



**STAKEHOLDERS CONSENSUS  
ON  
DRUG PROCUREMENT SYSTEM  
CONSENSUS WORKSHOP REPORT  
JIGAWA STATE**

November 2009

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## ABBREVIATIONS AND ACRONYMS

cGMP	Current Good Manufacturing Practice
DFID	Department for International Development
DMA	Drug Management Agency
DPS	Director of Pharmacy & Supplies
DRF	Drug Revolving Fund
EDL	Essential Drug List
FMCH	Free Maternal & Child Health
HMIS	Health Management Information Systems
HCP	Health Commodity Programme
IPC	Interagency Pharmaceutical Coordination Group
LGA	Local Government Area
JIDMA	Jigawa Drug Management Agency (New Name for JIMSO)
JIMSO	Jigawa Medicare Supply Organization
NAFDAC	National Agency for Food , Drug Administration & Control
NGO	Non Governmental Organisation
PATHS2	Partnership for Transforming Health Systems
PCN	Pharmacists Council of Nigeria
PHC	Primary Health Care
PS	Permanent Secretary
SDSS	Sustainable Drug Supply System
SEDL	State Essential Drug List
SHC	Secondary Health Care
SMoH	State Ministry of Health
SMS	State Medical Stores
SOP	Standard Operating Procedures
STL	State Team Leader
TOR	Terms of Reference

## **ACKNOWLEDGEMENTS**

The Ministry of Health, Jigawa state wishes to acknowledge the tremendous support provided by PATHS2 in organizing a consensus workshop to deliberate and agree on a procurement system for Jigawa state.

Special thanks go to the Jigawa, PATHS2 State Team Leader and his entire team for coordinating phase II Procurement Mission.

All the Directors present at the workshop are commended for their contribution and patience through out the workshop.

The Ministry would also like to thank the facilitators for a job well done.

State Ministry of Health  
Jigawa State

## **1.0 EXECUTIVE SUMMARY**

Phase II of the drugs and equipment procurement mission has been organized by PATHS2, a DFID funded program, and executed by Axios, the logistics partners of PATHS2 supporting Jigawa state.

Previous missions namely; Health Commodities Project (HCP) Annual Review October 2008, Consolidated Assessment of HCP Components of PATHS2 February 2009 and Phase I Procurement Mission August 2009 all confirmed the need to develop a procurement system for Jigawa State to support the immediate procurement of commodities. This is with the objective of supporting capitalized DRF facilities and sustaining the progress made under HCP. This would also ensure procurement and supply chain management sustainability and contribution to the overall goal of improving quality healthcare for the poor people of Nigeria.

The overall objective of the mission was to improve forecasting and procurement management so as to ensure sufficient availability of stocks at Jigawa Medicare Supply Organization (JIMSO) for all health facilities and the 27 Local Government Area (LGA) Stores to access through the Sustainable Drug Supply System (SDSS). The tasks to be executed during the mission included:

- Development of a procurement system based on best practices, DRF system and government policy to support immediate procurement of drugs to support DRF.
- Sharing the system with stakeholders and seeking consensus and approval.

The deliverables of the mission were:

- An approved procurement system for Jigawa
- A Consensus workshop report

### **Phase I Procurement Assessment Report**

The procurement mission team presented the findings in Phase I Procurement Assessment Report to the Participants. The findings focused on the following areas:

- Jigawa Drug Management Agency (JIDMA-New Name for JIMSO) compliance to Good Pharmaceutical Procurement Practices.
- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis results of JIDMA's current procurement system

- Trend analysis results in factors affecting procurement at JIDMA
- Problem analysis of the key problems affecting procurement at JIDMA
- Legal and regulatory compliance of JIDMA's current procurement system
- Review results on the utilization and performance of m-supply.

The meeting had no objections to the findings since these were arrived at in a consultative manner during phase I.

### **Procurement System Design Framework**

The team presented the procurement design framework to the participants. The framework includes components of a comprehensive procurement system; policy, organization & structures, methods, processes, SOPs, tools, reports and indicators. Participants were expected to expand these components into procurement design with expert facilitation from the procurement mission team.

### **Break-up Sessions**

Participants were split into two groups; Policy makers focused on discussions about procurement policy, organization & structures, methods and processes. The other group mainly composed of SHC, LGA and PHC representatives worked on LMIS but later joined the plenary to deliberate on SOPs, tools, reports and indicators as well as the results of the break-up session on policy related procurement issues.

### **Procurement System**

#### ***Vision, Mission and Objectives***

Stakeholders developed a vision, mission, procurement objectives and specific procurement objectives (initiatives).

Visions: to be the leading and reliable drug management agency that provides accessible, affordable and quality medicines and consumables to the people of Jigawa and its environs in a sustainable manner to ensure a healthy and productive society.

Mission: to procure, manufacture, store, sell and distribute high quality and affordable medicines and consumables in a sustainable manner, within the

framework of state and national laws and provide pharmaceutical related training to the people of Jigawa and its environs.

**Procurement objectives:**

- Procure from reliable suppliers of high quality products
- Guarantee timely availability of products
- Procure at the lowest possible total cost
- Ensure value for money
- Procure within the framework of state and national laws and regulations
- Ensure transparency and accountability in the procurement process

**Structures**

Stakeholders agreed that the procurement team, management team, pre-qualification committee and the board would effectively support procurement and ensure transparency.

**Methods**

Stakeholders agreed to the following:

- Quantification Method: Consumption data generated from m-supply but corrected for actual demand
- Procurement Method: Selective competitive tendering from pre-qualified suppliers and direct procurement at negotiated prices for single source product.
- Procurement Frequency: Annual tendering among pre-qualified suppliers and Pre-qualification of suppliers after every two years.
- Framework Contracts: Fixed Quantity, Scheduled-delivery purchasing contracts for fast moving products and Estimated Quantity, Periodic-order purchasing contract for slow moving products.
- Splitting of tenders: Tenders may be split for high value procurements to reduce the risks and consequences of supply failure if prices among bidders for a given product are not significantly different. Splitting of tenders will only be approved by JIDMA Board of Directors.

- Local versus international procurement: Locally-directly from manufacturers or distribution agents (for foreign manufactured products) for NAFDAC registered products and internationally-in the absence of products on the local market and after approval by government.

### ***Process, SOPs, Tools, Reports and Indicators***

Stakeholders agreed that the procurement process should be similar to that recommended as best practice. Key SOPs, tools and reports were identified. Stakeholders however agreed that phase III should build capacity for JIMSO and SHC pharmacists to develop SOPs and indicators and also identify additional reports and tools for use.

### **Review of Status of Implementation of Phase I activities.**

The status of implementation of actions identified under phase I was reviewed with relevant stake holders. The action sheet has been updated and attached as Annex I

### **Critical Activities for Phase III Support**

Stakeholders identified the following activities for consideration during phase III support

- Quantification of Needs to be used during award of framework contracts.
- Development and execution of Frame Work Contracts
- Capacity Development on SOPs, Indicators and Tools
- Development of a supplier performance management system

## 2.0 INTRODUCTION AND BACKGROUND

This mission was organized by PATHS2, a DFID funded project focused on improving the quality of healthcare, and executed by Axios, a PATHS2 logistics partner for Jigawa state.

The objectives, tasks and deliverables of this mission arise from previous review and assessment activities conducted by DFID and PATHS2.

In October 2008, a major review was conducted on the Health Commodities Project by DFID, in preparation for handover to PATHS2. The review team monitored the project progress towards achievement of its purpose and objectives; assessed risks and documented lessons for PATHS2. The team noted that HCP had increased facility utilization in unprecedented way across a large number of facilities. In Jigawa Average OPD attendance rose by 33% while <5 OPD attendance per month rose to 71%. The review team however identified risks and challenges that were likely to undermine this progress. The ability of the states to manage procurement and supply chain management to meet the demand of a large number of capitalized facilities and need for making the Central Medical Stores were identified as key risks and challenges.

In February 2009, Axios on behalf of PATHS2 conducted a mission to assess the Health Commodities Project (HCP) elements of DFID/PATHS2 in Jigawa Critical deficiencies that required streamlining in order to improve forecasting, procurement & inventory management were noted. These included inadequate storage space; sub-optimal use of m-supply; absence of some key Standard Operating Procedures (SOPs) and inadequate QA system at JIMSO. At facility level record keeping and quantification were found to be poor.

In August 2009, Phase I Procurement Mission was conducted to support Jigawa SMOH in developing and implementing effective procurement systems including hand holding to run some procurement for existing DRF facilities. The mission assessed gaps in JIMSO's compliance to good pharmaceutical procurement practices and state procurement laws and regulations. In addition key factors affecting procurement were identified through SWOT and trend analysis. JIMSO was

found to have pre-qualified suppliers but was operating emergency procurements. The bill enacting JIMSO as an autonomous entity had not been enacted but there was political will and commitment. Supplier performance management systems, key SOPs and tools were lacking. Space was the major constraint preventing procurement based on selective competitive tendering.

All the three previous missions above pointed to a need to design a procurement system for Jigawa to support immediate procurement of commodities under the DRF.

### **3.0 OBJECTIVES**

The objective of the procurement mission is to improve forecasting and procurement management so as to ensure sufficient availability of stocks at JIMSO for all health facilities and the 27 LGA Stores to access through the Sustainable Drug Supply System.

### **4.0 TASKS AND DELIVERABLES**

Phase I was completed in August 2009 and an assessment report was written and submitted to PATHS2. Phase II focused on two aspects:

- Development of a procurement system based on best practices, DRF system and government policy to support immediate procurement of drugs to support DRF.
- Sharing the system with stakeholders and seeking consensus and approval.

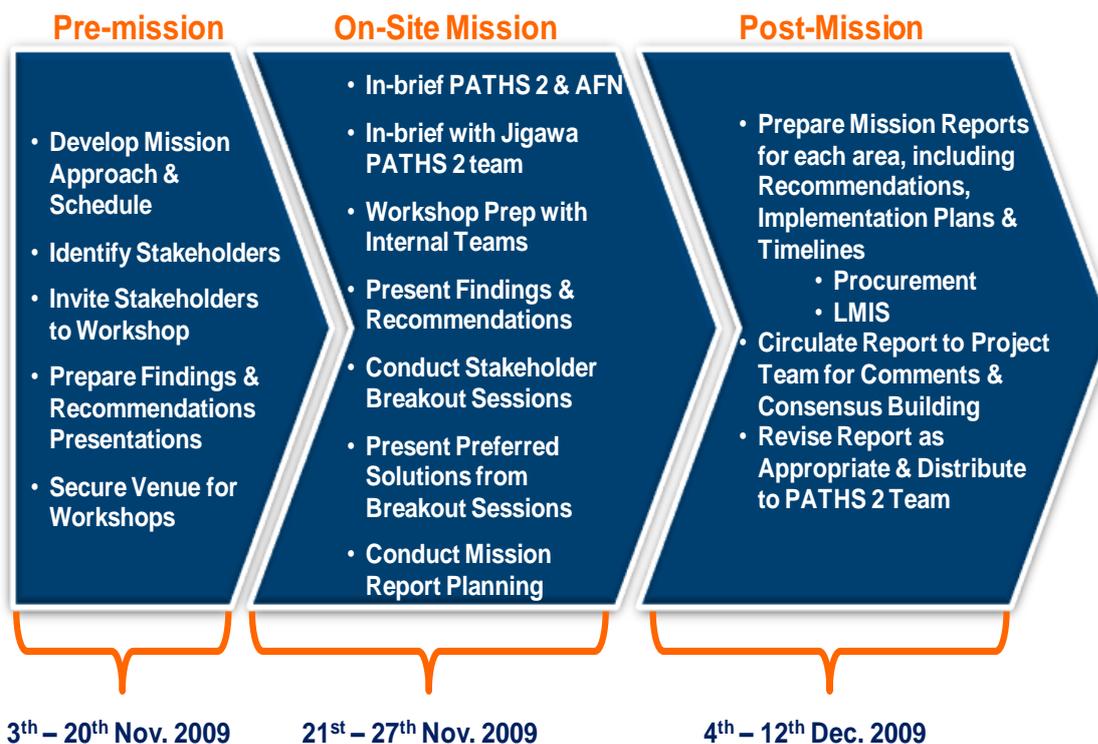
The deliverables for Phase II mission are:

- An approved procurement system for Jigawa
- A Consensus workshop report

Tasks	Deliverables	
<ul style="list-style-type: none"> <li>Assess existing procurement system followed by SMOH for DRF commodities</li> <li>Assess existing procurement system followed by facilities for DRF commodities.</li> </ul>	<ul style="list-style-type: none"> <li>Assessment Report for existing procurement system</li> </ul>	Phase 1
<ul style="list-style-type: none"> <li>Develop a procurement system based on best practices, DRF system &amp; government policy to support immediate procurement of drugs to support DRF facilities</li> <li>Share the system with stakeholders for approval</li> </ul>	<ul style="list-style-type: none"> <li>Approved procurement system for Jigawa &amp; Kaduna</li> </ul>	Phase 2
<ul style="list-style-type: none"> <li>Implement the system by providing hand holding to run the first procurement cycle</li> </ul>	<ul style="list-style-type: none"> <li>Framework agreement</li> <li>Consultancy Mission Report</li> </ul>	Phase 3

## 5.0 METHODOLOGY AND APPROACH

The mission approach included the following:



#### **4.1 In-brief-National Logistics Coordinator (PATHS2)**

The mission team leader met and in-briefed the National Logistics Coordinator, Mr. Vimal Kumar and JSI National Logistics Advisor, Mr. Qawwas on the 23/11/09. The meeting took place at PATHS2 Office in Abuja. The mission team briefed the two on the outcomes of phase I procurement assessment and the approach for phase II. Mr. Vimal noted the need for the team to focus on the immediate procurement of drugs to support DRF activities. He informed the team that another STTA has been organized to focus on the long term aspects of procurement including the assessment of parallel procurement system used by the state, partners and other NGOs. He emphasized the need to review and link the HCP Annual Review Report 2008 findings to the current activities. The meeting also discussed pending STTAs and agreed on preparation of a workplan for implementation of these activities.

#### **4.2 Meeting with PATHS2 officials and Local Consultants in Jigawa.**

On the 24/11/09 the mission team met with PATHS2 Officials and the local consultants in Jigawa PATHS2 Office. The State Team Leader, Mr. Abubaker Kende was away on pilgrimage. The meeting discussed the consensus workshop preparations as well as some aspects of the status of implementation of the actions arising from phase I. The workshop schedule, number and calibre of participants was confirmed. The local consultants were also briefed about the approach to be used in seeking consensus during the workshop.

#### **4.3 Consensus Workshop in Kano**

The workshop was conducted in Kano at the Tahil Guest Palace. It started with a round of self-introduction of participants and consultants with every one expressing their expectations. Ground rules were developed and agreed to by workshop participants. During the workshop the team used various techniques such as: discussion, brainstorming, questions and answer, to ensure effective participation. The workshop had four parts:

- Presentation Phase I Procurement Assessment Report
- Presentation of Procurement Design Framework
- Breakup Sessions

- Plenary Session to seek consensus

#### **4.3.1 Presentation of Phase I Procurement Assessment Report**

The procurement mission team presented the findings in Phase I Procurement Assessment Report to the Participants. The findings focused on the following areas:

- JIDMA's compliance to Good Pharmaceutical Procurement Practices.
- SWOT analysis results of JIDMA's current procurement system
- Trend analysis results in factors affecting procurement at JIDMA
- Problem analysis of the key problems affecting procurement at JIDMA
- Legal and regulatory compliance of JIDMA's current procurement system
- Review results on the utilization and performance of m-supply.

The meeting had no objections to the findings since these were arrived at in a consultative manner during phase I.

#### **4.3.2 Presentation of Procurement System Design Framework.**

The team presented the procurement design framework to the participants. The framework includes components of a comprehensive procurement system; policy, organization & structures, methods, processes, Standard Operating Protocols (SOPs), tools, reports and indicators. Participants were expected to expand these components into procurement design with expert facilitation from the procurement mission team.

#### **4.3.3 Break-up Sessions**

Participants were split into two groups; Policy makers focused on discussions about procurement policy, organization and structures, methods and processes. The other group mainly composed of SHC, LGA and PHC representatives worked on LMIS but later joined the plenary to deliberate on SOPs, tools, reports and indicators as well as the results of the break-up session on policy related procurement issues.

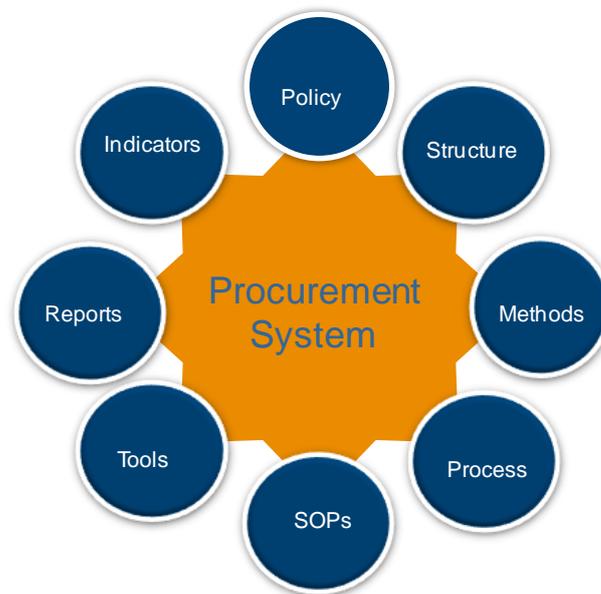
#### **4.3.4 Plenary Session to Seek Consensus**

All participants joined the plenary for discussions and consensus on the procurement system design. Below are the detailed consensus points on the procurement system design.

## 6.0 PROCUREMENT SYSTEM DESIGN

A framework for designing a procurement system was presented to participants for discussion. The framework consists of policies that guide the procurement system; structures that support the system; methods for procurement; processes to be followed; procedures to guide execution of procurement tasks; tools and reports to be used; and finally indicators for monitoring the entire procurement system.

Stakeholders sought a number of clarifications on the components of the framework and finally agreed to use it as the basis for designing the procurement system.



*Procurement system design framework*

### 5.1 POLICIES

A syndicate session was organized to deliberate on key policy aspects of procurement. The session was attended by the Hon. Commissioner SMOH, Hon. Permanent Secretary SMOH, Director Procurement Services, Director Planning SMOH, Director Gunduma Health Systems Board, General Manager JIDMA , Local Procurement Consultant and Local LMIS consultant.

Session members decided that in order to come up with good procurement policy statements there was need to review JIDMA's vision and mission.

The review resulted into the following vision and mission.

### **Our Vision...**

**"To be the leading and reliable drug management agency that provides accessible, affordable and quality medicines and consumables to the people of Jigawa and its environs in a sustainable manner to ensure a healthy and productive society"**

### **Our Mission...**

**"To procure, manufacture, store, sell and distribute high quality and affordable medicines and consumables in a sustainable manner, within the framework of state and national laws and provide pharmaceutical related training to the people of Jigawa and its environs."**

Session members generated and agreed on general and specific procurement objectives:

### **Our general procurement objectives are to...**

- Procure from reliable suppliers of high quality products**
- Guarantee timely availability of products**
- Procure at the lowest possible total cost**
- Ensure value for money**
- Procure within the framework of state and national laws and regulations**
- Ensure transparency and accountability in the procurement process**

**We will strive to achieve our procurement objectives through the following specific objectives (initiatives) by...**

- Procuring from reliable suppliers of high quality products***
  - Pre-qualifying and selecting reliable suppliers with NAFDAC registered products**
  - Conducting annual supplier performance evaluation**

- Soliciting and analyzing product quality feedback from our clients
- Conducting post-market surveillance and pharmacovigilance in liaison with NAFDAC
- Guaranteeing timely availability of products***
  - Forecasting and quantifying our needs in time
  - Planning and procuring in time
  - Monitoring and communicating to our suppliers proactively
- Procuring at the lowest possible total cost***
  - Procuring using competitive methods
  - Ensuring that operating and recurrent costs are kept as low as justifiably possible.
- Ensuring value for money***
  - Procuring generics and based on the essential drug lists
  - Procuring based on accurate estimates of product needs.
  - Procuring based on predefined specifications
  - Evaluating supplier offers prior to procurement to determine most competitive prices
  - Conducting regular price surveys to inform procurement
- Procuring within the framework of state and national laws and regulations***
  - Procuring based on contractual agreements
  - Complying with Due Diligence guidelines
  - Procuring based on the essential drugs list
- Ensuring transparency and accountability in the procurement process***
  - Procuring based on selective competitive tendering from pre-qualified suppliers
  - Maintaining procurement structures to oversee and ensure transparent procurement

- ❑ **Conducting annual internal and external audits of the procurement process**

## **5.2 STRUCTURES**

Procurement systems are designed to be supported by effective human resource structures. Individuals and teams within these structures are supposed to have clear roles, responsibilities and outputs. The primary responsibility of individuals and teams is to ensure the achievement of both the general and specific objectives of the procurement system. The session team deliberated the procurement structure and agreed to the following:

**Our procurement shall be supported by the following structures to ensure to meet the general and specific procurement objectives...**

- ❑ **Procurement Committee**
- ❑ **Management team**
- ❑ **Prequalification Committee**
  - ❑ **Due process representative**
  - ❑ **Gunduma Health Board Representative**
  - ❑ **SMoH representative**
  - ❑ **JIDMA procurement staff**
  - ❑ **SMoLG representative**
- ❑ **Board of Directors**

The roles and responsibilities will be the same as those highlighted in JIMSO's Draft Operational Guidelines 2006.

## **5.3 METHODS**

The team discussed the pros and cons of the quantification and procurement methods, procurement frequencies, local versus international procurement and tender award types.

JIDMA currently operates m-supply warehouse inventory management system which has functionality for capturing health facility consumption data. Facility order forms are being revised to reflect the actual commodity needs (demand). A combination of these tools shall facilitate the abstraction and use of consumption data for forecasting and quantification.

### **We shall quantify our needs using.....**

- Consumption data generated from m-supply but corrected for actual demand**

The legal framework requires that JIMSO pre-qualifies and selects suppliers through a selective (restrictive) competitive tendering process. In 2008, JIDMA pre-qualified suppliers and inspected their premises. The selective competitive tendering process is yet to commence. In view of the legal requirements, session members agreed to continue selective competitive tendering with prequalification.

Members in addition expressed concern over the suitability of selective competitive tendering for purchasing single source products. It was agreed that direct procurement at negotiated prices shall be executed for single source products.

### **We shall procure our commodities using the following methods...**

- Selective competitive tendering from pre-qualified suppliers**
- Direct procurement at negotiated prices for single source products**

The session team discussed the intricacies of tendering and the impact on procurement frequencies. It was observed that the tendering process in particular involves the following lengthy processes: defining tender formats and scope, preparation and dispatch of tender documents, receipt and opening of bids, collation of offers for adjudication, adjudication and contract preparation and issuance. The team examined these processes as well as the political and administrative processes in Jigawa state and agreed to annual tenders.

### **We shall operate an annual procurement model with...**

- Annual tendering among pre-qualified suppliers**
- Pre-qualification of suppliers every after two years**

Risks and benefits associated with fixed Quantity, Scheduled-delivery purchasing and Estimated Quantity, Periodic-order purchasing were evaluated. The team observed that although the former guarantees supply of agreed quantities through out the contract period it would be risky for slow moving commodities. The latter method appeared to be suitable for slow moving items. Members observed that deliveries had to be scheduled in view of space constraints. The consensus was to operate Fixed Quantity, Scheduled purchasing contracts for fast moving products and Estimated Quantity, Periodic-Order purchasing contracts for slow moving products.

### **We shall operate an annual framework contracts with...**

- Fixed Quantity, Scheduled-delivery purchasing contracts for fast moving products and...**
- Estimated Quantity, Periodic-order purchasing contract for slow moving products**

Risks associated with supplier failure to deliver products were discussed. Members reviewed splitting of tenders and award of primary /secondary contracts. Splitting of tenders, according to members, is normally associated with fraud but if effectively managed and applied to high value/volume procurements such as fast moving commodities it would mitigate the risks of supply failure. On the other hand award of secondary contracts to runner-up bidders carried the risk of collision between successful bidder and runners up to supply at high prices. Members agreed to possibility of splitting tenders if approval is sought from and granted by the board.

### **We may...**

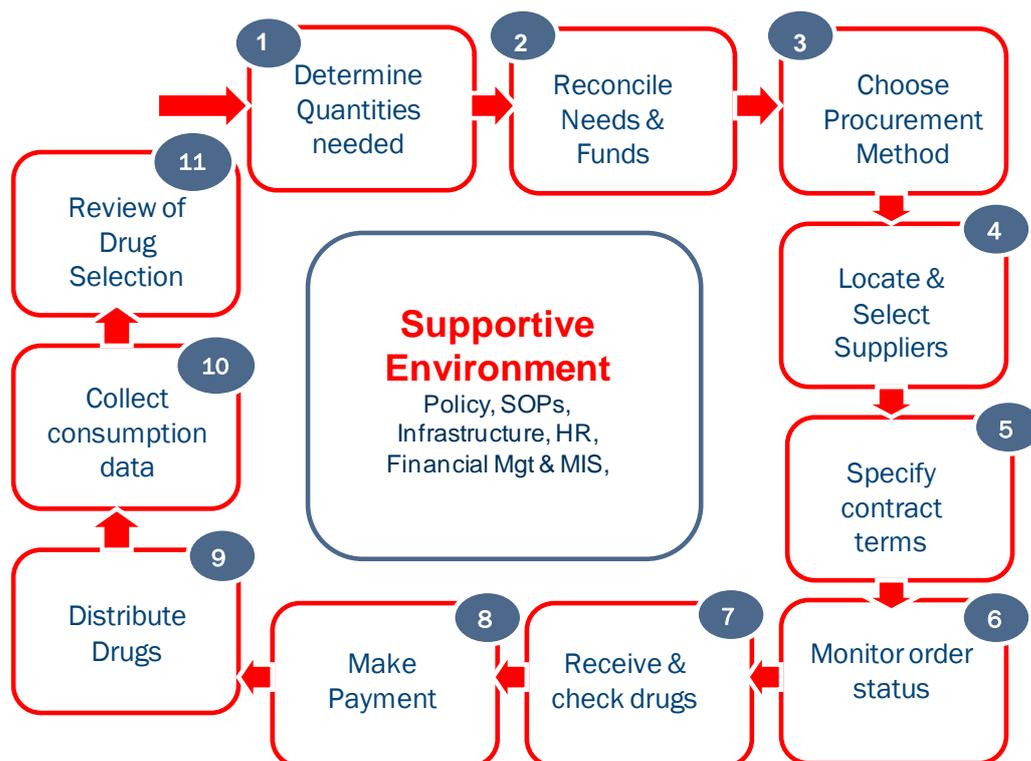
- Split our tenders for high value procurements to reduce the risks and consequences of supply failure if prices among bidders for a given product are not significantly different. Splitting of tenders will only be approved by JIDMA Board of Directors**

International procurement versus local procurement raised a lot of debate. Members observed that local procurement strengthens the local pharmaceutical manufacturing sector and that all locally manufactured products are NAFDAC registered. Challenges of local pharmaceutical manufacturers' capacity to meet quality standards and the demand for pharmaceutical products were raised and discussed. Members agreed to procurement from local manufacturers or distribution agents for foreign manufactured products registered with NAFDAC. International procurement would be considered in the absence of products on the local market.

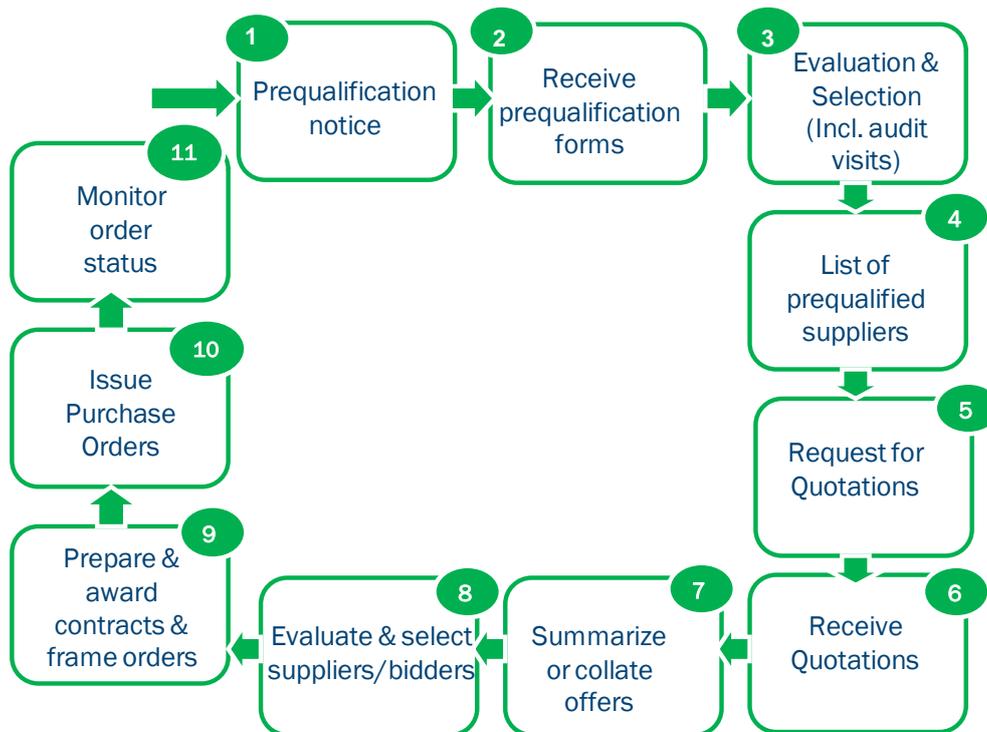
**We shall procure.....**

- ❑ **Locally-directly from manufacturers or distribution agents (for foreign manufactured products) for NAFDAC registered products**
- ❑ **Internationally-in the absence of products on the local market and after approval by government.**

**5.4 PROCESS**



*Typical Procurement Process*



### *Typical Tendering Process*

The team agreed that JIDMA procurement and tendering processes should be similar to typical procurement and tendering processes recommended under international best practice. The flow charts above illustrate typical procurement and tendering processes. SOPS would be developed to guide in the execution of tasks in these processes.

## **5.5 SOPS**

Plenary session participants acknowledged the importance of SOPs in ensuring correct execution of tasks and in compliance with & conformance to policies and guidelines. Participants agreed to have at least the following procurement SOPS and follow up training on SOP development.

**We will have, as a minimum, the following SOPS....**

- Product Selection Procedure**
- Quantification Procedure**
- Prequalification Procedure**
- Tendering Procedure**

- Supplier Evaluation & Selection Procedure**
- Preparation & Award of Contracts Procedure**
- Order Processing Procedure**
- Supplier Payment Procedure**
- Product Sample Handling Procedure**
- Inventory Monitoring Procedure**
- Product Quality Assurance Procedure**

## **5.6 TOOLS**

A number of tools shall be identified and developed for use in the procurement system. Below are some of the documents and forms that were identified for use. Participants agreed that more forms and documents may need to be identified and developed during phase III.

- Prequalification forms**
- Tender Forms**
- Tendering Documents Monitoring Form**
- Request For Quotation Form**
- Quotation Evaluation Form**
- Supplier/service provider information sheet**
- Contract Specimen**
- Contract Communication Monitoring**
- Supplier Evaluation Form**
- Supplier Evaluation Summary Form**

## **5.7 REPORTS**

The following reports in addition to those generated by m-supply will be generated and used for procurement decision making.

- Pipeline Products**
- Price Survey Reports**
- Stock out reports**
- Supplier Performance Reports**
- Supplier Prequalification Reports**
- Supplier Evaluation & Selection Reports**

## **5.8 INDICATORS**

A set of robust procurement indicators shall be developed for use in monitoring the performance of the procurement system. The indicators shall be part of the overall quality assurance system for JIMSO and shall cover aspects like supplier performance management, stock availability, product prices, and product delivery times among others. Phase III shall also focus on developing monitoring indicators. The following aspects shall be considered in developing the indicators.

- Type of indicator (input, process & outcome)**
- Measurement & Frequency**
- Data Requirements**
- Data Source**
- Relevance & Limitations**

## **7.0 REVIEW OF STATUS OF IMPLEMENTATION OF PHASE-I RECOMMENDATIONS**

The mission team reviewed the status of implementation of recommendations with key SMOH staff, General Manager JIDMA and PATHS2 personnel. Annex I attached highlights the status of these recommendations as at 24/11/09. Most of the SMOH actions had been implemented while JIDMA recommendations mainly require completion of the enactment of JIDMA bill. Many of the PATHS2 recommendation will be implemented with Phase III support.

## **8.0 CRITICAL ASPECTS FOR CONSIDERATION IN PHASE III SUPPORT**

### **❑ Quantification of Needs**

Support will be provided under phase III in quantification of needs and development of procurement plans for use during the award of contracts to suppliers.

### **❑ Development and execution of Frame Work Contracts**

Support to development and execution of framework contracts shall be provided by PATHS2. This process will facilitate the first procurement by JIDMA using selective tendering from pre-qualified suppliers. The process shall be coordinated with the activation of Hadejia store in Hadejia to ensure adequate space for storage and distribution of commodities.

### **❑ Capacity Development on SOPs, Indicators and Tools**

Support will equally be provided under phase III to equip JIDMA staff as well as SHC pharmacists with knowledge and skills required to develop and maintain SOPs, indicators and other tools.

### **❑ Development of a supplier performance management system**

Critical to the maintenance of the procurement system is development and implementation of a supplier performance management system. PATHS2 shall provide training and support towards this initiative under phase III.

## **9.0 CONCLUSION**

Previous missions namely; HCP Annual Review October '08, Consolidated Assessment of HCP Components of PATHS2 Feb '09 and Phase I Procurement Mission Aug '09 all confirmed the need to develop a procurement system for Jigawa State to support the immediate procurement of commodities to support capitalized DRF facilities and sustain the progress made under HCP. This would ensure procurement and supply chain management sustainability and contribute to the overall goal of contributing to quality healthcare for the poor people of Nigeria.

Key stakeholders from SMOH, SHC, LGA and PHC were invited for a consensus workshop on the procurements system for Jiagwa. The stakeholders agreed that the procurement system should include; procurement policies, structures, methods, processes, SOPs, tools, indicators and reports. A vision, mission and procurement objectives were developed and the processes designed to match those recommended under international best practices on good pharmaceutical procurement. It was agreed that phase III would provide support towards Quantification, development of framework contracts, development of a supplier performance management system and identification and development of SOPs, tools, reports and indicators. The status of implementation of recommendations from phase I was also reviewed and updated.

## ANNEX I: STATUS OF IMPLEMENTATION PLAN

	RECOMMENDATIONS	SPECIFIC TASKS	RESPONSIBILITY	TIME FRAME	STATUS
	<b>State Government Interventions</b>				
	Spearhead efforts to develop a State Essential Drugs List or collaborate with federal government to revise the 2003 version	Write to and seek audience with His Excellency the state governor and highlight the issue.	Hon. State Commissioner of Health (HSCoH)	Feb '10 (Short Term)  (Long Term)	State Essential Drugs List to be revised in Feb.  Jigawa SMOH shall liaise with FMOH to revise National EDL
	Develop capacity at facility level to quantify needs and share with JIMSO	Develop capacity of LGAs support, supervise and collect needs data from PHCs for decision making.  Write to SHCs to share their annual quantification of needs with JIMSO.	PATHS2/Gunduma HSB	May '10 (Short Term)	Training slated for Q1 '10  Gunduma HSB will write a letter before Jan '10.
	Develop and implement a mechanism for sharing information with JIMSO on planned health interventions and drug donations to help JIMSO make accurate commodity forecasts	Write letter to relevant SMOH departments to effect information sharing	Hon. State Commissioner of Health (HSCoH)	n/a	Done-MDG state meeting resolved to share information.
	SMoH & Gunduma HSB should strengthen DRF at the facility level to guarantee cash flow at JIMSO and ensure financial sustainability.	Harmonize FMCH with DRF to avoid the formers de-capitalizing effects on the latter, fast track reimbursements and strengthen audits and support supervision.	Gunduma HSB	n/a	Circular was issued to this effect.

	RECOMMENDATIONS	SPECIFIC TASKS	RESPONSIBILITY	TIME FRAME	STATUS
	<b>State Government Interventions</b>				
	<b>SMOH and Gunduma HSB should fast track the process of addressing space constraints at JIMSO by renovating and utilizing appropriate regional decentralized LGA stores such as the one in Hadejia.</b>	<b>Identify suitable decentralized LGA stores and develop renovation budget estimates</b>	<b>Hon. State Commissioner of Health (HSCoH)</b>	<b>n/a</b>	<b>Hadejia and Dutse have been identified. Hadejia shall be activated with support from the mission to implement distribution recommendations.</b>
	<b>SMoH &amp; Gunduma HSB should urgently review and implement the recommendations of the distribution mission for Jigawa State</b>	<b>Organize a stakeholder meeting to agree on recommendations</b>	<b>Hon. State Commissioner of Health (HSCoH)</b>	<b>n/a</b>	<b>Stakeholder meeting was organized and options agreed.</b>
	<b>Provide financial support to JIMSO to repair cold room and fix the leaking room</b>	<b>Assess cost involved in fixing and submit to SMOH with a request</b>  <b>Provide necessary financial support to JIMSO</b>	<b>General Manager JIMSO</b>	<b>n/a</b>	<b>Leakages have been fixed. State will in the medium to long term use the EU cold room in Dutse.</b>
	<b>State Government should fast track the enactment of JIMSO Bill</b>	<b>Write to relevant stakeholders to fast track revision of to the draft bill.</b>	<b>Hon. State Commissioner of Health (HSCoH)</b>	<b>Feb '10 (short Term)</b>	
	<b>Combine efforts and sensitize the LGAs about the importance and pivotal role played by JIMSO</b>	<b>Develop and implement a program for sensitizing LGAs.</b>	<b>JIMSO/Gunduma HSB</b>	<b>Apr '10 (short Term)</b>	

	RECOMMENDATIONS	SPECIFIC TASKS	RESPONSIBILITY	TIME FRAME	STATUS
	<b>PATHS2 Interventions</b>				
	Develop standard operating procedures that describe the step-by-step implementation of key tasks in all functions at JIMSO	Request PATHS2 Logistics Coordinator to authorize Technical Assistance	PATHS2	Feb '10 (short Term)	Phase III support
	Conduct training for key staff in procurement, warehousing & inventory management, Quality Assurance & Performance Mgt.	Request PATHS2 Logistics Coordinator to authorize Technical Assistance in this area	PATHS2 STL	Mar '10 (short Term)	Scheduled- Jigawa 2010 Work plan
	Support JIMSO to develop and sign framework contracts with pre-qualified suppliers including execution of selective competitive tendering.	Request PATHS2 Logistics Coordinator to authorize Technical Assistance in this area	PATHS2	Feb '10 (short Term)	Phase III support
	Support NAFDAC and PCN to execute its key roles	Request for consultancy to identify areas for support to strengthen NAFDAC	PATHS2	Apr '10 (short Term)	Support to NAFDAC Mission
	Facilitate the activation of key functionalities in m-supply and training related to the functionalities as well as the sub optimally used functions such as tendering & forecasting	Request PATHS2 logistics coordinator to authorize Technical Assistance in this area.	PATHS2 STL	Mar '10 (short Term)	STL to discuss this with National Logistics Coordinator

	RECOMMENDATIONS	SPECIFIC TASKS	RESPONSIBILITY	TIME FRAME	STATUS
	<b>PATHS2 Interventions</b>				
	Support JIMSO to develop a quality assurance system	Request PATHS2 Logistics Coordinator to authorize Technical Assistance in this area	PATHS2	Feb '10 (short Term)	Phase III Support
	Support computerized stock management (using simple software) at SHC level	Develop a budget for running computerized stock mgt & request DFID/SMOH for funds	PATHS2 STL	Mar '10 (short Term)	Part of m-supply initiative
	<b>JIMSO Interventions</b>				
	JIMSO Advisory Committee and the Mgt. team should consider the creation of distinct sales and quality departments with well defined roles and responsibilities.	Propose revisions to the management team & JIMSO advisory committee.	General Manager JIMSO	May '10 (short Term)	JIMSO board to take this up
	Revise draft guidelines to include selective competitive tendering	Propose revisions to the draft guidelines and identify a team to execute this.	General Manager JIMSO	n/a	Done
	Conduct an external audit at least once every two years	Circulate SOPS with a management letter & support staff to implement.	General Manager JIMSO	n/a	Will be done when due
	Develop and monitor procurement performance indicators	Delegate Procurement Officer to generate procurement performance indicators and discuss/agree with the rest of the mgt. team	PATHS2	Feb '10 (short Term)	Phase III support
	Develop and implement criteria for inclusion of drug items on JIMSO formulary	Draft & agree on criteria for inclusion of drug items on JIMSO formulary	PATHS2	Feb '10 (short Term)	Phase III support

	RECOMMENDATIONS	SPECIFIC TASKS	RESPONSIBILITY	TIME FRAME	OUTPUT
	<b>JIMSO Interventions (cont....)</b>				
	Develop a system for capturing client suggestions and complaints in order to respond to their needs	Draft and agree on system for capturing client suggestions and complaint	General Manager JIMSO	Jan '10 (short Term)	
	Develop and sign a memorandum of understanding with NAFDAC to share information	Meet with NAFDAC and propose areas of cooperation including MOU	General Manager JIMSO	May '10 (short Term)	To be taken up by the board
	Establish licensing requirements with PCN	Write to PCN and establish whether licensing will be required	General Manager JIMSO	Feb '10 (short Term)	

## ANNEX II: ATTENDANCE OF THE WORKSHOP

No	NAME	DESIGNATION	ADDRESS	PHONE NO	EMAIL
1	Abubakar Atiku	Pharmacist In Charge	Birniwa Cottage Hospital	8027946437	
2	Almu Kabir	Pharmacist In Charge	Garki PHC	7038751204	
3	Sabitu Nosalla	Logistics Officer	Birnin Kudu Gunduma HC	8036865944	<a href="mailto:usamklid@yahoo.co.uk">usamklid@yahoo.co.uk</a>
4	Aminu Magaji	Pharmacist In Charge	Regional JIMSO, Hadieja	8027693014	<a href="mailto:amjahun@yahoo.com">amjahun@yahoo.com</a>
5	Sabo Ahmed	Chief Nursing Officer In Charge	Kafin Hausa General Hospital	8022995023	
6	Haruna Sule	Principal Stores Officer	Birnin Kudu JIMSO	7030310295	
7	Sanusi Maharaz	Chief Stores Officer	Regional JIMSO, Hadieja	7036163771	
8	Dr. A.A.Habib	Deputy Director Health Services	Gummel Gunduma Health Council	8066236660	<a href="mailto:drabbababa@yahoo.com">drabbababa@yahoo.com</a>
9	Fatima Alade	Pharmacist In Charge	Hadeija General Hospital	8032808039	<a href="mailto:feyikenu_alade@yahoo.com">feyikenu_alade@yahoo.com</a>
10	Salisu Falalu	Deputy Director Health Services	Gunduma Health System Board	8026802746	<a href="mailto:Salisufalalu@yahoo.com">Salisufalalu@yahoo.com</a>
11	Isah Usman B	HMIS	State Minsitry of Health	8065849688	<a href="mailto:Isahbulangu@yahoo.com">Isahbulangu@yahoo.com</a>
12	Aminu Alhassan	Procurement Officer	Birnin Kudu JIMSO	8036847988	<a href="mailto:shafamin5@yahoo.com">shafamin5@yahoo.com</a>
13	Ibrahim Hassan	Director	Kazarwe GHSC	8026806996	<a href="mailto:ibhassanbs@yahoo.com">ibhassanbs@yahoo.com</a>
14	Lawal Bala	Deputy Director Procurement and Supplies	State Minsitry of Health	8036519671	<a href="mailto:mlkazause97@yahoo.com">mlkazause97@yahoo.com</a>
15	Zanna Omar Ali	HMIS Officer	PATHS2	8036832435	<a href="mailto:2.ali@paths2.org">2.ali@paths2.org</a>
16	Rabiu Yakubu	Systems Strengthening Logistics Officer	PATHS2	8032126720	<a href="mailto:rabsyakubu@yahoo.com">rabsyakubu@yahoo.com</a>
17	Lawal Bala	Consultant	PATHS2	8065282964	<a href="mailto:mlbala2000@yahoo.com">mlbala2000@yahoo.com</a>
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19	Abkul Karim Suleiman	Logistics Implementation Support Officer	PATHS2	8036694679	<a href="mailto:himamu2akasan@yahoo.com">himamu2akasan@yahoo.com</a>
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27	Ashraf Kasujja	Consultant	PATHS2		<a href="mailto:nuhuisa@yahoo.co.uk">nuhuisa@yahoo.co.uk</a>
28	Nuhu Isa	Hon Comissioner for Health	State Minsitry of Health		
29	Dr. Ibrahim N	Permanent Secretary	State Minsitry of Health		
30	Ibrahim Adamu	Pharmacist In Charge	Birniwa Cottage Hospital	8027946437	