

## **JOHN SNOW, INCORPORATED**

### **SCMS/USAID/DELIVER PROJECT- NIGERIA**

#### **CALL FOR EXPRESSION OF INTEREST: DEVELOPMENT OF PPP STORAGE AND DISTRIBUTION CONCEPTS**

John Snow, Inc. (JSI) is a US-based international public health consulting firm and manages two projects/contracts through its integrated office in Abuja, Nigeria.

Through the Partnership for Supply Chain Management consortium, JSI implements the Supply Chain Management System (SCMS) project for the US Government as part of the United States President's Emergency Plan for AIDS Relief (PEPFAR). The purpose is to establish and operate a safe, secure, reliable and sustainable supply chain management system to procure pharmaceuticals and other products needed for the care and treatment of persons with HIV/AIDS and related infections. JSI implements the USAID | DELIVER Project, a global technical assistance project funded by the United States Agency for International Development (USAID) and aimed at increasing the availability of essential health supplies through procurement services and assistance designed to strengthen health commodity supply chains in developing countries.

#### **Brief Purpose Statement**

SCMS is requested to recruit technical assistance providers to support the Federal Ministry of Health (FMOH) in developing two public-private partnerships (PPPs) concepts identified as being the most viable and contextually appropriate solutions, during the LIFT workshop held in April 2012. These concepts are aimed at unlocking market potential to improve the storage and distribution of health commodities for the public sector in Nigeria.

#### **Background**

The PEPFAR program in Nigeria would like to provide assistance to the FMOH to further develop and help implement two concepts conceived in a multi-stakeholder LIFT workshop. The LIFT workshop was the culmination of a six-month effort to assess the landscape of public and private entities interested in improving the storage and distribution of health commodities in the public sector. A private firm called the Cazneau Group facilitated the LIFT Workshop, after spending six months developing an extensive list of interested private equity firms, pharmaceutical wholesalers and distributors, public sector programs and donors. The Cazneau Group conducted in-depth interviews with individual stakeholders and designed the LIFT workshop as forum where the participants could discuss how their interests intersected and could form successful PPPs.

The LIFT workshop occurred amidst the backdrop of several larger efforts to improve health commodity supply systems in Nigeria. Specifically, the USG Nigeria PEPFAR team launched an effort to unify the multiple existing HIV/AIDS supply chains under SCMS, to improve the manageability of the PEPFAR supply system. On a parallel track, SCMS has been commissioned to strengthen the FMOH's system for storing and distributing health commodities. The ultimate goal of these parallel SCMS efforts is to merge the PEPFAR system into the Government of Nigeria's (GON) system. At a central level, this merger will only be possible if the Federal Central Medical Stores, the central hub of the national distribution system, has better infrastructure, modernized warehouse management practices and an operational distribution system.

At the LIFT workshop, approximately 19 concepts were formulated by the participants (see Appendix 1 for details). After the workshop, the FMOH and the USG agreed on two concepts that were most likely to improve the Federal Central Medical Store infrastructure, management practices and distribution system. Now, these two concepts need to be developed further with the FMOH and other key stakeholders.

It should be noted that after the LIFT workshop took place, it became apparent that the US Government and other donors could not delay in improving the Federal Central Medical Stores infrastructure and management practices. In order to achieve its health objectives and avoid further disruptions of Global Fund grants that stored goods within the Federal Central Medical Stores, the PEPFAR program decided to forsake the potential of partnering with private investors to fund the infrastructure improvements. The PEPFAR program made the decision to jointly finance the cost of upgrading the Federal Central Medical Stores with the FMOH and other donors; while continuing to develop the concepts favored from the LIFT workshop.

While the two LIFT Workshop concepts are being developed, SCMS, with support from PEPFAR, will improve the Federal Central Medical Stores by renovating four key storage bays. Once additional funding arrangements are settled with the Global Fund, a second phase of improvements includes assembling a modern warehouse structure adjacent to the renovated warehouse bays. This modern warehouse is being referred to as a “Build, Operate and Transfer” (BOT) warehouse because it will include more than infrastructure upgrades. The new warehouse structure will, on a short-term basis, be co-managed by a private company and the FMOH. Based on the interest from the private sector in the LIFT workshop in teaming up with PEPFAR, the FMOH and the Federal Central Medical Stores to store products, the PEPFAR program and FMOH opted to create enough space in the Federal Central Medical Stores site for public health programs and private sector activity that benefits the public sector.

#### **The two concepts that should be developed further are:**

**Concept 1 Mixed Use/Management Concept:** This concept allows for the management of FMOH-owned warehousing facilities infusing private sector revenue generating practices by the leasing of storage space within the Federal Central Medical Stores site and/or a contract for the **co-management of warehouse operations with FMOH staff on site**. Revenues from the lease could be fed back into maintenance of the site, expansion of the site, a discount to the warehouse management contract or to pay for distribution services. The lease and contract could be assigned to a single company or given to different companies. The award of contract(s) could be tied to the private company’s ability to bring in private capital to enhance the site. This concept is likely to be targeted at the Lagos Federal Central Medical Store but could also turn into a PPP for the Premier Warehouse site owned by the FMOH in Abuja.

**Concept 2 FMOH Distribution System:** This concept would create a framework of instruments that would manage the financing and operation of a distribution system for health commodities stored in the Federal Central Medical Stores. The conceptual framework includes three potential elements: (1) a fund for managing revenues and expenditures for health commodity distribution that also serves as a concessionaire to haulage companies; (2) a freight consolidator that plans and manages the movement of commodities through competitive freight contracts/concessions; and (3) guaranteeing debt that will increase access to credit for haulage or freight contractors wishing to expand their businesses. This concept could also include a coordination component between the federal and state levels, which allows for consolidated delivery of federal and state goods to health facilities.

#### **Tasks Required**

Technical assistance is sought to develop full-fledged PPP concepts that are approved by major stakeholders and are considered viable and to help implement the partnership concepts. This scope requires the continual alignment between multiple stakeholders and following up with individuals and organizations on commitments related to the PPP concepts. Illustrative tasks include:

- Facilitate the ongoing co-design of these PPP concepts by key stakeholders
- Conduct weekly interviews with key internal stakeholders (FMOH and USG) regarding the evolution of the concepts and actions steps needed
- Convene partners to brainstorm and debate options, when a consensus is needed and circulate notes from these meetings, documenting agreements and issues to be resolved
- Help recruit additional expertise, where needed from JSI staff, USAID Development Credit Authority, or other development partners like the IFC and World Bank. This expertise may be required for the fund agent and debt financing component of Concept 2
- Support the sector to access loans, credits and grants facilities under various arrangements including government guarantee schemes
- Help finalize presentations of concepts and final plans to FMOH, to ensure senior management are aware of the direction of the concepts in the early stages and ultimately the final products are presented for the review and approval of senior management
- Liaise early, with the Infrastructure Concession Regulatory Commission (ICRC) along with FMOH to understand the ICRC's mandate, where they can assist in the development of the PPP concepts, and where their approvals are needed
- Assist in the presentation of the finalized concepts to the ICRC
- If the concepts are ready for implementation, help the FMOH to develop draft tender language for the implementation of the PPP concepts through competitively bid contracts. The tenders may need to include specifications on warehouse services that will be rendered, distributions services, financial management services (for Concept 2 fund), freight consolidation services, etc.
- If the concepts are implemented, help develop a scope of work to assess the impact of the PPPs, in terms of the improvement of performance of supply chain systems, the cost of delivering commodities and the requirements going forward
- Initiate, develop, support and facilitate capacity building initiatives and development in both private and public sectors to ensure smooth and successful application of the PPP concepts for sustainable development at all levels

### **Required Qualifications and Skills**

- Consultant with a background in strategic management, policy development and legal framework, contract development and management
- Ability to facilitate strategic relationships, work collaboratively with multiple stakeholders, and pro-actively communicate
- A sound understanding of the strategic drivers of the multiple stakeholders, and the ability to communicate effectively with both the private and public sectors
- General understanding of the supply chain industry, especially private warehouse services, distributions services, financial management services, and freight consolidation services
- Cross-cultural aptitude and a general understanding of host governments and donors
- Understanding of how competitive contract solicitations are structured, with a particular emphasis on understanding performance measures for commercial warehouse operation and distribution services
- Ability to think creatively about the structure of these two PPPs

### **Instructions to Applicants**

This is a consultancy position. Consultancy fees will be commensurate to experience and fee/salary history. Interested applicants should send their cover letter and resume to [consultancy\\_ppp@ng.pfscm.org](mailto:consultancy_ppp@ng.pfscm.org) **not later than 1<sup>st</sup> January, 2013**

Interested applicants must write the position applied for in the subject line of their email otherwise they will be disqualified. Multiple applications will also be disqualified.