Procurement updates – UNFPA

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Scope of the Presentation

UNFPA - Who we are?

UNFPA Procurement – How we do what we do?

UNFPA Procurement - Statistics
Delivering a world where every pregnancy is wanted, every childbirth is safe and every young person's potential is fulfilled.

We are the lead United Nations agency that expands the possibilities for women and young people to lead healthy sexual and reproductive lives. We are on the ground improving the lives of millions of women and young people in more than 150 countries and in humanitarian crises.
UNFPA’s Procurement Services Branch - PSB

UNFPA Procurement Services Branch has been providing reproductive health supplies for the developing world for over 40 years. Our expertise extends to managing a global supply chain that responds to the needs of our partners in development.

UNFPA partners with governments, program donors and NGOs that benefit from the volume pricing and quality assurance that come with products procured from UNFPA suppliers.

Delivering supplies for reproductive health results
Impact of UNFPA Procurement

Impact:

23.2 million women gained access to modern contraceptives in over 100 countries

35 million women and adolescent girls served in crisis-affected areas
In 2016, UNFPA delivered RH supplies to 117 countries providing over 35 million CYP couple years of protection.
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Principles of Procurement

UNFPA procurement is driven by 4 key principles, embedded in our Financial Regulations & Rules and based on ethical considerations:

- Best Value for Money
- Fairness, integrity and transparency
- Open and effective international competition
- The Interest of the UNFPA
## Trusted Partner in RH Supplies

### Open international bidding process

- **quality**
  - Stringent UNFPA / WHO QA practices
  - Pre-qualified suppliers and products
  - Pre-shipment inspection, sampling and testing

- **value**
  - Cost savings
  - Competitive, pre-negotiated prices
  - Procurement, contracting and QA expertise

- **choice**
  - Product & pricing information online
  - Generic or innovator brands
  - Reduced lead time in-stock products
  - Online planning tools and simplified ordering process

Comprehensive audit rating = Satisfactory
How UNFPA procures essential Reproductive Health Commodities

• UNFPA carries out International open competitive bidding processes to identify suppliers for our Essential Reproductive Health Commodities
  • In case where applicable direct contracting is possible due to pre-existing conditions in the market
• Samples will be requested & expected
• Several steps in the evaluation processes – will be clearly explained
• Complete process is reviewed by our Contracts Review Committee prior to any award
• Bidding process usually result in the award of non-exclusive Long Term Agreements (LTA)
  • Usual duration of such are 3 years with possibility of 1 year extension
How UNFPA manages their essential Reproductive Health Commodities

• All product information is entered on our on-line catalogue, www.unfpaprocurement.org
• Who has access & procures the products:
  • Products can be procured on behalf of a Country Office / Programmatic need, on behalf of another UN Organization or on behalf of a Third Party (Government, NGO’s etc.)
  • UNFPA procure for stock keeping;
• RFQ will be sent to suppliers
• Specific purchase orders will be issued for products required.
• As quality assurance is crucial for UNFPA, all POs will be subject to quality control prior to shipment.
All Information is available online

Procurement Services
- How to order
- Product Catalog
- Budget planner
- Lead time calculator
- Customized artwork guidelines

www.UNFPAProcurement.org

Information Services
- RHInterchange
- Quality assurance policy
- Prequalification Programmes
- Procurement e-learning

www.UNFPAprocurement.org

10/18/2017
Collaborations with Non-UN Partners

- Collaborating with other Public procurers of RH commodities to ensure efficiencies
- Optimize cost reduction
  - Standardizing requirements for tender processes amongst partners as well as KPIs
  - Sharing of outcomes of inspection & technical assessment reports
  - Sharing of procurement best practices
- Innovative projects which contribute to efficiency:
  - Joint forecasting
  - Partnerships for impact:
    - Leveraging of systems to facilitate procurement platforms
  - Address common issues jointly
- Identification & implementation of track & trace solution
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UNFPA Procurement Spend

![Bar chart showing UNFPA procurement spend from 2010 to 2016 in millions USD. The chart compares local procurement and PSB procurement.](image-url)
Total PSB procurement spend 2016
$170M

$94M  Contraceptives
$35M  Medical equipment
$12M  Pharmaceuticals

Essential RH commodities were over 82% of total PSB spend in 2016
Procurement Spend by essential RH Commodities

<table>
<thead>
<tr>
<th>Year</th>
<th>Contraceptives</th>
<th>Medical Devices</th>
<th>Pharmaceuticals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>132,784,821</td>
<td>33,062,907</td>
<td>12,681,534</td>
</tr>
<tr>
<td>2015</td>
<td>124,619,430</td>
<td>38,014,094</td>
<td>11,793,416</td>
</tr>
<tr>
<td>2016</td>
<td>93,679,419</td>
<td>34,911,186</td>
<td>11,631,013</td>
</tr>
</tbody>
</table>
Contraceptive Category Spend Analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined Low Dose OC Pills</td>
<td></td>
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<tr>
<td>Progestogen Only Pills</td>
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<tr>
<td>Emergency Contraceptive</td>
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<tr>
<td>Implantable Contraceptive</td>
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<tr>
<td>Injectable Contraceptive</td>
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<tr>
<td>Intrauterine Device (IUD)</td>
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<tr>
<td>Female Condoms</td>
<td></td>
</tr>
<tr>
<td>Male Condoms</td>
<td></td>
</tr>
<tr>
<td>Lubricants</td>
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</tbody>
</table>
Medical Devices Category Spend Analysis

- Reproductive Health Kits: 24%
- Medical Kits: 16%
- Kitting Services: 14%
- Hospital Equipment & Furniture: 13%
- Medical Supplies: 8%
- HIV Test Kits: 6%
- Anaesthesia & Resus Equipment: 5%
- Medical Electrical Equipment: 4%
- Med. Diagnostic Equip & Supplies: 4%
- Medical & Surgical Instruments: 3%
- Syphilis Tests: 2%
- Other: 1%
UNFPA’s Pharmaceutical spend is categorized into 19 subcategories. Eight have high spend categories with volumes above $100K:

- Anaesthetics
- Anti-Anaemia Medicines
- Antibacterial
- Antimalarial Medicines
- Antiseptics
- Cardiovascular Medicines
- Intravenous Solutions
- Oxytocic and Anti-oxytocic
- Other Pharmaceuticals

The following chart illustrates the spend for select years:

- 2014: $12,800,000
- 2015: $11,600,000
- 2016: $11,000,000
Key Categories of Pharmaceuticals

The below 5 subcategories make up 95% of our spent
How to become (and remain) a successful UNFPA supplier

- Obtain WHO pre-qualified status (where applicable), ERP-recommended status (where applicable), or SRA approval (where applicable).
- Check UNGM for tenders of interest.
- Participate in tenders. Follow all instructions in the bidding documents, submit all required documentation, and offer competitive prices.
- Understand your client(s) – target those project that are most relevant to your offering.
- Know what to expect. Selling to the public sector is very different from selling to the private one.
- If you are awarded a long-term agreement/contract, maintain high quality of products and services.
- Be prepared to meet UNFPA’s specific needs. We work with all countries in the world, and the reality in some of them is quite challenging.
- Reputation is key – problems will arise, how you respond to them can distinguish your company from others.
UNFPA
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United Nations Population Fund
www.unfpa.org