

# Bottlenecks and Challenges in Procurement Process

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Suppliers Meeting, 20 – 21.10. 2008 Copenhagen

# TOTAL PROCUREMENT (EMN Unit)

	2006	2007	2008*
Nutrition	\$ 23,680,662.65	\$ 37,708,266.39	\$ 53,852,124.31
Pharmaceuticals	\$ 32,077,316.18	\$ 55,857,043.20	\$ 30,493,147.01
<b>TOTAL</b>	<b>\$ 55,757,978.83</b>	<b>\$ 93,565,309.59</b>	<b>\$ 84,345,271.32</b>

*\*until 30 September 2008*

**In 2007:**

**60% PHARMACEUTICALS / 40% NUTRITION**

**In 2008:**

**36% PHARMACEUTICALS / 64% NUTRITION**

# TOTAL PROCUREMENT (EMN Unit)

	2006	2007	2008*
1	<b>Water &amp; electrolytes</b>	<b>β-lactams</b>	<b>Other antibacterials</b>
2	<b>Other antibacterials</b>	<b>Other antibacterials</b>	<b>Minerals &amp; vitamins</b>
3	<b>β-lactams</b>	<b>Water &amp; electrolytes</b>	<b>Water &amp; electrolytes</b>
4	<b>Anthelmintics</b>	<b>Minerals &amp; vitamins</b>	<b>Anthelmintics</b>
5	<b>Minerals &amp; vitamins</b>	<b>Anthelmintics</b>	Antianaemia drugs
6	Antianaemia drugs	Antianaemia drugs	Analg., non opioids
7	Analg., non opioids	Analg., non opioids	Disinf./antiseptics
8	Antivirals	Immunomodulating agents	<b>β-lactams</b>
9	Antiprotozoal	Antivirals	Anaesthetics
10	Disinf./antiseptics	Disinf./antiseptics	Dermatological drugs

*\*until 30 September 2008*

# TOTAL PROCUREMENT (EMN Unit)

	2006	2007	2008*
1	Albendazole 400mg tabs/PAC-100	Amoxicillin 250mg caps/tabs/PAC-1000	Zinc 20mg tablets/PAC-100
2	Mebendazole 500mg tabs/PAC-100	Oral reh.salts,new formula,1Ls/CAR-1000	Micronutrient,film-coated tabs/PAC-1000
3	Sod.lactat.comp.inj 500ml w/g.set/BOX-20	Sulfameth.+trimeth.400+80mg tabs/PAC-120	Mebendazole 500mg tabs/PAC-100
4	Ferr.salt+folic acid 60+0.4mg/tab/PAC-1000	Albendazole 400mg tabs/PAC-100	Sulfameth.+trimeth.400+80mg tabs/PAC-500
5	Sulfameth.+trimeth.400+80mg tabs/PAC-500	Sod.lactat.comp.inj 500ml w/g.set/BOX-20	Ceftriaxone pdr/inj 1g vial/BOX-10
6	Amoxicillin 250mg caps/tabs/PAC-1000	Zinc 20mg tablets/PAC-100	Albendazole 400mg tabs/PAC-100
7	Oral reh.salts,new formula,1Ls/CAR-1000	Fe(as fum.)+folic 60+0.4mg tab/PAC-1000	New formula Oral reh.salts,1Ls/CAR-1000
8	Oseltamivir (Tamiflu) 75mg caps/PAC-10	Micronutrient,film-coated tabs/PAC-1000	Fe(as fum.)+folic 60+0.4mg tab/PAC-1000
9	Micronutrient,film-coated tabs/PAC-1000	Retinol 200,000IU soft gel.caps/PAC-500	Glucose inj 5% 500ml w/giv.set/BOX-20
10	Iodized oil 200mg caps/PAC-1500	Sulfameth.+trimeth.400+80mg tabs/PAC-500	Sod.lact.comp.inj 1000ml w/g.set/BOX-10

# PROCUREMENT BY MATERIAL TYPE

Material Type Dcprt	2006	2007	2008*
<b>Non-standard, non-stock</b>	\$ 2,691,983.92	\$ 13,423,766.09	\$ 4,612,923.52
<b>Standard, non-stock</b>	\$ 1,136,686.97	\$ 1,260,655.01	\$ 476,876.36
<b>Standard, stock</b>	\$ 28,248,645.29	\$ 41,172,622.10	\$ 25,385,603.37
<b>TOTAL</b>	\$ 32,077,316.18	\$ 55,857,043.20	\$ 30,475,403.25

*\*until 30 September 2008*

**75% increase in procurement of Non-standard, non-stock items in 2007 compare to 2006**

# TOP 10 Non-standard Non-stock Items in 2007

Sulfameth.+trimeth.400+80mg tabs/PAC-120	\$1,888,380.00
Pegylated interferon alfa2a 180mcg vial	\$1,272,000.00
Ribavirine 200mg caps/PAC-140	\$1,209,600.00
Pegylated interferon alfa2b 150mcg pen	\$987,840.00
Pegylated interferon alfa2b 120mcg pen	\$917,280.00
Moxifloxacin 400mg vial	\$695,555.00
Fluconazole 100mg caps/PAC-28	\$450,960.00
Sulfameth.+trimeth.400+80mg tab/PAC-1000	\$426,000.00
Amoxici.pdr/oral sus 250mg/5ml/BOT-100ml	\$286,040.50
Clindamycin 150mg/ml 4ml amp	\$268,800.00

# TOP 10 Non-standard Non-stock Items in 2008\*

Alcuronium 5ml/ml 2ml amp/BOX-5	\$277,477.20
Rifampicin/isoniazid/pyrazinamide/ethambutol/PAC-1000	\$262,500.00
Thiamine 50mg tabs/PAC-100	\$206,370.15
Amoxicillin+Clavulanic acid 312mg susp	\$191,800.00
Glibenclamide 5mg tabs/PAC-1000	\$169,884.86
Methadone 10mg/ml oral sol. 150ml bottle	\$146,931.54
Misoprostol 200mcg tabs/PAC-60	\$130,677.21
Vitamin A 10000IU + vitamin D 4000IU sol	\$125,167.19
Cefoperazone/sulbactam 1g/1g vial	\$120,960.00
Norfloxacin 400mg tabs/PAC-10	\$117,843.20

\*until 30 September 2008

# PROCUREMENT BY SO TYPE

SO type	2006	2007	2008*
PROG	\$5,684,884.68	\$5,284,004.91	\$7,951,053.60
PS	\$5,288,911.79	\$13,419,800.87	\$3,862,735.82
WH	\$21,103,519.71	\$37,153,237.42	\$18,679,357.59
Total	\$32,077,316.18	\$55,857,043.20	\$30,493,147.01

*\*until 30 September 2008*

**68% increase in procurement of items for PS customers in 2007 compare to 2006**

# TOP 10 PS CUSTOMERS

	<b>Customer Name</b>	<b>2007</b>
<b>1</b>	<b>MoH Ukraine</b>	<b>\$8,216,458.12</b>
<b>2</b>	<b>MoH Malawi</b>	<b>\$6,358,758.45</b>
<b>3</b>	<b>MoH Yemen</b>	<b>\$498,991.71</b>
<b>4</b>	<b>MoH Bihar India</b>	<b>\$433,641.78</b>
<b>5</b>	<b>MoH Egypt</b>	<b>\$367,950.00</b>
<b>6</b>	<b>CRESAN Madagascar</b>	<b>\$358,595.18</b>
<b>7</b>	<b>MoH Niger</b>	<b>\$224,400.00</b>
<b>8</b>	<b>Myanmar Salt &amp; Marine Chemicals Enterprise</b>	<b>\$216,250.00</b>
<b>9</b>	<b>SDP Ukraine</b>	<b>\$177,172.70</b>
<b>10</b>	<b>MoH Angola</b>	<b>\$119,520.49</b>

# VENDORS

	2006	2007	2008*
TOTAL	\$ 32,077,316.18	\$ 55,857,043.20	\$ 30,493,147.01
Number of Vendors	61	78	72

# TOP 10 VENDORS

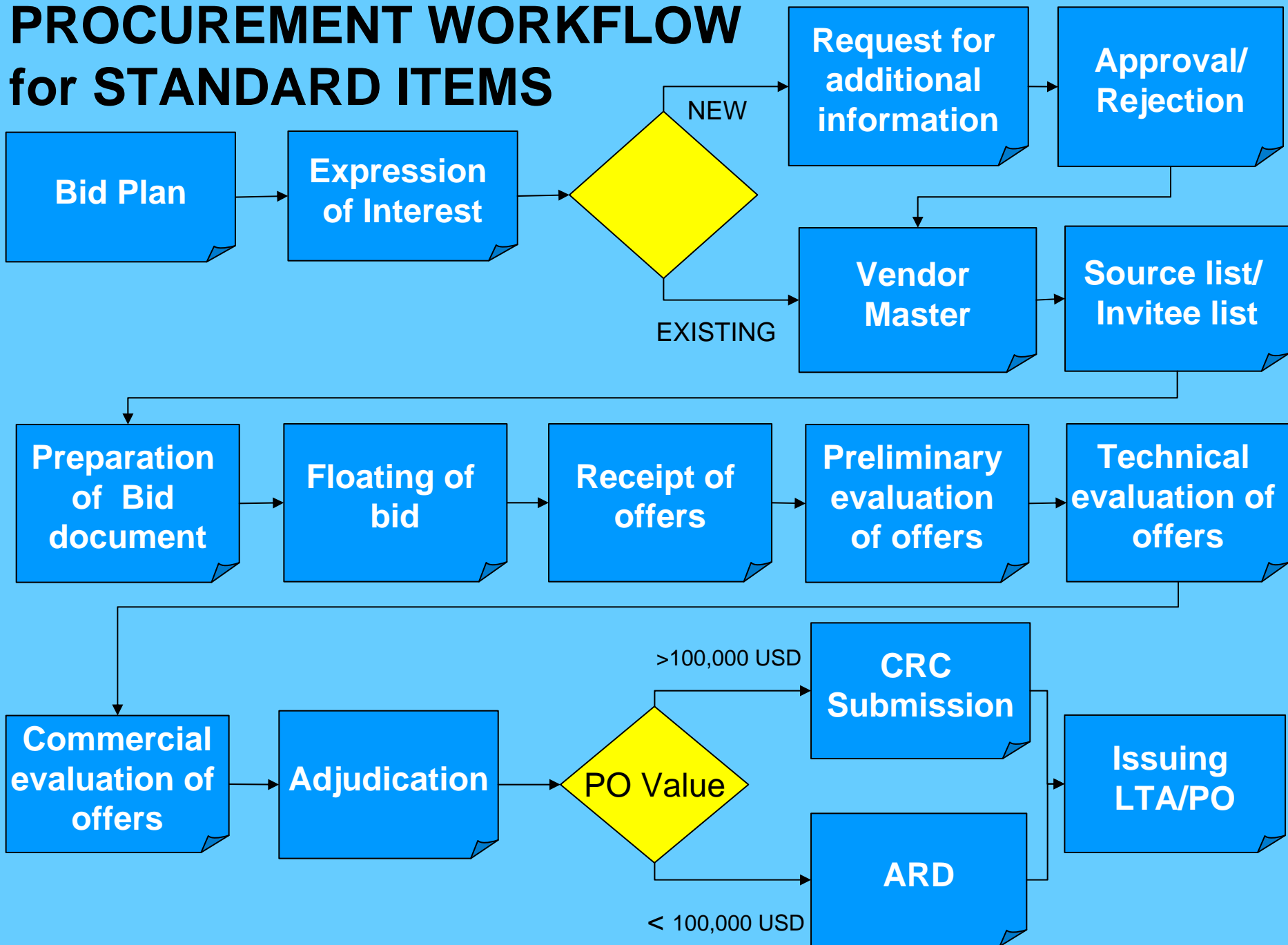
	Vendor Name	2008 procurement	% of total procurement
1	Remedica Ltd.	\$5,101,679.70	17%
2	Lomapharm, Rudolf Lohmann GmbH KG	\$3,408,823.15	11%
3	KBI Kunststoffbeutel Prod. GmbH & C	\$2,358,787.32	8%
4	Missionpharma A/S	\$2,044,312.95	7%
5	Nutriset	\$1,822,989.83	6%
6	Piramal Healthcare Limited	\$1,440,379.16	5%
7	Medreich plc	\$1,307,323.30	4%
8	Panpharma Laboratories	\$1,250,210.73	4%
9	Micro Labs Ltd.	\$1,236,626.88	4%
10	Purna Pharmaceuticals N.V.	\$879,243.05	3%

**Top 10 vendors account for 68.38% of procurement value**

# Deliveries of Pharmaceuticals from Warehouse 2008 (in USD)

Zimbabwe	3,341,768.75
Myanmar	3,189,471.66
DPR Korea North	1,600,334.13
Liberia	1,493,904.40
Congo, Dem. Rep	1,344,710.25
Ethiopia	1,271,399.42
Mali	1,086,722.92
Sudan	1,032,692.92
Afghanistan	889,380.29
Kenya	832,704.41

# PROCUREMENT WORKFLOW for STANDARD ITEMS



Preliminary  
evaluation  
of offers

# Challenges (1)

**SEALED** offers should be sent to:

UNICEF  
Attention: BID SECTION  
UNICEF Plads,  
Freeport,  
DK-2100 Copenhagen,  
Denmark

## IMPORTANT - ESSENTIAL INFORMATION

The reference **ITB-DAN-2008-17468** must be shown on the envelope containing the offer. Offers must be sent separately and must not be included in packages containing samples.

**Bid form and schedule(s)** must be used when replying to this invitation. You are welcome to enclose your own specifications etc., if necessary.

Offers must be received at the above address by **latest 16.00 hours (Copenhagen time) on 09 October 2008** and will be publicly opened at 10:30 (Copenhagen time) on 10 October 2008. Bids received after the stipulated date and time will be invalidated.

**Preliminary  
evaluation  
of offers**

# Challenges (2)

**FAXED** offers should be sent to :

UNICEF

Attention: Bid section

FAX : +45 35 25 02 80 (secured fax)

## **IMPORTANT - ESSENTIAL INFORMATION**

The reference **ITB-DAN-2008-17487** must be shown on the telefax.

**Bid form and schedule(s)** must be used when replying to this invitation. You are welcome to enclose your own specifications etc., if necessary.

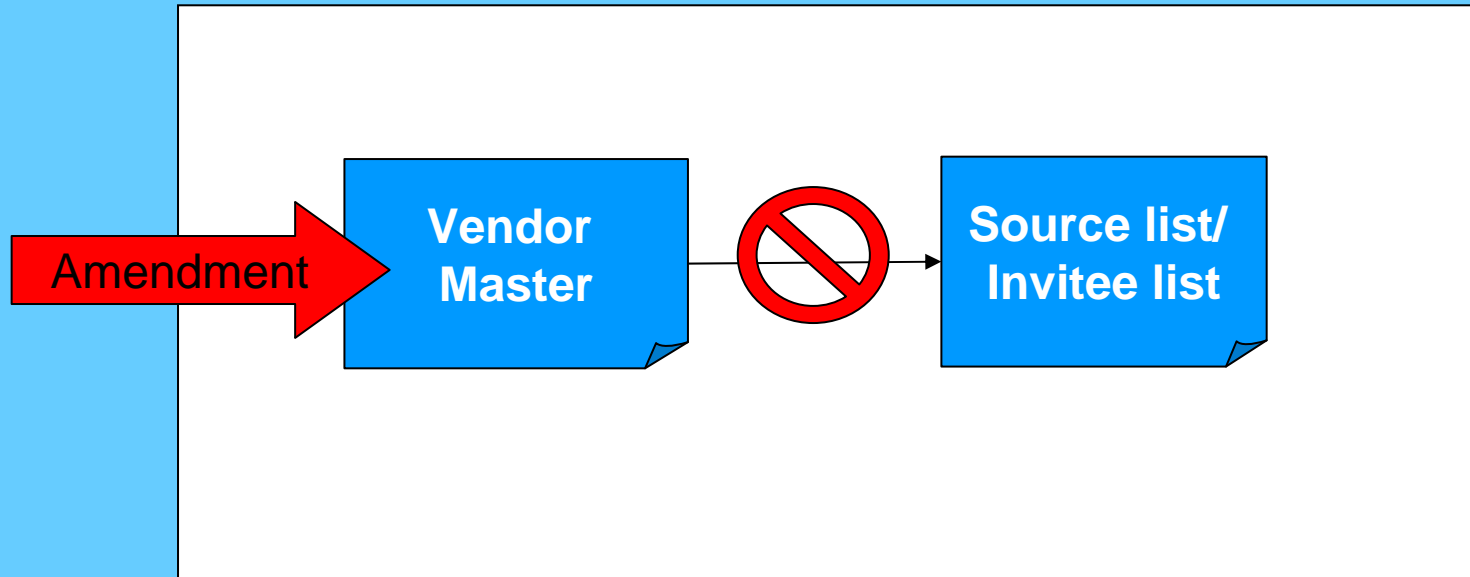
Offers must be received by latest **23:59 hours (Copenhagen time) on 30 October 2008** and will be publicly opened at 10:30 hours (Copenhagen time) on 31 October 2008. Bids received after the stipulated date and time will be invalidated.

Bids must be faxed to fax number **+45 35 25 02 80 ONLY**. Bids faxed to other fax numbers or sent by email will be invalidated, even if received before the stipulated deadline.

Preliminary  
evaluation  
of offers

# Challenges (3)

- If no intention to bid, please inform us



Technical  
evaluation of  
offers

# Challenges (4)

- Invitation to Bid  
(standard warehouse items)
- Pack sizes **MUST**  
be respected

Example:

- Albendazole 400mg  
tabs/PAC-100

- Request for Proposal  
(non-standard items)
- We are seeking  
solution

Example:

- Fluconazole 200mg  
caps 2,000,000 units

## Challenges (5)

- All documents requested must be provided
- COPP only valid
- If inhouse specification is used – copy needs to be provided
- Storage temperature on label needs to reflect stability study
- Declared shelf life must reflect stability study and should be on CoA
- PIL should reflect Product Dossier
- Labelling and PIL in English/French

# Challenges (6)

- Incoterms to be respected (DDU, FCA)
- Validity of the offer should reflect stock availability
- Provide realistic lead time/offered lead time is basis for future PO

# Challenges (7)

- Request for price increase
  - Provide rational justification
  - Provide supporting documents

- ! Bottleneck
  - Request for price increase received at the time of PO

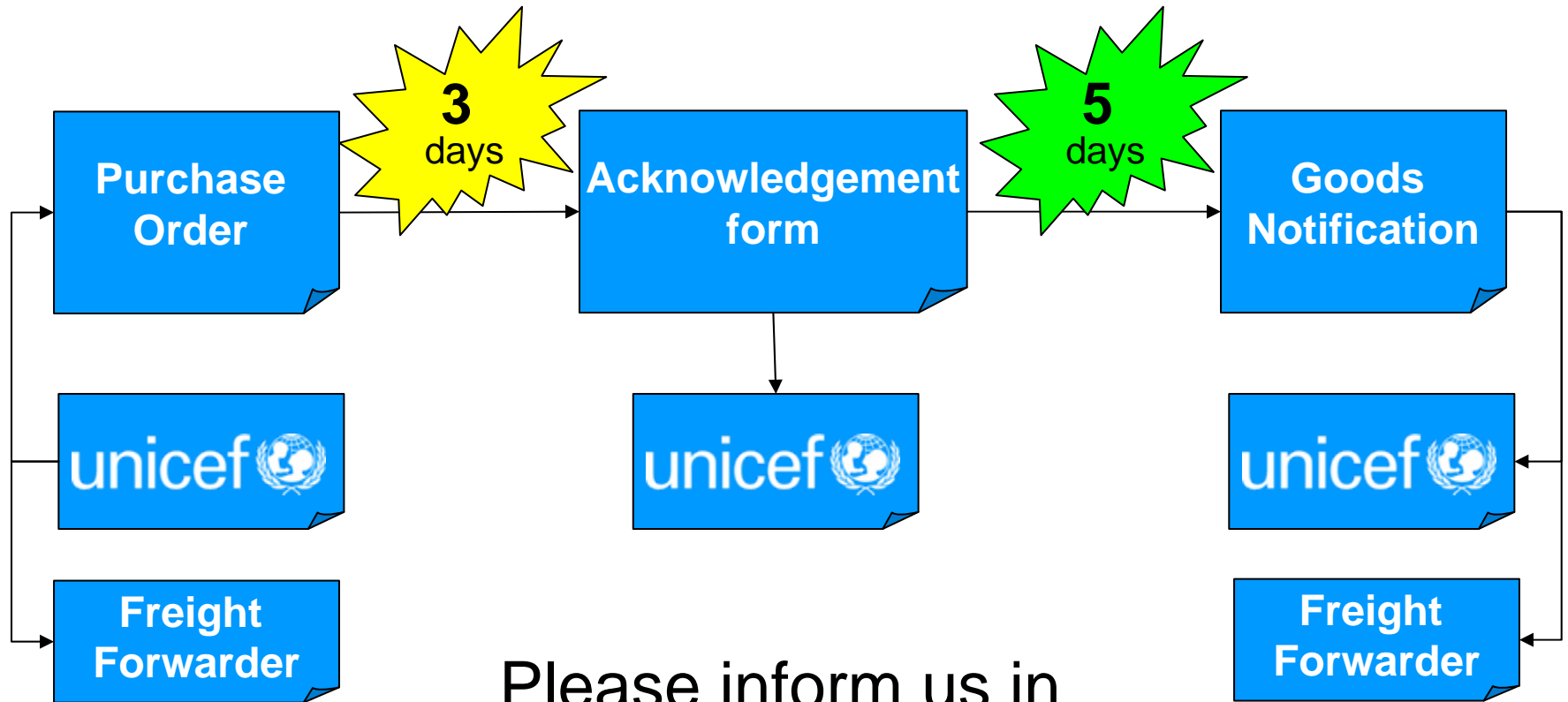
**Purchase  
Order**

# Challenges (8)

- PO is issued to company that submitted the bid
- Payment is done to company that PO was issued to

Purchase Order

# Challenges (9)



Please inform us in advance if delivery date cannot be met