameroon · Malawi · Burundi · South Sudan · Vietnam · Botswana · Rwanda · Zimbabwe · Zambia · Madagascar · Namibia
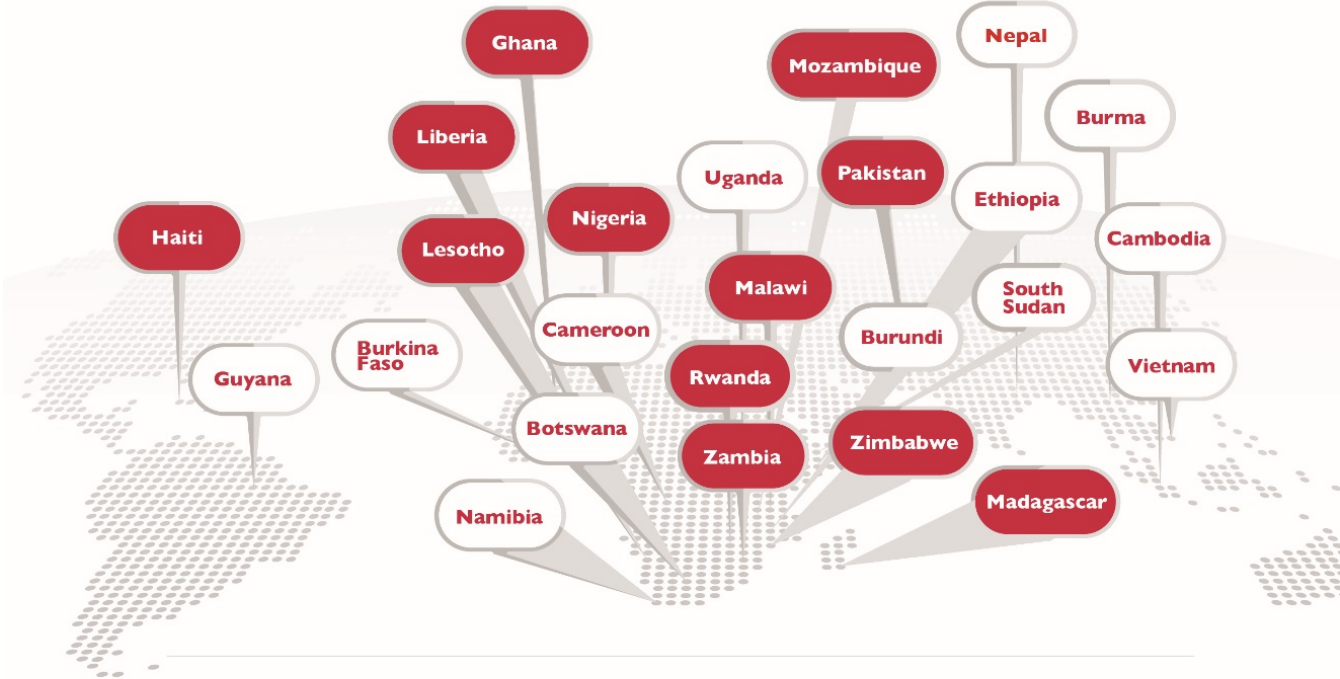
■ Country Offices as of July 1   □ Country buy-ins as of July 1

Global Health Supply Chain Realizes First Savings
New View to Warehouses Saves USAID Millions of Dollars

Changes negotiated to set up warehouse facilities and processes under the USAID Global Health Supply Chain Procurement and Supply Management project will save the program millions of dollars in years to come.

A new agreement with Imperial Health Sciences (IHS) will save more than 20 percent in warehousing costs for space in the Africa Regional Distribution Centers (RDCs) in Ghana, Kenya, and South Africa based on historical activity. That savings equates to nearly $1 million in the first year alone.

In Nigeria staff devised a new plan to directly ship commodities to Abuja, eliminating chartered flights from the Ghana RDC (where commodities currently are housed), which is estimated to save the program more than $3 million per year.

Once the Ghana RDC lease expires, the team expects to create additional efficiencies to cut costs further by:

- Consolidating malaria and HIV warehouses into one warehouse contract for increased economies of scale
- Developing a plan for the project to assume fourth party logistics (4PL) responsibility from IHS for the transportation of HIV commodities
- Eliminating IHS as an intermediary and contracting directly with Axios International Inc. for the management of warehouses
- Replacing one off transportation negotiations with an indefinite quantity contract (IQC), which will set pricing for a year and reduce staffing expenses

The Risk Management team also assisted with the transition of subcontracts from the incumbent to the project to ensure no gaps in service to stakeholders, such as ensuring that subcontracts and leases were in place with third-party logistics (3PL) providers and central medical stores, as well as security contracts to ensure commodity safety.

The Monitoring and Evaluation (M&E) team supported start up assignments as well by providing guidance and input into the transition of incumbents' M&E systems and M&E plan development, which will feed into country work plans. The M&E team also finalized the project IDIQ and task order M&E plans, and presents a report shell of the project's key performance indicators (KPIs) for review and feedback (see Key Performance Indicators section).

The M&E team has continued to expand relevant indicator methodologies and data collection tools to align interpretation and ensure correct application of the M&E plan in highlighting project progress toward its objectives. The team, working with functional area team leads and USAID, has established an important project business rule – minimum delivery window – to be defined and measured as "promised customer window plus five business days."

The project's one-team approach was crucial to preparing for the launch of the 12 country programs, which required key global supply chain and other systems to be in place. Moreover, this collaborative spirit inspired the Systems Strengthening team to initiate several additional collaborative task

forces to provide guidance and leadership in supply chain technical areas to further assist with transition and country office start up activities. These task forces include:

- **Forecasting and supply planning** – to ensure high-quality technical support in forecasting and supply planning by applying a systematic approach to calibrate the level of competency in the field.
- **Targeted local procurement** – to ensure the smooth transition of incumbent field office-managed procurements (FOMP) currently in-process and uninterrupted local procurement capability in incumbent field offices.
- **Warehousing and logistics** – to develop SOPs for use in field offices for country activities to collect and monitor country data, identify improvement opportunities, and coordinate with regional warehouses and logistics activities.
- **Logistics management information systems (LMIS)** – to support country programs in the development and implementation of "lean" LMIS systems that support various supply chain work processes and provide real-time, actionable information to users; increase efficiencies in procurement; and ensure country programs have access to and knowledge of tools and other SOPs that reflect best practices in the strengthening of LMIS systems.

Management Information System Launches

A dynamic, reliable supply chain MIS is core to achieving USAID's vision to create one end-to-end, comprehensive health supply chain that provides real-time data and reliable services to country programs. Also embracing the one-team spirit, the MIS team worked with multiple other project teams to move aggressively to release the base version of the system (basic contracting and

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GS1 International Standards Ease Global Collaboration, Reporting

USAID has mandated that the Global Health Supply Chain management information system (MIS) incorporate GS1 global supply chain standards, which promote supply chain visibility, efficiency, safety, and collaboration. Achieving these standards also eases the agency's collaboration with other large international donor organizations to synchronize procurement and distribution efforts.

The project's MIS product e catalog has been structured to support the GS1 standards in product categorization and identification. GS1 supports two product classification hierarchies, the United Nations Standard Products and Services Code (UNSPSC) and the Global Product Code (GPC), both widely used around the world. Every product in the e catalog is classified and assigned a code for its appropriate place in the hierarchical structures, which aids in cross organizational reporting and collaboration.

Moreover, each product has many attributes important to both the supply chain and other industry wide processes. The GS1 organization, through the Global Data Synchronization Network (GDSN), has identified some 250 product attributes across many industry functional areas. As part of the system design process, the project has tailored that list and identified those GDSN attributes of particular interest and usefulness to the project in the areas of IT development, database management, and supply chain optimization.

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ordering capability) and gather system requirements. Having released several beta versions over the past six months, the team is on track for the Version 1.0 launch on Aug. 29, 2016.

Ultimately, the system will allow users to process orders for all health commodities. The product e-catalog also will support a multitude of product attributes based on international standards, such as GSI, United Nations Standard Products and Services Code (UNSPSC) and Global Data Synchronization (GDSN) (see related story), which all vendors will be expected to adopt. The platform further allows the project to centrally manage all orders, including capturing and assessing complete order history information.

As of the end of June, users could place:

- Commodity purchase orders to be shipped directly from suppliers to USAID recipients
- Distribution orders to be sourced and shipped from RDC inventory
- Replenishment orders to suppliers to restock inventory in the RDCs and manage inventory centrally

Global Collaboration Ramps Up

This semi-annual period prioritized the transition and establishment of procurement and country technical assistance activities, with USAID concurrence, which placed Global Collaboration as the last project objective to begin startup, transition, and operational activities. The team fully staffed up in May and June, at which point activities began to take shape.

As of the end of June, the project had established collaborative relationships with:

- U.S. Centers for Disease Control and Prevention (CDC) and USAID: The project participated in discussions with seven viral load manufacturers
- Global Fund: The Fund expressed interested in the project's 4PL, Command Center, Commodity Councils, and new RDC model
- International Association of Public Health Logisticians (IAPHL): The project participated in discussions on the future structure of this group
- People that Deliver: The project attended the 2016 bi-annual board meeting
- United Nations Population Fund (UNFPA): UNFPA will participate in the project's Commodity Councils
- World Health Organization (WHO): The project will share HIV (and possibly malaria) data with the Global Price Reporting Mechanism and will likely host the Global Forecasting Technical Working Group for HIV

The Global Collaboration team also assumed the additional responsibility of overseeing and maintaining the Procurement Planning and Monitoring report (PPMR), which collects data from 34 countries and 54 programs. A number of partners in the Coordinated Assistance for Reproductive Health Supplies Group use this data to make informed program decisions, including UNFPA, FP2020, the Bill & Melinda Gates Foundation, and the U.K. Department for International Development (DFID).

The Global Collaboration team also began working with USAID to lead planning for the project's first supplier summit, tentatively scheduled for early 2017

KEY PROJECT MILESTONES AT 6-MONTH MARK

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Transition Framework Agreement proposed	High-level Transition Plan submitted	Initial RDC capability established	FBP&A RFQ released	Performance Monitoring Plan in place	Preparations in place to launch 12 Country Offices July 1
Transition Working Group plan initiated	Country Transition Plan submitted	Malaria Procurement Table semi-monthly reporting launched	RFP for warehouse services with incumbents released	MIS version 0.6 functionality in place	3 purchase orders submitted to manufacturers
Collaboration conference held	Contracts for Health Commodities report submitted	MIS Release 0; initial contract management completed	Transportation RFP released: 1,500 lanes competed	Africa RDC Warehousing Contract in place	5 framework contracts in place
	Strategic Sourcing report submitted				First product QA testing done
	First procurement requests processed				
	MIS blueprinting and hosting build out began				

ORGANIZATION OF THE REPORT

The report is organized as follows:

- HIV/AIDS Task Order (TO1)
- Malaria Task Order (TO2)
- Population and Reproductive Health Task Order (TO3)
- Global Supply Chain
- Country Programs Technical Assistance
- Global Collaboration
- Project Management
- Key Performance Indicators

In each section, we highlight significant achievements; describe progress against each activity and milestone scheduled for the reporting period; and discuss challenges and lessons learned.

HIV/AIDS TASK ORDER (TO1)

1. HIGHLIGHTS

The HIV/AIDS Task Order team (TO1) has contributed to project efforts to establish needed systems and crucial staffing and expertise in the countries that currently have bought in to the USAID Global Health Supply Chain program, 21 of which specifically requested HIV programming. These countries and regions include: Botswana, Burma, Burundi, Cambodia, Cameroon, Central America, Ethiopia, Ghana, Guyana, Haiti, Lesotho, Malawi, Mozambique, Namibia, Nigeria, Rwanda, South Sudan, Uganda, Vietnam, Zambia, and Zimbabwe.

The team also worked closely with USAID, external partners, and the project's internal teams to think through the supply chain implications of meeting the 90-90-90 testing and treatment targets, such as viral load scale up, while ensuring that local sourcing and procurement provides the best value to USAID and its partners.

Quarter 2 highlights and final transition activities are summarized below:

Supply chain. The HIV/AIDS Task Order team led a series of integrated supply chain meetings with the incumbent project and USAID. These meetings resulted in contributions to several technical direction memorandums (TDMs) regarding ordering and warehousing, which have smoothed the way for the project to take over a high volume of requisition orders from the Supply Chain Management System (SCMS) project for antiretroviral (ARV) medicines and laboratory products, including reagents for early infant diagnosis and viral load monitoring.

Targeted local procurement. Targeted local procurement of laboratory commodities related to the monitoring of HIV treatment is critical to the countries' 90-90-90 efforts and is a complex aspect of the HIV/AIDS Task Order procurement work. The team is developing standard operating procedures (SOPs) on how to achieve timeliness and quality in reviewing and placing these orders, centrally and through quality assurance (QA) mechanisms and technical assistance to country lab and procurement teams.

Laboratory procurement. The team planned and led weekly meetings with the USAID team that oversees the project's laboratory work. The project will assume the ForLab and LabEquip contracts. ForLab is an important tool for quantifying laboratory needs and tracking instrument utilization and quality issues, and a meeting with its developer will help shape the project's new contract with them. The team met with Llamasoft regarding follow-on work with LabEquip.

By the end of June, the project had received more than 70 requests for HIV products, including orders transitioned from SCMS in accordance with USAID's TDM. Country offices will procure approximately half of the order requests.

Commodity Councils. The team held the second Commodity Council meeting for Commodity Council 1 covering HIV-related pharmaceuticals, primarily ARVs; and Commodity Council 2 for laboratory equipment and medical supplies, including voluntary medical male circumcision (VMMC) kits and related commodities. The meetings highlighted key sourcing strategies and next steps for each. The strategies have guided the project's sourcing activities,

such as assessment of vendor offerings and examining reagent rental and vendor-managed inventory.

MOU with Remote Medical International (RMI) for Rapid Test Kit procurement. The team held two meetings with USAID and RMI to articulate the respective roles of each in ensuring the forecasting, supply, and distribution of rapid test kits to countries in which the project has an operating office, where a multi-award contractor provides technical assistance, or where there is no USAID contractor country presence. Both parties detailed their respective roles in the memorandum of understanding (MOU), which was expected to be signed in July.

Plan. The Plan team received the ARV supply plans from 12 countries, via the incumbent, and completed the first round of the demand supply inventory planning (DSIP) process. Modeled after the commercial best practice of sales and operations planning (S&OP), DSIP entails a thorough review and validation of the project's anticipated ARV demand-and-supply plan, to inform an approved ARV restocking order.

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 1 lists the HIV/AIDS Task Order activities and milestones planned for this quarter, summarizes progress, and indicates the status of planned activities.

EXHIBIT 1. HIV/AIDS TASK ORDER (TO1) PLANS, PROGRESS, AND STATUS

PLAN AND PROGRESS	STATUS
Execute, with approval from USAID Office of Acquisition and Assistance (OAA), transitional framework agreements with key commodity suppliers. The team made progress in developing transitional framework agreements with key commodity suppliers: • **ARVs.** We released an RFQ for short/mid-term agreements for ARVs. The USAID Contracting Officer (CO) is expected to approve several agreements in July for top volume ARV suppliers. • **VMMC kits.** We launched an RFQ for restocking the warehouse with VMMC kits. The bid results will be leveraged when releasing an RFQ for short/mid-term agreements. • **Modular warehousing.** An RFI was being issued to solicit interest in providing modular warehousing.	On track
Review weekly open order updates from SCMS. As per TDM PSM #2016-01-01, SCMS converted requests from USAID country missions to PDF requests. SCMS and the project have established an ongoing line of communication about the orders. SCMS has issued large purchase orders to serve the clients who had to	Ongoing

PLAN AND PROGRESS	STATUS
destroy/return stock of Hetero's Efavirenz/Lamivudine/Tenofovir. Some of these purchase orders will transition to our team for delivery. We will hold strategic meetings with SCMS to review additional orders.	
Transfer country technical assistance from SCMS (3 months prior to the SCMS program end). Transition work plans have been developed and approved by USAID following scoping trips to Burma, Ghana, Malawi, Mozambique, Nepal, and Zimbabwe. Work plans for Haiti, Lesotho, Namibia, Nigeria, Rwanda, Vietnam and Zambia were either completed, under revision, or being reviewed prior to approval. The team is providing technical assistance to Burma for tuberculosis lab commodity forecasting through a laboratory consultant.	On track
Hold HIV/AIDS Task Order integrated supply chain meetings with USAID and SCMS. The team hosted integrated supply chain meetings on the following dates and topics: • April 26: Process and timing for SCMS to transfer orders; discussion led to a TDM • May 3: Non-field offices and at-risk countries discussed with SCMS • June 21: Consignment of Tenofovir, Lamivudine and Efavirenz (TLE) restocking orders	Ongoing
Hold HIV/AIDS Task Order internal supply chain meetings. Global Supply Chain leads meet together periodically to clarify results, next steps and deadlines; interdependencies to ensure order fulfillment and delivery, and issues requiring SOPs and further action. The Source team also meets periodically with Regional Managers to clarify orders and issues with country offices.	Ongoing
Hold weekly lab strategy meetings with USAID. These meetings reviewed local procurement strategies for laboratory commodities; the ForLab and LabEquip software contract transfer; a review of routine orders; strategies for building country laboratory capacity and improving the quality and timeliness of order fulfillment; and key meetings and approaches for further collaboration with CDC and suppliers of viral load and other lab commodities and instruments.	Ongoing

PLAN AND PROGRESS	STATUS
Document QA responsibilities for HIV/AIDS Task Order commodities. The team drafted and shared an MOU with contractor FHI360. The MOU went through several iterations and is expected to be signed in July.	On track

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

90-90-90 Challenges

An important insight gained this quarter is the degree of complexity around demands for laboratory support as well as the need to fully support viral load scale-up as a component of 90-90-90.

The team's participation in key Technical Working Groups also proved essential in managing the technical complexity. The HIV/AIDS Task Order Director and corresponding Systems Strengthening Director participated in the USAID VMMC Partners' Technical Working Group meeting. The HIV/AIDS Task Order Director also was invited to serve on the Technical Advisory Group of Project SOAR, a USAID project conducting research on VMMC. This type of project team participation aims to improve our ability to provide more accurate forecasts for VMMC needs by regularly gathering data from implementing partners through their country studies, databases, and other sources.

Order Transfers and Staffing

Other challenges have been assuming the orders transferred from SCMS per the TDM PSM #2016-01-01 and the task of recruiting staff to fill the laboratory and VMMC advisor positions.

The TDM instructed SCMS to transfer orders to the project. The complexity of orders that were delayed in fulfillment and that require local procurement has proven challenging in terms of meeting short lead times from the time of notification to delivery. The project is also assuming responsibility for fulfilling some local tenders, which is more complex than doing international procurement. Despite the challenge, having our project manage these procurements allowed the incumbents to more quickly complete their closeout activities.

Finding available laboratory experts who have worked on aspects of a laboratory supply chain for HIV also has been a significant challenge. Through networks, our team has succeeded in identifying lab team managers, including lab experts who are experienced with viral load instrumentation, quantification, and national strategies for harmonization and optimization of lab instrumentation.

MALARIA TASK ORDER (TO2)

1. HIGHLIGHTS

The Malaria Task Order team (TO2) assumed responsibility for all malaria commodity procurement requests, beginning in February, which helped lay the foundation for the project's overall order processes and systems. This task order also was the first to meet the project's contract and delivery milestones.

Of the 26 countries that have bought in to the USAID Global Health Supply Chain-Procurement and Supply Management project, 14 have specifically bought in to the Malaria Task Order: Burkina Faso, Burma, Burundi, Cambodia, Ghana, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Rwanda, South Sudan, Zambia, and Zimbabwe.

Quarter 2 highlights and final transition activities are summarized below.

Requisition orders: The team received approximately 100 requisition orders for malaria commodities from country missions, which are at various stages of the procurement sourcing process. By the end of June, the team had issued 34 requests for quotations (RFQs) for all main commodities under the President's Malaria Initiative (PMI).

The team also began routine preparation and submission of weekly Task Order Malaria tables to USAID, which provide updates on the status of all orders submitted for malaria commodities. Highlights include:

- The project is finalizing our long-lasting insecticidal nets (LLIN) request for expressions of interest (REOI) for supplier preselection. All submissions have been received and related products tested. The team is awaiting non-objection from PMI.
- The Malaria team began submitting Restricted Commodities Approval requests to USAID, which build in additional approvals. The first two packages were Sulfadoxine Pyrimethamine for Guinea and Artesunate/Amodiaquine (AS/AQ) for Angola.

Staffing. The Malaria Quality Assurance (QA) team was fully staffed. QA team hired the PMI QA/Quality Control (QC) Manager and PMI QA/QC Liaison, who join the core team of QA/QC resources based in SGS Holland. The Malaria Source team continued to operate under a staff moratorium requested by USAID.

Emergency orders. The project team received a request for urgent items to Angola, including rapid diagnostic tests (RDTs), artemisinin-based combination therapy (ACT), arthemeter injectables, and artesunate injectables to be delivered by the end of September. The project has worked to procure these commodities, prioritizing delivery of RDTs and ACTs. Athemeter and Artesunate will take a bit longer due to production lead times.

Quality assurance. The team is finalizing development of a QA plan for the Malaria Task Order and the project quality management system (QMS). The QA plan will ensure the task order QA deliverable is met and will be used as the foundation for the project's QMS for ISO 9001 certification. PMI approved this approach to the QA plan.

The team also began developing a QA standard operating procedure (SOP) to describe the macro-level process for project QA/QC responsibilities for all commodity groups that the Malaria Task Order procures. Specific work instructions are being developed to supplement the SOP as well. At the end of June, 18 QMS documents had been submitted to PMI for review and approval.

Finally, the team drafted the first RFP (to be disseminated in July) to select a pre-qualified pool of quality control laboratories, which will perform third-party analysis of pharmaceuticals and LLINs procured under this task order.

Operational Milestones. The project processed its first paid invoice, which went to FHI360 to provide quality control analysis of samples of LLINs. This analysis will inform the project's broader efforts to select a pool of LLIN manufacturers that the Malaria Source team will tender over the next year.

As part of the project's first delivery, the team picked up 247 pallets of AS/AQ valued at $1.4 million from the manufacturer in France and delivered them to the regional distribution warehouse in the Netherlands, where they are being stored for final import authorization and delivery to the Democratic Republic of the Congo.

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 2 lists the Malaria Task Order activities and milestones planned for this quarter, summarizes progress, and indicates the status of planned activities.

EXHIBIT 2. MALARIA TASK ORDER (TO2) PLANS, PROGRESS, AND STATUS

PLAN AND PROGRESS	STATUS
Execute, with USAID Office of Acquisition and Assistance (OAA) approval, transitional framework agreements with key commodity suppliers. We continue to manage one-off procurements of malaria commodities while we develop the project's long-term framework agreements with suppliers.	On track
Issue RFP to labs. Drafted an RFP focused on selecting a pre-qualified pool of quality control laboratories to perform third-party analysis of pharmaceuticals and LLINs procured under the task order. The RFP will be disseminated in July.	On track
Transfer country technical assistance from USAID | DELIVER PROJECT to the project (3 months prior to the incumbent's technical assistance program ending). Two transition meetings were held to prepare a plan for the transition of the management of the	On track

PLAN AND PROGRESS	STATUS
Procurement Planning and Monitoring Report (PPMR) and end use verification oversight responsibilities from the USAID	DELIVER PROJECT. The transition will be completed in Fiscal Year 2016 Quarter 3.	
Request quality control testing data on past procurements for historical supplier performance. The project presented analysis and an overview of historical data received from the incumbent to PMI. The team also requested certificates of analysis and certificates of conformance from the incumbent for products that failed the testing (non-conformities).	On Track
Develop project QA plan and policy. The Quality Assurance team is finalizing development of a QA plan, which has tentative approval from PMI.	On track
Align Source and Deliver/Return SOPs with QA SOPs. The project needs to add QA specifications to the SOPs to include: the quality of the products (products that have damage, need to be quarantined, and/or have a quality issue) that end up in country.	Complete
Develop QMS-associated documents. The team received approvals on the QA plan approach, the SOP on end-to-end QA/QC responsibilities, and pharmaceuticals work instructions 1 and 2.	On Track

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

Warehousing

In setting up the United Parcel Service (UPS) Netherlands warehouse, the project learned that the warehouse had not received RDTs, specifically the warehouse had no records for the product, either as a registered product in the UPS system or the customs database, which caused initial delivery efforts to be rejected. To help resolve the issue, our team provided Power of Attorney privileges to UPS to act on our behalf and register the project into the customs system. The product is expected to be registered in July.

POPULATION AND REPRODUCTIVE HEALTH TASK ORDER (TO3)

1. HIGHLIGHTS

The Population and Reproductive Health Task Order team (TO3) helped lead the way to achieving several project firsts, notably a first shipment (of condoms) and first bid (for female condoms) as well as the first transfer of commodities from the USAID | DELIVER PROJECT at the Singapore and Netherlands warehouses. (Commodities for the other task orders will begin their transfers in the next quarter.)

The team also continued to build and clarify processes, systems, and standards, with implementation of the inventory transfer technical direction memorandum (TDM) playing a key role in facilitating final transition responsibilities and accountability between the project and the incumbent.

In addition to Central America, 12 countries have bought into this task order: Ethiopia, Ghana, Haiti, Liberia, Madagascar, Malawi, Mozambique, Nepal, Nigeria, Pakistan, Rwanda, and Zambia.

Quarter 2 highlights and final transition activities are summarized below.

Commodity Councils. The Commodity Councils (CC) for reproductive health commodities, which launched in February 2016, held their first quarterly meetings in May 2016. The mandate of these councils – reproductive health pharmaceuticals and devices under CC5 and condoms and lubricants under CC6 – includes the development of project charters that include harmonizing procurement with the United Nations Population (UNFPA), defining a registration management strategy, exploring expansion of the supply base, and leveraging vendor-managed inventory services. CCs are working to leverage the potential opportunities from the market and draw from the analysis and thinking of the Market Dynamics team to offer the best value for the money to our client.

Transition. The transition of activities from the USAID | DELIVER PROJECT essentially had been completed by quarter's end. In May the incumbent and our team put together a Service Level Agreement (SLA) for orders managed jointly (the incumbent procures and our team ships the commodities). This SLA clarified agreed-upon roles and responsibilities between the two parties. Both projects have been working collaboratively as instructed by the guidance. And both parties have agreed to continue to meet biweekly to examine new orders, discuss changes to standing orders, and inform USAID of any issues until the management information system (MIS), which has a built-in capability to manage all orders from start to end, is up and running (scheduled for Aug. 29).

The planning of the warehouse transfers to Singapore and the Netherlands went well. Stock counts were completed by the end of June and the documents were signed by both parties. On June 30 the team was waiting for Contracting Officer (CO) consent to assume responsibility for the inventory.

Staffing. The Finance Manager and Global Collaboration Manager for Population and Reproductive Health started work on April 1 and May 16, respectively.

Core work plan. The team submitted the core work plan to the Contracting Officer's Representative (COR) on April 23. While the approval process is ongoing within USAID, the COR instructed the project to proceed with some activities related to transitioning from the incumbent including: the Procurement Planning and Monitoring Report (PPMR), Coordinated Assistance for Reproductive Health Supplies (CARhs) group, Reproductive Health Interchange (RHI), Coordinated Supply Planning Group, global engagement and leadership with People that Deliver, and the International Association of Public Health Logisticians (IAPHL).

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 3 lists the Population and Reproductive Health (TO3) activities and milestones planned for this quarter, summarizes progress, and indicates the status of planned activities.

EXHIBIT 3. POPULATION AND REPRODUCTIVE HEALTH (TO3) PLANS, PROGRESS, AND STATUS

PLAN AND PROGRESS	STATUS
Execute, with USAID Office of Acquisition and Assistance (OAA) approval, transitional framework agreements with key commodity suppliers. The project focused on the establishment of bridge subcontracts for each reproductive health commodity category with manufacturing contractors. These short-term subcontracts (lasting 1 year to 18 months) give our team time to develop sourcing strategies and set up framework agreements based on CC recommendations. With the first CC meetings in May 2016, the team is equipped with established sourcing strategies and ready to execute framework contracts with the key commodity suppliers.	On track
Place the urgent, high priority Sayana Press order. The project awarded the request for quotation (RFQ) to Pfizer in June 2016 and is in the process of negotiating the subcontract. As soon as the subcontract is signed, the project will place the Sayana Press order.	On track

PLAN AND PROGRESS	STATUS
Request task order standard operating procedures (SOPs) from USAID and FHI360, and document roles and responsibilities of USAID/FHI360/PSM in a memorandum of understanding (MOU). The team began coordination activities with FHI360 counterparts on task order quality assurance, and documented roles and responsibilities in an MOU that was sent to FHI360 and awaits signature. FHI360 cannot provide its SOPs until the MOU is executed.	In progress
Develop a work plan for core-funded activities. The team submitted the work plan and budget in early Quarter 2 as a number of related activities ramped up. The transition for the PPMR continued with the hiring of two PPMR administrators, slated to start work on July 11. The MIS team assessed the support needs for the PPMR and is testing hosting arrangements with Amazon Web Services.	On track
Reporting on Reproductive Health Interchange (RHI): RHI provides access to harmonized data on contraceptive orders and shipments for more than 140 countries. The data currently reflects more than 80 percent of contraceptive supplies – worth more than $2.3 billion – provided by donors during the last several years. The RHI data comes from the central procurement offices of major contraceptive donors and other organizations that procure contraceptives, such as USAID, International Planned Parenthood Federation (IPPF), Marie Stopes International (MSI), Population Services International (PSI), and UNFPA, among others. Our team and UNFPA had several calls to discuss and review reporting requirements. The project expects to start RHI reporting in September.	On track
Global Collaboration and Engagement. The Global Collaboration Manager participated in a two-day learning exchange about transparency and accountability strategies and reproductive health systems, as well as a meeting on increasing family planning advocacy collaboration in anticipation of upcoming work plan activities in these areas. Additional Global Engagement activities were undertaken with UNFPA, People that Deliver, and the Reproductive Health Supplies Coalition (RHSC), which are detailed under Objective 3, Global Collaboration.	On Track

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

Urgent Orders with Framework Contracts

The project has received urgent orders for lubricants and cycle beads for which we do not yet have framework contracts. To respond to these requests and ensure no stockouts, the project has established bridging contracts with suppliers. The project also is looking at ways to establish long-term agreements to leverage savings and more efficiencies.

Registration

The project increasingly is involved in the Registration Task Force led by USAID. Our point of contact attends the meetings and maintains a registration tracker by product and by country, which helps the team to validate which countries do not require registration of certain commodities, and ensure they will not require registration in the near future. Recently, the team has been faced with countries scheduled to receive products for which registration does not exist or are nearing expiration. When those cases arise, the project team either collaborates with the mission and the supplier to seek a waiver, or waits until the registration is renewed. FHI360 has advised on which countries historically are difficult to navigate to obtain a waiver a registration. That information has helped our team in planning efforts.

GLOBAL SUPPLY CHAIN

1. HIGHLIGHTS

The Global Supply Chain team works as an integrated group of functional teams – Plan, Source, Deliver/Return, and Quality Assurance (QA) – while also developing a project management information system (MIS) to provide end-to-end visibility of global supply chain data. The processes, procedures, and infrastructure created this quarter to support supply chain activities across the project were vital to our successful transition of incumbent activities and initial launch of independent operations, ranging from supply chain planning and requisition order management to logistics infrastructure implementation.

Key achievements include the rapid ramp up of requisition orders, sourcing events, and contracting. Requisition orders in process grew from 49 through March to 271 by the end of June. The team conducted about 60 RFX events for product manufacturer framework agreements and spot tenders across the three task orders.

The team worked collaboratively with USAID logistics points of contact to finalize an Optimized Regional Distribution Center (RDC) Network Design, which provided the foundation for the Global Warehousing request for proposal (RFP). The team also executed contracts with incumbent RDC providers Imperial Health Sciences (IHS) and United Parcel Service (UPS), achieving projected annual cost savings of $1 million from lower storage rates.

Moreover, our work with USAID to refine the Malaria Quality Assurance/Quality Control (QA/QC) standard operating procedures (SOPs) puts processes and standards in place to ensure the security and quality of these commodities while laying the groundwork for the project's ISO 9001 certification.

Quarter 2 highlights of cross-cutting supply chain support and final transition activities follow.

Supply Chain Planning. The Plan team completed May and June monthly central planning process reviews (Demand/Supply reviews) for all Population and Reproductive Health (TO3) commodities. As a result of the analysis, restocking orders were provided to the Source team for IUDs and oral contraceptives to ensure that proper stocking levels are maintained within the RDCs. The team also completed the June 2016 quarterly Country Supply Plan aggregation process and developed restocking order recommendations for antiretroviral (ARV) medicines to ensure proper stocking levels are maintained within the RDCs.

The Supply Chain Optimization sub-team presented a draft Optimized RDC Network Design to USAID and received approval to move forward with a Global Warehouse RFP. The team also conducted a brown bag session with USAID in June to address questions, and prepare for a follow-up brown bag session in July. In support of the Global Freight Forwarding RFP effort, the team developed a mathematical optimization model to do the optimal selection and allocation of forwarding lanes to suppliers, and conducted numerous scenario analyses to support final award decisions.

The Plan team also documented supply chain incident/risk management SOPs and communicated processes across the organization to mitigate operational risks.

Sourcing and procurement. The Source team held regular meetings with USAID, Supply Chain Management System (SCMS), and USAID | DELIVER PROJECT to ensure a smooth transition of all procurement activities to the project through the review of orders submitted to the incumbents. During these meetings, order decisions were made to: (1) keep some orders under the control of the incumbent (either ordered or shipped), (2) have orders placed by the incumbent and have our team pick them up for shipping, or (3) place and ship the orders by our project. The result has led to the rapid increase in source activities. As of the end of June, the team had received by task order:

- HIV: 76 requisitions orders (including 1 restocking orders) which represent 580 line items
- Malaria: 134 requisitions orders which represent 161 line items
- Population and Reproductive Health: 61 requisition orders which represent 71 line items

The requisition orders covered the following 33 countries: Angola, Bangladesh, Benin, Burma, Burundi, Cambodia, Cameroon, Democratic Republic of the Congo, Dominican Republic, Ethiopia, Ghana, Guinea, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Nigeria, Rwanda, Senegal, South Africa, South Sudan, Swaziland, Tajikistan, Tanzania, Thailand, Togo, Uganda, Vietnam, Zambia, and Zimbabwe.

Integrated logistics. Thanks in part to close collaboration with the incumbent and guidance from USAID, the Deliver/Return team began to actively ship commodities for the Malaria and Population and Reproductive Health task orders. These shipments included receiving replenishment supplies from vendors into RDCs in the Netherlands and Singapore as well as picking up shipments Ex Works to ship directly to receiving countries.

The Deliver/Return team signed contracts with existing RDCs used by the incumbents to streamline transition of existing inventory. The contract with IHS includes warehouse facilities in Ghana, Kenya, and South Africa that serve the region. The contracts with UPS include warehouses in Singapore and Roermond, Netherlands. As soon as the contracts were signed, the project began to expedite electronic data integration, which will facilitate transparency in inventory management.

In late June, the Deliver/Return team participated in the first stages of inventory transfer for the Population and Reproductive Health Task Order in Roermond and Venlo, Netherlands and Singapore.

The contract for Freight Bill Payment & Audit (FBP&A) was awarded to TranzAct. As the new quarter began, TranzAct was reviewing the contract.

The Deliver/Return team also conducted a RFP for Freight Forwarding, which went out to eight potential bidders. As the quarter came to a close, the RFP process had selected the

five providers and the Source team selection committee was defining air and ocean freight lane awards.

Quality assurance. The Malaria Task Order QA team is now fully staffed. The PMI QA/QC Manager and PMI QA/QC Liaison join the core team based in SGS Holland who have been part of the team from the start of the project. The team is finalizing development of a QA plan for malaria and the project quality management system (QMS), and developing macro-level SOPs and commodity-specific processes. See the Malaria Task Order section for more information and additional QA accomplishments.

MIS/data visibility. The MIS team continued to achieve the base version release targets this quarter. The team is on track for the go-live date of Aug. 29, 2016 for Release 1.0 and remains under budget.

The project MIS team finished blueprinting, began and completed micro design, and moved into the build phase of the system. On May 18, the team held a signing ceremony with the project and USAID, marking completion of the blueprinting phase and signing off on the finalized MIS requirements. The team conducted multiple sessions with Chemonics and Kuehne+Nagel teams to finalize integration requirements with the financial management information system (FMIS) and logistics management system (LMIS). The development of interfaces between these systems is crucial for automatic data exchange between the systems, with the FMIS processing invoices to USAID and making payments to project suppliers, and the LMIS tracking project shipments as well as providing an interface for the QA teams (SGS and FHI360) and suppliers.

The team also continued development of the product e-catalog for commodities, a cornerstone of the MIS system and one of the primary interfaces for users who will access the requisition order entry portal. Trainings for base version releases were completed in June and a robust training program for the system is being created, which is scheduled to begin in August.

The MIS team continues to support the Country Programs team. This support includes an ongoing technical assistance assignment for an electronic LMIS (eLMIS) assessment in Cambodia, the stock and MACS system transfer in Haiti, and assisting in recruitment efforts for country office MIS staff and consultants. The project has recruited an MIS Systems Strengthening Director who is due to be on-boarded in July.

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 4 lists the planned activities and milestones scheduled this quarter for Global Supply Chain activities, summarizing progress and indicating the status of planned activities in the transition plan.

EXHIBIT 4. GLOBAL SUPPLY CHAIN PLANS, PROGRESS, AND STATUS

PLAN AND PROGRESS	STATUS
Establish initial warehouse capability with current service providers. The Deliver/Return team established contracts with the incumbents' existing RDCs in Africa and the warehouse depots in Singapore and the Netherlands.	Complete
Sign contract with incumbent warehouse provider IHS. Agreement for three Africa RDCs was signed.	Complete
Sign contract with incumbent warehouse provider UPS. Agreement for Singapore and the Netherlands RDCs was signed.	Complete
Develop QA plan and policy. The QA team drafted a malaria QA plan and policy, and reviewed it with USAID. The document will be finalized in Q3. The project's overarching QMS is under development.	On target
Determine MIS functional requirements. The MIS team completed blueprinting to document MIS functional requirements, and obtained project and USAID sign off on the MIS requirements.	Complete
Place routine commodity orders. The Source team has begun placing purchase orders with manufacturers and distributors	On target
Assume full responsibility for SCMS and USAID | DELIVER PROJECT inventory and RDC capability. The transition of USAID | DELIVER PROJECT inventory in the Netherlands and Singapore was guided by a technical direction memorandum (TDM) from USAID. At the end of June, the project was awaiting USAID Office of Acquisition and Assistance (OAA) approval of the inventory transfer.	On target
Establish new RDCs (2017). The Global Warehousing RFP was released in June.	On target

PLAN AND PROGRESS	STATUS
Supplier performance measurement scorecard template developed by July 2016.	On target
Contracts with labs to provide quality control. The Lab Services RFP will be released in July.	On target
MIS Release 0.6 and 1.0 (Aug. 29, 2016). MIS development is on track.	On target

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

Establishment of Framework Contracts

Development of framework contracts and long-term agreements has been uneven across the task order Source teams, largely due to the varying level of sourcing experience of personnel. This has been addressed through training and hands-on involvement of the Global Supply Chain Director and Procurement and Logistics managers.

Contracting with UPS

The Deliver/Return team experienced delays in establishing RDC warehousing agreements in the Netherlands and Singapore due the difficulty in negotiating and finalizing contract language with the management and legal teams at UPS. After escalation to UPS senior leadership, the team was able to resolve issues and finalize the contracts.

COUNTRY PROGRAMS TECHNICAL ASSISTANCE

1. HIGHLIGHTS

Country program activities this quarter focused on opening 12 country offices by July 1 in Ghana, Haiti, Liberia, Lesotho, Madagascar, Mozambique, Malawi, Nigeria, Pakistan, Rwanda, Zambia, and Zimbabwe. Efforts ranged from registering country offices and securing and/or transferring office space and equipment to recruiting local technical teams, among other activities.

The team accomplished this ambitious feat with only three months of concentrated effort and worldwide collaboration – the first scoping trips took place at the end of March, with the exception of Mozambique in January. Moreover, the team did this while managing many other program activities, including identifying and fostering additional country program interests. Teams visited Burundi, Ethiopia, Guyana, Haiti, Liberia, Nepal, Nigeria, Pakistan, Rwanda, Vietnam, and Zambia to scope activities and interest.

This period also saw the project establish the first communications with five additional programs: Burkina Faso, Cameroon, the Greater Mekong Region, South Sudan, and Uganda.

By June 30, the project had received a total of 26 country buy-ins.

Staffing. To meet the July 1 launch deadline, the team prioritized filling key positions for the first 12 country offices, including country directors. Beginning with the initial scoping visit, the team worked with missions and other key stakeholders to lay the groundwork to identify needed staff as well as plan for a seamless transition of staff from the incumbent project as appropriate.

The country director staffing process was managed in a central database to ensure no duplication of effort and that the best candidates were being considered for the appropriate countries. For all positions, the project used centralized job descriptions and a central database to streamline the recruitment and hiring processes to identify the best candidates, eliminate duplicate efforts, and ensure consistency.

Within three months, the project had hired more than 170 country office staff, including nine country directors.

Operations and country platforms. In the spirit of a one-team approach, the Country Programs team leveraged the expertise of the Program Operations team (including Finance and Risk Management), the Global Supply Chain team, the Supply Chain Solutions' Security Management Unit, and others, to prepare for the July 1 launch. Activities ranged from setting up local computer networks and management information systems to various contracting mechanisms. See the Executive Summary for more detail.

Country quantification preparation. The team collaborated closely with SCMS to ensure that the standard country antiretroviral (ARV) supply plans were available to the Plan team for analyses and subsequent determination of the quantities that the Source team should procure to

restock the regional distribution centers (RDCs) in Africa. The Systems Strengthening team initiated an assessment of countries' quantification activities, a review of country office staffing plans for this technical area, and an inventory of staff capacity to identify potential gaps and requirements for short-term technical assistance over the transition period. Standard Operating Procedures (SOPs) were drafted for country-level forecasting and supply planning.

Warehousing and distribution and stock disposition. In nine of the countries transitioning to the project by July 1, the team initiated either a third-party logistics (3PL) subcontract, lease, master services agreement, or in the case of Madagascar, a convention to secure warehouse space for the country commodities. Our scoping trips, where appropriate, included trained subcontracts specialists from the Risk Management Division or Warehousing, Distribution and Transportation specialists to take a deeper look at creating efficiencies in the contracting of warehousing and other services, and to determine cost-savings opportunities in the restructuring of the current incumbent system.

See Exhibit 5 for details on the contractor or lessee, mechanism, stock count, and target stock transfer for the nine countries with local distribution centers.

Implementation of Cross-Objective Task Forces

In June, the Systems Strengthening team within Country Programs initiated a number of task forces envisioned to provide guidance and leadership in technical areas of the supply chain to support country programs.

Forecasting and supply planning (FASP) task force: Ensures high-quality technical support in forecasting and supply planning by applying a systematic approach to calibrate the level of competency in the field. The approach entails defining a competency framework of overarching FASP tasks, skills, and knowledge requirements, inventorying field staff with FASP roles and responsibilities, and gaining a better understanding of current and needed capacity to apply appropriate strategies to achieve high competency levels. The framework and compiled survey results are being used to determine existing strengths, identify areas for improvement, and develop and/or adapt relevant capacity building approaches from among those used in public health and commercial supply chain sectors to standardize staff capacity levels across the project.

Targeted local procurement (TLP) task force: Ensures the smooth transition of Supply Chain Management System (SCMS) field office-managed procurements (FOMP) currently in-process as part of the transition; that the project has uninterrupted HIV/AIDS Task Order (TO1) local procurement capability in SCMS field offices scheduled to transition by July 1; and develops and implements new a TLP policy, procedures, technical standards, quality assurance regime, performance metrics (including economic and sustainability indicators), management and governance procedures, and a clear communications protocol for TLP across task orders by August 30, 2016. The TLP task force completed the following deliverables: interviewed identified field offices to determine a baseline preparedness for TLP Day One and develop country-specific FOMP to TLP transition plans and timeline; and developed process maps, SOPs, work instructions, templates, and a field office guidance manual.

Warehousing and logistics task force: Develops SOPs for use in field offices; collects and monitors country data; identifies improvement opportunities in costs, services, and technologies; responds to field requests efficiently and effectively; implements strategic interventions; strengthens capacity of staff fundamental to supply chain operations; and coordinates with regional warehouses and logistics activities.

Logistics management information systems (LMIS) task force: Supports country programs in the development and implementation of "lean" LMIS systems that support various supply chain work processes and provide real-time, actionable information to users; increases efficiencies in commodities procurement by developing linkages between country-level LMIS data and global supply chain quantification and forecasting activities to better inform supply needs across project-supported commodities; and provides global leadership by assuring country programs have access to and knowledge of tools and other SOPs that reflect best practices in the strengthening of LMIS systems.

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 5 lists the Country Programs activities and milestones planned for this quarter, summarizes progress, and indicates the status of planned activities.

EXHIBIT 5. COUNTRY PROGRAMS TECHNICAL ASSISTANCE PLANS, PROGRESS, AND STATUS

PLAN AND PROGRESS	STATUS
Open 17 field offices (staff, leases, inventory) by July 1, 2016. Preparations were made to open 12 country offices by July 1, with additional offices to open on a rolling basis.	On target
Transfer country technical assistance from SCMS and USAID | DELIVER PROJECT. The team initiated a number of task forces this period to provide guidance and leadership in technical areas of the supply chain to support country programs and successful transitions.	On target

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

Scoping Visits

Many countries promptly submitted their expressions of interest quickly following project startup in January, which resulted in requests for initial scoping visits in rapid succession. The team focused on meeting mission needs to mobilize quickly to the countries where the project was initiating operational and technical start up, following the necessary approval process as outlined by USAID. Being able to respond to multiple countries and fielding scoping teams concurrently posed challenges in how to organize lean technical teams to accommodate a

multitude of requests across countries simultaneously. We had to allocate limited human resources effectively to ensure that we were appropriately staffing teams with the needed skill mix.

A major factor that ensured the project's success in addressing this challenge was the close coordination and support from USAID staff on the Transition Working Group 9, which allowed the Country Programs team to quickly access guidance and prioritize requests for assistance from the field. The USAID team facilitated communication with USAID missions and tempered expectations where needed. Also, through leveraging the matrixed makeup of the project team, we were able to use the Systems Strengthening specialists as well as three task order Directors to help lead scoping visits in addition to the regional managers.

Inventory/NXP Transfer

As 12 countries prepared to transition their operations, our team diligently worked to ensure the transition of office equipment from the incumbent projects as applicable. This process was greatly enhanced by a clearly articulated process of necessary approvals to officially transition goods. The project field staff and headquarters Program Operations team worked closely with the incumbents to evaluate and document the conditions of goods to be transferred, generally accepting inventory that was labeled in good or acceptable condition, including IT equipment, office furniture, and project vehicles.

Occasionally the project did not receive disposition lists from the incumbent in a timely manner, which proved a challenge as the project could not turnaround our own NXP request until the USAID-approved disposition list was received. The Technical Working Group 9 helped to resolve this challenge as USAID counterparts were able to communicate with the incumbents and identify process bottlenecks. Ultimately, the project was able to accept necessary inventory in most cases according to the guidelines provided by USAID, and, where absolutely necessary, procure crucial equipment such as laptops.

Staffing Transition

The tight transition period proved challenging to staffing up the country offices. The project and incumbents sometimes experienced competing needs for local field staff who were needed on both projects during the transition period as some contracts overlapped. To best resolve these issues, our team focused on fulfilling only the most crucial positions to ensure that no supply chain functions were interrupted. As key technical staffing positions were filled, our team was able to negotiate with the incumbent to arrive at a mutually acceptable solution for other conflicting staffing decisions. Together, we agreed that as technical functions transitioned to the project, related staff would transition as well.

Through this flexible approach that built on a commitment to job security, transparency and continuous communication, SCMS and USAID | DELIVER PROJECT were positioned to successfully complete their close-out activities and our project was positioned to execute a successful startup.

EXHIBIT 6: LOCAL DISTRIBUTION CENTERS BY COUNTRY

COUNTRY	CONTRACTOR OR LESSOR	MECHANISM	STOCK COUNT	TARGET STOCK TRANSFER
Ghana	IHS	3PL Subcontract	6/29/2016-6/30/2016	7/1/2016
Haiti	Fleuriot Warehouse PSM-Operated	Lease 3PL Subcontract	6/25/2016	7/1/2016
Liberia	Axios Foundation, Inc. Warehouse 1, Monrovia	3PL Subcontract	6/14/2016	7/7/2016
	Axios Foundation, Inc. Warehouse 2, Monrovia	3PL Subcontract	6/17/2016	7/7/2016
Madagascar	SALAMA Parastatal Warehouse	Convention for storage and distribution	N/A as stock is and will remain in MOH custody	
Mozambique	ECOP Imobiliaria Maputo Warehouse	Lease	5/28/2016-6/20/2016	7/1/2016
	Mahomed Hanif Mahomed Beira Warehouse	Lease	5/28/2016-6/20/2016	7/1/2016
	Milenio Center Nampula Warehouse	Lease	5/28/2016-6/20/2016	7/1/2016

	Wing Koon Limitada Nampula Warehouse	Lease	TBD	9/26/2016
	Regional Warehouse TBD, Maputo Warehouse	Lease	TBD	9/26/2016
	Regional Warehouse TBD, Beira Warehouse	Lease	TBD	9/1/2016
Malawi	IHS Lilongwe Warehouse	3PL Subcontract	6/30/2016	6/30/2016
Nigeria	MDS Logistics Limited	Master Logistics Services Agreement	6/20/2016	7/1/2016
	CHAN-MediPharm Ltd/Gte	3PL Subcontract	6/20/2016	7/1/2016
	Sustainable Healthcare International Ltd/Gte	3PL Subcontract	6/20/2016	7/1/2016
	Sustainable Healthcare International Ltd/Gte	3PL Subcontract	6/20/2016	7/1/2016
	Axios Foundation, Inc.	3PL Subcontract	6/20/2016	7/1/2016
Rwanda	Medical Procurement and Production Division (MPPD)	Subcontract, materials handling fee schedule	N/A as stock is and will remain in MOH custody	

Zambia	Medical Stores Limited Katanga II Warehouse	Lease	N/A as stock is and will remain in MSL custody

GLOBAL COLLABORATION

1. HIGHLIGHTS

The Global Collaborations team has been the last to begin startup activities as overall project efforts have focused on the successful transition of incumbent contracts and managing a severely contracted launch period (three months) to open 12 project country offices. This quarter saw the Global Collaboration team fully staff up, with the majority of the team coming on board in May and June, which allowed activities to begin to take shape and move forward. That said, transition-management mechanisms, such as the Global Collaboration Technical Working Group, have yet to be launched. Progress was further hampered this period by the delay in receiving USAID approval on the project naming convention and branding plan.

Quarter 2 highlights are summarized below.

Global Strategic Engagement

To ensure effective collaboration with USAID as the project engages with external partners, USAID and the project established the following protocol: When contacted by or considering reaching out to a new organization, the project will first contact the appropriate Contracting Officer's Representative (COR) team member(s) for consent and advice on how to proceed. If new activities are then suggested through these existing relationships, the project will contact the appropriate COR team member(s) for advice and consent on how to proceed with the new activity.

Following this protocol, the project made significant progress in collaboration with the following organizations:

- **HIV: The Global Fund.** USAID hosted introductory discussion with key Global Fund and project staff to determine possible ways to collaborate. Global Fund staff expressed particular interest in learning more about our fourth-party logistics (4PL) model, the project's Command Center once operational, understanding our new Network Optimization Strategy once final, and participating in appropriate Commodity Councils. USAID agreed to our team hosting The Global Fund on a tour of our new offices as a way to continue discussions this fall.
- **HIV: Viral load strategy.** Seven viral load equipment and diagnostics manufacturers met with U.S. Centers for Disease Control and Prevention (CDC), USAID, and project staff to assess progress and think through challenges toward meeting global targets. Suppliers shared detailed information on their equipment, services, and use of local distributors/agents that could support increasing viral load testing in program countries. Participants discussed in-depth, country-specific strategies to facilitate optimal placement, performance, and maintenance of viral load instruments, and to improve procurement processes.
- **Supply Chain: People that Deliver.** The Procurement and Supply Management Director participated in the People that Deliver bi-annual board meeting. People that Deliver is a global partnership that builds global and national capacity to implement evidence-based approaches to plan, finance, develop, support, and retain the national

workforces needed for the effective, efficient, and sustainable management of health supply chains.

- **Population and Reproductive Health: United Nations Population Fund (UNFPA).** Project staff joined USAID staff in New York to introduce UNFPA's Jagdish Upadhyay and others to the USAID Global Health Supply Chain program. The leaders identified four common paths where USAID and UNFPA could work together to achieve shared goals:
  - o **Country programs** – Better connecting and sharing information from Country Programs offices to support FP2020 (Family Planning 2020) goals
  - o **Visibility analytics network** – Continuing and building on work already underway to improve collaborative supply planning for family planning commodities
  - o **Capacity building and technical assistance** – Better coordinating Country Program technical assistance and other capacity building efforts and investments to avoid duplication
  - o **Global coordination and collaboration** – Working together to shape and achieve global agendas, including Interagency Supply Group, Coordinated Assistance for Reproductive Health Supplies (CARhs), and Coordinated Supply Planning Group (CSP)
- **HIV: Voluntary Medical Male Circumcision (VMMC) working group.** See HIV/AIDS Task Order section for more information.
- **HIV: World Health Organization (WHO).** By Quarter 3, the project will begin submitting HIV data to the Global Price Reporting Mechanism, a database recording international transactions of HIV, tuberculosis and malaria commodities purchased by national programs in low- and middle-income countries. Project staff will work with the Malaria Task Order team to determine if malaria data also should be submitted.
- **Population and Reproductive Health: Reproductive Health Supplies Coalition (RHSC).** RHSC invited our team to conduct a parallel session at its upcoming General Membership Meeting. Entitled "Supporting FP2020 goals through innovations in supply chain optimization," the presentation details the supply chain innovations we bring to improving family planning product availability at the last mile.
- **Population and Reproductive Health: RHSC.** An agreement was reached between the RHSC, Track20, and our project regarding the modalities and definitions for reporting the RHSC Universal Stockout Indicator to Track20 as well as the provision of data needed to calculate the Range of Methods Offered indicator. This fulfills the commitment USAID made to the Coalition's campaign Take Stock.

Market Dynamics

The Market Dynamics team fully staffed up in May and began initial assessment and strategy development activities. Since staffing up, the team has actively engaged with all of the task order teams and Commodity Councils to identify how best to communicate, share information and support related activities.

In May and June, the team worked to refine and focus the scope of work (SOW) for a broad market dynamics evaluation involving HIV, malaria, and reproductive health markets. The SOW is in its final stages prior to submission to the USAID Contracts Office for approval.

Knowledge Management and Communications

The Knowledge Management and Communications manager joined the project in mid-May. Meetings were quickly set up with USAID and incumbent communications points of contact to review existing content, data, and other incumbent resources to be transferred to the project.

A full suite of templates and project branding guidelines were developed as a resource toolkit to support the July 1 launch of 12 country offices. During the final review, USAID revisited the naming convention for this project (and others under the Global Health Supply Chain program), which put these resources on hold.

With agreement from USAID, the team decided to take a phased approach to website development to accommodate the crucial unknown – how to resource and staff for a dynamic website given current resource constraints. An interim site, scheduled for a fall release, will establish an online portal for the product e-catalog and related resources and training. During this time, additional visioning and strategic decisions will be made as part of the Fiscal Year 2017 work planning process to inform and shape an Online Engagement Strategy – to include website development – and work plan that aligns with project resource realities. The fuller website would be launched in early 2017.

Similar to the website, a phased-approach was taken to accommodate other communications needs – such as visibility, information sharing, and community building – with establishing a Twitter account set as a first priority. A social media strategy was developed and presented to USAID communications points of contact, with tentative sign off pending a final decision on the project name.

The team began to issue regular news updates to the Global Health Supply Chain USAID and mission contacts. These email updates highlight key project activities and results.

Working closely with Monitoring and Evaluation (M&E), Country Programs, and task order teams, staff has begun to socialize the idea of establishing a project learning agenda to guide reflective activities and products to further enculturate the USAID Collaboration, Learning and Adaptation principles. This tool also could aid in better understanding harder-to-measure project goals and objectives such as questions related to sustainability and value.

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 7 lists the Global Collaboration activities and milestones for this quarter, summarizes progress, and indicates the status of planned activities.

EXHIBIT 7: GLOBAL COLLABRATION PLAN AND PROGRESS	STATUS
Establish working relationships with global health actors. Global collaboration managers for HIV and Population and Reproductive Health joined, and the manager for Malaria was scheduled to join July 5. We established initial relations with several organizations, including the Global	On track

EXHIBIT 7: GLOBAL COLLABRATION PLAN AND PROGRESS	STATUS
Fund, UNFPA, and WHO.	
Website and blog established. The Knowledge Management and Communications manager joined May 18, delaying significant communications planning. A temporary website is schedule to be established in fall 2016, with a permanent website scheduled for release in early 2017.	Postponed
Strategic engagement plan developed. With all current positions scheduled to be filled July 5, we will develop a Year 1 work plan for Fiscal Year 2017.	On track
Quarterly newsletter launched. The newsletter and other key communication channels are being considered as part of the overall Knowledge Management and Communications strategy. In the meantime, the project awaits final word on project naming, which has delayed this and other communications activities.	On hold
Social media campaign developed and branded. An initial social media strategy and Twitter plan were presented to USAID. We received tentative sign off on moving forward with Twitter, which is on hold awaiting final word on project naming.	On hold

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

Project Naming Convention

USAID is revisiting naming conventions for this and the other projects under the Global Health Supply Chain program. Due to this delay in establishing the project name, we are on-hold with the Branding Implementation Plan, all project templates, social media accounts, and all other communication products. In the meantime, we are providing case-by-case advice to field offices who ask about business cards, letterhead, technical report templates, and other communication products.

Staffing

As of July 5, all current Objective 3 staff positions will be filled. However, there is significant understaffing in Knowledge Management and Communications to meet the anticipated demands from country offices and USAID to provide needed support for country program communications strategy, website, social media, and other communication channels.

PROJECT MANAGEMENT

1. HIGHLIGHTS

The Project Management team proved crucial to the success of the project's overall ability to move quickly and efficiently to establish critical procurement and supply systems and processes while undergirding the many efforts needed to prepare to launch the 12 country offices and establish other country programs. Whether Finance, Contract Management, Training or Monitoring and Evaluation (M&E), this team worked diligently with USAID, missions, incumbents, and others to define the cross-cutting standards, responsibilities, and communication flows that ensured the successful transition and maturity of project activities.

Quarter 2 highlights of project management and M&E activities follow.

Finance

- Concluded the activities of the Finance Transition Working Group and clarified expectations on budgeting and reporting against information specifications. Task Order Finance managers and their USAID counterparts shifted to routine, task order-specific meetings to address operational issues such as financial tracking and reporting.
- Developed and submitted country office budgets in accordance with information specifications and task order funding allocations. Accommodated USAID request to present budgets by activity, which required clarifying expectations with finance points of contact around the presentation costs.
- Finalized cost recovery rates with task order Contracting Officer's Representatives (CORs), which have been communicated to missions.

Contract Management

- Continued biweekly calls with Contracting Officers (CO) to address questions and issues in real time, and clarify internal USAID processes regarding approval requests. This collaborative approach has developed trust and common understandings to rapidly generate and process required approvals.
- Secured all-risk marine and storage insurance to cover project commodities, with an effective date of July. Also secured global commodity insurance coverage, effective June 30.
- For the Malaria Task Force (TO2) in particular, we are learning the President's Malaria Initiative's (PMI's) requirements and preferences, and are refining and revising approval requests in collaboration with the USAID Malaria Task Order (TO2) team.
- Created an approvals email address from which all approvals are sent to Task Order CORs and the COs, to facilitate client's approval review and tracking. The project also submits a weekly pending approvals summary to COs and CORs to facilitate approval processes.
- The In-Country Transition Working Group has been instrumental in developing standard operating procedures (SOPs) for approval processes, including streamlining communication flows and concurrences needed from activity managers and country

backstops. The group has been configured to continue as the In-Country Technical Working Group.

Training/Orientation

- Supported preparations to launch 12 country offices by July 1, which included establishing Microsoft's cloud-based Office 365 software suite with webmail, SharePoint and various business applications such as Word, Excel, and others. Each country office now has a unique SharePoint site that includes access to a universal project folder structure and links to Chemonics' Global Quality Management System (QMS) portal, which extends principles of quality management to country offices through the use of standardized procedures, work instructions, guidance documents, and templates for program operations.

Monitoring and Evaluation

- Working with the USAID M&E points of contact within the M&E Technical Working Group, the M&E team attained major project transition milestones by finalizing the IDIQ and task order project M&E plans. The M&E team has continued to expand upon relevant indicator methodologies and data collection tools to align interpretation and ensure correct application of the M&E plan in highlighting project progress toward its objectives.
  The team, functional area team leads, and USAID have worked to define and set an important project business rule – a minimum delivery window – as "promised customer window plus five business days."
- As requested by the Haiti and Malawi missions, the M&E team supported start-up assignments by providing inputs into the transition of incumbents' M&E systems/processes, and M&E plan development. The M&E team has nearly concluded a country M&E plan template to aid M&E plan development and country project work plan alignment, during Fiscal Year 2017 work planning.
- The team also has made significant progress toward establishing a DevResults database, which will enable organization, aggregation and storage of country-level data.

2. PROGRESS AGAINST THE TRANSITION PLAN

Exhibit 8 lists the Quarter 2 project management and M&E activities and milestones scheduled in the transition plan, summarizes progress, and indicates the status of planned activities.

EXHIBIT 8. PROJECT MANAGEMENT AND M&E PLANS, PROGRESS, AND STATUS

PLAN AND PROGRESS	STATUS
Fully Staffed and Functioning Office in Crystal City. 83 percent of headquarters staff have been hired and are in place. The team is on track to move to our permanent Crystal City location on Aug. 1.	On track

PLAN AND PROGRESS	STATUS
Determine global supply chain, country, and cross-cutting indicators. The M&E team developed a comprehensive set of KPIs for USAID's consideration.	On track
Submit Performance Management Plans (PMPs). The M&E team submitted the PMPs (since renamed M&E plans) for each of the task orders.	On track

3. CHALLENGES, OPPORTUNITIES, KEY LEARNINGS

Time and Communications Challenges

The project transition has been a learning experience for all parties, which often required more effort, more time, and more communications than anticipated. The management processes put in place helped us to work closely with clients to clarify approval request process and other systems, which helped with the clients' internal coordination as well.

In-Country and M&E Transition Working Group Successes

The In-Country Transition Working Group proved to be an effective forum for facilitating communication with missions and streamlining USAID/Washington responses. This close collaboration was vital for preparations leading to achieving the July 1 target of opening 12 country offices. The team will continue to build on the close coordination to ensure that the next wave of countries will transition on time.

Collaborating within the M&E Transition Working Group also has been invaluable to setting up project M&E processes, particularly in ensuring that the client's expectations are well incorporated into the M&E plan, tools and Quarterly Report format. This approach has afforded the project regular communications with the client on M&E related issues, while ensuring the pragmatic application of USAID guidelines and principles into the project's M&E plan development and implementation. We anticipate that continuous engagement with the M&E Technical Working Group will ensure seamless implementation of the project's M&E plan, finalization of business rules/targets, and other concomitant M&E activities.

KEY PERFORMANCE INDICATORS

The following key performance tables are examples of high-level key performance indicators (KPIs) by project and by task order that will be reported in upcoming Quarterly Reports. The project currently has no data to report. The team expects to have project data to report beginning with Quarter 3, Fiscal Year 2016.

Year 2016 Key Performance Overview

Period (Annual)	From (mm-dd-yy)	1/1/2016	To (mm-dd-yy)	9/30/2016
Reporting Period (Quarter)	From (mm-dd-yy)	4/1/2016	To (mm-dd-yy)	6/30/2016
Summary performance to date as at	Q1	Q2	Q3	Q4

Global Supply Chain

	Q1	Q2	Q3	Q4
Percentage of shipments delivered on time in full, within the customer-specified delivery window - %	✔ 80.0%	⚠ 78.5%	✖ 72.0%	✖ 77.5%
Cycle Time (Average) - # (days per shipment)	✖ 69	✖ 62	✖ 85	✖ 62
Percent Forecast error (Absolute Percent Error); and variant Mean Absolute Percent Error (MAPE) - %	✖ 16.5%	✖ 16.5%	✔ 54.5%	✖ 16.5%
Total Landed Cost (total cost of all supply chain operations and expenses associated with delivery of one cubic meter of product) - $	✖ $1,350,165	✖ $1,027,465	✖ $1,027,165	✖ $1,027,165
Percentage of batches of product showing non-conformity in a specified time period (out of specification percentage). - %	✔ 17.3%	✔ 17.3%	✔ 17.3%	✔ 17.3%

In-Country

	Q1	Q2	Q3	Q4
Stockout rate at SDPs- %.	✔ 37.2%	✔ 37.2%	✔ 37.2%	✔ 37.2%
Percentage of stock status observations in storage sites, where commodities are stocked according to plan, by level in supply system - %.	✔ 50.3%	✔ 50.3%	✔ 50.3%	✔ 50.3%

Cross-Cutting

	Q1	Q2	Q3	Q4
Overall customer satisfaction rating for GHSC-PSM services (disaggregated by customer category)				
Percentage of sampled 'accurate' submissions reported to BI&A in the reporting period- %.				
Fund and contract management				
Value for Money				

Area	Key comments for performance justification
Global Supply Chain	
In-Country	
Cross-Cutting	
Project Management - GHSC-PSM	
Value for money	

Agreed action from last quarter	Status

Proposed action for next quarter	Status

Year 2016 Key Performance Overview by Task Order and IDIQ

Indicator	TO1 Annual Target	Task Order 1				TO2 Annual Target	Task Order 2				TO2 Annual Target	Task Order 3				TO2 Annual Target	IDIQ			
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4
Global Supply Chain																				
A1 Percentage of shipments delivered on time in full, within the customer-specified delivery window - % a. Percentage of shipments delivered on time and not in full	95%	80%	79%	72%	78%	95%					95%					95%	80%	79%	72%	78%
A2 Percentage of shipments delivered on time, within the customer-specified delivery window (with external benchmarks) - %	95%					95%	66%	66%	66%	66%	95%	89%	89%	89%	89%	95%	81%	81%	81%	81%
A3 Cycle Time (Average) - # (days per shipment)	195	90.0	66.0	66.0	66.0	195	55.0	55.0	55.0	55.0	195	73.0	66.0	133.0	66.0	195	69.2	61.6	84.7	61.6
A4 Inventory turns (Average number of times inventory cycles through (GHSC-PSM controlled) global facilities) - ratio	10	9.0	9.0	9.0	9.0	10	3.6	3.6	3.6	3.6	10	2.5	2.5	2.5	2.5	10	3.9	3.9	3.9	3.9
A5 Total Landed Cost (total cost of all supply chain operations and expenses associated with delivery of one cubic meter of product) - $	########		$300			$200,000	$150,165	$147,165	$147,165	########	$200,000	$1,200,000	$880,000	$880,000	$880,000	$200,000	$1,350,165	$1,027,465	$1,027,165	$1,027,165
A6 Percent Forecast error (Absolute Percent Error); and variant Mean Absolute Percent Error (MAPE) - %	<30%	13.16%	13.16%	50.00%	13.16%	<30%	75.00%	75.00%	75.00%	75.00%	<30%	38.18%	38.18%	38.18%	38.18%	<30%	16.50%	16.50%	54.52%	16.50%
A7 Percentage of line items imported using a temporary waiver (Temporary Waiver Percentage) - %	<5%	5.85%	5.85%	5.85%	5.85%	<5%	0.00%	0.00%	0.00%	0.00%	<5%	2.00%	2.00%	2.00%	2.00%	<5%	4.24%	4.24%	4.24%	4.24%
A8 Average percentage of shelf life remaining for warehoused commodities, weighted by the value of each commodity's stock (Product at risk percentage) - %	80%	67.50%	67.50%	66.67%	66.67%	80%	18.75%	18.75%	18.75%	18.75%	80%	36.67%	36.67%	36.67%	36.67%	80%	44.52%	44.52%	44.34%	44.34%
A9 Number of qualified suppliers from which GHSC-PSM procured product in a specified time period. (Note: A qualified supplier is a supplier meeting the technical qualifications per USAID quality assurance requirements). - #	>65%	70.18%	70.18%	70.18%	70.18%	>65%	0.00%	0.00%	0.00%	0.00%	>65%	2.00%	2.00%	2.00%	2.00%	>65%	47.37%	47.37%	47.37%	47.37%
A10 Percentage of product procured using a framework contract, within a specified period (Framework contract percentage) %.	90%	93.57%	93.57%	93.57%	93.57%	90%	0.00%	0.00%	0.00%	0.00%	90%	66.50%	66.50%	66.50%	66.50%	90%	74.67%	74.67%	74.67%	74.67%
A11 Percentage of products ordered from the catalog (Catalog Order Percentage) - %	99%	93.57%	93.57%	93.57%	93.57%	99%	0.00%	0.00%	0.00%	0.00%	99%	66.50%	66.50%	66.50%	66.50%	99%	74.67%	74.67%	74.67%	74.67%
A12 Percentage price variance between contract unit price and starting year/baseline historical unit price for non-catalog products - %	<100%	93.57%	93.57%	93.57%	93.57%	<100%	0.00%	0.00%	0.00%	0.00%	<100%	81.00%	81.00%	81.00%	81.00%	<100%	76.94%	76.94%	76.94%	76.94%
A13 Percentage of batches of product showing non-conformity in a specified time period (out of specification percentage). - %	>99%	9.36%	9.36%	9.36%	9.36%	>99%	1.50%	1.50%	1.50%	1.50%	>99%	66.50%	66.50%	66.50%	66.50%	>99%	17.25%	17.25%	17.25%	17.25%
A14 Average supplier rating score (semi-annual)	10	0.3		0.3		10	9.8		9.8		10	6.0		6.0		10	1.4		1.4	
In country performance and sustainability																				
B1 Stockout rate at SDPs - %.		38.13%	38.13%	38.13%	38.13%		28.67%	28.67%	28.67%	28.67%		38.86%	38.86%	38.86%	38.86%		37.15%	37.15%	37.15%	37.15%
B2 Percentage of stock status observations in storage sites, where commodities are stocked according to plan, by level in supply system - %.		41.46%	41.46%	41.46%	41.46%		63.46%	63.46%	63.46%	63.46%		52.17%	52.17%	52.17%	52.17%		50.33%	50.33%	50.33%	50.33%
B3 Service Delivery Point (SDP) reporting rate to the Logistics Management Information System (LMIS) - %.		41.46%	41.46%	41.46%	41.46%		63.46%	63.46%	63.46%	63.46%		52.17%	52.17%	52.17%	52.17%		50.33%	50.33%	50.33%	50.33%
B4 Average rating of in-country data confidence at the central, subnational, and SDP levels (data availability, accuracy and timeliness).		41.46%	41.46%	41.46%	41.46%		63.46%	63.46%	63.46%	63.46%		52.17%	52.17%	52.17%	52.17%		50.33%	50.33%	50.33%	50.33%
B5 Percentage of countries conducting annual forecast reviews - % (annual).		41.46%					63.46%					52.17%					50.33%			
B6 Percentage of countries conducting quarterly supply plan updates - % (annual).		41.46%					63.46%					52.17%					50.33%			
B7 Percentage of total spent or budgeted on procurement of commodities for public sector services by the government, USG, the Global Fund, or other sources disaggregated by program - % (annual).		41.46%					63.46%					52.17%					50.33%			
B8 Percentage of initially GHSC-PSM-supported supply chain functions carried out by national authorities that are done without external technical assistance. - % (semi-annual).		41.46%		41.46%			63.46%		63.46%			52.17%		52.17%			50.33%		50.33%	
B9 Supply chain workforce loss ratio (annual).		41.46%					63.46%					52.17%					50.33%			
B10 Percentage of countries that have a functional logistics coordination mechanism in place - %.		41.46%	41.46%	41.46%	41.46%		63.46%	63.46%	63.46%	63.46%		52.17%	52.17%	52.17%	52.17%		50.33%	50.33%	50.33%	50.33%
B11 Percentage of leadership positions in supply chain management that are filled by women (in countries where GHSC-PSM is providing technical assistance related to workforce development) - % (semi-annual).		41.46%		41.46%			63.46%		63.46%			52.17%		52.17%			50.33%		50.33%	
Cross cutting																				
C1 Number of new innovations (including operations research studies) that were developed, implemented, or introduced and are related to the health commodity market or supply chain best practices - #.																				
C2 Number of people trained - #.																				
C3 Overall customer satisfaction rating for GHSC-PSM services (disaggregated by customer category)																				
C4 Percentage 'complete' submissions reported to BI&A in the reporting period - %.																				
C5 Percentage of sampled 'accurate' submissions reported to BI&A in the reporting period - %.																				
C6 Percentage of 'timely' submissions reported to BI&A in the reporting period - %.																				
C7 Percentage of product lost due to theft, damage, or expiry, while under GHSC-PSM control (Product Loss Percentage) - %.																				
C8 Number of global advocacy engagements in support of improved availability of essential health commodities. (Qualitative indicator to be described in quarterly project reports) - # (semi-annual).																				
C9 Percentage complete and on time submissions to global knowledge management platform %																				
Malaria commodity procurement																				
C1 Number of artemisinin-based combination therapy (ACT) treatments purchased with USG funds																				
C2 Number of malaria rapid diagnostic tests (RDTs) purchased with USG funds																				
C3 Number of insecticide treated nets (ITNs) purchased with USG funds																				
C4 Number of sulfadoxine-pyrimethamine (SP) tablets purchased with USG funds																				

SAMPLE