Procurement Assessment Guide

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A. Introduction

The purpose of the Procurement Assessment Guide is to provide designated assessors with a structured format to use for reviewing and evaluating the procurement system in order to identify its strengths and weaknesses. Information from the assessment and initial performance indicator results (see Section C for information regarding performance indicators) can then be used to develop a customized training program that draws on materials in the *Procurement Capacity Toolkit*. The training program would help address the constraints of the procurement system identified in the assessment and strengthen the capacity of personnel to conduct competitive procurement in accordance with internationally accepted good procurement practices.

The procurement process does not occur in a vacuum. As presented in several *Toolkit* modules, supporting systems play an important role in contributing to the overall effectiveness of the procurement process. These supporting systems include the timely provision of sound quantification data developed through the forecasting process; a budgeting and financial process that effectively allocates funds to support procurement; national policies and regulations that require open, competitive, and transparent bidding practices; and a national regulatory system that registers and regulates acceptable-quality medicines.

Information on these supporting systems has been included in the *Toolkit* so that procurement personnel may better understand the overall supply process and how the different systems must coordinate activities and share information to ensure an effective procurement process. However, while an effective procurement system is closely tied to sound supporting systems, it is beyond the scope of the *Toolkit* to provide specific guidance on strengthening these supporting systems. The focus of the Procurement Assessment Guide is on identifying operational areas of performance that can be improved to strengthen specific procurement practices, such as drafting specifications, preparing bidding documents, opening and evaluating supplier bids, awarding contracts, arranging for financing, and monitoring supplier performance.

Even though the focus is on operational procurement, a general understanding of the larger environment that impacts procurement system performance is helpful in designing a procurement training program. In addition to questions on operational procurement procedures and practices, this Assessment Guide contains a section on obtaining information on other components influencing the procurement process. These components

include national legislation governing procurement practices; budgeting processes, financing procedures, and regulatory functions that support procurement; and systems that support the integrity and transparency of the procurement process.

The Assessment Guide is based on and draws significantly from the three major procurement system assessment methodologies (Organisation for Economic Co-operation and Development [OECD], World Bank, and the Global Fund to Fight AIDS, Tuberculosis and Malaria [Global Fund]) that are currently being used by international institutions to assess national procurement systems. Information on the general features of these methodologies is presented in Section F.

B. Conducting a Procurement System Assessment

Conducting a successful procurement system assessment requires careful advanced planning. Actions to be taken prior to the assessment include:

1. Identifying the Information That Will Be Collected

If an out-of-country organization is conducting the assessment, prior desk research to answer some questions prior to the assessment visit is highly recommended. Such desk research may include review of the country's procurement act, national medicines policies, any "buy local" policy that may exist, and other regulations and guidelines. Prior procurement assessments by funding agencies or other key stakeholders working in-country, such as midterm reviews and the World Bank Country Procurement Assessment Report, are a good place to start if such reports are available, as they will generally contain comprehensive information on the procurement process.

The availability, reliability, and integrity of information and records need to be taken into account when planning an assessment. Depending on the system being used, some data may not be available in particular countries; therefore, it is necessary to allow a certain amount of flexibility in conducting the assessment. Lack of fundamental procurement information and data, however, is a shortcoming in the system and needs to be identified as such in the assessment report.

A checklist of documents to collect during a procurement system assessment can be found in Annex 1.

2. Identifying the Stakeholders to Be Interviewed

It is important to identify a range of stakeholders with different areas of knowledge about the system and varying perspectives on its effectiveness. This would include donors, government representatives of implementing and supporting agencies, and private-sector suppliers that compete for government procurement opportunities. Key stakeholders need to be identified and informed in advance of the purpose of the requested interviews.

3. Identifying the Assessment Team

The assessment should be conducted by personnel with public procurement experience and knowledge of operational procurement and internationally accepted procurement standards. If a third party is conducting the assessment, it may be advantageous to include a counterpart from the government on the assessment team to help arrange for logistics support and facilitate access to information. In addition, government participation plays an important role in building government support and commitment to implementing assessment report recommendations.[1]

4. Reviewing the Assessment Methodology and Developing Performance Indicators

Many of the assessment questions allow for subjective professional judgment by the assessors. While subjectivity cannot be fully removed from the assessment, it is important for members of the assessment team to discuss the assessment process and attempt to establish a consistent approach in application of the methodology. It is also important at this time to develop a list of performance indicators that will be measured during the assessment (see Section C for further information regarding performance indicators).

[1] **Organisation for Economic Co-operation and Development. *Methodology for Assessment of National Procurement Systems* (Version 4). 2006. Available at: http://www.oecd.org/dataoecd/1/36/37390076.pdf. The User's Guide (Section 1) of this document provides very helpful guidance on conducting procurement assessments.**

C. Performance Indicators

Performance indicators highlight key areas impacting overall performance within the procurement process and are used to measure the success of capacity-building. They can also assist in identifying the details that an objective procurement assessment needs to look at. The establishment of performance indicators aids in the development of training curricula in terms of the type and length of training that needs to be conducted on specific procurement areas that contribute to reaching the end goal. Performance indicators will not only alert the assessment team to key problems, but will also play a vital role in tracking progress.

Performance indicators need to be measurable; therefore, knowing where to access the data is important. In some country settings, certain documents might not exist, and in other cases, a third party might not be allowed access to confidential documents. Although it may be unacceptable for a third party to review confidential documents, it may be possible for a government employee to verbally provide the information needed for the indicator. For example, an indicator may measure the difference between initial budget estimates and actual contracted costs to ascertain the accuracy of the budgeting process. While a third party might not be allowed to review a final contract and see actual supplier cost information, the cost data may be provided without naming the supplier.

At the end of each *Toolkit* module, a suggested list of performance indicators has been provided based on the module subject. The indicators are provided as an example and should be adapted to country-specific situations. The complete listing of the suggested performance indicators can be found in Annex 2 of this Assessment Guide.

D. Procurement Assessment Questions

The procurement system assessment questions are divided into seven key categories that closely follow those used by the World Bank assessment methodology:

1. Reproductive Health (RH) Procurement Cycle Management.
2. Legal Framework.
3. Organization and Functions.
4. Recordkeeping.
5. Staffing.
6. Previous Assessments and Capacity-Building.
7. General Risk Assessment.

The assessment questions that follow are a general guideline. It is up to the assessment team to use and/or adapt the questions that are appropriate for their particular situation. The assessment questions are broken down according to modules in the *Toolkit*, but it may be helpful to rearrange the questions according to the organization/unit that will be most likely to provide the appropriate answers. Some of the questions may be appropriate for more than one organization/unit. It may be helpful for the assessment team to start with a primary organization/unit, such as the procurement unit or the RH program unit, where the majority of the questions can be answered. The primary organization should be able to identify other organizations/units that can answer questions they were unable to answer.

1. Reproductive Health Procurement Cycle Management

a. Module 1: Defining Reproductive Health Supply Requirements

1. Is there an essential medicines list? Does it contain RH supplies? What RH supplies are included on the list? Are drugs procured according to the essential medicines list?
2. Who (or which department) is responsible for the forecasting of RH supplies, including the forecasting of buffer stocks?
3. How are forecasts for RH supplies developed? Using the consumption method? The morbidity method? Other methods?

4. How are forecasts for RH supplies validated?
5. How is forecasting data managed (e.g., use of information systems)?
6. Are the forecasts accurate at a national level, district level, etc.? Is there a need to order emergency stock or to shift stock between locations throughout the year? Which RH commodities are most affected?
7. Is a new forecast done yearly?

b. Module 2: Specifications

1. Describe the general quality, clarity, neutrality, and accuracy of technical specifications (including Schedules of Requirements). Please provide an RH commodities bid to demonstrate the attributes listed above.
2. Are the technical specifications used based on the World Health Organization or other recognized technical specification source (e.g., International Pharmacopoeia, United States Pharmacopoeia, British Pharmacopoeia), or are they locally developed?
3. What is the procedure for the development of local specifications? Who is involved in their development, review, and acceptance? Are the specifications "product neutral?"
4. Are the product specifications, quality assurance provisions, and shipping and packing requirements clearly outlined in the bidding documents? Who completes the final review of the specifications listed in the bidding documents?
5. Is the shelf-life requirement for health-sector goods addressed in the technical specifications, and are preshipment requirements (e.g., testing of condoms) addressed as well?
6. Are shipments visually inspected upon delivery (or prior) to ensure that they meet the specifications outlined in the bidding documents?

c. Module 3: Assessment of Procurement Options

1. Which, if any, of these indirect procurement options are utilized: international supply service, international procurement agency, parastatal procurement service, government stores, and/or regional buying alliance?
2. Which, if any, of these direct procurement options are utilized: international competition, international competition using a private procurement agent, sole-source procurement, and/or small-scale national procurement?

3. Approximately what percentage of the RH procurement is direct versus indirect?
4. What are the criteria or influencing factors for deciding on direct versus indirect procurement? How is the agent or agency selected?
5. What are the common restrictions or roadblocks when assessing the option of direct procurement?

d. Module 4: Budget, Funding, and Procurement Requisition

1. Who is responsible for planning, reviewing, and approving the budget?
2. How often is the amount of available funding less than the budget originally submitted? How does the procurement unit handle this reduction in funding? Does this impact stock-outs in the long run?
3. What is the process for developing the budget for RH products?
4. Of the major RH commodity categories budgeted (intrauterine devices, condoms, oral contraceptives, etc.), what percentage used Internet pricing research to identify representative pricing (e.g., the *International Drug Price Indicator Guide*)?
5. Is only the product price included in the budget, or are other costs taken into account (e.g., freight, insurance, fees, etc.)?
6. Does the budget estimate incorporate factors such as stock-on-hand, rate of consumption, and products in the pipeline?
7. Is the early technical and financial planning well coordinated so that funding is assured when procurement begins, based on accurate cost and quantity estimates? What does the procurement unit do if the funding is not assured at the time of procurement? What is the long-term impact on the schedule?
8. Does the procurement unit regularly conduct market surveys to update their knowledge of prevailing sources and prices for RH products?
9. Is there a comparison of actual verses budget at the end of the year? If yes, is that information utilized when developing the budget the following year?
10. Is the budget allocated with sufficient time to administer the procurement process?
11. Once the budget is allocated, is there a prioritization of procurements based on the longest lead time? Who determines the priority and distribution of the workload?

e. Module 5: Procurement Planning

1. Are RH procurement plans prepared for all procurements? What authority (or authorities) is responsible for preparing procurement plans? How long does it take to prepare a procurement plan?
2. What are the elements of the procurement plan? Please provide a copy of the procurement plan for review of the level of detail and comprehensiveness.
3. Has the government established time period guidelines for major activities in the procurement cycle? If so, what percentage of procurements was completed within the government's time period guidelines?
4. Does the RH procurement unit monitor the actual completion dates for procurement activities against the original estimated completion dates, and are that data used to identify areas for improvement to the procurement process?
5. Does the RH procurement unit have a process to clarify and verify the requirements and specifications of the procurement requisition to ensure any potential constraints are adequately addressed (e.g., budget, product pricing, etc.)?
6. Which procurement methods are normally utilized (open bid, restricted bid, sole source, shopping, etc.)?

f. Module 6: Developing Bidding Documents and Inviting Offers

1. Which staff members prepare the bidding documents? What is their level of experience?
2. What documentation is produced and archived by the agency? Please provide a sample of previous documentation (Instructions to Bidders, responses from bidders, etc.).
3. Do standard bidding documents exist for health-sector goods contracts? List and provide sample(s). Are there separate documents for international and national competitive bidding?
4. Is one bid containing multiple goods prepared, or are multiple bids for individual goods prepared?
5. Are these documents, if any, readily adaptable to specific contract situations (e.g., by modifications made through a Bid Data Sheet, Special Conditions of Contract, or something similar)?

6. Do the bidding instructions contain other necessary information (such as eligibility requirements, basis of bid, language, currency of bid, common currency for purposes of evaluation, source, and date of the exchange rate)? Are sample forms and other appropriate sections of the documents provided?
7. Are bidders required to provide bid security in an appropriate amount as a condition of responsiveness of their bids?
8. Is pre- or post-qualification completed?
9. Are qualification criteria appropriate and clearly described for bidders?
10. Are the conditions of the contract generally equitable? Do they provide adequate coverage for most important commercial and legal issues (for the method of procurement, size, nature, and type of contract used)? Do they provide adequate protection to the government, without putting undue risk on bidders?
11. Are standard purchase orders used for shopping?
12. Are contracts to be awarded by competitive bidding publicly advertised?
13. How much time is allotted to obtain documents and prepare bids?
14. What is the general written response time for clarifications and questions asked by the bidders?
15. Are clarifications, minutes from the pre-bid conference (if one was held), and modifications of the documents communicated to all prospective bidders? How soon after the pre-bid meeting are the minutes distributed?
16. How much time are the bidders afforded to revise their bids following modification (if any) of the documents?
17. Do procuring entities maintain records of all communications with bidders (before and after the deadline for submission)? Where is the information stored?
18. Are there communications between the procuring entities and the bidders other than appropriate requests for clarification of a bid made to the evaluating committee?
19. Are bids received prior to the deadline securely stored? Where? Who has access?
20. Are public bid openings conducted?
21. If so, are they conducted at a specified place closely following the deadline for submission? Generally how long after are they scheduled? Who is invited to attend?

22. Do bid opening procedures generally follow commonly accepted practices, such as those specified in World Bank guidelines? What information is read out at the bid opening? Are minutes kept?
23. Do bid opening procedures differ for different types of health-sector goods? If so, how?
24. Is prequalification of suppliers carried out? What is the process for prequalifying a supplier? What are the criteria for prequalification?
25. Is every prequalification conducted per a policy/procedure? On average, how long does it take a firm to become prequalified? Are foreign firms allowed to apply? Is the process the same for foreign and domestic firms?
26. Do prequalification documents describe all requisites for submitting responsive applications and the qualification requirements? Is financial information required and critically analyzed to assess financial capabilities to perform contracts? Is product quality assessed? If so, how is it assessed (e.g., are samples from all suppliers tested, or only from new bidders)?
27. Do procuring entities verify whether a successful bidder continues to meet prequalification requirements, prior to the contract award?
28. Are suppliers required to have a local agent in order to qualify to bid for goods or services?
29. Do procuring entities maintain updated lists of qualified suppliers, contractors, and consultants, and updated market information on commonly procured health-sector goods? Where is this information stored? Is it accessible to all procurement units? How is this list of qualified suppliers, contractors, and consultants initially established? How does a new firm apply and become qualified?
30. Is supplier performance routinely evaluated? What criteria are used to assess performance?
31. Does a pharmaceutical product need to be registered by the national regulatory authority (NRA) prior to award? Is there a "fast-track" system for registering drugs?

g. Module 7: Selecting Suppliers

1. Approximately what percentage of supplier proposals is compliant with/responsive to the criteria outlined in the bidding documents? What are the most common reasons for noncompliance?

2. Is responsiveness determined on the basis of the documentary requirements described in the bidding documents (e.g., product technical and performance specifications, product packaging, pharmacopoeial specifications, and registrations if requested)?
3. Are three distinct evaluating committees—a bid opening committee, a bid evaluation committee, and a technical evaluation committee—convened to select a supplier? If not, what are the evaluating committees?
4. Do qualified evaluating committees conduct evaluations? Do the committees include pharmaceutical, clinical, and other appropriate health professionals?
5. Are evaluating committees appointed ad hoc for each evaluation?
6. Are bid evaluations carried out on the basis of the criteria specified in the documents? What are the key bid categories that are evaluated?
7. Is the successful bidder's qualification to perform the contract determined solely on the basis of the specific criteria stated in the documents (e.g., product technical and performance specifications, product packaging, pharmacopoeial specifications, registrations)? If not, what other criteria are considered?
8. Are evaluations normally completed within the original bid validity period?
9. How is the financial evaluation of the bids performed? Who is responsible for reviewing the price offering in the bid?
10. How often do bidders protest? What is the cause of the protest?

h. Module 8: Contracts

1. Are contracts required to be awarded to the lowest evaluated cost responsive bidder that has been determined to be qualified to perform the contract satisfactorily?
2. Are negotiations conducted with bidders before or after selection? Are the negotiations related to price, delivery, payment options, or other reasons?
3. What government approvals are required before contracts can be made effective?
4. Is performance security required? What is the amount required and how is it determined? What is the format utilized to convey the performance security requirements to the supplier?
5. Are cost reimbursement contracts ever issued? If yes, what was the product/scenario that required that type of contract?

6. Are indefinite quantity contracts utilized? For which commodities and why?
7. Are contracts with options for future quantities utilized?
8. Does the procurement team prepare the contracts? If not, which organization/unit prepares the contracts?
9. How often does a contract need to have verification of product registration prior to award? What is that time frame? Does it delay the due date of the product?
10. Are contracts signed within the original bid validity period? If not, how often does this happen, and what is the reason for the delay? Does the supplier extend its offer?

i. Module 9: Contract Performance and Monitoring

1. Who is responsible for monitoring the performance of the supplier?
2. Are there manual or computerized procurement and/or contract monitoring systems in use? Review sample report/output. Is contract performance informally monitored?
3. What are the performance indicators utilized to monitor supplier performance? Are the performance indicators shared with the suppliers prior to contract award?
4. Is there a location for the storage of contracts that have a formal procurement record? Please provide a set of procurement files for review.
5. Are suppliers and contractors paid on time? If not, what causes the delay in payment? What is the normal time period from invoice submission to final payment?
6. Are contract changes or variations handled in accordance with the contract conditions and established practice (e.g., change/variation orders are given and/or confirmed in writing)?
7. Do procuring entities normally make a good-faith attempt to resolve disagreements through informal negotiations (amicable settlement)?
8. If this fails, are the resulting disputes handled in accordance with the contract conditions?
9. Are the supplier claims handled based on a clear recognition of both parties' obligations under the contract?

10. Are contract managers/administrators skilled in resolving problems in a timely manner and dealing with unforeseen circumstances arising during the life of the contract? Do they adequately document all actions of contractual import taken by the purchaser during implementation?
11. When are contractual remedies utilized? Are they in accordance with the contract conditions?
12. Are contracts completed on schedule or are time overruns frequent? Is it common to incur hidden costs from a supplier? Hidden costs are normally due to shortages and poor supplier performance (e.g., emergency procurements because the supplier delivers late, replacement costs for lost goods or short shipments, etc.).
13. Are contracts generally administered in a fair and equitable manner (e.g., the purchaser/employer/client grants extensions of time when delays are attributable to its untimely action, and fair compensation is provided to offset additional costs caused by its mistakes, etc.)?
14. Does the purchaser supply data and resources it agreed to under the contract and carry out all inspections in a timely fashion so as not to disrupt the supplier's performance and delivery?
15. Can delays by the purchaser in meeting its contractual obligations as described above be attributed to a problem identified in the local procurement environment? Specify.
16. Are procurement evaluations/audits conducted at the supplier? If so, describe scope, frequency, who carries them out, etc.
17. What is the process for handling final payments and final closure of the contract?
18. Are there mandatory preshipment compliance requirements (preshipment document review, visual inspection of the product, and/or laboratory or physical testing of the product)? For which RH commodities are these requirements levied? How was the determination made for each of the commodities?
19. Is condom preshipment testing performed?
20. What is the approximate number of suppliers that default on their contracts? Is there a record of the suppliers that have defaulted? Is this considered when future bids arise?

j. Module 10: Delivery of Goods

1. Which organization is responsible for customs clearance and warehouse delivery processes?
2. Is there a log of the issues that have occurred with incoming shipments?
3. What are the procedures to monitor delivery of health-sector goods to verify quantity, quality, and timeliness? Who is responsible for monitoring the deliveries of products?
4. Are stores well kept and managed, including the inventory control of goods? Are expired goods a common problem?
5. Is the cold chain in adequate condition to support delivery of temperature-sensitive goods?
6. Are under-inspection, over-inspection, and/or improper rejection of health-sector goods common problems?

2. Legal Framework

a. General Features

1. What is the legal corporate status of the procurement unit—is it a government department, a state corporation, or a parastatal enterprise? Who are the owners?
2. Is the overall system centralized or decentralized? Is the procurement of RH commodities centralized or decentralized?
3. Do the national policies, laws, and regulations regarding procurement in general and procurement of health-sector goods in particular apply to this agency? Please provide a copy of the procurement act or an equivalent document. If not, does the agency have its own regulations?
4. Is there an established NRA? Describe. What quality assurance or quality control procedures does the NRA apply? Drug registration? Import licensing?
5. Do the regulations cover the relevant components of procurement for health-sector goods (e.g., product selection, registration, quality control, importation versus local manufacture, etc.) with no unduly complicated, unnecessary, conflicting, or outdated regulations? Are rules found in various distinct sources or within a well-coordinated legal framework? Do policies and regulations in support of other national social or economic development goals exist?

6. Is the hierarchy of the sources of procurement rules in general and for procurement of health-sector goods in particular well established? Who has the authority to determine procurement rules? Who has the authority to interpret them? Who has the authority to overrule them?
7. Does the system allow/facilitate the introduction of new and innovative techniques and contracting practices for health-sector goods, such as e-procurement or contracting with a procurement agent, without compromising basic principles?
8. Are there rules/procedures regarding bidder suspension and debarment?
9. Are there procedures for the settlement of contractual disputes? Describe.

b. Basis for Transparency

1. Is there a legal or regulatory requirement for public disclosure of procurement legal texts?
2. Are there mandatory requirements for maintaining written records of procurement? Are they available to the general public?
3. What are the requirements for advertisement of contracting opportunities? How often is the country's national newspaper published? Is it available to the general public? Is it available in electronic form (i.e., on a website)?
4. Are there requirements regarding public bid opening? If yes, what are the requirements?
5. Are negotiations after bid opening or award selection forbidden?
6. Do rules on negotiated procurement, if any, provide the basis for a fair and transparent process?
7. What are the conditions for use of various procurement methods, and is there an explicit requirement that open competitive bidding is the preferred or default method?
8. Is there a requirement for public notice of contract awards? If yes, where is the information posted?
9. How are the requirements for bid and contract securities communicated to the bidders? Are they required of all bidders?
10. Are qualification requirements for bidders, if any, fair and appropriate for the purpose of the contract?

11. Explain the requirements for bid examination and evaluation.
12. Are summaries of information about public procurement published (e.g., number of bids received, number of contracts awarded, and names of successful bidders)? If so, describe scope, frequency, and location of posting.
13. Is there a conflict of interest policy in effect? If so, describe its essential features.
14. Are the laws on bribery of officials enforced? Do government bidding documents and contracts contain anti-bribery and anticorruption conditions?
15. What are the opportunities for discretionary decisions by government officials in the procurement process and preparation of documents?

c. Basis of Accountability of Procurement Officials

1. Is there a published code of ethics for procurement personnel to follow? If so, describe its basic features. How is the code enforced?
2. What is the process for bidders to report bribes by others and solicitation/ extortion of bribes by procurement officials?
3. What access do bidders have to administrative or judicial review/appeal?
4. Are there measures to curb corruption (e.g., anticorruption statutes and/or bodies, whistleblower statutes, comprehensive reforms of the civil service/judiciary, regional initiatives, provisions in the criminal law, anti-bribery provisions, etc.)? If so, describe.

3. Organization and Functions

1. Describe the general organization of the procurement unit. Provide an organizational chart.
2. Are key functions assigned and duly staffed (e.g., defining RH supply requirements; specifications; assessment of procurement options; budget, funding, and procurement requisition; procurement planning; developing bidding documents and inviting offers; selecting suppliers; contracts; contract performance and monitoring; and delivery of goods)?
3. Are there procedural manuals and clear instructions for staff to follow? Where is this information maintained and how often is it updated? Is formal training provided on these documents for new employees? Please provide a copy of the manual.

4. How is information communicated to the procurement unit when procedures or processes change (i.e., are procurement staff aware of updated rules and thresholds and other issues relevant to their assigned responsibilities)?
5. Are the procurement and supply management functions clearly distinguished? Are the roles and responsibilities written in a published document?
6. What are the procurement/contracting authority levels? Is there a delegation of authority? How does the current delegation impact the timeliness of the procurement process?
7. Are thresholds for contracting authority regularly updated?

4. Recordkeeping

1. For contracts to be awarded on the basis of competitive bidding, does the procurement unit maintain a complete record of the process? Is there a threshold for whether documentation is prepared and retained? Is it all stored in the same location? Documentation would include copies of all public advertisements; prequalification documents (if used); the prequalification evaluation report documenting any decisions not to prequalify certain potential bidders; the bidding documents and any addenda; a record of any pre-bid meetings; the bid opening minutes; the final Bid Evaluation Report, including a detailed record of the reasons used to accept or reject each bid; copies of bids; appeals against procedures or award recommendations; a signed copy of the final contract and any performance records; and advance payment securities issued; etc. Please provide a sample.
2. Are contract administration records maintained? Is there a threshold for whether documentation is prepared and retained? Are all stored in the same location? Documentation would include contractual notices issued by the supplier, contractor, purchaser, or employer; a detailed record of all change or variation orders issued affecting the scope, quantities, timing, or price of the contract; records of invoices and payments; progress reports; Certificates of Inspection, Acceptance, and Completion; and records of claims and disputes and their outcomes; etc. Please provide a sample.
3. For small contracts or purchase orders for goods procured using shopping procedures, is a database maintained showing the current market price for commonly needed items?

4. Are periodic reports prepared on overall procurement activities? By and for whom? What information is included in a report?
5. Is a record of contract prices maintained? How is it used? Is it accessible to all procurement personnel or those responsible for budget planning? Is it used to establish national price indices?

5. Staffing

1. Does the agency have specialized staff for procurement planning and scheduling of RH commodities? What is the previous work experience of the staff?
2. Are there job descriptions for staff members, including qualifications required?
3. Do staff skills generally match requirements and numbers? Are there any staffing gaps?
4. How are staffing levels determined?
5. What is the turnover rate of the staff in procurement?
6. Are staff members selected competitively or by direct appointment?
7. Are procurement staff members experienced in international procurement for health-sector goods?
8. Is career advancement primarily based on job-related accomplishments and factors?
9. What types of formal and on-the-job training programs (which contribute to proper professional career development) exist for entry- and higher-level procurement staff?
10. Are there additional training resources in the country that are currently utilized or that could be utilized to complement government- or donor-administered programs (e.g., universities and private institutions)?
11. Did previous training programs lead to an obvious improvement in the quality and productivity of procurement work? What was the training topic? Why was it successful?

6. Previous Assessments and Capacity-Building

1. Have there been previous assessments of RH procurement capacity? When were the assessments conducted and by whom? Were there other procurement assessments completed (not specific to RH commodities)?

2. What were the results and recommendations of the assessments? Can you provide the report?
3. How were any results and recommendations implemented? Are they still in practice?
4. Has previous RH procurement capacity-building been provided? When and by whom?
5. How was the capacity-building provided (e.g., onsite or offsite training, technical manuals, or other resources)?
6. What were the results of the capacity-building?

7. General Risk Assessment

1. Are the procurement unit staff members held in high regard in the organization?
2. Are pay levels for procurement professionals comparable to that for other public- and private-sector technical specialists? Give the current range of monthly salaries.
3. Are the authorities relating to procurement clearly delegated to the entities carrying out the process? Are the applicable procedures clearly defined?
4. Are procurement decisions ever overridden by higher governmental agencies? If so, by which? To what degree is the procurement decision-making process independent from politics? Indicate how differences are resolved when there is a difference of view between the procuring entities and the bid board or other final approval body regarding the award recommendation.
5. Does the highest level of the agency encourage, support, or enforce compliance with existing procurement regulations? Are violations investigated and procurement or other responsible officials held accountable?
6. Are there perceived or known weaknesses within the procurement organization? If yes, what are they? What are the strengths and/or processes that are working well?

E. Summarizing Assessment and Performance Indicator Findings

After conducting the procurement system assessment and gathering documents and data for the evaluation of the performance indicators, it is important to summarize and analyze all of the information. This may take several days, depending on the amount of information and the evaluator's familiarity with the documents. Table 1 on the following page provides an outline for summarizing the findings from the assessment. The information gathered from the assessment provides general insight on the current state of the organization and indentifies specific areas in which capacity development may be most beneficial.

The analysis and scoring of the performance indicators is quantitative in comparison to summarizing assessment findings in a written qualitative format. The performance indicators are generally assessed quantitatively and given a numerical score. See Table 2 for a suggested format. It may not be possible to obtain all of the desired documents for the performance indicators (e.g., contracts and bids); therefore, the reason the documents were not obtainable should be noted when applicable.

The assessment of performance indicators is done prior to training in order to establish a performance baseline and determine the areas for training curriculum development. The performance indicators play a major role in helping to identify the types of training that should be selected. After the training has been conducted, the performance indicators should be reassessed. This involves collecting the most recent copies of the same documents that were assessed for the initial indicators. Ideally, the scoring of the indicators will show improvement based on the training provided to the organization. It is important to note that sufficient time should elapse between the end of training and the final assessment of the indicators because this allows time for changes to occur in the system.

For more information on developing training, see the Trainer's Guidelines.

Table 1 provides an example of a basic format that can be used for recording the results of the assessment and identifying areas of focus for follow-on training based on the assessment.

Table 1: Summary of Assessment Findings

Item Assessed	Assessment				Strengths	Challenges	Focus for Training	Comments
	Does not exist - 0	Poor - 1	Fair - 2	Good -3				
1. Reproductive Health Procurement Cycle Management								
Module 1: Defining Reproductive Health Supply Requirements								
Module 2: Specifications								
Module 3: Assessment of Procurement Options								
Module 4: Budget, Funding, and Procurement Requisition								
Module 5: Procurement Planning								
Module 6: Developing Bidding Documents and Inviting Offers								
Module 7: Selecting Suppliers								
Module 8: Contracts								
Module 9: Contract Performance and Monitoring								
Module 10: Delivery of Goods								

Item Assessed	Assessment				Strengths	Challenges	Focus for Training	Comments
	Does not exist - 0	Poor - 1	Fair - 2	Good - 3				
2. Legal Framework								
a: General features								
b: Transparency								
c: Accountability								
3. Organization and Functions								
Organization of unit and functions								
Internal manuals and instructions								
4. Recordkeeping								
Documents pertaining to bidding process								
Bid Evaluation Reports								
Signed contract documents								
Claims and dispute resolution records								
Comprehensive disbursement data								
5. Staffing								
Job descriptions, including qualification requirements								
Current staff adequately trained								
6. Previous Assessments and Capacity-Building								
Assessments								
Capacity-building								

Item Assessed	Assessment				Strengths	Challenges	Focus for Training	Comments
	Does not exist - 0	Poor - 1	Fair - 2	Good - 3				
7. General Risk Assessment								
Is the procurement unit held in high regard and respected?								
Are procurement decisions overturned or influenced by other decision-makers?								
Does not exist - For the assessment item, there is no measurable performance.								
Poor - For the assessment item, there is measurable performance, but at its level is hindering the unit from best performance.								
Fair - For the assessment item, there is measurable performance, but there is significant room for improvement.								
Good - For the assessment item, there is measurable performance and it supports best performance of the unit.								

Table 2 provides an example of a basic format that can be used for recording performance indicator assessment results and identifying areas of focus for follow-on training based on the assessment.

Table 2: Example - Assessment of Performance Indicators

#	*Toolkit* Reference	Performance Indicator	April 08 Baseline	March 09 Results
1	Module 1	Number of the 16 reproductive health essential medicines, per *Essential Medicines for Reproductive Health*,[2] that are listed on the country's essential medicines list.		
2	Module 2	% of reproductive health focus product specifications using a format with clear and comprehensive requirements in the key categories:		
		- Product information (generic name, strength, quantity, color, size, and shelf life)		
		- Registration requirements		
3	Module 2	% of bids utilizing quality assurance provisions in each of the following areas for the reproductive health focus commodities selected:		
		- Sampling		
		- Inspection		
		- Testing requirements		
		- Documentation requirements		
4	Module 3	% of total value of contracts that was awarded through a competitive process (international and national competitive bidding) (October 2007–March 2008).		
5	Module 4	% of times the cost estimate identified and incorporated all other related cost expenses (e.g., freight and insurance, fees and commissions, inspection and testing, taxes) for reproductive health focus products.		
6	Module 4	Accuracy of procurement plan budgetary cost estimates for reproductive health focus products compared to actual contract product costs.		
7	Module 5	Standard time period guidelines for completing key steps in the procurement process exist and are monitored for compliance.		
8	Module 5	Process exists to clarify and elaborate on the requirements and specifications of the purchase requisition to ensure any potential constraints are adequately addressed (e.g., budget, product pricing, etc.).		
9	Module 6	% of times the following components of standard public-sector bidding documents appeared in the bids reviewed for the reproductive health focus commodities selected (2006–2007 documents):		
		- General Instructions to Bidders		
		- Special Instructions to Bidders		

[2] **PATH, World Health Organization, United Nations Population Fund. *Essential Medicines for Reproductive Health: Guiding Principles for Their Inclusion on National Medicines Lists*. Seattle, WA: PATH; 2006. Available at: http://www.who.int/ reproductivehealth/publications/general/a91388/en/.**

#	*Toolkit* Reference	Performance Indicator	April 08 Baseline	March 09 Results
		- Eligible/Ineligible countries		
		- General Conditions of Contract		
		- Technical Specifications		
		- Schedule of Requirements		
		- Evaluation criteria		
		- Qualification criteria		
		- Bid and contract forms		
		- Instructions regarding shipping		
10	Module 7	% of contracts awarded without a bidder's protest during the 2006–2007 bid period for the reproductive health focus commodities selected.		
11	Module 8	% price variance between product contract unit price and international unit price indicator guidelines for reproductive health focus/basket products selected (2006–2007).		
12	Module 8	% of contracts signed within the original bid validity period (2006–2007).		
13	Module 9	Supplier performance, delivery, and quality are monitored and documented in a supplier scorecard system to evaluate performance (quality of the goods includes adherence to the contract shelf life).		
14	Module 9	% of supplier payments made within the payment period called for in the contract for reproductive health focus commodities (2006–2007).		
15	Module 10	% of deliveries in which all required shipment information for the reproductive health focus commodities was received from the supplier and transmitted to the stores department approximately 10 to 14 days prior to arrival of the goods (October 2007–March 2008).		
16	Module 10	Average length of time between the date the Certificate of Analysis was completed and when it and other documents were provided to the procurement unit for the reproductive health focus products.		

F. Methodologies for Assessment of National Procurement Systems

The three major procurement system assessment methodologies are:

1. OECD's *Methodology for Assessment of National Procurement Systems*.
2. World Bank's *Assessment of Agency's Capacity to Procure Health Sector Goods.*
3. Global Fund's *Procurement and Supply Management (PSM) Assessment Tool.*

While these documents have a common theme of assessing national procurement systems, and share some similar features and common questions, each methodology has a different approach to achieving its objective.

1. OECD: *Methodology for Assessment of National Procurement Systems*

The basis for the OECD assessment methodology evolved through a collaborative effort of the OECD Development Assistance Committee and the World Bank, under the Procurement Round Table Initiative, where developing countries and bilateral and multilateral donors worked together to establish standards for improving procurement systems. The Initiative resulted in the creation of a Joint Venture for Procurement under the OECD, which developed and finalized the OECD *Methodology for Assessment of National Procurement Systems*.

The methodology identifies four "pillars" that impact procurement system performance:

- Existing legal framework that regulates procurement.
- Institutional architecture and management capacity of the system.
- Operation of the procurement system and competitiveness of the national market.
- Integrity of the procurement system.

Several baseline indicators are considered key components and are necessary for a "pillar" to effectively function. For example, for OECD Pillar I: Legislative and Regulatory Framework, the first indicator is "public procurement legislative and regulatory framework achieves the agreed standards and complies with applicable obligations."

This baseline indicator is in turn divided into eight subindicators, the first two of which are listed below to illustrate the role subindicators play in assessing baseline indicators:

- Subindicator 1(a): Scope of application and coverage of the legislative and regulatory framework. This subindicator is intended to determine (a) the structure of legal and regulatory framework governing public procurement, (b) the extent of its coverage, and (c) public access to the laws and regulations.
- Subindicator 1(b): Procurement methods. This subindicator is to assess if the legal framework includes (a) a clear definition of the procurement methods allowed, and (b) circumstances under which each method is appropriate.[3]

The OECD has established a scoring system for each baseline subindicator that ranges from 0 to 3, with a score of 3 indicating full achievement of the subindicator standard and a score of 0 indicating a failure to reach the proposed standard. The scoring system was developed to help improve consistency in identifying system strengths and weaknesses and to help track the progress of efforts to improve the system.

In addition to baseline indicators, which are designed to present a comparison of the actual system against the international standards that the baseline indicators represent, the OECD also established compliance and performance indicators that are designed to monitor existing performance data to assess the actual level of compliance with the formal requirements of the procurement system.

For additional information on the comprehensive OECD procurement assessment methodology, see http://www.oecd.org/dataoecd/1/36/37130136.pdf.

2. World Bank: *Assessment of Agency's Capacity to Procure Health Sector Goods*

The World Bank assessment methodologies are designed to assess the capacity of procurement systems to effectively conduct procurement under World Bank-financed projects. The World Bank's primary assessment tool is the Country Procurement Assessment Report (CPAR) methodology, which is used to assess overall procurement capacity at the country level. A CPAR is always required as part of the World Bank's preparation and planning process for any project it intends to finance.

[3] **Organisation for Economic Co-operation and Development. *Methodology for Assessment of National Procurement Systems* (Version 4). 2006:9–10.**

The World Bank's *Assessment of Agency's Capacity to Procure Health Sector Goods* follows a similar approach, but is focused specifically on an agency's capacity to procure health-sector goods. The primary objectives of this assessment are to:

- Evaluate the capability of the procuring agency and the adequacy of procurement and supporting systems to administer health-sector goods procurement.
- Assess the risks (institutional risks, political risks, procedural risks, etc.) that could negatively impact the agency's ability to conduct procurement.
- Develop a plan to address the deficiencies and minimize the risks identified in the assessment.
- Propose a plan for World Bank supervision of the procurement plan compatible with the strengths, weaknesses, and risks identified in the assessment.[4]

The World Bank assessment includes an Attachment A, which is a list of questions to help conduct the assessment.

While the World Bank assessment process does not employ a numerical scoring system along the lines of that used in an OECD assessment, it does follow a somewhat similar process to rate the areas of assessment by stating that the item being assessed should fit into one of four categories: satisfactory, fair, poor, or null. The World Bank's assessment also looks to identify the level of risk associated with each area being assessed, assigning a risk value of low, average, or high depending on the consistency of application of procurement practices against stated regulations and procedures.

The assessment findings are used to develop an action plan to improve the long-term capacity of the procuring agency to conduct procurement in accordance with international standards. The findings are also used to establish the level of World Bank supervision of the procurement process, including setting the monetary thresholds for transactions at which prior review by the Bank must occur.

Given the focus of the World Bank's *Assessment of Agency's Capacity to Procure Health Sector Goods* on the procuring agency's ability to implement the different phases of the procurement cycle (which, to a certain extent, follows the order of the elements of the *Toolkit*), the Procurement Assessment Guide is primarily based on and liberally uses the material and questions found in the World Bank's assessment methodology.

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[4] **World Bank. *Assessment of Agency's Capacity to Procure Health Sector Goods: Setting Prior Review Thresholds and Procurement Supervision Plan*. Page 1.**

For more information on the World Bank's procurement assessment methodology for health-sector goods, see http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/PROCUREMENT/0,,contentMDK:20105513~menuPK:84283~pagePK:84269~piPK:60001558~theSitePK:84266,00.html.

3. Global Fund: *Procurement and Supply Management (PSM) Assessment Tool*

The Global Fund's assessment tool is designed to determine whether the procurement plan submitted by the principal recipient nominated to receive a Global Fund grant complies with Global Fund procurement policies and can be successfully implemented. The nominated principal recipient prepares a procurement plan which is then assessed by procurement and supply management experts appointed by the Global Fund's local fund agent, an independent agency contracted by the Global Fund to represent its interests.

The procurement assessment is conducted after receipt of a procurement plan that appears close to approval status and after conducting an offsite background analysis of the principal recipient based on existing information. If the background analysis deems it necessary, an onsite assessment is also conducted. The Global Fund requires two reviews of the submitted procurement plan, one prior to and one after the onsite assessment.[5]

The Global Fund assessment tool does not focus on the broader procurement environment and supporting systems to the extent the OECD assessment does, nor does it focus on the different phases of the procurement cycle to the extent the World Bank assessment does. The Global Fund assessment does gather greater detail for assessing the areas of patents, forecasting, receipt, storage, and distribution.

For more information on the Global Fund *Procurement and Supply Management (PSM) Assessment Tool*, please see http://www.who.int/hdp/publications/13ki6.pdf.

[5] ***Procurement and Supply Management (PSM) Assessment Tool*. Page 1.**

Annex 1: Checklist— Documents for a Procurement System Assessment

This is a sample checklist of documents that may be important to collect and review as part of the procurement system assessment. These documents will assist in answering many of the assessment questions and provide the assessor with a fundamental understanding of the organization.

a. Document Checklist

General

___ Procurement act

___ National policies, laws, and regulations regarding procurement

___ Organizational chart

___ Procurement or procedure manual

___ Essential medicines list for reproductive health

___ Quantification tools

___ Regulatory authority policies

___ Health care financing policy (framework for mobilizing resources for the sector)

___ Central health care package (useful tool for resource allocation)

___ Family planning policy framework (provides support and guidance in planning and implementation of reproductive health programs)

___ National drug policy

___ National medical laboratory policy

___ Planning guide for second- and third-level institutions

___ World Bank policies

___ Sector-wide approach partners and documents

___ Previous procurement assessment reports

Procurement

___ Procurement plan

___ Procurement documentation

- ___ Procurement requisition ___ Public advertisements
- ___ Prequalification documents ___ Bid
- ___ Supplier proposals ___ Bid opening minutes
- ___ Final Bid Evaluation Report ___ Appeals ___ Final signed contract
- ___ Contract/purchase order ___ Invoices

___ Domestic bid ___ International bid ___ Summary Report of Bids

___ Contract performance report

___ Shipping documents

___ Customs clearance requirements

___ Contract administration records

- ___ Contractual notices issued by the supplier/purchaser
- ___ Record of change or variation orders ___ Records of invoices and payments
- ___ Progress reports ___ Certificates of Inspection, Acceptance, and Completion
- ___ Records of claims and disputes and the outcomes
- ___ Communications between bidders and procuring entities

___ Internet research documents (costing for budget estimates)

___ Budgeting documents (prices for quantification, bid, and actual contract)

___ Procurement activity reports

___ Job posting or job description for procurement position

___ Supervisory checklist

Medical Stores

___ Medical stores receipt/log books

___ Stockcards

b. Documents for Procurement System Assessment by Category

This is a listing of the documents for a procurement system assessment arranged by categories. This list breaks down the types of documents according to the *Toolkit* modules and then other categories covered in the assessment.

1. Reproductive Health Procurement Cycle Management

a. Module 1: Defining Reproductive Health Supply Requirements
   - Essential medicines list for reproductive health
   - Quantification tools

b. Module 2: Specifications
   - Procurement requisition
   - Regulatory authority policies

c. Module 5: Procurement Planning
   - Procurement plan

d. Module 6: Developing Bidding Documents and Inviting Offers
   - Procurement documentation: procurement requisition, bid, responses from bidders, bid evaluations, contract/purchase order, invoices, etc.
   - Competitive bid documentation: public advertisements; prequalification documents (if used); the prequalification evaluation report documenting any decisions not to prequalify certain potential bidders; the bidding documents and any addenda; a record of any pre-bid meetings; the bid opening minutes; the final Bid Evaluation Report, including a detailed record of the reasons used to accept or reject each bid; copies of bids; appeals against procedures or award recommendations; a signed copy of the final contract and any performance records; and advance payment securities issues; etc.
   - Domestic/international bids (if different); all bids from 2007
   - Prequalification documentation

e. Module 9: Contract Performance and Monitoring
   - Contract performance report

f. Module 10: Delivery of Goods
   - Shipping documents
   - Customs clearance requirements

2. Legal Framework

a. General features
   - Procurement act
   - And/or other national policies, laws, and regulations regarding procurement

3. Organization and Functions

   - Organizational chart
   - Procurement or procedure manual

4. Recordkeeping

   - Procurement documentation (see detail above in 1.d. Module 6)
   - Contract administration records: contractual notices issued by the supplier, contractor, purchaser, or employer; a detailed record of all change or variation orders issued affecting the scope, quantities, timing, or price of the contract; records of invoices and payments; progress reports; Certificates of Inspection, Acceptance, and Completion; and records of claims and disputes and their outcomes; etc.
   - Procurement activity reports

5. Staffing

   - Job posting or job description for procurement position
   - Supervisory checklist

6. Previous Assessments and Capacity-Building

   - Previous procurement assessment reports and/or capacity development efforts provided by other organizations to supplement background information

Annex 2—Performance Indicators

Performance indicators measure and evaluate success against a specific goal. The process begins by selecting performance indicators that are relevant for the procurement environment. This is followed by identifying and collecting appropriate data for each performance indicator to establish a baseline on the level of performance in the country. After training and corrective actions have been implemented, the same performance indicators are evaluated to determine the revised level of performance. Below are suggested performance indicators categorized by each *Toolkit* module.

Module 1. Defining Reproductive Health Supply Requirements

1. Percentage of no stock-outs at the central level for all reproductive health commodities on the essential medicines list.
2. Percentage of districts/states reporting consumption data.
3. A program is in place to continuously monitor product supply.
4. Total dollar value of commodities disposed of due to poor management of expiration dates.

Module 2. Specifications

1. Product specifications for reproductive health commodities are reviewed and approved by technical experts.
2. Percentage of product specifications that are product neutral.
3. Percentage of reproductive health product specifications using a format with clear and comprehensive requirements in the key categories:
   - Product information (generic name, strength and quantity, color and size, and shelf life).
   - Registration requirements.
4. Percentage of bids utilizing quality assurance provisions in each of the following areas for the reproductive health commodities selected:
   - Sampling.
   - Inspection.

- Testing requirements.
- Documentation requirements.

5. Percentage of bids with specifications that include information on packaging and shipping requirements (primary container requirements, labeling requirements, exterior shipping carton requirements, and marking requirements).

Module 3. Assessment of Procurement Options

1. The procurement organization implemented an assessment of procurement options for procuring reproductive health commodities.
2. Percentages of procurement value that were direct procurements and indirect procurements.
3. Percentages of procurement value that were procured at the centralized and decentralized levels.

Module 4. Budget, Funding, and Procurement Requisition

1. Percentage of major reproductive health commodities (e.g., intrauterine devices, condoms, oral contraceptives, etc.) in which pricing research was conducted to estimate the budget.
2. Percentage of times the cost estimate identified and incorporated all other related cost expenses (e.g., freight and insurance, fees and commissions, inspection and testing, or taxes) for reproductive health focus products.
3. The delivery schedule proposed for the budget estimate incorporates factors such as stock-on-hand, rate of consumption, and warehouse space.
4. A process exists to manage budget reductions, and the basis for the reduction decisions is documented.
5. Accuracy of the cumulative procurement plan budgetary cost estimates for all reproductive health focus products compared to actual contract product costs.

Module 5. Procurement Planning

1. A process exists to clarify and elaborate on the requirements and specifications of the purchase requisition to ensure that any potential constraints are adequately addressed (e.g., budget, product pricing, etc.).

2. The procurement unit confirms budget allocations through direct contact with the appropriate funding authority.
3. Standard time period guidelines for completing key steps in the procurement process exist and are monitored for compliance.
4. The procurement unit monitors the actual completion dates for procurement activities against the original estimated completion dates and the data are used to identify areas for improvement.
5. Percentage of procurements planned as competitive bids (international competitive bids/national competitive bids).

Module 6. Developing Bidding Documents and Inviting Offers

1. Percentage of the following components of standard public-sector bidding documents that appear in the bids reviewed for the reproductive health commodities selected:
   - general instructions to bidders
   - eligible/ineligible countries
   - technical specifications
   - evaluation criteria
   - bid and contract forms
   - special instructions to bidders
   - general conditions of contract
   - schedule of requirements
   - qualification criteria
   - instructions regarding shipping
2. Percentage of competitively bid contracts that are publicly advertised.
3. All bids received prior to the deadline are stored in a secure location.
4. Public bid openings are conducted.
5. The procurement unit has a system to maintain accurate records of all communications with bidders both before and after bid submission.

Module 7. Selecting Suppliers

1. A bid opening committee is established to implement bid opening procedures.
2. Percentage of supplier selections that adhere to the written evaluation criteria identified in the bidding documents.
3. Percentage of supplier selections completed within the original bid validity period.

4. Percentage of contracts awarded without a bidder's protest for the reproductive health commodities selected.

Module 8. Contracts

Direct Procurement Methods

1. Percentage of contracts signed within the original bid validity period.
2. Percentage of contract files containing verification of product registration.
3. Percentage of contract files in which performance security is required that contain confirmation of the validity of the performance security from the issuing bank.
4. Percentage of letters of credit requiring amendments before release to the supplier.

Indirect Procurement Methods

1. Procedures are in place to ensure appropriate quality assurance requirements included in contracts issued by international supply services and private supply organizations.
2. Timely review and approval of contracts submitted by international supply services and private supply organizations.
3. Timely processing of contract payment requirements.

Module 9. Contract Performance and Monitoring

1. Percentage of contracts that have a current contract management file.
2. Supplier performance, delivery, and quality are monitored and documented in a supplier scorecard system to evaluate performance.
3. Key contract deliverables are specific, measurable, achievable, relevant, and time based.
4. Policy guidance exists with criteria on when to implement the different levels of preshipment compliance (document review, inspection, and testing).
5. When procuring condoms, the contract includes requirements for testing each lot in accordance with World Health Organization recommendations.
6. The purchaser's dispute resolution policy allows for escalating resolution procedures.

7. Percentage of supplier payments made within the payment period called for in the contract.

Module 10. Delivery of Goods

1. Percentage of deliveries in which all required shipment information for the reproductive health commodities were received from the supplier prior to arrival and transmitted to the stores department (in accordance with contract requirements).
2. Percentage of contracts in which the purchaser notified port clearance and warehouse staff of the estimated arrival of the shipment.
3. Percentage of ocean shipments that arrived in port and received a set of clean findings from a marine insurance survey.
4. Percentage of shipments that were cleared through customs without incurring any demurrage (storage) charges.
5. Percentage of shipments that were received at the central warehouse, inspected, and accepted for inventory without any reported damage or discrepancies.
6. Percentage of contracts containing liquidated damages provisions.
7. Percentage of contracts in which the supplier did not accrue liquidated damages.