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# Assessment of Pilot Project for Private Sector Engagement (PSE) Guidance Document

For the UN Commission on Life-Saving Commodities for Women and  
Children: Recommendation 6 - Supply and Local Markets, Outcome  
3 - Private Sector Engagement

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JSI Research & Training Institute, Inc.

May 2014





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For the UN Commission on Life-Saving  
Commodities for Women and Children:  
Recommendation 6 - Supply and Local Markets,  
Outcome 3 - Private Sector Engagement

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## Table of Contents

Acronyms .....	v
Acknowledgments.....	vii
Project Planning .....	1
Findings .....	3
Pilot Project’s Conclusion.....	8
Recommendations/Feedback .....	9
Appendices	
A. PSE Guidance Document - Chapter 5 “Non-linear Steps for Engaging the Private Sector” Framework .....	11
B. SURE-P Project Workplan – Organized According to the PSE Guidance Document Framework .....	19
C. Meeting Notes – SURE-P and USAID DELIVER PROJECT .....	23



## Acronyms

MCH	maternal and child health
MNCH	maternal, newborn, and child health
PIU	project implementing unit
PPP	public-private partnership
PSE	private sector engagement
RFP	request for proposal
SURE-P	Subsidy Reinvestment and Empowerment Programme of Nigeria
TA	technical assistance
TO	task order





## Acknowledgments

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## Project Planning

The private sector engagement (PSE) guidance document was developed, under the auspices of the UN Commission of Life-Saving Commodities for Women and Children, to provide guidance for public and private sector stakeholders who are interested in engagement, particularly related to health supply chain systems for reproductive, maternal, newborn, and child health commodities. This report will not restate the contents of the PSE guidance document, unless directly applicable to the pilot project.

An interagency collaborative workshop was conducted during the third quarter of the Calendar Year 2013 to outline and prioritize contents for the PSE guidance document. The guidance document was then drafted by VillageReach, with significant and ongoing input from other organizations. As the draft was being developed and refined, an activity to pilot the PSE guidance document was launched. Due to reasons including the limited availability of funds and time, as well as because the PSE guidance document draft was being developed and refined during this same timeframe, it was not feasible to launch a new PSE and step through the individual steps of the framework contained in Chapter 5 of the PSE guidance document (please see *appendix A*) in that approximate sequence. Instead, an existing PSE activity was sought to which the framework could be applied. Please note that, in this report, this framework contained in Chapter 5 of the guidance document will be referred to as the PSE guidance document framework.

The PSE activity selected for piloting the PSE guidance document was a warehousing capacity outsourcing project affiliated with the Subsidy Reinvestment and Empowerment Programme (SURE-P) of Nigeria. SURE-P was established in 2012 by the federal government of Nigeria to ensure the efficient management of funds being accrued from the removal of fuel subsidies. The maternal and child health component of SURE-P (SURE-P MCH) is undertaking a number of interventions geared at reducing maternal and child mortality rates in the country, thereby accelerating the country's progress towards Millennium Development Goals (MDGs) 4 and 5. SURE-P MCH is implemented by the Program Implementing Unit (PIU) under the National Primary Health Care Development Agency (NPHCDA).

The USAID | DELIVER PROJECT TO4 had been providing technical assistance to the PIU to strengthen the health commodity supply chains of the program. Part of this support included an estimation of the commodity requirements of the program, and the design of a logistics system to manage these commodities in order to ensure year round commodity availability. Following the logistics system design, the USAID | DELIVER PROJECT provided technical support to the PIU to estimate the throughput of SURE-P MCH commodities based on the estimated requirements and the inventory control features of the newly designed system, and conduct an assessment of the 6 Zonal NPHCDA dry stores which were to be used to store SURE-P MCH commodities by design. Based on the results of the NPHCDA warehouse assessment conducted earlier in 2013 by USAID|DELIVER PROJECT, the public sector warehousing options (NPHCDA zonal dry stores) did not adequately meet the capacity requirements for the SURE-P MCH project and were not anticipated to satisfy these requirements in the near future.

At the time that the pilot project for the PSE guidance document was launched, PIU staff and USAID|DELIVER PROJECT Task Order (TO) 4 staff based in Abuja, Nigeria were deliberating the use of the

private sector to fully address warehousing needs for maternal, newborn, and child health commodities (MNCH) for SURE-P MCH, as described above.

The specific objectives of the pilot project were the following:

- Assess and organize the tasks already completed and those planned for the near future in the SURE-P MCH project, in accordance with the PSE guidance document framework (please see *appendix B* for workplan)
- Continue executing the planned tasks according to this workplan
- Assess the relevance and usefulness of the PSE guidance document framework

The structure of the workplan was designed to organize the SURE-P MCH project activities in accordance with the PSE guidance document framework. And this report uses the same PSE guidance document framework as the structure for documenting the project's execution and its primary findings.

## Findings

The PSE guidance document framework contains three primary sections: (A) Preparations and Selection for Potential PSE; (B) Stakeholder Landscaping; and (C) Engagement Preparation. Following these sections, the framework identifies relevant PSE project component activities or tasks that are recommended, based on whether the PSE project is primarily in the form of a Dialogue, Interaction, or Agreement.

A. Preparations and Selection for Potential PSE			
Non-linear steps	Time frame	Inputs or Tools	Outputs
<b>1. Key personnel to conduct due diligence on PSE and how to develop successful partnerships.</b>	This step should take 2 weeks but may take up to 4 depending on time constraints	PSE guidance document; All “Developing Partnerships” tools; All “Disease-Specific Programs with Private Health Sector” templates	Key personnel is well-informed about PSE

### Findings related to Part A-Step 1:

Various managers employed by JSI in Abuja and in Arlington, in coordination with SURE-P MCH staff, conducted due diligence on the SURE-P MCH project. This step required about 4 weeks. Other steps in the framework were conducted concurrently. Multiple tools were used in considering the SURE-P MCH project and the potential for private sector engagement. These tools included:

- PSE guidance document (specifically Chapter 5)
- Federal Ministry of Health, Country Implementation Plan for UN Commission of Life-Saving Commodities for Women and Children, August 2013
- Olawale Durosinmi-Etti’s Technical Assistance Record from the meeting on the UN Commission held in Senegal July 1-7 2013
- Mike Healy’s & Julia Bem’s “Nigeria: SURE-P MCH Warehouse Assessment Report”, October 2013
- Discussion notes and emails between key personnel

<b>2. Define problem and key objective, and scope out potential project and solutions</b>	This step should take 2-4 weeks	Business case including baseline of current operations performance and needs; rapid diagnostic of the PSE (examples included in “Private Health Sector Assessments”); literature review	A decision on whether or not PSE is the best option for this prioritized problem - if so, proceed with the intervention of landscaping
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Findings related to Part A-Step 2:

Please see *appendix B* for the workplan. This workplan addresses the overall issues, objective, and potential project solutions. The process for establishing this, with agreement among various stakeholders, required about 4 weeks. As mentioned previously, steps in the framework were sometimes conducted concurrently when that seemed most efficient and effective.

<b>3. Hold a public-private dialogue (PPD) meeting to discuss identified opportunity, constraints and actions to address barriers; may discuss most appropriate contracting approach for the project scope and objectives</b>	Actual meeting should be no longer than one day, but preparation and time for RSVP may take 2-4 weeks	Questions/thoughts from PSE guidance document (Things to Consider on page 31); "Templates for a Technical Meeting on Market Analysis and Future Strategies"
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Findings related to Part A-Step 3:

This precise type of public-private dialogue meeting was not held. However, multiple meetings were held between JSI and SURE-P MCH. Please see *appendix C* for the notes from a significant, related meeting held in November 2013.

<b>4. Decide if PSE is best option</b>	This may take consensus-building, so timeframes will vary	Supply chain costing tools to provide basis for cost-benefit analysis: "Supply Chain Costing Tool/Manual", "Guide to Public Health Supply Chain Costing", "Supply Chain Compass"; Informal discussions with stakeholders
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Findings related to Part A-Step 4:

Key SURE-P MCH PIU and JSI personnel were responsible for this, and the time required was approximately four weeks. For related details, please refer to *appendix C*, which lists several action items tasked to JSI and SURE-P for this project.

B. Stakeholder Landscaping			
Non-linear steps	Time frame	Inputs or Tools	Outputs
<b>1. Identify potential partners and stakeholders who would be interested in PSE</b>	This step should take 2-4 weeks	Results of a public-private dialogue meeting; networking and professional contacts	Landscape analysis identifying key stakeholders, level of interest, and approach for engagement; PSE may actually happen through a third party rather than directly with the private sector – this is the time to decide this and identify such an unbiased and trusted party

#### Findings related to Part B-Step 1:

The public sector partner in this PSE activity was SURE-P MCH. SURE-P initially sought alternatives to resolve the capacity challenges of the zonal warehouses, after completion of the SURE-P MCH warehouse assessment. A central warehouse model was proposed during the system validation workshop, and this was agreed to by SURE-P MCH at that point. Multiple formal and informal interactions took place between JSI and the technical team of SURE-P MCH, including a system validation workshop for the adoption of a central warehouse model (utilizing private sector capacity). Multiple action items were agreed to and completed by SURE-P MCH and JSI staff, in support of this PSE activity. For example, a job description was drafted for a managerial role to supervise this model.

The pilot project did not advance to the point of firmly considering specific private sector partners who would be responsible for providing private sector warehousing capacity.

C. Engagement Preparation Identifying needs, collect information, define type of engagement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
<b>1. Identify the competencies necessary and available to manage PSE and appoint a focal point</b>	Actual activity time should take 1-2 weeks, but will depend on how well PSE is already defined within MOH	Understand principles of project management and leadership...	Internal competencies identified and mapped out into document; PSE focal point is identified based on this (MOH plus "trusted advisors")	Consider engaging a 'PPP Advisor' as a trusted third-party. An established PSE Unit within the MOH could be established, depending on the level of engagement expected

Findings related to Part C-Step 1:

The focal persons identified were basically those individuals who had also led the due diligence process in Part A-Step 1, although there was no specific document mapping the technical competencies of these individuals. This Part C-Step 1 was considered to require less than one week. Key capacity that was utilized included technical assistance from a PATH consultant, the USAID | DELIVER PROJECT Abuja-based Operations Team, and the technical/Procurement unit of SURE-P. The PATH consultant had been engaged to provide technical assistance for ten states and the SURE-P MCH program to build capacity of procurement personnel in implementing framework contracts for the procurement of health commodities.

<b>2. Collect information and asking the right questions.</b>	This could take a while, but would recommend not much more than a month	Rapid assessment of problem or pre-feasibility assessment	PSE team is well-informed and understands barriers in supply chain that PSE can address	These should also be linked to the barriers within the functions of a supply chain
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Feedback related to Part C-Step 2:

Formal and informal feedback was received from the supply and procurement teams of the PIU over a period of about four weeks. The supply chain barriers that would have been addressed through this PSE would be the unavailability of adequate warehouse space for the SURE-P MCH commodities and the potential results of this inadequate storage space. The PSE would address this through the leasing of a central private warehouse space by SURE-P MCH. This step in the framework was conducted concurrently to other steps.

<b>3. Defining the type of engagement into one of the three areas (while recognizing it may be a progression over time): interaction (P1), dialogue (P2), or agreement (P3) - this is explained more below</b>	This will involve other stakeholders but actual activity shouldn't take more than 2 weeks	"Risk Management for Public Health Supply Chains"	PSE team has a defined type of engagement (P1-P3) and ready to announce to the private sector
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Feedback related to Part C-Step 3: This project would have involved an agreement (P3), as is discussed in this report.



<b>4. Develop action plan</b>	This can be done in conjunction with the above step of defining the engagement	“Emerging Trends in Supply Chain Management”, “Building Support for Public Private Partnerships for Health Service Delivery in Africa”, Workplan template	PSE team has clear SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) action plan for PSE
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#### Feedback related to Part C-Step 4:

Please refer to the workplan in *appendix B*. This workplan was constructed over the course of two days. It was subsequently reviewed by JSI managers and edited, when appropriate. It was agreed that USAID|DELIVER PROJECT would now provide technical assistance in preparing the request for proposal and/or bidding documents that would be needed to arrange the leasing of warehouse space and related services for the commodities to be procured by SURE-P MCH. USAID|DELIVER PROJECT would also draft a scope of work for leasing the warehouse space, including the requirements related to storage conditions, warehouse security, warehouse management services, and product distribution.

P3: Agreement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
<b>RFP Process</b>				
<b>1. Understand procurement procedures and identify who needs to be involved</b>	This should involve a meeting with procurement but may take longer to schedule, typically 1-2 weeks total time	Internal MOH/country procurement documents	PSE team understands how to procure PSE services for this specific engagement	Procurement procedures are different in every country and should be understood - this will involve liaising with the MOH procurement department and potentially MOF

#### Findings related to P3-Step 1:

On a related note, USAID|DELIVER PROJECT organized a workshop on the use of framework contracts in Ekiti State. SURE-P MCH participated in this workshop. The workshop’s objective was to improve the technical ability of SURE-P MCH to assemble standard bidding documents (SBDs)/RFPs. The development of TORs was also discussed. This workshop was for three days. Inputs or tools utilized included: sample SBDs from Enugu State, as well as from Uganda and Tanzania; draft template for the preparation of SBDs/RFPs; draft template for the preparation of TORs; technical expertise from the PATH consultant; and the USAID|DELIVER PROJECT’s Procurement Team. At the conclusion of the workshop, participants understood how to use framework contracting to develop their SBDs/RFPs.

As mentioned earlier, it was agreed that USAID|DELIVER PROJECT would provide technical assistance in preparing the request for proposal and/or bidding documents that would be needed to arrange the leasing of warehouse space and related services for the commodities to be procured by SURE-P. USAID|DELIVER PROJECT would also draft a scope of work for leasing the warehouse space, including

the requirements related to storage conditions, warehouse security, warehouse management services, and product distribution.

### **Pilot Project's Conclusion**

In January 2014, this pilot project was ended by a clarification that special approvals will need to be obtained in order to store Government owned commodities in a private warehouse space and wherewithal to obtain these special approval was not currently available. This result illustrates the critical need for significant, ongoing political will in order to successfully implement PSE activities.

## Recommendations/Feedback

Recommendations and/or feedback on the PSE guidance document are offered below in support of: (1) refinement of the guidance document during Phase II activities; (2) implementation of the guidance document during Phase II; and (3) implementation of the guidance document, beyond Phase II, in a manner driven by countries' ministries, rather than by TA providers.

### Organization and content of the PSE guidance document and framework (Chapter 5)

- The team piloting the PSE guidance document focused on the PSE guidance framework, which is in Chapter 5 of the guidance document. It may be helpful to organize the overall PSE guidance document in such a way as to draw greater attention to this framework. Perhaps, some of the earlier chapters of the document could be converted to appendices, which could be referred to when additional information is needed by the reader in areas such as the benefits or potential applications of PSE.
- While the authors state in Chapter 5 that the steps in the framework are non-linear, they may want to also emphasize that steps may be taken concurrently, when appropriate.
- Some of the steps included in Parts A, B, and C of the framework are primarily relevant for PSEs that are in the form of agreements and would not be practical or even necessary for some PSEs that are in the form of interactions or dialogues. To address this, perhaps Parts A, B, and C could be customized to fit within the following three sections of the framework, P1, P2, and P3, since these sections are tailored to the different types of PSE. Or, perhaps, the authors could clearly state within Parts A, B, and C which steps are meant for which types of PSE activities.
- The first step of the framework indicates that due diligence on PSE generally (not on a particular PSE project) be conducted. It may be the performance of due diligence for a particular PSE opportunity that could be recommended in the framework, rather than due diligence on PSE in general.

### In-country piloting/implementing of the PSE guidance document

- USAID|DELIVER PROJECT is a provider of technical assistance (TA). PSE projects are, however, primarily agreed to and undertaken between public sector and private sector entities. TA providers supply support, expertise, manpower, oversight, etc. – whatever is needed and requested, typically by the public sector entity. The TA provider is not in a position to mandate that the public sector entity, or even suitable private sector entities, agree to implement private sector engagement activities for a particular project, or that they make use of a particular guidance document. – The implementation of the PSE guidance document needs to be the responsibility of the public sector entity, rather than of a TA provider; it is vital that the public sector entity understand the benefits, challenges, risks, and opportunities of PSE. The TA provider, due to prior PSE experience, hopefully already understands these aspects of PSE. Also, if a particular PSE activity is evolving, the PSE guidance document may be shared and

implemented through the private sector entity, to provide value and to support them in their activity.

- An efficient and effective way in which to implement the PSE guidance document in the future may be through alignment with country workplans for the UN Commission of Life-Saving Commodities for Women and Children. If certain workplan activities require active, organized engagement with the private sector, these may be opportunities for PSE guidance document implementation. Also, the agreement and support of the individuals in these countries who serve as the point persons with the public sector for the Commission should be received. These point persons should be actively engaged in the implementation of the guidance so that it is the public sector entity that is actually implementing the PSE guidance, and not a TA provider.
- International partners and donors who are financially supporting countries' workplans for the Commission, or specific activities within these workplans, are in a position to use their leverage to strongly encourage or even require the use of PSE, and indeed the use of the PSE guidance document, within a country's workplan implementation.

## Appendix A

### PSE Guidance Document - Chapter 5 “Non-linear Steps for Engaging the Private Sector” Framework

A. Preparations and Selection for Potential PSE			
Non-linear steps	Time frame	Inputs or Tools	Outputs
1. Key personnel to conduct due diligence on PSE and how to develop successful partnerships.	This step should take 2 weeks but may take up to 4 depending on time constraints	PSE guidance document; All “Developing Partnerships” tools; All “Disease-Specific Programs with Private Health Sector” templates	Key personnel is well-informed about PSE
2. Define problem and key objective, and scope out potential project and solutions	This step should take 2-4 weeks	Business case including baseline of current operations performance and needs; rapid diagnostic of the PSE (examples included in “Private Health Sector Assessments”); literature review	A decision on whether or not PSE is the best option for this prioritized problem - if so, proceed with the intervention of landscaping
3. Hold a public-private dialogue (PPD) meeting to discuss identified opportunity, constraints and actions to address barriers; may discuss most appropriate contracting approach for the project scope and objectives	Actual meeting should be no longer than one day, but preparation and time for RSVP may take 2-4 weeks	Questions/thoughts from PSE guidance document (Things to Consider on page 31); “Templates for a Technical Meeting on Market Analysis and Future Strategies”	
4. Decide if PSE is best option	This may take consensus-building, so timeframes will vary	Supply chain costing tools to provide basis for cost-benefit analysis: “Supply Chain Costing Tool/Manual”, “Guide to Public Health Supply Chain Costing”, “Supply Chain Compass”; Informal discussions with stakeholders	
<b>Comments:</b> Based on your objectives and the functions of a supply chain, what are the key problems that could be addressed by PSE? What private sector entities are available to address this objective? This step is the foundation for a PSE. Use the barriers to the functions of the supply chain to help clearly identify the problem. PSE will not be the answer for every single activity or issue, and PSE is not one-size-fits-all. The next section covers what other stakeholders should be involved in the initial and future conversations, but remember, these are non-linear steps so all of A-C are preparatory for the actual PSE.			

B. Stakeholder Landscaping			
Non-linear steps	Time frame	Inputs or Tools	Outputs
<b>1. Identify potential partners and stakeholders who would be interested in PSE</b>	This step should take 2-4 weeks	Results of a public-private dialogue meeting; networking and professional contacts	Landscape analysis identifying key stakeholders, level of interest, and approach for engagement; PSE may actually happen through a third party rather than directly with the private sector – this is the time to decide this and identify such an unbiased and trusted party
<b>Comments:</b> This process consideration involves stakeholder mapping to understand all options and acknowledging capacity of people who will be involved in PSE to ensure success.			

C. Engagement Preparation Identifying needs, collect information, define type of engagement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
<b>1. Identify the competencies necessary and available to manage PSE and appoint a focal point</b>	Actual activity time should take 1-2 weeks, but will depend on how well PSE is already defined within MOH	Understand principles of project management and leadership; IFC/ World Bank/SHOPS have done a lot of work on this effort in terms of setting up PPP units and identifying appropriate individuals to serve in this capacity	Internal competencies identified and mapped out into document; PSE focal point is identified based on this (MOH plus "trusted advisors")	Consider engaging a 'PPP Advisor' as a trusted third-party. An established PSE Unit within the MOH could be established, depending on the level of engagement expected
<b>2. Collect information and asking the right questions.</b>	This could take a while, but would recommend not much more than a month	Rapid assessment of problem or pre-feasibility assessment	PSE team is well-informed and understands barriers in supply chain that PSE can address	These should also be linked to the barriers within the functions of a supply chain
<b>3. Defining the type of engagement into</b>	This will involve other stakeholders but actual activity	"Risk Management for Public Health Supply Chains"	PSE team has a defined type of engagement (P1-P3)	Depending on the type of services, could use a MOU (typically faster to produce) or

C. Engagement Preparation Identifying needs, collect information, define type of engagement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
one of the three areas (while recognizing it may be a progression over time): interaction (P1), dialogue (P2), or agreement (P3) - this is explained more below	shouldn't take more than 2 weeks		and ready to announce to the private sector	a more extensive contract (typically longer time to prepare). Must consider risks; could also consider non-disclosure/ confidentiality agreements, and Term Sheets to establish format of the partnership; Consider the type of contract needed, legal and financial risks, the level at which you will need something in writing and negotiation strategies; outline the PSE Requirements—the basic or core tasks and activities we want the private sector to conduct under the proposed project?
<b>4. Develop action plan</b>	This can be done in conjunction with the above step of defining the engagement	“Emerging Trends in Supply Chain Management”, “Building Support for Public Private Partnerships for Health Service Delivery in Africa”, Workplan template	PSE team has clear SMART ( <b>S</b> pecific, <b>M</b> easurable, <b>A</b> chievable, <b>R</b> elevant, and <b>T</b> ime-bound) action plan for PSE	This should be done by stakeholder group (gov't, private sector, third party organizations, donors) and should also include an estimated costing/ suggested financing mechanisms

P1: Interaction				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
<b>1. Interaction with private sector</b> - communication of information specific to the proposed PSE to assist both parties	Depends on exact nature of interaction, typically 1-2 weeks	"The Partnering Toolkit"	Both parties have shared information with each other that is helpful to achieving each party's goals for the PSE. Contributions are well-documented and shared between parties afterwards.	These could include government and industry meetings, working groups, or preliminary procurement announcements.
P2: Dialogue				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
<b>2. Dialogue with private sector</b> - cooperation around issue of mutual interest	Depends on exact nature of interaction, typically 2-4 months	"The Partnering Toolkit"	Both parties have cooperated to achieve a common goal in a mutual area of interest. Contributions are well-documented and shared between parties afterwards.	Examples would include projects through a company's CSR department, training for workers, a volunteer program (i.e., Pfizer or GSK)



P3: Agreement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
RFP Process				
<b>1. Understand procurement procedures and identify who needs to be involved</b>	This should involve a meeting with procurement but may take longer to schedule, typically 1-2 weeks total time	Internal MOH/country procurement documents	PSE team understands how to procure PSE services for this specific engagement	Procurement procedures are different in every country and should be understood - this will involve liaising with the MOH procurement department and potentially MOF
<b>2. Input into procurement department's terms of reference (TORs) for request for proposals (RFP) including evaluation criteria and proposed KPIs</b>	This should involve a meeting with procurement but may take longer to schedule, typically 2-4 weeks	TOR example: "Terms of Reference for Partnership Agreements, Bangladesh Urban Primary Health Care Project"; RFP prepared by procurement department but examples include "International Contractual Alliance", "International Distribution of Goods", "International Supply of Services", "Developing Bidding Documents and Inviting Offers", "Template Request for Proposal Fixed Price Goods or Services"; examples of KPIs based on different types of PSE	TORs for RFP are clearly explained for services desired	It is important that the TORs for the RFP are very clear and state certain parameters for the service provider to ensure the best-suited providers bid; this should include selection criteria and KPIs. It is also important to identify the individuals who are going to design the specific terms for this particular kind of engagement and the technical inputs and reviews.
<b>3. Define and publish process</b>	Many timelines will be set through procurement procedures	Templates for publication of process	Published process	This should include the procurement department
<b>4. Host bidders' meeting</b> to answer questions and meet the companies all together for fair and equal dissemination of information	Actual meeting should be no longer than one day, but preparation and time for RSVP may take 2-4 weeks	Templates for invitation letters	Bidders are well-informed of services requested and able to ask questions in a fair manner	This should include the procurement department

P3: Agreement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
<b>5. Manage questions, feedback, etc., during submission period</b>	2 weeks to 2 months, depending on process and scope. May be different for partnerships, finance or outsourcing	Bidding guidelines and procurement regulations	Bidders are well-informed of services requested and able to ask questions in a fair manner	Questions should be logged and acknowledged as they are received.
<b>6. Receive proposals</b> from private sector organization	Private sector organizations should be given sufficient time to respond. Typically 1-2 months depending on the complexity of the PSE	Bidding guidelines and procurement regulations	Government receives sufficient number of quality proposals for a fair competition	Proposals should be logged and acknowledged as they are received.
<b>7. Review and evaluate proposals</b> to evaluate them and select the preferred bidder(s)	Depends on the complexity of the PSE and number of proposals. Typically 2-4 weeks. There may be follow-up questions, clarifications and supplier meetings	Evaluation criteria	Preferred providers are identified	Reviewers should have consistent criteria and scoring rules for the review to ensure a fair comparison of proposals.
Contract Negotiations and Award				
<b>1. Award notice letter</b> sent to the awarded party				
<b>2. Term sheet</b> to be sent to the awarded party				
<b>3. Prepare and submit an MOU/contract for partner.</b> In addition, a Scope of Work can be submitted to show the costed breakdowns of our modules and expected timelines. M&E plan should also be included.	This will need to be signed off by multiple parties and maybe ministries so allow 4 weeks to 4 months	"Performance-Based Contracting of Health Services in Developing Countries"; "Example MOU for Ministry of Health and PSE", "Office of Innovation and Development Alliances/USAID", "Emerging Trends in Supply Chain Management"	Contract is submitted to service provider for signing	Contract should clearly state responsibilities of each party, along with parameters for acceptable performance, plus other standard clauses such as confidentiality, indemnity, etc.
<b>4. Communication of award to stakeholders</b>	Actual activity time should be 1 day maximum	Templates for notice letters	Stakeholders are well-informed of awardee	This can be done in a meeting or else by written communication

P3: Agreement				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
Program implementation				
<b>1. Review operational activities</b> such as SOPs, TORs, JDs, governance, etc.	Depending on scope of work, this could take between 2 weeks and 3 months	“Emerging Trends in Supply Chain Management”, “Building Support for Public Private Partnerships for Health Service Delivery in Africa”, SOPs, TORs, JDs, governance, implementation plan, etc.	Implementation of project or program begins under the direction of mutually-agreed upon plans and documents	Implementation is the responsibility of both parties, ensuring the expectations set out in the contracts are executed appropriately. There may need to be some flexibility allowed during this period as both parties work together for the first time and the operational aspects of the engagement may need to change due to changing environments, etc.
<b>2. Input into implementation plan</b>	No more than 1-2 weeks			

Contract/Supplier Performance Plan and Review				
1. Put in place a plan to monitor and review contract / supplier performance on a periodic basis	Plan should take no more than 1-2 weeks and review should happen quarterly or each six months	Examples of contract / supplier performance plans used by others; "Measuring Supply Chain Performance", "Procurement Performance Indicators Guide"	Contractual agreement is regularly reviewed against agreed-upon KPIs	The performance should be reviewed against agreed-upon KPIs and other items within the contractual agreement; feedback from other stakeholders may be helpful; review best done face-to-face and data to back up performance review is advisable
D. Monitoring & Evaluation				
Non-linear steps	Time frame	Inputs or Tools	Outputs	Comments
1. Create M&E plan to help the MOH track success.	One to two weeks to review key metrics; the frequency of sharing experiences can be determined but should take less than one day or so	"Measuring Supply Chain Performance", "Procurement Performance Indicators Guide", Reports, review of SOPs, contracts, procurement documents, examples of M&E plans used by others	Identification of lagging performance on either side; a corrective action plan to improve performance.	M&E Planning should start early as the project scope is being formed. Effective M&E should be a joint responsibility of the government and the private sector partner, which requires pre-planning and negotiation before any formal agreements are made.
2. Implement M&E activities for proper comparison				

## Appendix B

### SURE-P Project Workplan – Organized According to the PSE Guidance Document Framework

Engaging Private Sector Partners to Ensure Sufficient Warehousing Capacities for MNCH Products Managed by SURE-P						
Strategic Intervention / Steps		Proposed activity	Proposed Timeline	Responsible	Status/Comments/Key Questions	Answers to key questions
<b>Project Selection</b>						
Define problem and scope out potential project					Complete. An assessment conducted in Nov.2013 defined the problem and identified PSE as a potential option	
Hold or facilitate a public-private dialogue meeting					Any discussions with private sector partners, even informal?	None Yet
Identify PSE as a potential option: <i>Advocacy visit to SURE P on the need to engage private sector warehouses.</i>		1 hour meeting to discuss the need for engagement of private sector WH		USAID   DELIVER PROJECT	Complete	
<b>Engagement preparation: identify needs, collect information, define the engagement</b>						
Identify resources needed and available for PSE	Facilitate the construct of a PSE team / Identify a key person at SURE-P to lead the PSE process	Meeting with SURE-P to discuss the plan for involving PSE and identify the resource gap, if any			Does SURE-P thinks it has what is needed to engage into contracting with private sector for warehousing? If not, what are the additional resources they would need? (e.g. human, technical)	If approved by senior management, SURE-P MCH likely has necessary funds and political support to enter into such contract. They intend to engage a WH manager to oversee the WH operations. The project has supported SURE-P MCH in drafting a TOR for the WH manager position. SURE-P MCH would also require technical assistance to advertise, select and manage 3PL logistics.

Engaging Private Sector Partners to Ensure Sufficient Warehousing Capacities for MNCH Products Managed by SURE-P						
Strategic Intervention / Steps		Proposed activity	Proposed Timeline	Responsible	Status/Comments/Key Questions	Answers to key questions
		Collect additional information, if needed			Does the partners (SURE-P MCH and/or DELIVER) think there are barriers for which additional information are needed? Is a risk assessment needed?	No, not at the moment
<b>Define the type of engagement and develop detailed action plan – RFP and Bidding Process</b>						
Determine the terms of reference (TORs) for the Pharmaceutical Grade warehouse specifications	Provide assistance to SURE-P to determine Pharmaceutical Grade warehouse and shelving specifications	Half day workshop with SURE-P procurement department		USAID   DELIVER PROJECT- Operations Unit	Is only the procurement department enough? Any other personnel from the technical departments may/should be involved in defining specifications? Is a cost evaluation needed at this stage?	Representatives from SURE-P MCH HR & Supply department would also be involved along with representatives from JSI operations, procurement and Health Systems Strengthening Units.
Procurement (Bidding) Process	Support SURE P to develop a detailed request for proposal (RFP) document clearly stating warehouse and shelving specifications and other relevant information	a. Hire local consultant to work with SURE P procurement unit  b. Half day meeting with prospective vendors to discuss bidding process and provide guidance on bid preparations			Does procurement documentation include selection criteria and Key Performance Indicators (KPIs)?  Will the RFP be launched during bidder's meeting or before?	Yes, bidding documents would contain KPI's.  RFP would be launched before the bidders meeting so that whatever concerns bidders have can be addressed during the meeting
Bid Evaluation Process	Provide TA to SURE P to evaluate submitted bids and conduct physical visits to short listed warehouses and provide recommendation	Local consultant to work with SURE P procurement unit to develop bidding evaluation score-card and physical visit checklist		USAID   DELIVER PROJECT	How the bid evaluation process will be documented?	The hope is that SURE-P would buy into the process that would involve setting up a 3-4 member bid evaluation committee selected from within SURE-P. Each evaluation meeting would be reported and

Engaging Private Sector Partners to Ensure Sufficient Warehousing Capacities for MNCH Products Managed by SURE-P						
Strategic Intervention / Steps		Proposed activity	Proposed Timeline	Responsible	Status/Comments/Key Questions	Answers to key questions
					When and how the bidders will be informed of the bidding results?	signed by each member. Physical verification visits would also be documented and signed  Bidders would be informed by email after the preferred vendor has been selected.
<b>Define the type of engagement and develop detailed action plan – Contract Negotiations and Award</b>						
Prepare a formal contract for the selected partner	Provide assistance in drafting contract with selected vendor.	USAID   DELIVER PROJECT procurement Unit to assist in contract drafting		USAID   DELIVER PROJECT	Contract should focus on KPIs and clear responsibilities of each party.	
<b>Contract Management through M&amp;E and lessons learned</b>						
Contract Management	Support SURE P to design SOP including key metrics and feedback reporting mechanism on performance and supervisory visits	Hire local consultant (same as before?) to work with SURE P procurement unit to create an M&E plan  Organize workshop to finalize performance monitoring plan and feedback/reporting templates		USAID   DELIVER PROJECT	What are the main resources needed to manage the contract, in form of people, tools, and communication processes?  How SURE-P and DELIVER will track success or identify problems?  Is a formal M&E plan needed? Or the KPIs defined above are sufficient?	The project hopes to leverage support from the Monitoring and evaluation unit as well as the Operations unit of JSI to design a monitoring and evaluation plan for contract monitoring. This plan would also track successes and identify problems.





## Appendix C

### Meeting Notes – SURE-P and USAID | DELIVER PROJECT

**Date:** November 26, 2013

**Subject:** Meeting with SURE-P representatives to discuss key information requirements for preparing a scope of work to support warehouse leasing

**SURE-P participants:**

Lawal Tinau, Head of Procurement  
Salihu Nabara, Procurement Unit  
Sulaiman Yaro, Procurement Unit  
Nzeamalu Aloysius, Procurement Unit

**USAID | DELIVER PROJECT participants:**

Tony Anammah  
Omeiza Matthews  
Onosi Ifesemen  
Todd Dickens, Procurement Officer PATH

**Meeting summary:**

The meeting participants discussed the key information that would be needed to prepare a scope of work for bidding documents that would be used to request proposals for warehouse leasing. The discussion focused on the following numbered agenda items, with action items introduced and agreed to during the discussion:

**Total anticipated storage space needed**

While the USAID | DELIVER PROJECT has estimated the total volume throughput of the MCH commodities to be procured by SURE-P MCH, information on the total storage space needed to include in the scope of work(s) can only be finalized after the SURE-P Project has made a final decision on the use of a central store.

Regarding logistics system design, HOD Lawal Tinau explained that small vendors have limited capacity to deliver products on a staggered basis, for example every two months, or three months, and they prefer to purchase and delivery their goods in one shipment. The USAID | DELIVER PROJECT explained that such a system would require maximum warehouse space to hold the goods and would be more expensive than a system where an order could be broken into smaller, scheduled deliveries over a designated period of time. A discussion followed on the use of “buffer” stock and the USAID | DELIVER PROJECT explained that buffer or safety stock is built into the logistics system design at each level of the system and as such there is no need to procure ‘buffer’ stock outside original estimates.

Action item:**SURE-P MCH**

Meet with appropriate SURE-P committee members to reach consensus on the use of the central vaccine store

Meet with appropriate SURE-P MCH officials technical personnel to reach consensus on supplier delivery schedules.

**USAID I DELIVER PROJECT**

Prepare draft scope of work template for leasing warehouse space (storage space requirements to be left blank).

**2. Storage conditions required**

The USAID I DELIVER PROJECT shared that it has general storage conditions requirements that it can include in the draft scope of work template which SURE- P MCH can then review to select the storage conditions it would want for its products.

Action item:**USAID I DELIVER PROJECT**

Include proposed storage condition requirements in the draft scope of work template for leasing warehouse space prepared for SURE–P MCH

**SURE P-MCH**

Review proposed storage condition requirements in the draft scope of work and identify which storage conditions should be retained in the scope of work

**3. Security requirements**

The USAID I DELIVER PROJECT shared that it has general warehouse security requirements that it can include in the draft scope of work template which SURE-P MCH can then review to select the level of warehouse security it would want for its products.

Action item:**USAID I DELIVER PROJECT**

Include proposed warehouse security requirements in the draft scope of work template for leasing warehouse space prepared for SURE–P MCH

**SURE-P MCH**

Review proposed security requirements in the draft scope of work and identify which security requirements should be retained in the scope of work

**4. Operational requirements**

The USAID I DELIVER PROJECT asked SURE-P MCH if they want to hire and train their own staff to manage the leased warehouse(s) or if they would prefer to contract for warehouse management services, such as receipt of goods, inventory management, release of goods for distribution, data reports, etc. SURE-P MCH replied that they would not be hiring additional staff to operate the warehouses and would prefer to include those necessary services in the warehouse leasing contract. (Note: for the Abuja central vaccine store being considered, it was proposed that dedicated SURE-P MCH staff be trained to manage the SURE-P MCH commodities received at that warehouse.)

The USAID I DELIVER PROJECT explained that the leasing contract can also include distribution services, or a third party distribution service could be contracted to pick up and deliver the products to the primary health centers and general hospitals. SURE-P MCH should keep in mind, however, that the more services that are contracted the greater the price will be. SURE-P MCH replied that it would want to contract for product distribution, but a decision was not made on whether product distribution should be part of the warehouse leasing contract or if a separate third party distributor should be contracted to pick up and distribute the products to the PHCs and GHs.

Action item:**USAID I DELIVER PROJECT**

Include proposed warehouse management services (receipt of goods, inventory management, record keeping, etc.) in the draft scope of work template for leasing warehouse space prepared for SURE-P MCH

- Include proposed product distribution services in the draft scope of work template for leasing warehouse space prepared for SURE-P

**SURE-P MCH**

Review proposed warehouse management services (receipt of goods, inventory management, record keeping, etc.) in the draft scope of work and identify which warehouse management services should be retained in the scope of work

- Review proposed product distribution services in the draft scope of work and identify which product distribution services should be retained in the scope of work

**5. Other topics discussed****SURE-P MCH management of warehouse leasing contracts:**

The USAID I DELIVER PROJECT explained that it would be important for SURE-P MCH to assign a dedicated staff to manage the warehouse leasing contracts. Given the volume of goods procured and the corresponding amount of data generated, to ensure proper contractual oversight of the warehouse

and distribution activities, having a dedicated staff to monitor performance would be essential to support successful project implementation.

Action item:

**SURE-P MCH**

Identify and assign appropriate staff person to provide contractual oversight to SURE-P warehousing and distribution activities

a. Scheduling an assessment of the Abuja Central Vaccine Store

The USAID I DELIVER PROJECT requested a time be set for a review of the central vaccine store in Abuja to assess its available capacity for storing SURE-P MCH commodities. USAID | DELIVER PROJECT also mentioned the central store may require some upgrading to support receipt and storage of these commodities.

Action item:

**SURE- P MCH**

Identify a time for USAID I DELIVER PROJECT personnel to conduct an assessment of the capacity of the Central Store to receive, store, and distribute SURE-P MCH commodities.

6. Conclusion of meeting

The USAID I DELIVER PROJECT agreed to submit a draft scope of work template for warehouse leasing services to SURE-P on Nov 27th, 2013 so that HOD Lawal Tinau could present the information to the Executive Director NPHCDA at this Nov 27th meeting. SURE-P MCH agreed to present information on the discussion between SURE-P MCH and the USAID I DELIVER PROJECT and to request a decision regarding the warehouse leasing plan.

Action item:

**USAID I DELIVER PROJECT**

Prepare draft scope of work template (as discussed above) for SURE-P review and comments.

**SURE-P MCH**

Review draft scope of work template for warehouse leasing submitted by USAID I DELIVER PROJECT.

Present key information on warehouse leasing options and logistics system design to SURE-P subcommittee meeting on Nov 27th, 2013.

Request SURE-P subcommittee meeting decisions on warehouse leasing options and logistics system design option to enable these activities to proceed.



