



SUPPLIER SUMMIT

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

SUPPLIER SUMMIT

USAID Global Health Supply Chain Program

AN INTRODUCTION TO STRATEGIC PRIORITIES FOR REPRODUCTIVE HEALTH PHARMACEUTICALS & DEVICES



USAID
FROM THE AMERICAN PEOPLE



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



USAID
FROM THE AMERICAN PEOPLE



U.S. President's Malaria Initiative



SESSION OBJECTIVES

- Introduce GHSC-PSM, reproductive health strategic priorities
- Provide insight into forecasting and inventory management
- Present sourcing priorities and tentative calendar of sourcing events
- Engage in dialogue and obtain feedback on how we can better collaborate

USAID'S OFFICE OF POPULATION & REPRODUCTIVE HEALTH (PRH)

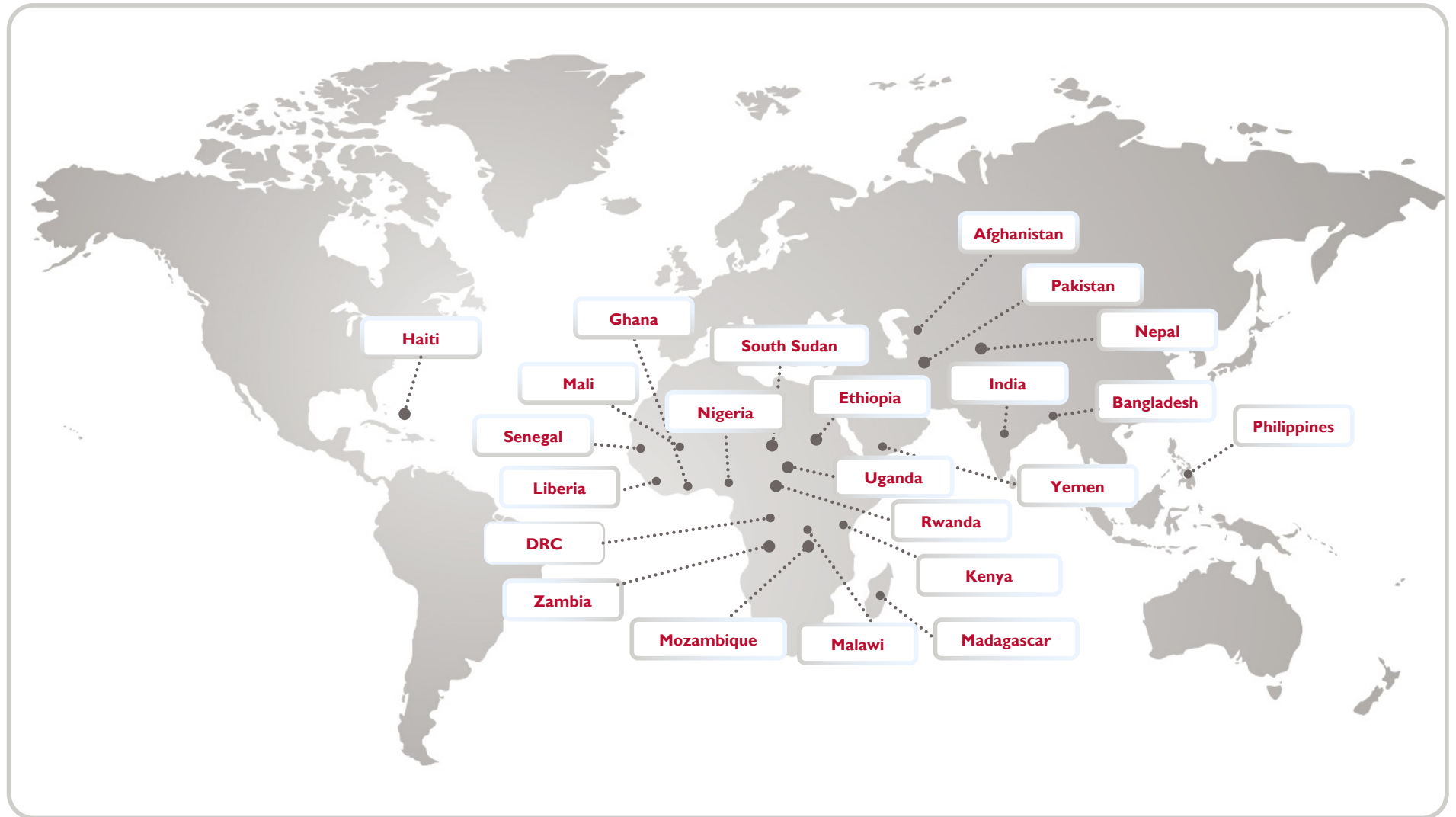
Approach:

*Fund and support activities that ensure **voluntarism** and **informed consent** in FP/RH programming and promote **equity** in access to FP/RH services*

Five Focal Areas:

1. Method Choice
2. Social and Behavioral Change Communication
3. Supply Chains
4. Family Planning Workforce
5. Total Market Approach

REPRODUCTIVE HEALTH PRIORITY COUNTRIES



PRODUCT PORTFOLIO

- Contraceptive implants
 - One-rod
 - Two-rod
- Cyclebeads
- Injectable contraceptives
 - DMPA IM
 - DMPA SC
- Intrauterine devices (IUDs)
 - Copper TCu380A
- Oral contraceptives
 - Combined Oral Contraceptives (COCs)
 - Progestin-only Contraceptives (POCs)
 - Emergency Contraception (EC)



For more information on male/female condoms & personal lubricants, please attend the “Condom & Lubricant Session” Wednesday, February 22, 13:30-15:00pm

STRATEGIC PRIORITIES FOR GHSC-PSM, TASK ORDER 3 REPRODUCTIVE HEALTH & FAMILY PLANNING (TO3)

HARMONIZATION

Based on FP2020's *Assessing Misalignments in the Procurement of Contraceptives*

1

Rationalize Packaging Requirements

2

Incentivize Product Registration

3

Simplify and Decouple the RFP Process

4

Encourage Use of Split Rewards

5

Make Award Criteria Transparent

6

Harmonize & Encourage Use of Joint RFPs

HARMONIZATION

Based on FP2020's *Assessing Misalignments in the Procurement of Contraceptives*

Rationalize Packaging Requirements

Activity: Work toward harmonizing pack sizes, bundling, branding, bar coding requirements

Progress: Currently assessing packaging requirements between USG and UN

Result: Market efficiencies, more competitive bidding, bulk procurement for social marketing

Incentivize Product Registration

Activity: Create an internal team to focus on developing strategies for incentivizing registration

Progress: Developed hypothesis on major barriers for suppliers related to the country registration

Result: Improved and sustained access to quality-assured product in as many countries as possible

Simplify and Decouple the RFP Process

Activity: Move to IDIQ frameworks for many product categories which provides decoupling benefits

Progress: 4 of 6 FP/RH methods are under an IDIQ type of procurement

Result: Streamline bidding and evaluation, encourage more bidders to enter market, reduce lead time

HARMONIZATION

Based on FP2020's *Assessing Misalignments in the Procurement of Contraceptives*

Encourage Use of Split Awards

Activity: Encourage market competition by clarifying requirements common across procurers

Progress: We will split most awards where there is enough market volume and competitive pricing

Result: Market efficiencies that are streamlined across procurers

Make Award Criteria Transparent

Activity: Provide clear definitions of AQSCIP-R and when possible, anticipated weights

Progress: Working toward more transparency, but our processes and criteria are evolving

Result: Encourages bidding that better aligns with procurer priorities

REGISTRATION



HEALTHY MARKETS

We consider four critical dimensions in determining market health

Dimensions	Key questions and output metrics	Potential levers for market impact
Global Capacity	Is there sufficient supply to meet demand? <ul style="list-style-type: none"> — Supply and demand gap — Existence of demand forecast — Forecast accuracy — Lead times, global level stock out rate 	<ul style="list-style-type: none"> ▪ Closure of supply-demand gap ▪ Lead time reduction ▪ Improved forecast accuracy
Affordability & Funding	Is pricing affordable? <ul style="list-style-type: none"> — Price relative to substitute and peer markets — % Supply base utilized — Funding and demand gap — Projected funding 	<ul style="list-style-type: none"> ▪ Sustained price decrease ▪ One-off gain from accelerating market transition
Supply Risk	Is there sustainable, secure supply of these products? <ul style="list-style-type: none"> — Number and diversity of suppliers — Margins/price relative to cost — Product registration coverage — Scalability of capacity 	<ul style="list-style-type: none"> ▪ Reduction in supplier concentration risk <ul style="list-style-type: none"> — New suppliers/sites — Improved registration coverage
Product Quality & Appropriateness	Are there quality products that meet user needs? <ul style="list-style-type: none"> — Effective products with regulatory approvals — Quality of products — Appropriateness based on target customer needs — Incentives for innovating improved products 	<ul style="list-style-type: none"> ▪ Increased product effectiveness, safety and/or reduction in side effects ▪ Increased R&D pipeline

ADOPTION OF GLOBAL STANDARDS FOR IDENTIFICATION AND DATA CAPTURE AND EXCHANGE

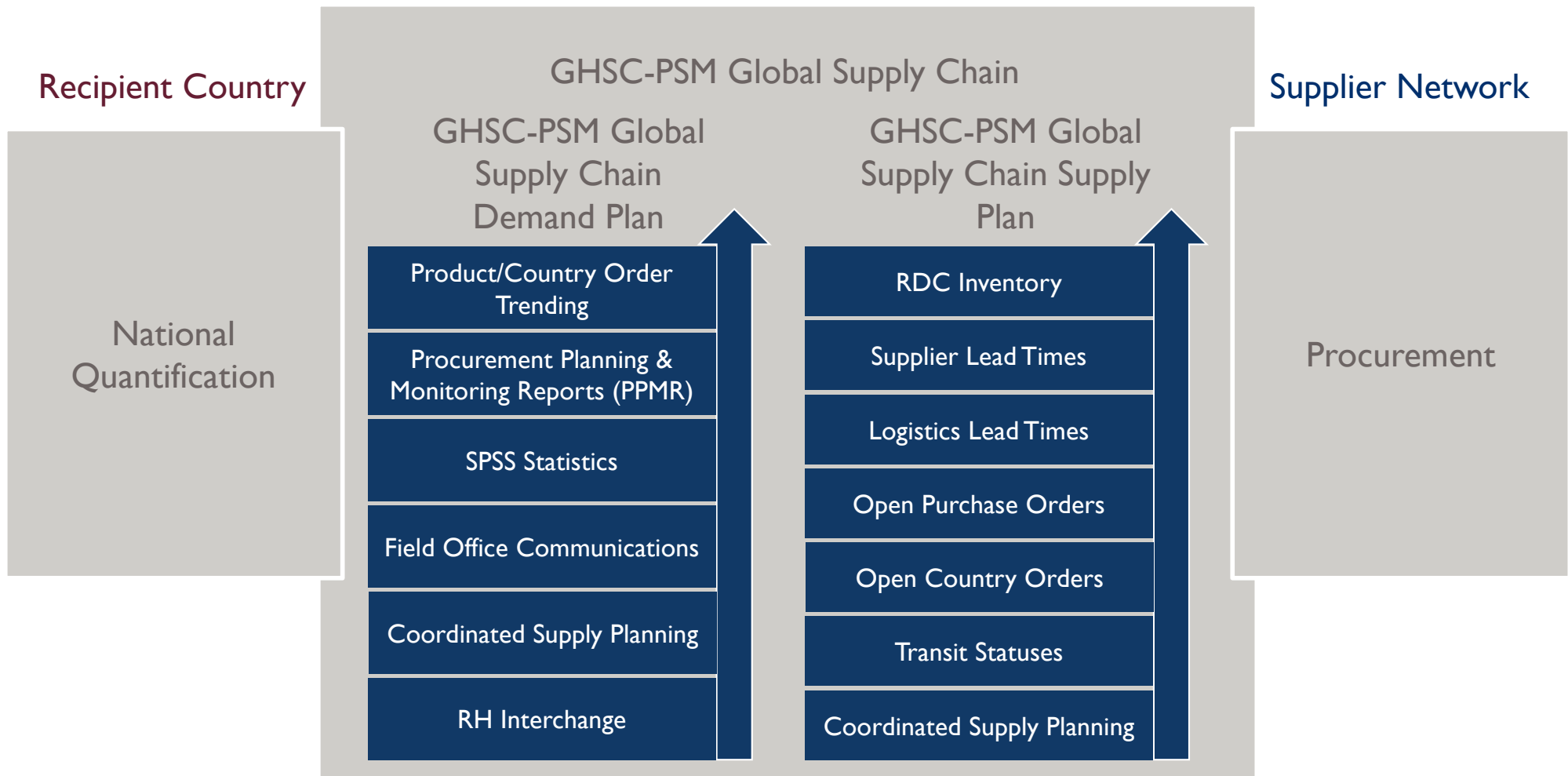
- Implement global standards for:
 - Product and location identification
 - Packaging, presentation, and data capture
 - Data exchange of orders, shipment status and delivery notification
- Goal is to achieve:
 - End-to-end data visibility
 - Supply chain efficiency
 - Supply chain security

For more information, we suggest you attend the following sessions:

- Implementation of GSI Global Standards for Product Identification
- Data Exchange with GHSC

DEMAND FORECASTING, INVENTORY MANAGEMENT, & SOURCING FOR TO3

GHSC-PSM PLANNING OVERVIEW



REPRODUCTIVE HEALTH INVENTORY

- Source-to-forecast products include (stocked)
 - Two-rod Implant
 - DMPA IM
 - IUD
 - Combined Oral Contraceptives
 - Social Marketing
 - Public Sector
 - Progestin Only Contraceptive
- Effort underway to optimize safety stock formulas
- Exploring vendor managed inventory



IMPLANTS: CURRENT SOURCING STRATEGY

Catalog Products:

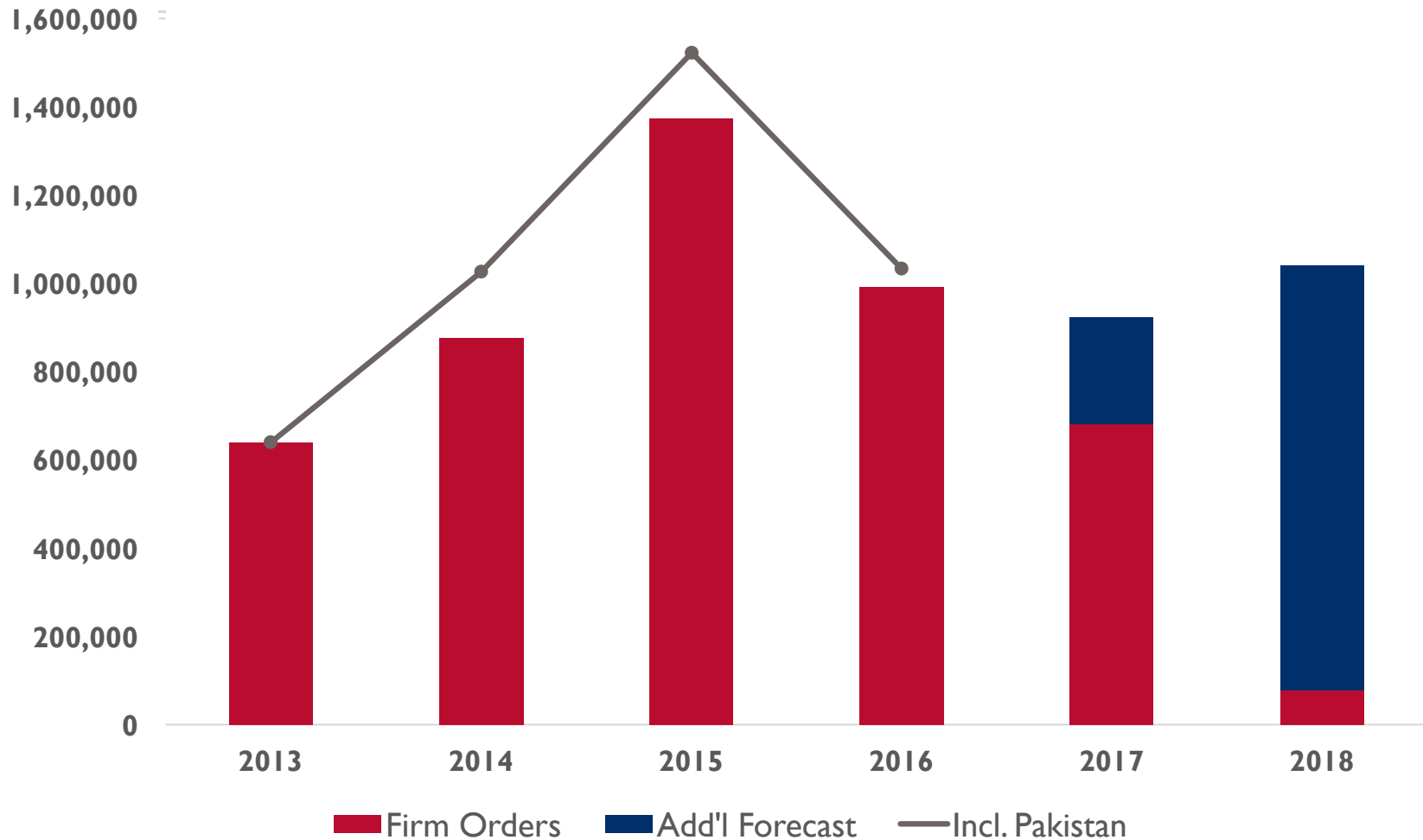
- Etonogestrel 68 mg/rod, 1 rod Implant- *Source-to-Forecast*
- Levonorgestrel 75mg/rod, 2 rod Implant- *Source-to-Forecast*
- Contraceptive Implant Kit for Etonogestrel Placebo 68 mg/rod, 1 rod Training Device- *Source-to-Order*

2016 Orders:

- One-rod- **850,232 units**
- Two-rod- **990,400 units**
- Implant Kits- **3,200 units**

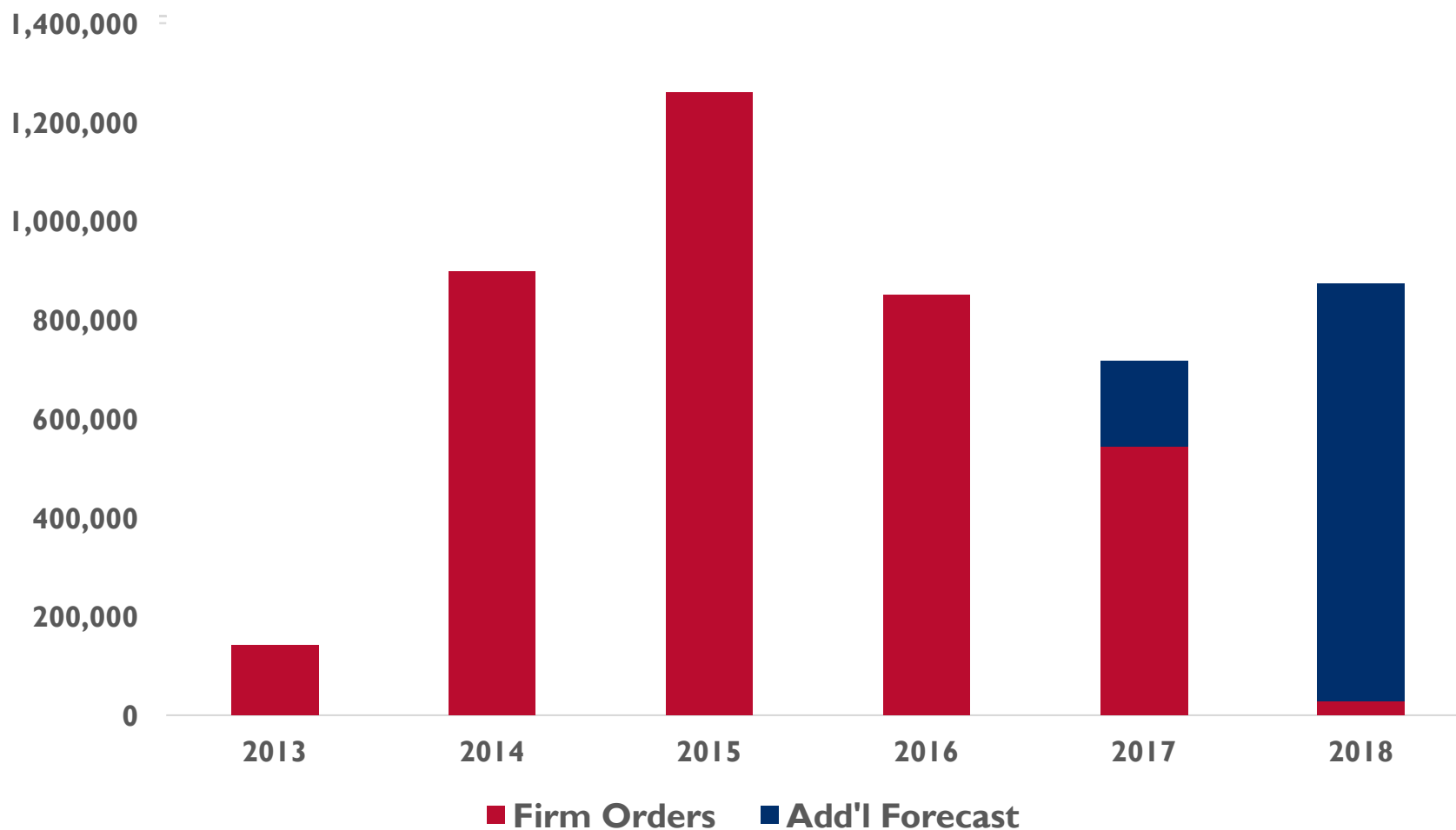
TWO-ROD IMPLANT: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



ONE-ROD IMPLANT: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



IMPLANTS: FUTURE SOURCING STRATEGY

Sourcing Priorities:

- Reduce supply risk for implants
- Assess opportunities to align implant insertion and removal kit specifications with other major procurers

Registration Priorities:

High		Medium		Low
Bangladesh	Benin	Guinea	Ethiopia	Nigeria
	Burkina Faso	Haiti	Ghana	Senegal
	Cambodia	Mozambique	Kenya	Uganda
	Cameroon	Tanzania	Madagascar	Zambia
	DRC	Rwanda	Malawi	
	Côte d'Ivoire		Mali	

ORALS: CURRENT SOURCING STRATEGY

Catalog Products:

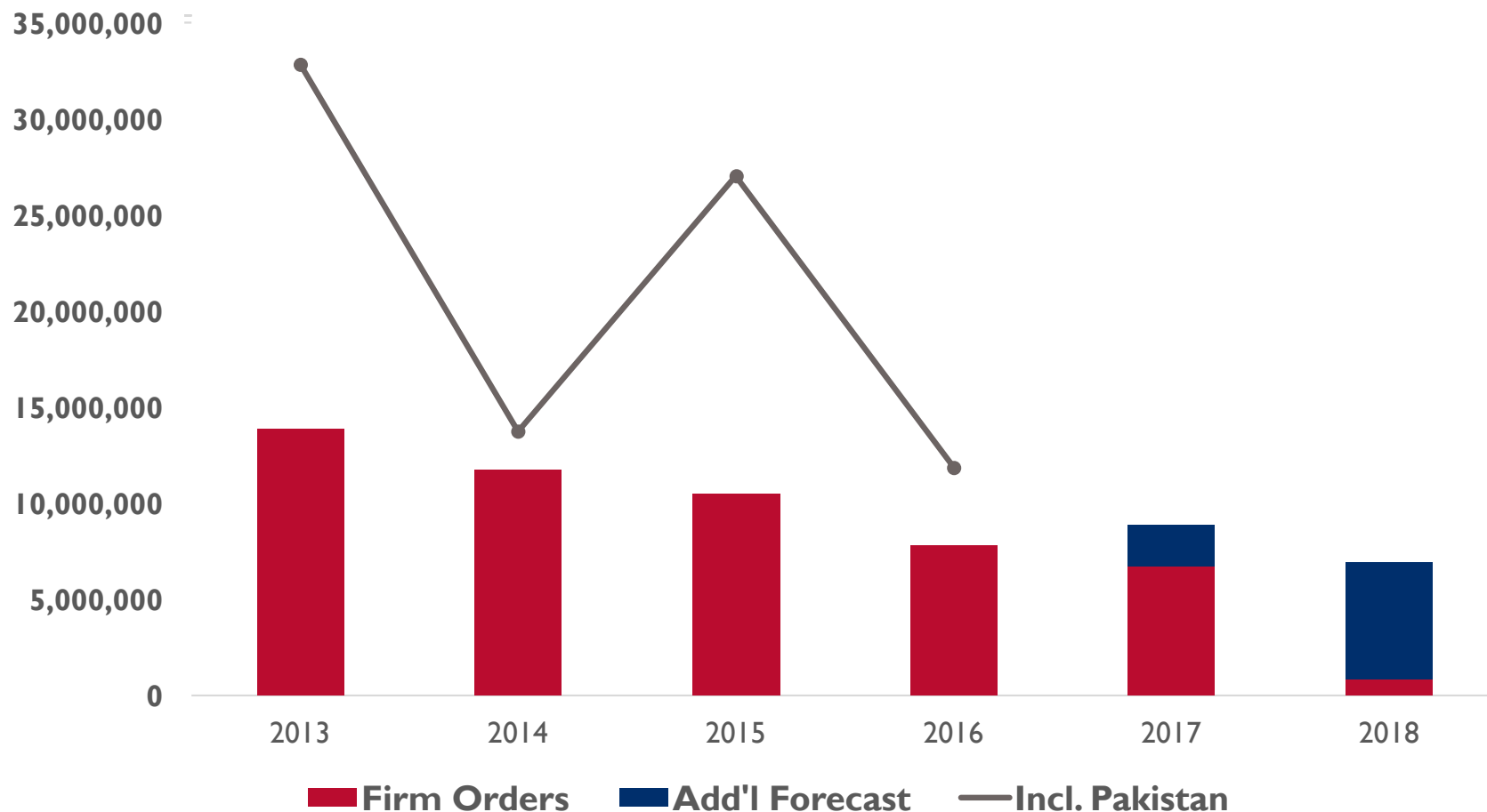
- Levonorgestrel 0.75 mg Tablet, 2 Tablets- *Source-to-Order*
- Levonorgestrel 1.5 mg Tablet, 1 Tablet- *Source-to-Order*
- Levonorgestrel/Ethinyl Estradiol 150/30 mcg + Fe 75 mg, 28 Tablets/Cycle (PS & SM)- *Source-to-Forecast*
- Levonorgestrel 30 mcg 35 Tablets/Cycle- *Source-to-Forecast*

2016 Orders:

- Emergency Contraceptives- **0 tablets**
- Combined Oral Contraceptives (PS & SM)- **27,060,480 cycles**
- Progestin-only Contraceptive- **813,600 cycles**

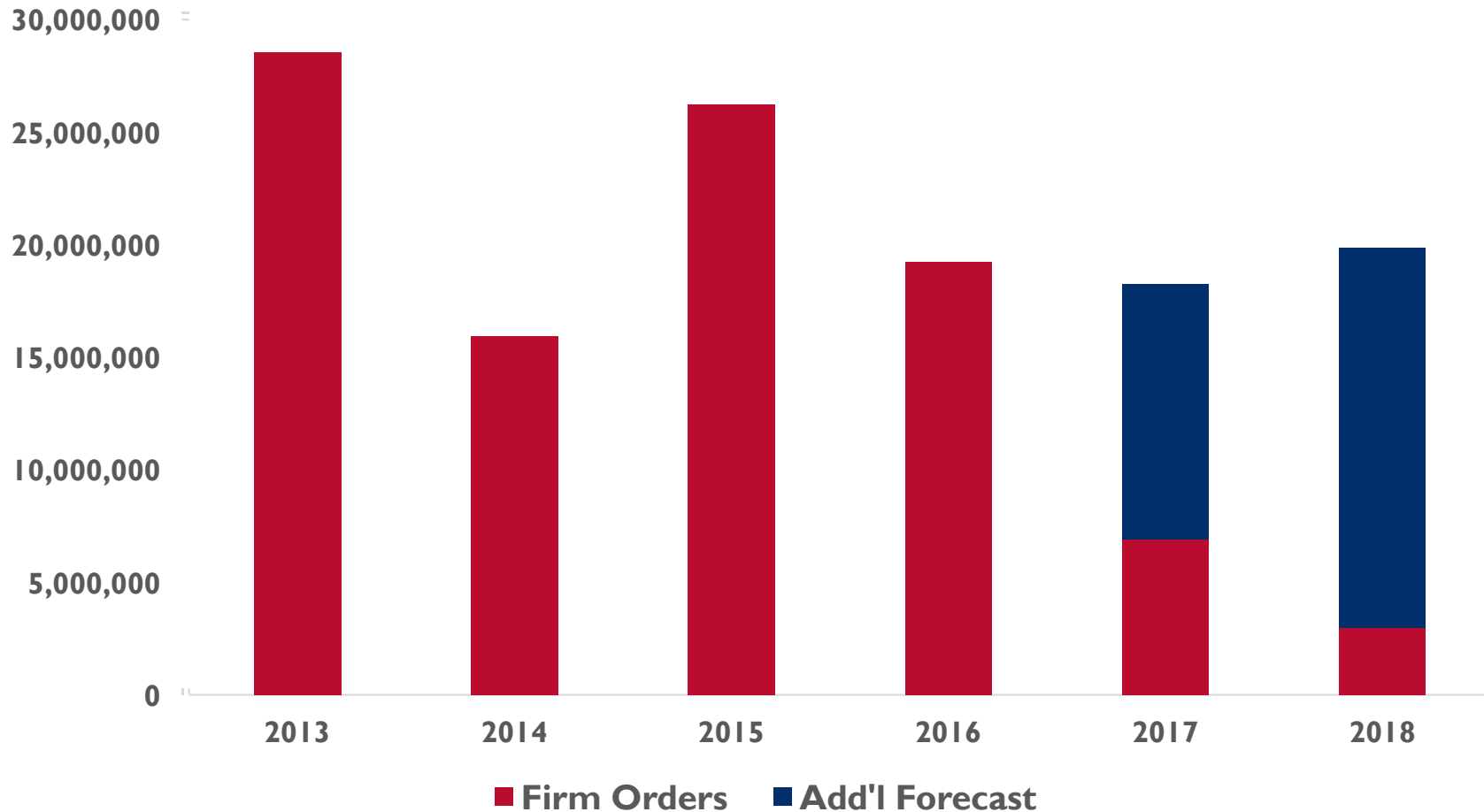
PUBLIC SECTOR COMBINED ORAL CONTRACEPTIVES: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



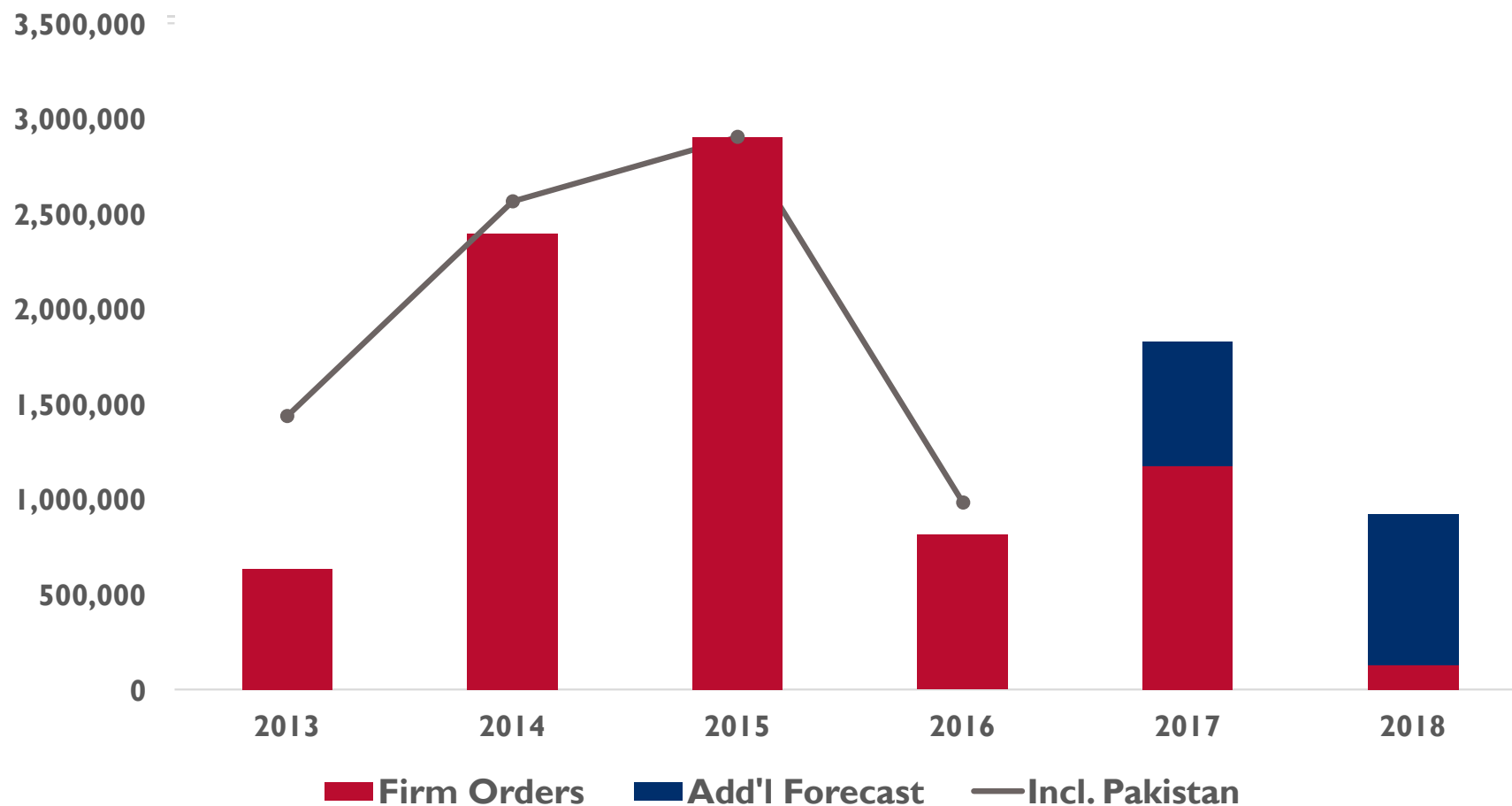
SOCIAL MARKETING COMBINED ORAL CONTRACEPTIVES: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



PROGESTIN-ONLY ORAL CONTRACEPTIVE: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



ORAL CONTRACEPTIVES: FUTURE SOURCING STRATEGY

Sourcing Priorities:

- Reduce supply risk for OCs
- Re-assess current packaging and branding
- Explore possibilities related to direct sourcing of trade packaging (social marketing OCs)

Registration Priorities:

High		Medium	
Bangladesh	Mozambique	Cambodia	Mali
Benin	Nepal	DRC	Rwanda
Ethiopia	Niger	Guinea	Senegal
Ghana	Nigeria	Madagascar	Tanzania
Haiti	Togo	Malawi	
Kenya	Uganda		
	Zambia		

INJECTABLES: CURRENT SOURCING STRATEGY

Catalog Products:

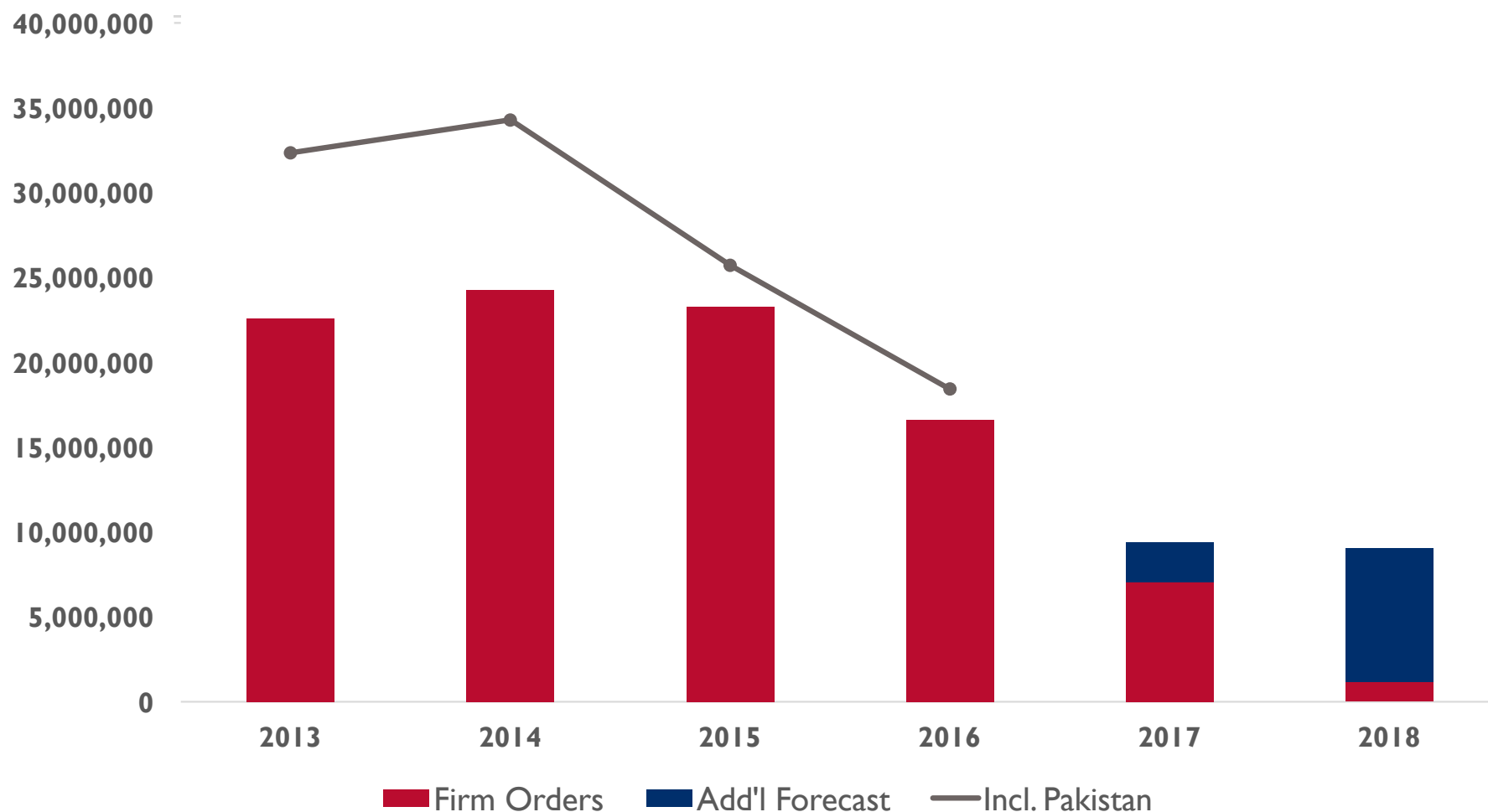
- Depot Medroxyprogesterone Acetate 150 mg Vial, SR, 1 Vial (DMPA IM)- *Source-to-Forecast*
- Depot Medroxyprogesterone Acetate 104 mg/0.65 mL, Uniject SC Pre-Filled Syringe, SR, 1 Syringe (DMPA SC)- *Source-to-Order*

2016 Orders:

- DMPA IM- **7,800,480 units**
- DMPA SC- **1,512,200 units**

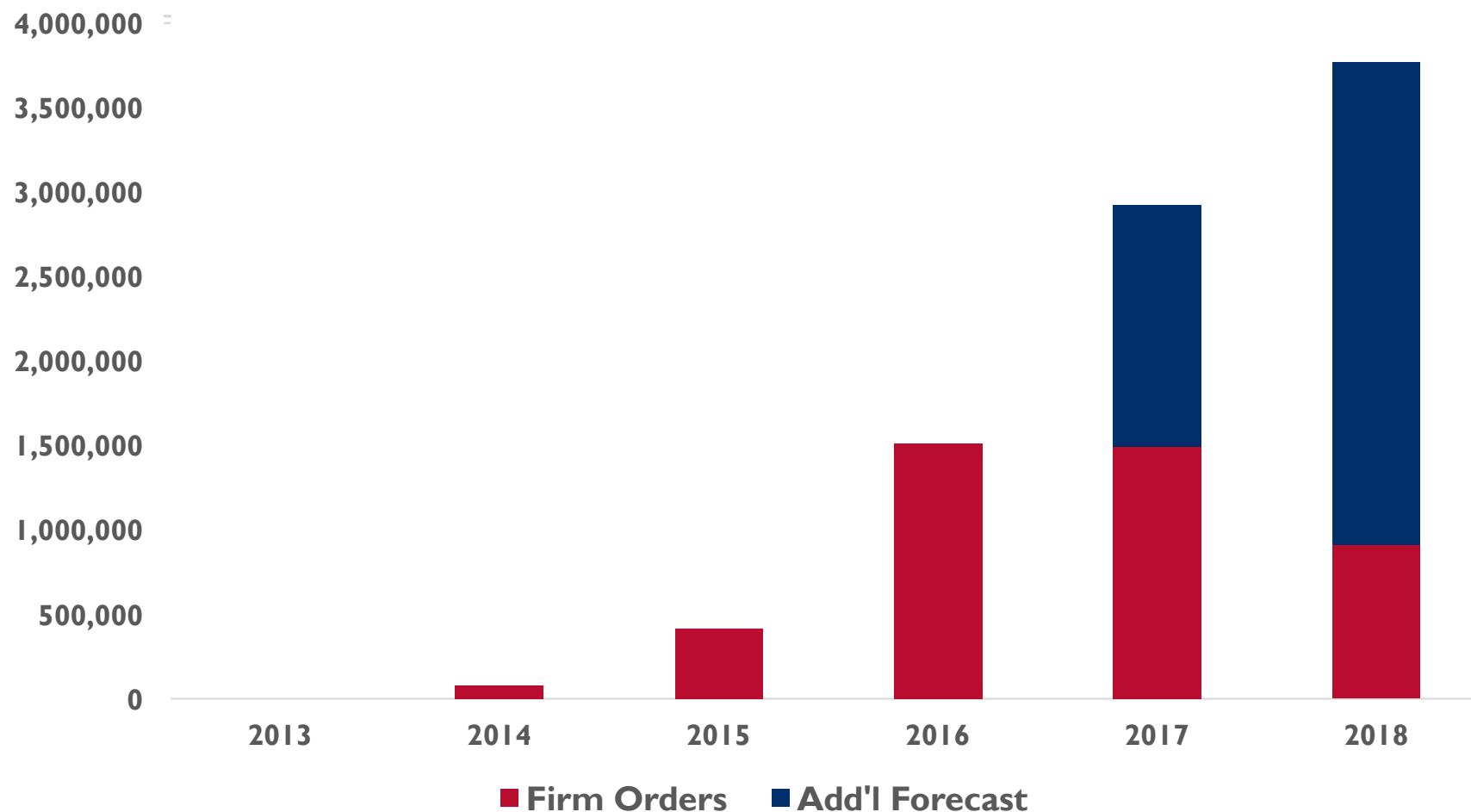
DMPA IM: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



DMPA SC: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



INJECTABLES: FUTURE SOURCING STRATEGY

Sourcing Priorities:

- Reduce supply risk of DMPA
- Evaluate bundling and packaging options
- Assess other contraceptive injectable formulations to ensure adequate method mix

Registration Priorities:

High		Medium
Mozambique	Tanzania	Nepal
Nigeria	Togo	Uganda
Rwanda	Zambia	
Senegal		

IUDs: CURRENT SOURCING STRATEGY

Catalog Products:

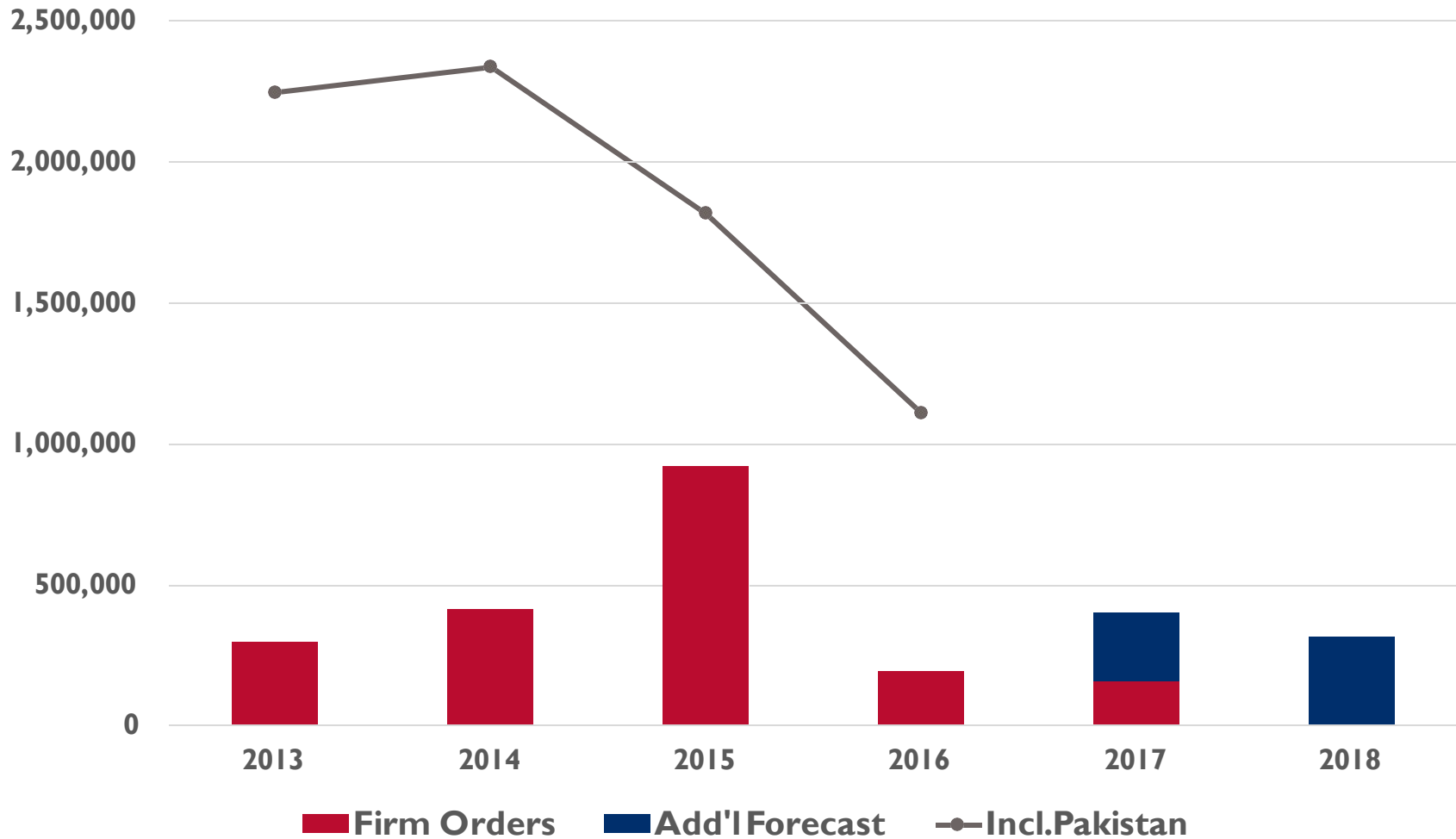
- Copper TCu380A Intrauterine Device- *Source-to-Forecast*

2016 Orders:

- IUDs- **191,200 pieces**

TCu380A IUD: DEMAND FORECAST

DELIVER/GHSC-PSM country orders by requested delivery date



IUDs: FUTURE SOURCING STRATEGY

Sourcing Priorities:

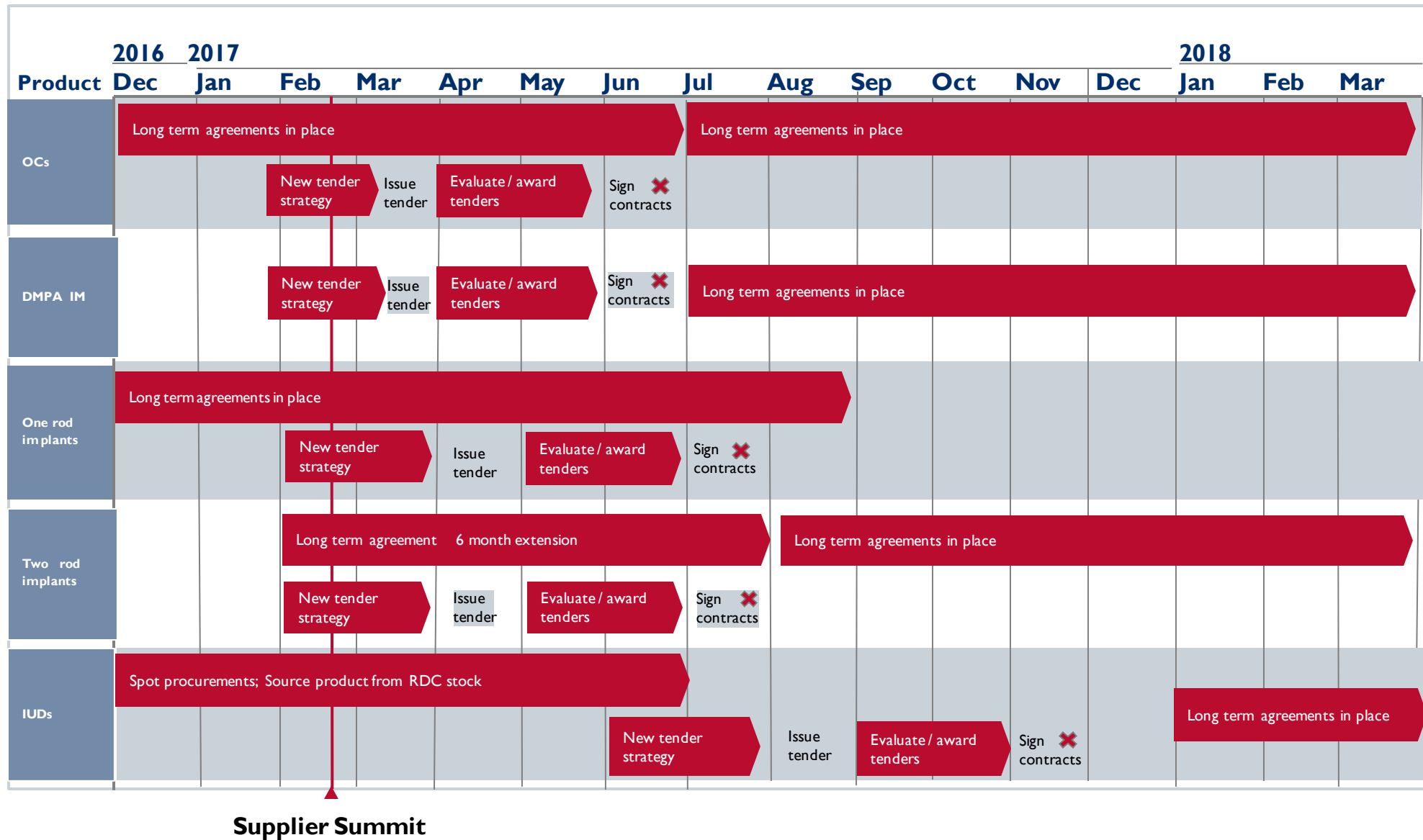
- Ensure affordability of IUDs for USAID missions and programs
- Assess opportunities to include additional IUDs (hormonal & postpartum IUD) in portfolio to ensure adequate method mix
- Explore Vendor Managed Inventory opportunities

Registration Priorities:

High		Medium	Low
Benin	Malawi	Bangladesh	Ethiopia
DRC	Senegal	Cambodia	Ghana
Côte d'Ivoire	South Africa	Madagascar	Nigeria
Guinea	Togo	Mozambique	Tanzania
Haiti	Uganda		
Kenya	Zambia		

PRH SOURCING CALENDAR

For informational purposes only; subject to change



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EVALUATION CRITERIA (AQSCIR-P)

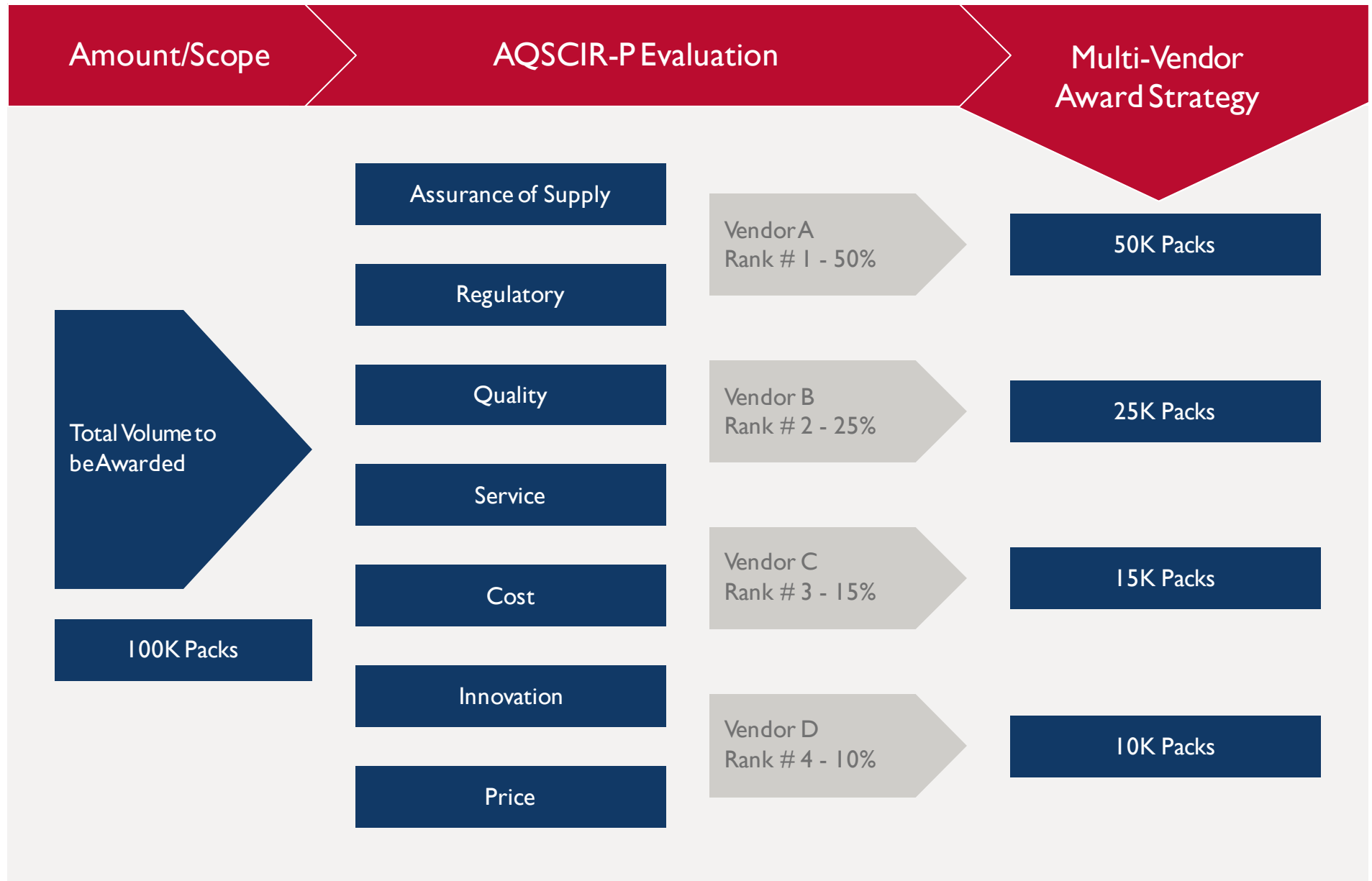
EXAMPLES

Assurance of Supply	<ul style="list-style-type: none">• Production capacity• Quantity in stock (when required)• Past performance
Regulatory	<ul style="list-style-type: none">• Administrative requirements• Registration in country
Quality	<ul style="list-style-type: none">• QA requirements (USFDA,WHO,GHSC-QA)• Shelf life• Stability studies/climatic zone standards
Service	<ul style="list-style-type: none">• Lead time (stock,fresh production)• Customer service• Product Identification
Cost	<ul style="list-style-type: none">• Specific/Unique label language• Unique Distribution requirements
Innovation	<ul style="list-style-type: none">• Serialization• Packaging optimization• New/improved products
Price	<ul style="list-style-type: none">• FCA unit price

Criteria and %
Weights are
Tailored to the
Commodity
and/or Product
and Specific
Sourcing
Strategy

BESTVALUEAWARD STRATEGYTOACHIEVE DESIRED MARKET OUTCOME

GHSC-PSM APPROACH FOR MULTI-VENDORS AWARD



RESOURCES

- [Assessing Misalignments in the Procurement of Contraceptives](#)
- [Family Planning Market Report \(2016\)](#)
- [Reproductive Health Interchange](#)
- [RH Target Market Tool](#)
- [USAID Family Planning and Reproductive Health](#)
- [USAID Family Planning Program Overview](#)
- [USAID Family Planning Priority Countries](#)
- [WHO Prequalification- FPPs & APIs Eligible for Prequalification](#)



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THANK YOU!

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

APPENDIX

GLOBAL COLLABORATION

2017 Conferences

Joint WHO, UNICEF, and UNFPA Meeting	April 3-7, 2017	Copenhagen, Denmark
GSI Healthcare Conference	April 4-6, 2017	Berlin, Germany
Visibility & Analytics Workshop	April 3-6, 2017	Johannesburg, S. Africa
RHSC's Systems Strengthening Working Group (SSWG) Meeting	April 2017	Washington, DC
RHSC Membership Meeting	October 2017	Dakar, Senegal