Issues related to procurement of nutrition products

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Nutrition Unit
Medicines and Nutrition Centre

Nutrition Suppliers Meeting, 11 September 2013, Copenhagen
OUTLINE

• Major developments since the last meeting (2011)
• What do we purchase?
• How do we purchase?
• What challenges we face?
• Tips
Major developments

- Nutrition continues to be on a top of agenda
## Medicine and Nutrition Center Procurement

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUTRITION</td>
<td>23.60</td>
<td>37.32</td>
<td>72.61</td>
<td>45.06</td>
<td>90.37</td>
<td>138.44</td>
<td>111.23</td>
<td>107.36</td>
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<tr>
<td>ESSENTIAL MEDICINES</td>
<td>59.96</td>
<td>56.78</td>
<td>45.03</td>
<td>53.56</td>
<td>83.69</td>
<td>47.10</td>
<td>77.87</td>
<td>41.69</td>
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<tr>
<td>HIV and MALARIA MEDICINES</td>
<td>35.49</td>
<td>99.43</td>
<td>100.05</td>
<td>125.57</td>
<td>122.75</td>
<td>143.80</td>
<td>137.61</td>
<td>93.21</td>
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<tr>
<td>TOTAL</td>
<td>119.05</td>
<td>193.53</td>
<td>217.70</td>
<td>224.19</td>
<td>296.81</td>
<td>329.34</td>
<td>326.70</td>
<td>242.25</td>
</tr>
</tbody>
</table>

* September 2013
Major developments (1)

Nutrition unit, Supply Division:
• Provide products that enable better programme implementation
  ▫ Reduction of pack sizes for F-75, F-100 and Resomal
  ▫ Harmonization of labeling requirements and color coding of products
• Focus on streamlining procurement and supply of strategic products
• Participate at Global Nutrition Cluster
Major developments (2)

• Introduction of VISION (including automatic data exchange with FF)
• Introduction of annual forecast for CMAM
• Establishing Target Value LTAs for RUTF
• Publishing WAP prices for RUTF
• Outsourcing procurement to GAIN Premix Facility
Major developments (3)

- Collaboration with **WFP and MSF** strengthened
- **World Bank** invest into nutrition programmes (Burkina Faso, DR Congo, Gambia, Kenya, Mozambique)
- **National governments** invest in procurement of nutrition products (Kyrgyzstan, Philippines, Turkmenistan, Zambia)
- **USAID/Food for Peace** donation of RUTF
Annual Forecast (1)

- Information on products needed for implementation of CMAM:
  - RUTF
  - F75 and F100
  - Resomal
  - Essential medicines
  - Anthropometric equipment
- Quantities are calculated based on forecasted number of children to be reached
- Reviewed mid-year
- Feedback provided to countries
- Used for bidding and ordering
Annual Forecast (2)

The chart illustrates the forecasted and ordered quantities of RUTF (Ready-to-Use Therapeutic Food) cartons from 2009 to 2013.* The graph shows a significant increase in both forecasted and ordered quantities from 2010 to 2013.*
What do we buy?

- Anthropometric equipment
- Food fortification
- Salt iodization
- Supplementary Food
- Therapeutic Food
- (Minerals and Vitamins)
Procurement figures

- Therapeutic food
- Supplementary food
- Anthropometric equip
- Food fortification
- Food processing equip.
- NUTRITION
- Salt iodization


Amount: 20.00, 40.00, 60.00, 80.00, 100.00, 120.00, 140.00, 160.00
# Potassium iodate

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>N* countries</td>
<td>18</td>
<td>7</td>
<td>12</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

**Quantity of Potassium Iodate in MT Supplied by UNICEF**

![Bar Chart](chart.png)

- **Potassium iodate (MT)**
Anthropometric equipment

- **Height** measurement
- **Weight** measurement
- **Arm circumference** measurement
- Identification
- Nutrition kits
Anthropometric equipment

Mother/child scales

Scales

Spring Scales

Height boards

- Scale, electronic, mother/child, 150kg x 100g
- Scale, physician, adult, metric, 6-160kg
- Scale, infant, clinic, beamtype, 16kg x 10g
- Scale, infant, springtype, 25kg x 100g
- Scale, infant, springtype, 5kg x 25g
- Baby/child L-hgt mea. system/SET-2
Home Fortification

Procurement of MNPs

<table>
<thead>
<tr>
<th>Year</th>
<th>Packs</th>
</tr>
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<tbody>
<tr>
<td>2007</td>
<td>1,000,000</td>
</tr>
<tr>
<td>2008</td>
<td>2,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>3,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>6,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>4,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

Grand Total (quantity monthly doses)
How do we purchase?

• All purchases shall be carried out by means of competitive tenders and UNICEF financial rules and regulations.

• The following products may only be procured through Supply Division. Exceptions may be granted on a case-by-case basis but these must be authorised by Supply Division:
  (h) pharmaceuticals;
  (i) therapeutic food;
  (j) supplementary food;

## Procurement - Nutrition Unit

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<thead>
<tr>
<th></th>
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<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LTAs issued</strong></td>
<td>14</td>
<td>24</td>
<td>18</td>
<td>29</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td><strong>Products purchased</strong></td>
<td>64</td>
<td>57</td>
<td>58</td>
<td>56</td>
<td>62</td>
<td>63</td>
</tr>
<tr>
<td><strong>Vendors</strong></td>
<td>32</td>
<td>33</td>
<td>35</td>
<td>46</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td><strong>Orders issued</strong></td>
<td>589</td>
<td>551</td>
<td>811</td>
<td>715</td>
<td>670</td>
<td>444</td>
</tr>
</tbody>
</table>
How to make products available for children?

- How to assure competition on the market with the limited sources?
- What products?
  - RUTF,
  - Zinc tablets,
  - Micronutrient Powder,
  - Measuring boards
How to make products available for children?(2)

- Do procurement mechanisms used by UNICEF enable market shaping?
- Is there any disadvantage in managing procurement through LTAs?

- Pass/fail criteria
- LTA duration is 24+12 months
How to make products available for children? (3)

- Recommended product
- Product with potential to meet UNICEF requirements
- Failed

<table>
<thead>
<tr>
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<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTA established</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Local purchase</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Product approved, inspection needed</td>
<td>1</td>
<td>failed</td>
</tr>
<tr>
<td>Product has potential to meet requirements</td>
<td>5</td>
<td>1 met, inspection to be scheduled</td>
</tr>
<tr>
<td>Not recommended</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>
Challenges

- Response to large scale emergencies (2011 Horn of Africa, 2012 Sahel)
- Demand for products UNICEF has limited/no experience with (CSB+, rice, maize flour, pulses, oil)
- Emergencies in countries with higher income (Libya, Syria)
Challenges (2)

- Beneficiary expectations increased
- Increased expectations from country offices
- Requirements for import tightened
- Increased interest of media
- Increased interest of industry
- Funding constrains
- Delays in deliveries
- Storage conditions
New developments

- New warehouse
- Roll out of ERP (SAP)
- Supplier performance monitoring
Ways forward

• Continue to look for **products that impact child mortality** and make them available at **affordable price** (improve product specifications, fit-for-purpose, competitive prices)

• **Improve performance** of the supply chain (capacity of suppliers to answer increasing demand; timely deliveries)

• **Decrease transactions**/make LTAs available to country offices
Tips (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.
Tips (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.
Tips (3)

• PO is issued to company that submitted the bid
• Payment is done to company that PO was issued to
• If company changed name – official document must be provided
Tips (4)

• Communicate to SD:
  ▫ Any delay related to delivery time
  ▫ Any delay in goods pick up by freight forwarder
  ▫ Any change to specifications/recipe, raw materials etc.
Tips (5)

- Payment terms: 30 days net, % discount for early payment (20 days, 10 days)
- PO payment terms and Invoice payment terms must match
- Applicable from receipt of invoice at Supply Division
- Certificates of analysis MUST accompany invoice

Bottleneck
- Payment cannot be processed unless ALL supporting documents are not received
Thank you!