



## USAID MEDICINES, TECHNOLOGIES, AND PHARMACEUTICAL SERVICES (MTaPS) PROGRAM

*Improved Access. Improved Services. Better Health Outcomes.*

# Leveraging the Private Sector in Enhancing Public Healthcare Systems

Learning, Advocacy and Validation Workshop

*Workshop 2 Day 1*



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# Objectives

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- To continue the education process regarding best practice outsourcing. In particular, the workshop will focus on the operationalizing of the FMOH's policy of engaging with private sector 3PLs
- To discuss, with the aim of validating two of the project deliverables, specifically related to Kaduna State:
  - A Service Specification for the outsourcing of transport activities in Kaduna State
  - An associated Performance Management Plan for the monitoring of the 3PL's performance relating to the Service Specification once a contract has been awarded

# Agenda: Day 1

Attendee Registration

Introduction and Opening Remarks  
Objectives and Agenda  
Recap of Workshop 1 – Break – Q&A

Supporting State Healthcare Systems (NPSCMP)

Kaduna State Situational Analysis

– LUNCH –

(Draft) Service Specification

Breakout Session: Errors, Gaps and Clarifications  
– Break –  
Debrief

Closing and Workshop 2 Day 2





# Agenda: Day 2

Recap of Day 1 and Breakout Session Feedback

Best Practice 3PL Reporting and Performance Management

– Break –

(Draft) Performance Management Plan

Breakout Session: Errors, Gaps and Clarifications

– LUNCH –

Debrief

Next Steps in the Operationalizing Process

– Break –

Recap of Day 1 and 2

Open Forum and Q&A

Did we meet our objectives and your expectations

Closing Remarks



# Service Specification

The service specification element of the information pack is extremely important as it outlines both the service required and the way it is expected to be delivered jointly by the two parties involved.

- Decision to Outsource – Best Practices
- Publish Invitation for Proposal in the appropriate publications\*
- Circulation of Information Pack\*\* including the Service Specification



The Service Specification will be formalized in the Service Level Agreement (SLA) and the legal contract

\* Nigerian Public Sector Procurement Regulations

\*\* Information pack includes other material including operational data

# Scope of Service Required



Distribution route planning and vehicle scheduling to achieve the required level of service in terms of both lead times and timeliness.



Receiving instructions regarding individual deliveries from the State Supply Chain Management Team (SSCMT),



Presenting vehicles for loading as planned during the vehicle scheduling exercise.



Securely transporting the items for delivery: unloading, local checking and obtaining the appropriate POD documents.



Delivering the PODs to the SSCMT in the required format, electronically or hard-copy.



# Service Specification Draft Headings

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Security of the product (damage and loss)

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Protection of the State MOH's reputation and image (related to security concerns)

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Vehicle livery and building signs (not just a transport activity issue)

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Back hauling and reverse logistics (distribution equipment and expired product)

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Vehicle specification (initial feedback suggests this could be expanded)

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Production of performance measures and reporting processes (see PMP draft)

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Vehicle maintenance standards (not just a transport activity issue)

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Staff training (client involvement essential)

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IT Systems (confidentiality issues, volumetric data and communications)

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Insurance (load value)

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Proxy deliveries (see reporting process)

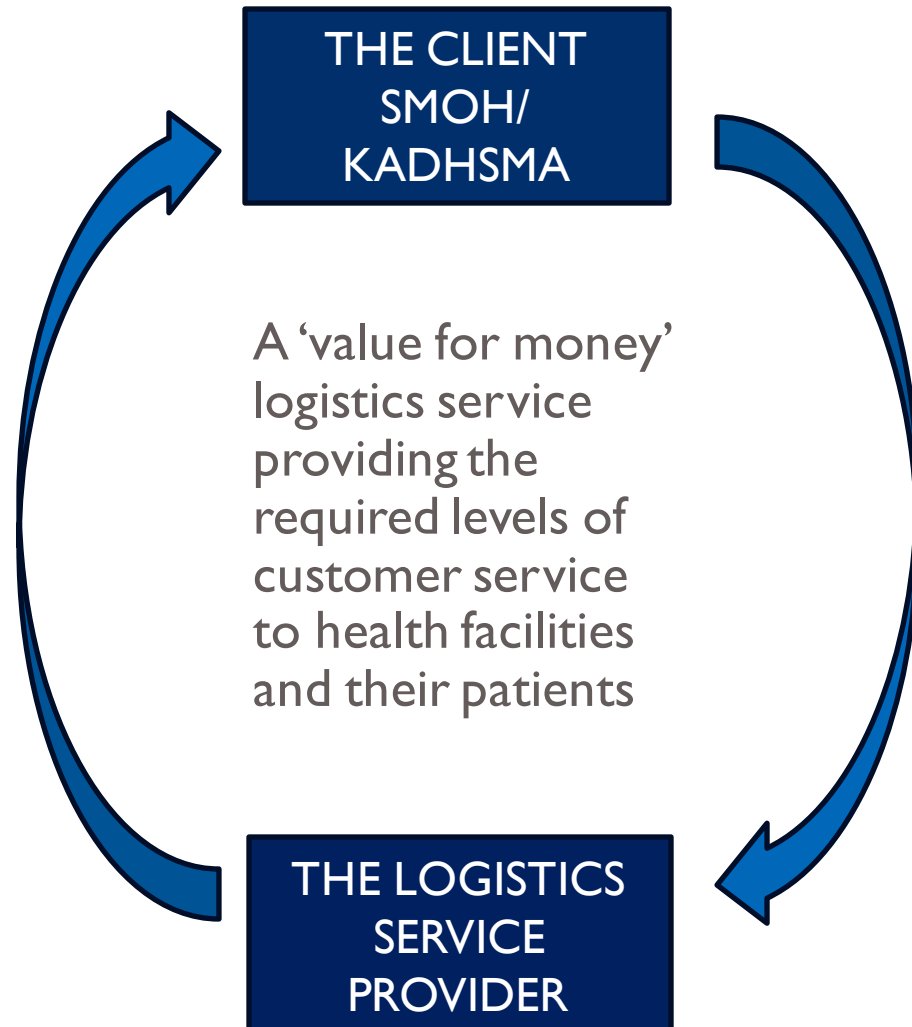
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Sub-contracting (limits and LLP role)

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Other types of transport (professional management)

# Collaborative Relationship



- Making qualified staff available for the reviews
- Supporting staff training
- Providing planning data (Volumetrics)
- Advising campaign and seasonal demand info.
- Ensuring access to IT systems  
(M&E and operational data)



# Draft Service Specification

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Errors, omissions, additional explanation and other points?

## BREAKOUT SESSION

Are there any obvious errors in the content of the document?

Are there any specific aspects that have been omitted by the team that developed the initial draft?

Do any of the topics need further explanation/clarification and/or additional inputs

## DEBRIEF



## End of day recap

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Questions & comments

Workshop 2





## USAID MEDICINES, TECHNOLOGIES, AND PHARMACEUTICAL SERVICES (MTaPS) PROGRAM

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# Thank you

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## Questions?



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# Agenda: Day 2

Recap of Day 1 and Breakout Session Feedback

Best Practice 3PL Reporting and Performance Management

– Break –

(Draft) Performance Management Plan

Breakout Session: Errors, Gaps and Clarifications

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Next Steps in the Operationalizing Process

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Closing Remarks



# Recap of Day 1 and Breakout Session Feedback

- Group 1
- Group 2
- Group 3



# Best Practice: 3PL Reporting and Performance Management

**‘Essential to stress the Best Practice concept that individual functions should only be monitored and held accountable for those aspects of the Supply Chain that the function controls and/or influences’**

- Daily, Monthly and Quarterly Reviews
  - Action Minutes
  - Responsibility and completion dates for actions
- Standard Agenda:
  - Safety Report
  - Performance Measures
  - The next month/quarter
  - Confirm date and time of the next meeting
- On-time pre-circulation of Performance Measure
  - Introduce new measures as and when needed to address specific issues
  - Cease monitoring once convinced new SOPs have addressed the specific issue
- Baselines and targets are an essential feature of Best Practice 3PL Reporting and Performance Management

# Best Practice: 3PL Reporting and Performance Management

‘A designated communication and reporting structure needs to be accepted by both the 3PL and the client. Maintaining the required level of discipline is also extremely important’



# Best Practice: Daily Report

## DAILY OPERATIONS REPORT

- Warehouse/Depot Location..... Date and Time of Completion.....
- Number of Scheduled Incoming Loads.....
- Number of Scheduled Incoming Loads Presented and Unloaded.....
- Number of Scheduled Incoming Loads, if any, Carried Over from Yesterday.....
- Proposed Actions to Clear Backlog.....
- Number of Outgoing Loads Scheduled to have Departed Yesterday/Early Today.....
- Number of Outgoing Loads Scheduled not yet Loaded.....
- Proposed Actions to Load and Dispatch Late Departures.....
- Warehouse Space Utilization: .....%
- Inventory Issues, if any.....
- Next 24 hours, Concerns and Planned Interventions.....
- Completed by:.....

# Best Practice: Monthly Standard Agenda

- Any outstanding issues from Daily Operations Report
  - Recent operational errors and steps being taken to avoid further occurrences
- Immediate plans for seasonal and/or holiday reasons
- Operational performance measures (Departmental level rather than KPI level)
- Specific cost/budgetary issues highlighted in the past four weeks and potential mitigation initiatives
- Short-term changes
  - New products and/or additional delivery points
- Specific temperature-control issues and associated training needs
- Change program initiatives and IT system enhancements
- Accidents at work and safety issues
- Any Other Business: Concerns not being addressed by routine day-to-day communication that can be left to the Monthly Operations Meeting
- Date of next meeting

# Best Practice: Quarterly Standard Agenda

- Key Performance Indicators: On-time and In-full (OTIF) and Budget Compliance
- Future business plans and any strategic directional changes (On-line retailing and home delivery)
- Continuous Improvement Plan initiatives and results
- Accident-Free Days and Safety Record
- Customer Survey Results: Typically, undertaken annually
- Payment formulae: Again, an annual agenda item unless unusual circumstances have impacted cost structures
- Any Other Business: Concerns not being addressed by Monthly Operations Meeting that can be left to the Quarterly Operations Meeting
- Date of next meeting



# Performance Management Plan

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The objectives of the plan are to:

- Assess the overall effectiveness of the transport activities
- Support the joint client and logistics service provider reporting processes
- Measure the impact of any managerial interventions executed as a result of the joint reporting processes

The plan is structured in the following manner:

- The Strategic Level
- The Operational Level
- The Departmental Level

# Performance Management Plan

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Each level will have:

- Specific performance measures, some of which will be regarded as Key Performance Indicators (KPIs)
- The frequency at which they will be produced and reviewed by the management teams of the MOH and the 3PL
- The entity responsible for producing and circulating the performance measures
- The recipients of the information
- Both baseline and target levels of performance.

# Performance Management Plan

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## The Strategic Level

- The level of customer satisfaction with the service they receive from the 3PL providing them with transport services.
- An overall view of the On-time delivery performance level of deliveries to health facilities. (Although the overall supply chain performance measure combines timeliness and completeness (In-full), the transport activity has only very limited impact upon the In-full element of the overall strategic supply chain measure). A more granular view can be obtained by monitoring the On-time percentage at the various types of health center
- The overall costs associated with the operation of the transport activity. Both actual and planned costs should be provided with volume and cost variances calculated.

# Performance Management Plan

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## The Operational Level

- Vehicle utilization in terms of time and capacity
- Driver utilization in terms of time
- Overall schedule compliance in terms of total trip-time
- An analysis of the reasons for proxy deliveries

# Performance Management Plan

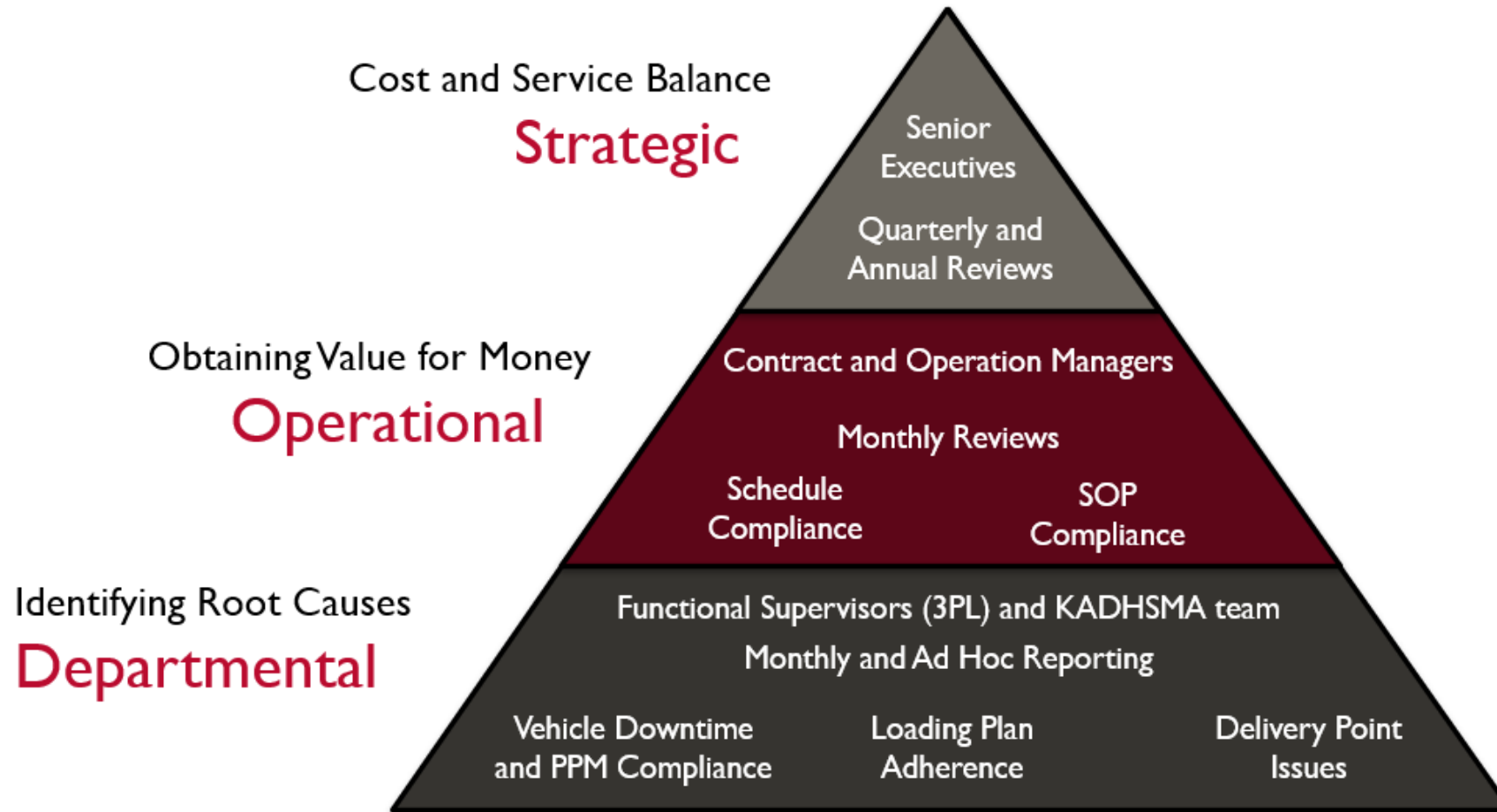
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## The Departmental Level

- The level of vehicle downtime with an analysis of the reasons for vehicle non-availability
- The level of planning information accuracy in terms of individual health facility volumes/weights
- Driver absenteeism levels
- The level of routes experiencing delays and non-conformance to schedule
- The level of sub-contracting and the reasons behind the need to do so
- The extent to which PPM is undertaken as planned
- The number of vehicles rejected by Quality Managers at the time of loading
- The number of vehicles delayed by loaders/checkers failing to meet the loading schedule



# Performance Management Plan Draft



# Performance Management Plan – Draft Indicator Review

Performance measure/KPI	Calculation/ Information Gathering Technique	Production Frequency	Production Responsibility	Recipients
<b>*The level of customer satisfaction at health facility level</b>	Customer Survey Questionnaire (Electronically collected ideally; see suggested template in Annex I)	Six-monthly	Kaduna State MOH and KADHSMA	A wide distribution across the public healthcare community *
	Baseline	Target (6 months)	Target (12 months)	

# Performance Management Plan – Draft Indicators

Performance measure/KPI	Calculation/ Information Gathering Technique	Production Frequency	Production Responsibility	Recipients
<b>Vehicle utilization (Time) (%)</b>	(Vehicle days used in the period/Total vehicle days available) x 100	Monthly	3PL Dispatch Team	MOH Contract Mgt and 3PL Ops Mgr
<b>*Vehicle utilization (Capacity*) (%)</b>	(Vehicle capacity used in the period/Total vehicle capacity available) x 100	Monthly	3PL Dispatch Team	MOH Contract Mgt and 3PL Ops Mgr
<b>*Volume</b>				
<b>Driver utilization (Time) (%)</b>	(Driver days on trips/Total driver days available) x 100	Monthly	3PL Dispatch Team	MOH Contract Mgt and 3PL Ops Mgr
	Baseline	Target (6 months)		Target (12 months)

# Draft Performance Management Plan

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## DEBRIEF

# Breakout Session Feedback

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- Group 1
- Group 2
- Group 3

# Open forum Q&A and Expectations

- Do you have any further questions or additional points?
- Dis we meet your expectations?



# Closing Remarks

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Photo Credit: MSH Staff



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Questions?



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