

REVIEW OF OPERATIONS:

Challenges in the Procurement Process

Supplier Meeting, 24 – 26 September 2012, Copenhagen

unite for
children

unicef 

OBJECTIVE

- **Increased efficiency through better understanding of bottlenecks in the procurement process**
- **“Quick Tips” – for immediate use**
- **Challenges**

Tender process - Challenges


- **FAXED versus SEALED bid**
 - use correct fax number / address
 - **Risk of invalidation**
- **DEADLINE** for submission of offer must be adhered to
 - **Risk of invalidation**
- **No Bid (please inform us)**

Tender process - Challenges

- Invitation to Bid – strict specifications, *must* be respected
- Request for Proposal – we are seeking solutions
- Completeness of Bid / Proposal:
 - Technical documentation & samples
 - Products offered, but not available (or vice versa)
 - Regulatory information
 - Submission of dossier to Prequalification
- Discrepancies between offered product and approved dossier
- Packaging, inserts, etc.
- Reliability of lead time → **offered lead time is basis for future PO**
- Validity of offered price

LTA Amendment- Challenges

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

-  **Bottleneck**
 - Request for price increase received at the time of Purchase order

Purchase Order - Challenges

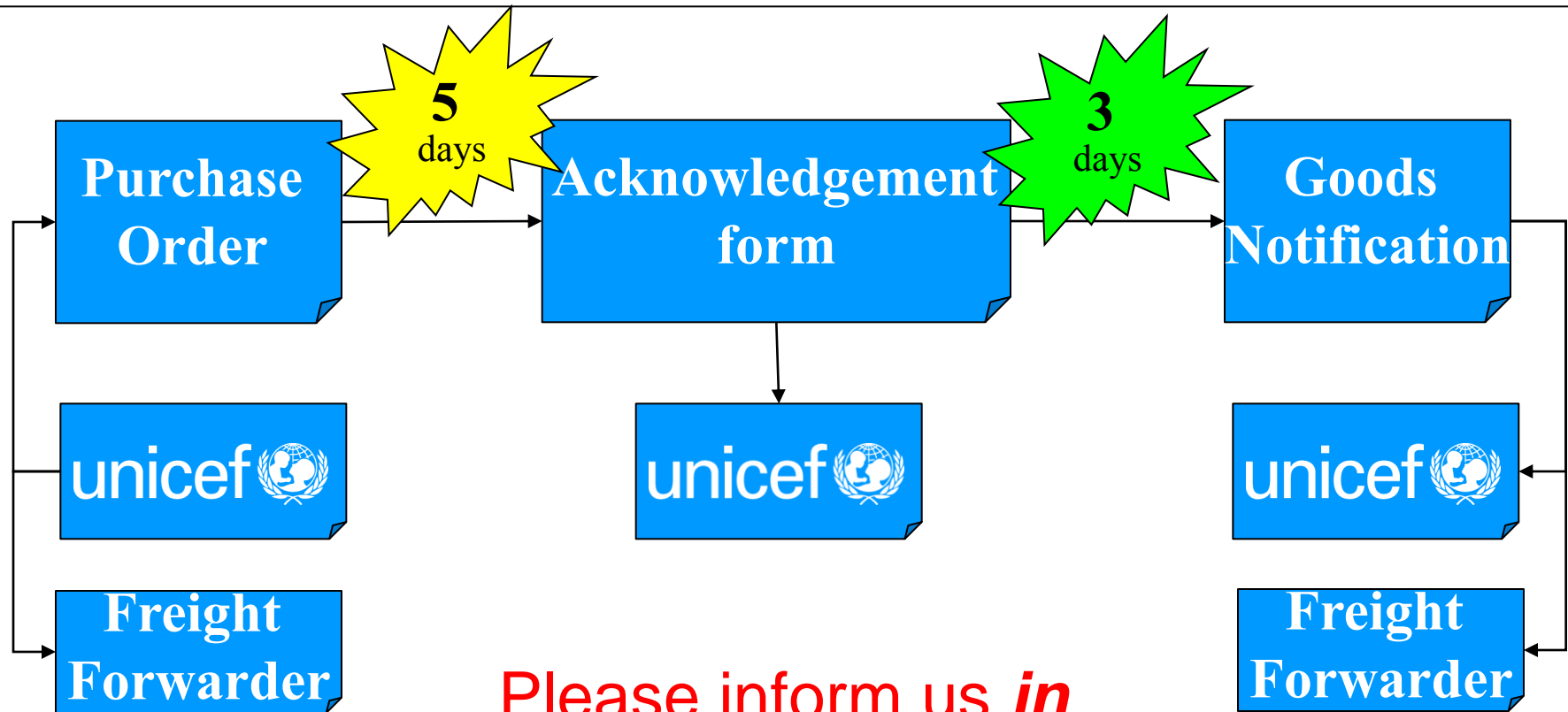
- **Incomplete documentation at delivery**
- **Special instructions: shipping marks, special packaging, etc.**
- **Collaboration with nominated freight forwarder**
- **Notification of goods readiness**
- **Incomplete documentation for payment**
- **Registration**
- **Collaboration for Pre-Delivery Inspection**
- **Production Delays – Advance Communication**
- **Delivery Performance**

Challenge – Performance Measurement

- **Key Performance Indicators (KPIs):**
 - KPI 3 (on-time delivery at field level)
 - KPI 4 (supplier performance)

Agreed Target Arrival date (TAD) constitutes Supply Division commitment to Country Office

Challenge – in the order process

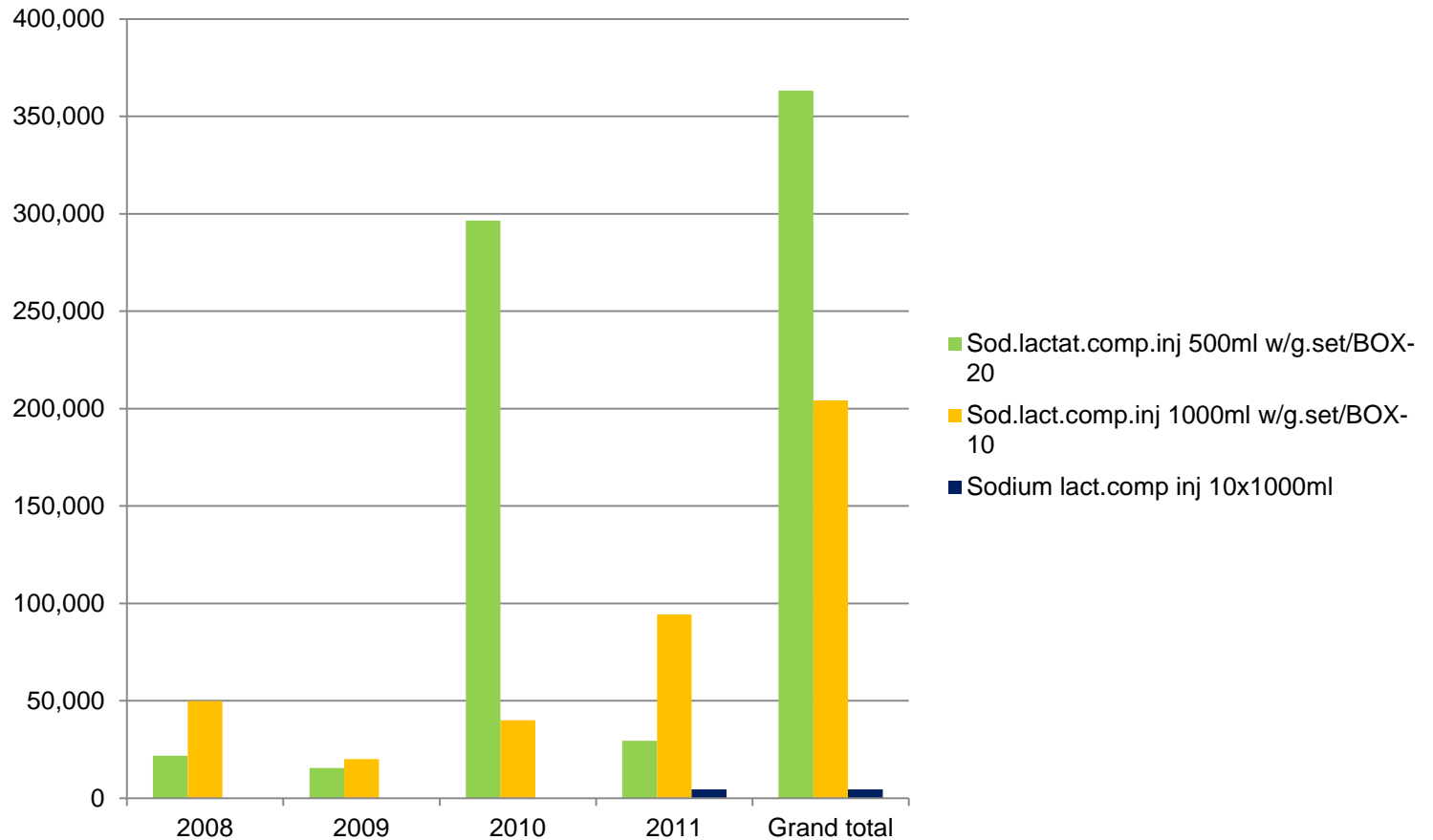


Please inform us *in advance* if delivery date cannot be met

Challenge – Impact of delays

- **Disruption in planning:**
 - **Kit packing (delay if **one** item is missing)**
 - **Programme implementation, e.g. disruption in patient treatment**
- **Insufficient stock levels / stock-out**
- **Response level in Emergencies**
- **Increased cost**
 - **air instead of sea**
 - **buy from other suppliers at higher cost**
- **Negative KPIs which ultimately means **negative impact on end-user****

Challenge – exemplified by procurement of Sod.lact.comp.inj during emergency



Challenge – Increased efficiency

- Attention to ‘simple’ issues, such as correct documentation
- **Communication** is key between UNICEF, supplier and freight forwarder
- Monitoring of vendor performance, especially **lead times** (new UNICEF tool for monitoring: *scorecard*):
 - Feedback
 - Corrective action
- Worth exploring further: Buffer stock; stock of APIs; multiple LTAs for same product; increased capacity; availability of forecasts

We appreciate suppliers’ cooperation in adhering to timelines in order to support UNICEF’s efforts to ensure safe and timely delivery of medicines to countries – at affordable prices

Tender Plans and other useful info at:

<http://www.unicef.org/supply>



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Tender Calendars

This page contains the plans for issuance of tenders by UNICEF SUPPLY DIVISION

Interested [eligible suppliers](#) are encouraged to submit:

- A covering letter expressing their interest in accordance with requirements in each bid plan;
- Relevant information about their company (company profile)

N.B.: Companies interested in participating in any of the listed bidding exercises should be registered with the United Nations Global Marketplace. Visit the following website and follow the instructions to complete your firm's registration: www.ungm.org

- [2012 Tender Calendar - Medical Devices and Laboratory Supplies](#)
- [2012 Tender Calendar - Education Unit](#)
- [2011 Tender Calendar - Nutrition Unit](#)
- [2012 Tender Calendar - Essential Medicines Unit](#)
- [2012-2013 Tender Calendar - Devices and Waste Management Products](#)
- [2012 tender calendar - Cold Chain Equipment](#)
- [2010-2011 Tender Calendar - HIV and Malaria](#)

Thank you

