

A HealthTech Report

Procurement and Logistics Issues Related to the Implementation of Helping Babies Breathe[®]

June 2011

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Background

Helping Babies Breathe (HBB) is a neonatal resuscitation curriculum for resource-limited circumstances. It was developed on the premise that assessment at birth and simple newborn care are things that every baby deserves. The initial steps taught in HBB can save lives and give a much better start to many babies who struggle to breathe at birth. The focus is to meet the needs of every baby born.

PATH is an implementing partner of the Helping Babies Breathe (HBB) Global Development Alliance, and was requested to evaluate procurement and logistics (ordering, transporting and receiving) issues with the equipment and training materials used for the program. HBB implementing partners have been ordering training materials and equipment for training events for the past six months. PATH was asked to connect with relevant partners, inventory any issues and make recommendations toward needed adjustments before scale-up occurred. The Laerdal Company, through the Laerdal foundation, has generously supplied the program implementers with equipment and training materials at cost to the program. This report summarizes the findings and makes several recommendations to both implementing partners and Laerdal to ensure that continuous improvement is achieved as the project scales up and countries begin to order the materials and equipment on their own.

Methodology

PATH identified an initial set of key informants based on knowledge of HBB implementing partners and sent an initial email message inviting them to participate. Respondents also suggested other individuals that might be appropriate to interview. See Appendix 1 for a complete set of key informants. A set of questions was developed by PATH and shared with Laerdal to obtain their concurrence and additional input. Half-hour interviews were scheduled with 10 implementing partners over the course of three weeks—April 25 through May 13, 2011. Key informants were enthusiastic about sharing their challenges/opinions and were appreciative that PATH was evaluating this topic. Two of the ten did not have firsthand experience of procurement issues, but offered some helpful observations. Most issues noted in this report were raised by more than one implementing partner.

Findings

- **Product mix and use.** Most implementers are buying for training purposes, usually the single NeoNatalie, complete NeoNatalie kits, and the HBB training materials. Only four partners have procured stand-alone quantities of NeoNatalie Neonatal Resuscitators and Penguin Suction Devices for clinical use.
- **Quantities.** Most implementing partners have placed smaller orders of 50–100 units.
- **Ordering.** There were no issues noted in ordering beyond some initial confusion on roles in the early days of HBB, and if certain countries qualified for the discounted pricing.

- **Order form.** HBB implementers effectively used both the online form and email with no issues. Implementers thought the forms to be clear and self-explanatory.
- **Order Confirmation.** All implementers received confirmation from Laerdal within one to three days of placing the order.
- **Payment.** Upfront payment in US\$ was not a problem with the implementers, but could cause future issues when country ministries of health (MOH) begin procuring, and quantities/total values are larger. Many countries have difficulty providing payment upfront due to restrictive procurement policies, and buyers have to take additional steps to justify sole-source procurements.
- **Shipment method.** All shipments to date have been via air due to the relatively small quantities. Some implementers were shocked at the cost of air shipments. Some small orders have been taken into country by the trainers in their luggage.
- **Carrier.** Most implementers had Laerdal manage the selection of the freight carrier with no issues noted.
- **Transportation issues.** No significant transportation issues such as diversions or delays were raised by implementers.
- **Importation issues.** Several shipments experienced delays in customs clearance, most notably with a large shipment for Ethiopia being stuck in customs for several months. Other countries had two- to four-week delays, some for preventable reasons.
- **Consignee.** Shipments were all consigned to in-country entities with the majority of shipments consigned to local nongovernmental organizations and the country MOH.
- **Additional orders.** Most implementers anticipate additional orders for both training and clinical materials coming directly from the countries they are working in.
- **Future purchases.** Most countries are expected to procure additional quantities through the MOH. Much of this activity is anticipated to occur through donor financial support including some from HBB implementing partners.
- **Alternative products.** Most implementers noted that alternatives to Laerdal neonatal resuscitators and suction devices are available in country, but are of lesser quality and higher cost. One implementer noted that there is an alternative to the NeoNatalie in India, but the quality is very poor.
- **Quantification.** Most implementers believed that countries would need help in determining appropriate quantities of training and clinical materials as they begin to order.

- **Other issues.** Unknown lead-times, frustration with translation of materials and the seemingly random in-country delays were identified as other issues by implementers.

Recommendations

1. Laerdal should consider publishing some lead-time guidelines on their website so that purchasers know what to expect and can plan accordingly (in advance of trainings, etc.)
2. Laerdal should consider holding some buffer stock for instances when purchasers fail to meet the necessary lead time. As countries begin to order clinical supplies, buffer stock will be needed even more to crutch less effective procurement practices.
3. Purchasers should count on 2–4 weeks clearing customs. It would be helpful for the Laerdal website to make mention of this in the lead-time guidelines.
4. Some estimate of air freight cost on the Laerdal website would prevent purchasers from being surprised by the expense.
5. Shipments should always be accompanied by a “letter of donation” (Appendix 2) if the materials are intended to stay in country. The letter helps customs officials quickly determine that the product is not intended for resale, is entering the country with philanthropic intent, and will be used to serve the public good within the country.
6. Shipments should be consigned to a known organization with a government consignee, the ministry of health being preferred.
7. Latin America/Caribbean implementers should consider coordinating and sharing the cost of a single translation of the training materials into Spanish according to the American Academy of Pediatrics standards for adaptation. Finding a Latin America/Caribbean-based partner that is willing to stock and distribute a significant quantity will lower print costs, and ensure quality and supply.
8. Work should be commissioned to develop a quantification tool to assist countries on how many of each product to order. The tool should contain algorithms based on sound technical inputs to quantities needed for both training and clinical use. Implementing partners should be solicited for input into this tool based on their current experiences. Once complete, the tool should reside on the Laerdal website so that purchasers can freely use it to plan for budgeting and purchasing. PATH can assist in the creation of this tool if desired.

Summary

None of the issues noted in this report are significant enough to cause alarm. As the program scales up and countries begin to procure increased quantities, these issues will be magnified in scope. Evaluating and implementing some of the recommendations above should ensure that procurers will effectively quantify their needs, clearly understand the order requirements and transportation costs, place orders within the lead-time requirements, and that most shipments will clear customs with limited delay.

Appendix 1: List of key informants interviewed

	Name	Email	Interview date(s)
1.	<i>Abwao, Stella*</i>	<i>sabwao@savechildren.org</i>	---
2.	Cuellar, Carlos (deferred to representatives Miriam Mokuena and Rafael Serrano)	ccuellar@rdexcelencia.net miriam_mokuena@abtassoc.com rafael_serrano@abtassoc.com	4/28/2011
3.	Johnson, Joseph	jjohnson@savechildren.org	5/9/2011
4.	Marshall, Peggy	pemarshall@usaid.gov	4/28/2011
5.	Mazia, Goldy	gmazia@mchip.net	4/19/2011
6.	Niermeyer, Susan	susan.niermeyer@ucdenver.edu	5/12/2011
7.	Schoen, Eileen	eschoen@aap.org	4/27/2011
8.	Singhal, Nalini	nalini.singhal@calgaryhealthregion.ca	4/27/2011
9.	Tawfik, Youssef	ytawfik@urc-chs.com	4/6/2011 and 5/13/2011
10.	Walker, Dean	walkerdw@ldschurch.org	5/6/2011
11.	Wall, Steve	swall@savechildren.org	5/4/2011
12.	<i>Wright, Linda** (NICHD group: Richard Derman, Fabian Esamai, Shivaprasad Goudar, Pat Hibberd, Ed Liechty, Elizabeth McClure, Archana Patel)</i>	<i>wrightl@exchange.nih.gov (rderman@christianacare.org; fesamai2007@gmail.com; sgoudar@jnmc.edu; patricia.hibberd@tufts.edu; eliecht@iupui.edu; emclure@rti.org; r_apatel@yahoo.com)</i>	<i>TBD</i>

*Stella Abwao was contacted five times, but did not respond. No interview was conducted.

**Interview(s) will be conducted at a later date when country evaluation results are available.

Appendix 2: Sample letter of donation

Certificate of Donation

Training Materials

This hereby certifies that the goods supplied under the airway bill number listed below are donated supplies from PATH to the Ministry of Health of Nicaragua, for use at SILAIS Masaya in the Helping Babies Breathe program as detailed under Agreement #GAT.1386-07777-CTA.

The donated supplies are not for resale in Nicaragua or in any other country.

The Supplies Center for Health (Centro de Insumos para la Salud–CIPS) is located in Managua at Costado Oeste del Hospital Metropolis Xolotlan. Its objective is to receive all health donations for the Nicaragua Ministry of Health. They are receiving these supplies without cost. The amount of this donation in US dollars is US\$7,200.00

The training materials and mannequins are solely for use in support of public health programs in Nicaragua, specifically the training of birthing attendants through the Helping Babies Breathe program.

PATH has procured the supplies shipped on the referenced airway bill on behalf of this program.

Signed for and on behalf of PATH

Keith Neroutsos
Procurement Director

PATH
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USA

Airway bill number