

Save the Children – Global Supplies

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Save the Children

Agenda

- About Save the Children
- Procurement at Save the Children
 - What it means
 - Principles of procurement
- A strategy to respond to our mandate
 - International sourcing
 - Emergency preparedness
 - Developing local procurement capacity
- Key challenges and areas for development

About Save the Children



Save the Children is the world's independent children's charity.

We're outraged that millions of children are still denied proper healthcare, food, education and protection.

We're working flat out to get every child their rights and we're determined to make further, faster changes.

Our vision is a world in which every child attains the right to survival, protection, development and participation, and our mission is to inspire breakthroughs in the way the world treats children, and to achieve immediate and lasting change in their lives.

History and stats

- “A Starving Baby and Our Blockade has Caused This” – the headline on a leaflet drawing attention to the plight of children on the losing side of the First World War. Eglantyne Jebb was arrested and fined for distributing it in Trafalgar Square.
- She set up The Save the Children Fund in May 1919.

In 2010, SCUUK:

- raised income of £291.5m
- worked in more than 120 countries
- reached 7.8 million children through our work
- responded to 39 emergencies

Our mandate

Development

Emergencies

Save the Children is an organisation with a dual mandate.
We work across all sectors of aid and relief.

Child
protection

Education

Nutrition

Health

WASH

Shelter

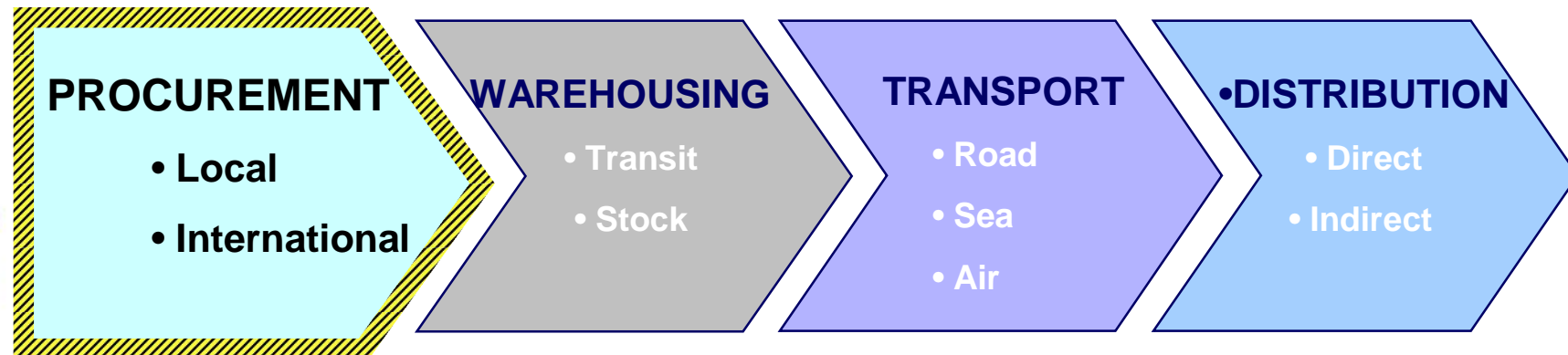
Procurement at Save the Children



Procurement in the Supply Chain

Supply Chain

“The flow of goods and services, from point of request to final distribution”



Procurement is

Obtaining ..

Goods

Services

Works

Through ..

Purchasing

Gifts in Kind

.. to fulfil the
needs of Save
the Children
programmes

Why is procurement important?

- Well managed supply is critical to ...
 - Help us deliver high quality programmes on time
 - Ensure accountability to donors and beneficiaries
 - Mitigate against misappropriation and fraud
- If we get it wrong:
 - Risk to beneficiaries
 - Risk to our reputation



We need to make sure we procure

"the right goods"

- Aligned with beneficiary needs
- Specifications and quality standards

"the right time"

- Consider lead time for sourcing, despatch, customs
- Delivery within grant timeframe

"the right cost"

- Best value for money
- Consider transport, quality

Principles of procurement

- Accountability
 - Transparency
 - Proportionality
 - Equal treatment & non-discrimination
 - Value for money
-
- The principles are implemented through organisational policies
 - Procurement is responsible for upholding these principles

Principles for achieving good procurement

- Accountability →
 - To: beneficiaries, donors
 - Justifiable spend (not just to use up budget)
 - Due process followed
- Transparency
- Proportionality
- Equal treatment & non-discrimination
- Value for money

Principles for achieving good procurement

- Accountability
 - Transparency →
 - Proportionality
 - Equal treatment & non-discrimination
 - Value for money
- Open process
 - Wide range of suppliers
 - Documented selection criteria & process

Principles for achieving good procurement

- Accountability
- Transparency
- Proportionality →
 - Between the procedures followed for awarding contracts and the value of the contracts
- Equal treatment & non-discrimination
- Value for money

Principles for achieving good procurement

- Accountability
- Transparency
- Proportionality
- Equal treatment & non-discrimination →
 - Potential suppliers evaluated on the same basis
 - No bribery
 - No conflict of interest
- Value for money

Principles for achieving good procurement

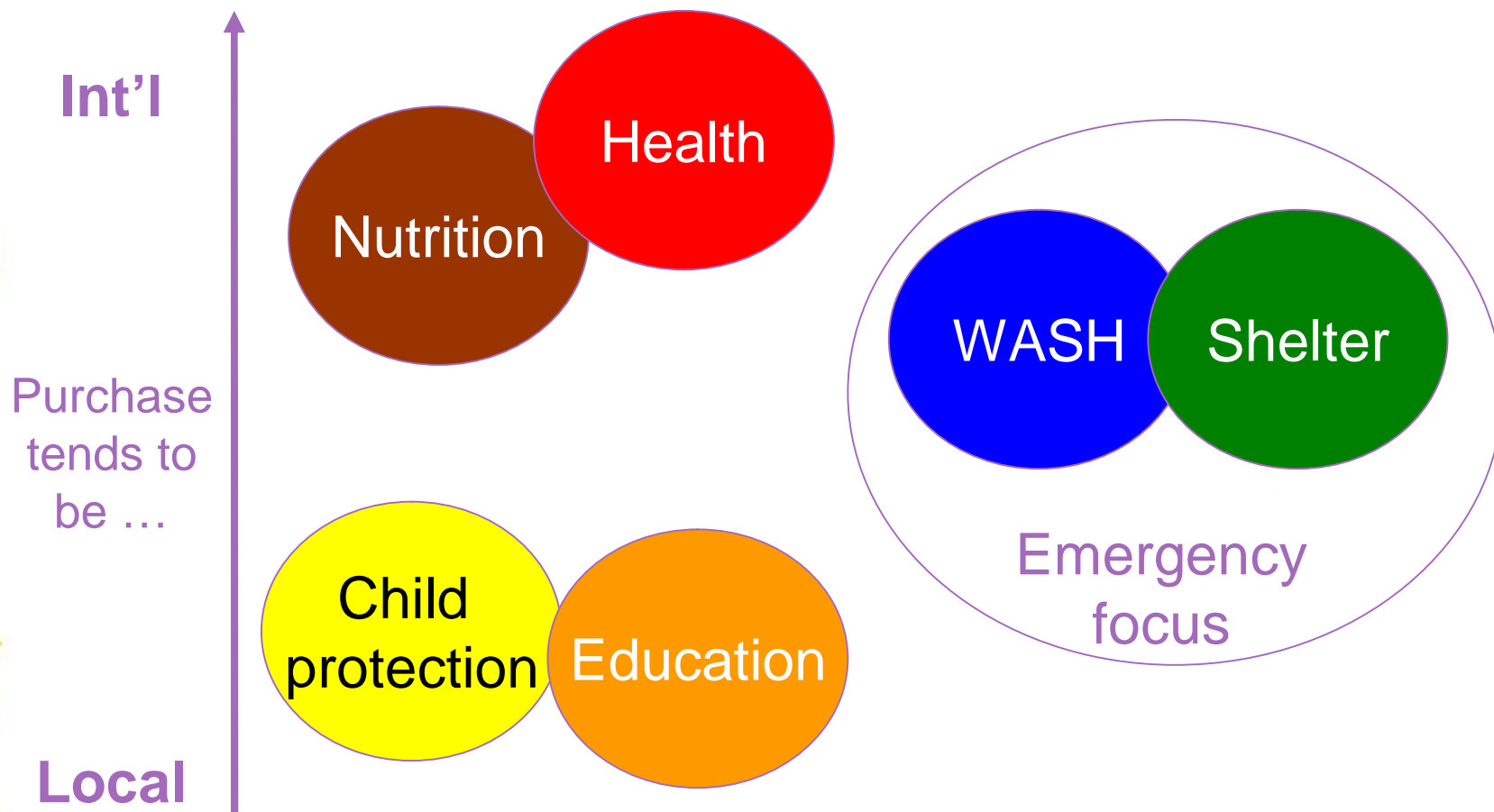
- Accountability
 - Transparency
 - Proportionality
 - Equal treatment & non-discrimination
 - Value for money
- The optimum combination of whole-life cost and quality to meet the user's requirement
 - Achieved through competition

A strategy to respond to
our mandate



Save the Children

International vs local sourcing



The role of the Global Supplies Unit

- Manage global contracts and place orders for the field
- Maximise global buying power
- Ensure accountability and donor compliance
- Support emergency preparedness through:
 - Developing virtual stocks
 - Building emergency stocks in Dubai
- Support and advise programmes on local procurement
- Set quality standards

Responding to needs - international level

Framework agreements,
including:

- Service levels
- Fixed prices
- Virtual stocks

Ad-hoc purchases

Actual stock in Dubai
hub

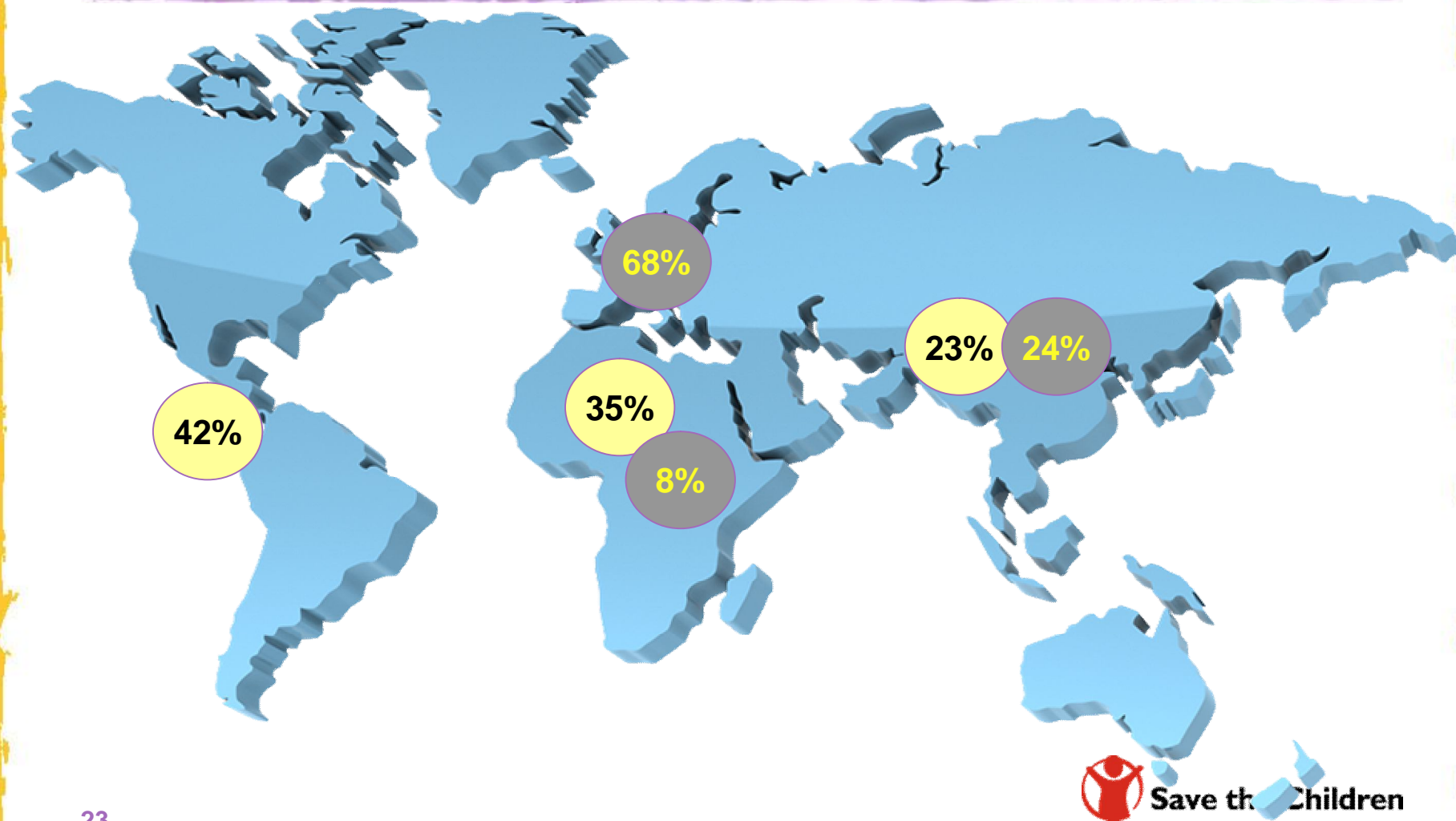
Development

Emergencies

13 global contracts

Communications	Vehicles
Freight x 2 contracts: <ul style="list-style-type: none">• Sea & air freight• Air charter	Nutrition x 2 contracts: <ul style="list-style-type: none">• PlumpyNut, F75, F100• BP5
Mosquito nets	Tents
NFIs x 3 contracts: <ul style="list-style-type: none">• Jerry cans, buckets, blankets• Blankets• Plastic sheeting	Pharmaceuticals x 2 contracts: <ul style="list-style-type: none">• Drugs, medical supplies, consumables, equipment & IDDKs• IEHKs

Where we buy from and for internationally



Emergency preparedness

SCUK's objectives for response in an emergency are:

- To respond to any emergency involving a total of 100,000 children
- To address the needs of 20% of these i.e. 20,000 children or equivalent (approx. 8,000 families)

Stock in
Dubai hub

➤ Supplies to be dispatched
within 48 hrs

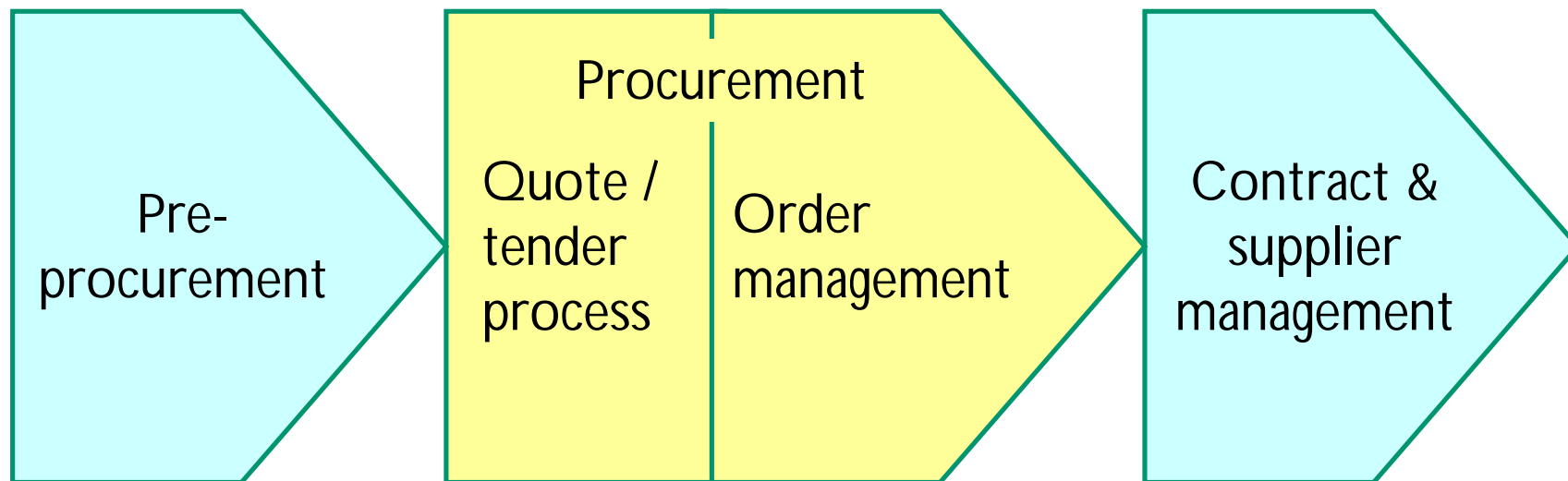
Virtual stock
at suppliers

➤ Pre-positioned supplies to
last for the first 4 weeks

Our most recent response



Supporting the field with training on....



- i. Needs & market assessment
- ii. Procurement planning
- iii. Define spec. & criteria

- i. Quote / ITT
- ii. Supplier selection
- iii. Contracting
- iv. Processing orders
- v. Delivery & receipt
- vi. Invoicing

- i. Procurement tracking
- ii. Supplier management

Key challenges and areas for development



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Challenges for Procurement

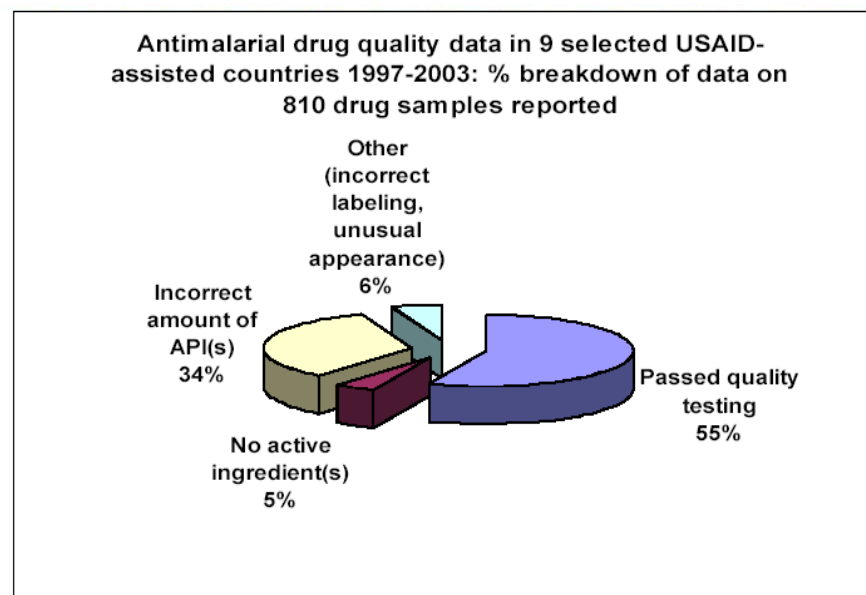
- Strong supplies
 - Lead times
 - Responsiveness to emergencies
 - KPI monitoring
- Local capacity
 - Procurement planning
 - Defined specifications
 - Achieving best value for money through strong procurement
- Procurement tracking - systems & information mgt
- Sources of medical supply

The challenges of medical procurement

The main risks are:

- Product contamination, causing damage to health or even death;
- incorrect labels on containers, which could mean that patients receive the wrong medicine;
- insufficient or too much active ingredient, resulting in ineffective treatment or adverse effects.

It is estimated that more than 10% of drugs worldwide are counterfeit. US pharmacopeia study in Pakistan found that 50% of drugs were counterfeit, relabelled with known brands.



Source: Carpenter J.P., 2003. Drug quality report matrix of USAID-assisted countries by the USP DQI Program

Any questions?



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Thank you

Lesley Miller – Global Supply Manager



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