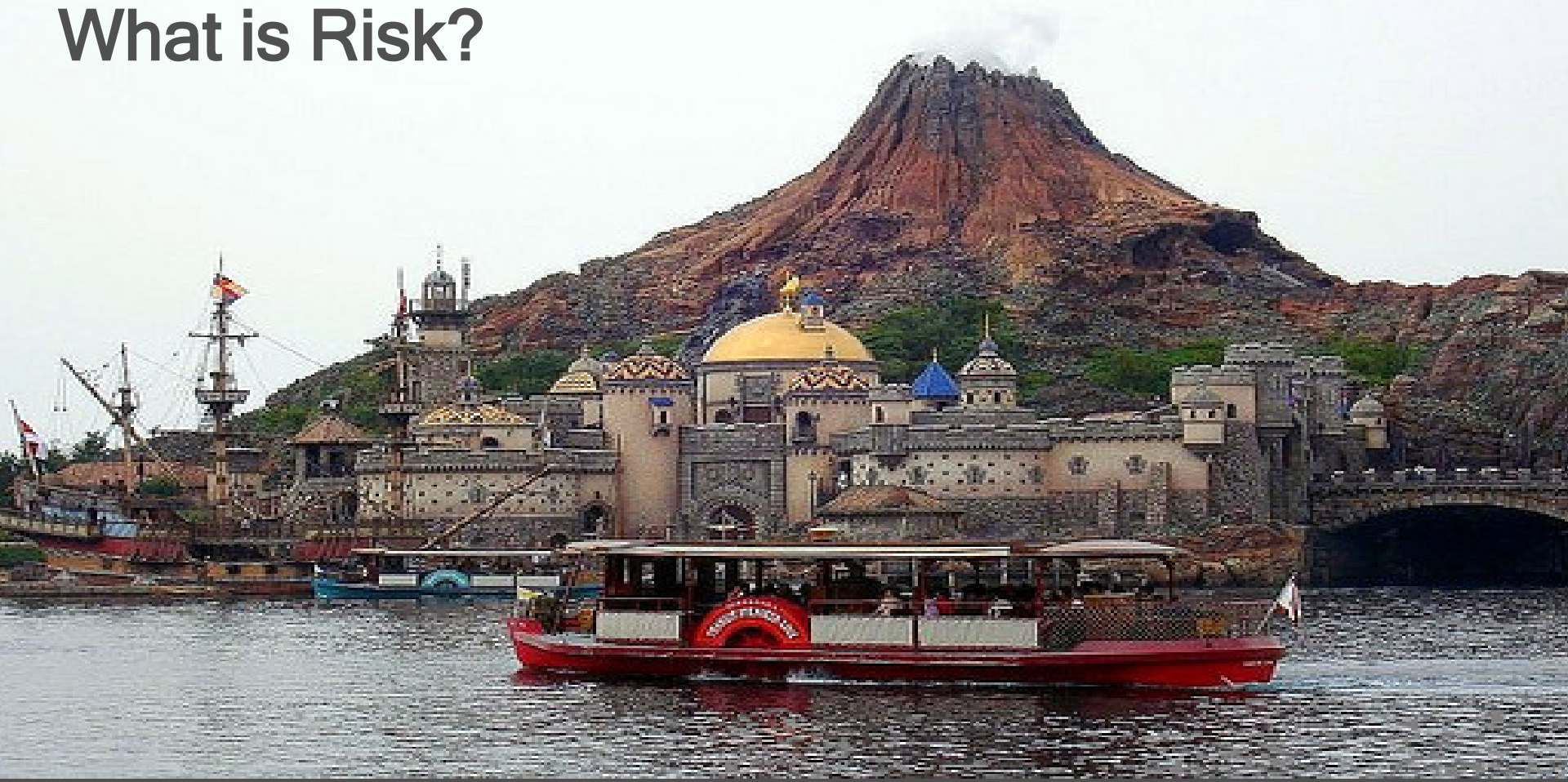


Reimagine risk as reward to drive improved performance

- 7 tips for programme success

Stephen Ashcroft BEng MSc FCIPS

What is Risk?



Tip #1

Create a RAID* template
signed off by a Director for
strategic & operational purchases

**Risks, Assumptions, Issues and Dependencies*

Tip #2

None of us knows more than all of us!

- 6 risks only the Buyer can manage
- 6 risks only the Supplier can manage
- 6 risks that will be jointly managed

Tip #3

What are the main objectives of the Terms of Reference?

- 'Right' outcomes from 'good' scoping
- The 'right' product or services for the 'right' outcomes
- Programme completed with zero or little cost growth
- Who writes the ToR?

You are invited to comment on how each extract from a ToR could be improved from a Programme Leader's point of view.

There are loopholes in each extract.

1. The Vendor shall provide a high quality service regarding implementation of the health systems software including project management, installation, training and full responsibility of any data conversion. A member of the Buyer's project team shall be allocated to oversee the overall project.
2. During implementation it is required that there is minimum disruption to working practice. Vendor shall advise of the nature and extent of any potential disruption during the system installation.
3. The life span of the system shall be at least 7 years.
4. The system shall have the ability to export financial information electronically to the Buyer's financial management system.

Tip #4

Price is an opinion and cost is fact?

Pricing Strategies



Note: Kotler has identified 20+
<http://www.kotlermarketing.com/>

Tip #5

Analyse contract terms and conditions

Example: Vogon International vs. Serious Fraud Office EWCA Civ

- Contract: Set and population MS Exchange database
- £1,500 per database
- Vogon: 'database' means each .pst file so invoice is £314,000
- SFO: 'database' means each complete MS Exchange database so invoice is £22,500
- CAp: Agreed with SFO

Tip #6 Woop! Woop! They've accepted our KPIs



Tip #7 Ten simple questions to always ask

1. Do you know what you're buying?
2. Are the responsibilities clear (who, what, why and when)?
3. Has the Supplier explained how the deliverables are going to be delivered?
4. What does the Supplier need from you?
5. Are deliverables linked to acceptance prior to payment?
6. What happens if things go wrong?
7. Are responsibilities to report progress clearly stated (no surprises)?
8. What measures will be in place to ensure delivery can be seen on track?
9. What will success look like? (i.e. timing, quality and cost) Are these clear in the contract / ToR
10. If it 's not clear to you, how can it be clear to the Supplier?

Misaligned expectations are the #1 cause of commercial disputes

7 tips for programme success



Questions and Answers?

@DPSA_News #HelpingAidGoFurther

Thank You شكراً

@DPSA_News #HelpingAidGoFurther

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About me



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Stephen Ashcroft BEng MSc FCIPS

Enabling humanitarian aid and development Leaders to safeguard their programmes - ensuring commitments are delivered and maximising the impact of aid funding.

Specialties:

- Listening to Leaders to understand their ambitions, and then - with my ability to give shape to big ideas - to deliver them.
- Consulting (including procurement advisory, audit & assurance and capacity development)
- Procurement and logistics (including health & pharmaceuticals, sustainable energy solutions)

A recognised advisor, speaker, lecturer and author; check out his [blog](#) ([ThinkProcure](#)) and connect on [LinkedIn](#) and Twitter [@ThinkProcure](#)

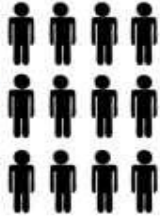
Appendix:
Delivering Procurement Services for Aid
(DPSA)

Helping aid go further

AECOM

OVER
1,000

PROCUREMENT
PROFESSIONALS
ACROSS THE
PARTNERS



OVER **90,000**
TECHNICAL
STAFF

ACROSS INFRASTRUCTURE,
EMERGENCY RESPONSE,
ENVIRONMENT AND INTERNATIONAL
DEVELOPMENT

CORPORATE PRESENCE IN
OVER 140 COUNTRIES

17,070

Staff across EMI A

190

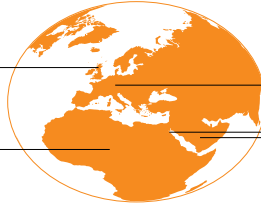
Offices

7,790

UK & Ireland

960

Africa



2,460

Continental Europe

Middle East

3,690

India

2,170

OVER

2



MILLION M²

WAREHOUSE SPACE GLOBALLY

OVER **£5BN**

OF GOODS PROCURED
AND MANAGED ON BEHALF
OF CLIENTS EACH YEAR



- Awarded 4 year \$300m DFID Goods and Equipment Framework, globally, with a focus on Health.
- Manage over £5bn procurement, supply chain and warehousing operations for some of the largest multinational corporations in the world.
- Providing procurement oversight agent services at Malawi Ministry of Health.
- Delivered over five million bed nets to Uganda helping to protect 24 million people from Malaria.

AECOM

To positively impact lives, transform communities and make the world a better place

AECOM is a global network of experts working with clients, communities and colleagues to develop and implement innovative solutions to the world's most complex challenges. Delivering clean water and energy. Building iconic skyscrapers. Planning new cities. Restoring damaged environments. Connecting people and economies with roads, bridges, tunnels and transit systems. Designing parks where children play. Helping governments maintain stability and security. We connect expertise across services, markets, and geographies to deliver transformative outcomes. Worldwide, we design, build, finance, operate and manage projects and programs that **unlock opportunities, protect our environment and improve people's lives**. With nearly 90,000 employees serving clients in over 150 countries around the world, and a turnover in excess of \$17.4bn per annum (2016), AECOM is recognised by Fortune magazine as a World's Most Admired Company and ranked by Ethisphere as one of the **world's most ethical companies**.

We are often called upon to handle some of the greatest challenges in the world, ranging from large humanitarian aid responses and complex infrastructure programmes. AECOM supported the Federal Emergency Management Agency (FEMA) and Local Government to support rapid response and long term recovery following Hurricane Katrina in 2005. As the builder of the original Twin Towers in New York in 1973, AECOM assisted with the 9/11 clean up efforts and built the One World Trade Centre (WTC) on the original site of the Twin Towers. **This was one of the most complex projects ever built and was successfully completed as the world watched.**

As one of the **world's largest International Development service providers**, we have over 60 years' experience connecting expertise across services, markets and complex geographies to deliver comprehensive and successful programme outcomes. More than 2,000 staff focus on promoting quality of life and sustainable economic growth to the benefit for the poor and marginalised across 115 developing countries. We work in some of the world's most deprived countries and understand the challenges weak infrastructure, **volatile political and economic conditions and security concerns can have locally, and on the supply chain**. AECOM is proud to be a long-standing signatory of the UN Global Compact.

AECOM harnesses the expertise of our global network of clients and suppliers which include, but not limited to:

- National Governments and their respective Ministries of Health
- Inter-Governmental Organizations and Reconstruction Banks (UN agencies, NATO)
- Government International Aid Departments (USAID, DFAT, DFID)
- International Banking Institutions (World Bank Group, European Bank for Reconstruction and Development, African Development Bank)
- Non-Governmental Organizations (International Rescue Committee, GOAL)

Corporate Responsibility is an extension of our purpose: Built to deliver a better world. Our CR mission is inspired by our employees, who make a **positive and tangible impact in communities around the world**. This is our 'blueprint for a better world' and is a reflection of our core values. AECOM is part of the community in 150 countries where we work and live. Our role is not just to deliver projects, but to **make the world a better place**.

"In referencing our work, we often showcase how AECOM delivers a better world in the profile of a dazzling high rise, in the utility of a new urban rail system, in an environment restored or in the ingenuity of a design. But look deeper into the faces of the people whose lives we touch, and you really begin to understand the power that nearly 90,000 global employees deliver in transforming communities and improving lives in ways we don't always take time to appreciate."

Mike Burke, Chairman and CEO AECOM

AECOM

DPSA

Delivering Procurement Services for Aid



It's one thing to imagine a better world, but another to deliver it. Donors, funders and other organisations responsible for delivering aid programmes need a strong and reliable procurement partner; one that understands the environment in which they're operating and can meet their needs. AECOM created Delivering Procurement Services for Aid (DPSA) to do just that, to '**do procurement differently**'. DPSA procures and transports goods and equipment around the world in support of global aid programmes, right down to the last mile. Please see www.dpsa.org.uk

'**Doing procurement differently**': Procurement is changing. It can be one of the greatest sources of risk within any organisation, but it can also be a **source of value and innovation**. Doing procurement differently is about moving away from focusing solely on 'what' is being procured, to 'why' and, in particular, 'how'. By taking a strategic approach to managing procurement, an organisation can drive innovation, influence strategy, identify cost and efficiency drivers, and control risk. DPSA strives to design procurement programmes and identify solutions that deliver the greatest impact, rather than just developing a 'shopping list' of goods that need procuring. That is what strategic procurement is all about: integrating programme design and procurement goals, mitigating price increases through long-term relationships and reducing supply chain risk by ensuring resilience is designed in from the outset. Clients are supported to deliver **innovative and tailored procurement solutions** that raise professional standards, enhance programme success, and future-proof supply chains. Our approach enables this because it:

- **Drives innovation**: by considering at the design stage what the market can offer. We don't just procure the same goods or equipment when there is a more efficient solution;
- **Provides assurance**: through a robust, auditable, transparent and unbiased process;
- **Influences strategy development**: by understanding what drives the need and how it fits into the wider programme. We can deliver differently using new techniques, equipment or processes;
- **Identifies cost opportunities**: by managing the drivers of cost through better procurement;
- **Controls risk and cost**: by implementing lean procurement process and addressing unexpected sources of risk from the start;
- **Reinforces excellence and behaviours**: by understanding what drives commercial relationships and using incentive driven performance metrics; and
- **Supports decision-making**: to identify where our clients can get the best from the market to build resilience, simplify complexity and deliver impact.



TRUST



EXPERTISE



PARTNERSHIP

AECOM

DPSA

How is DPSA of value?



Our core values	Which means how we...
Collaborate	listen and inject creative innovation from our global talent pool to deliver proven, practical solutions
Deliver	execute as planned - agile, focussed and determined - to deliver against your KPIs
Safeguard	assure your outcomes are delivered - reducing risk, with zero tolerance for corruption

Our key differentiator **isn't just what we do, it's how we do it.**

DPSA

Two examples of our experience

Sierra Leone Free Health Care Initiative

The challenge

How do you deliver 2,000 tonnes of pharmaceutical and medical supplies to health facilities spanning some of the most remote parts of Sierra Leone? This was the challenge we faced when DFID sought DPSA's assistance with distributing items funded by UK aid for the country's Free Health Care Initiative.

There are 24 hospitals across the country; each of the 14 districts has at least one. The districts each also support up to 100 peripheral health units, which range from relatively sophisticated urban facilities to basic mud buildings in remote communities. In total we are distributing to over 1,200 locations in each cycle.

Additional value

In addition to undertaking the physical distribution, we have assisted with the supply chain management. We have helped identify issues with the procurement processes and the stock management systems, which are now being adjusted, and we are working with Government and the client to develop processes and procedures for handing over responsibility back to the Government of Sierra Leone.



Government of Malawi: testing pharmaceutical drugs and developing a new national testing facility

The challenge

The Government of Malawi faced a challenge in testing the quality of drugs entering the country. It was unable to carry out the number and range of pharmaceutical drugs tests required for the quantity of drugs entering the country, due to the limited facilities at its National Drug Quality Control Laboratory.

DFID requested that DPSA procure quality-control services for testing pharmaceutical drugs from facilities outside of Malawi. It aimed to provide UK aid to fund Malawi's Pharmacy, Medicines and Poisons Board to support the work of the Laboratory.

The solution

Having reviewed the laboratory plans, the DPSA team recommended that 70 per cent of the available funds be used to procure outsourced services, as initially requested, but that 30 per cent of the money be reallocated to buying equipment for the new laboratory. DPSA believes that 'doing procurement differently' in this way has the potential to develop local capability, promote sustainability and ensure that the funds provided have a demonstrable impact for years to come.



Procurement operations

AECOM, through its DPSA service, procures goods and equipment for a range of clients on a global basis and we are able to leverage those relationships for the benefit of our clients. Key to this service is the establishment of procurement strategies to **target savings, deliver enhanced customer satisfaction, be transparent** and is capable of working in partnership with our clients and their partners.

In our experience, **properly executed** category strategies and sourcing plans: enables reductions in purchase price and whole-life costs; mitigates price increases by establishing long-term strong relationships with the marketplace; **limits risks associated with counterfeiting** through robust tendering and evaluation processes; improves efficiency by flexing resources with demand; reduces supply-chain risk by ensuring that resilience is considered from the outset; and opens up the opportunity to take advantage of innovations developed in the supply chain.

We have **dedicated procurement specialists** working through our global procurement and logistics control towers who will be driving ever-increasing benefits from spend categories, and who are dedicated to driving sustainable partnerships and collaboration across the donor landscape. This includes the procurement of standardised products as well as bespoke offerings where we can design, build and supply the right solutions.

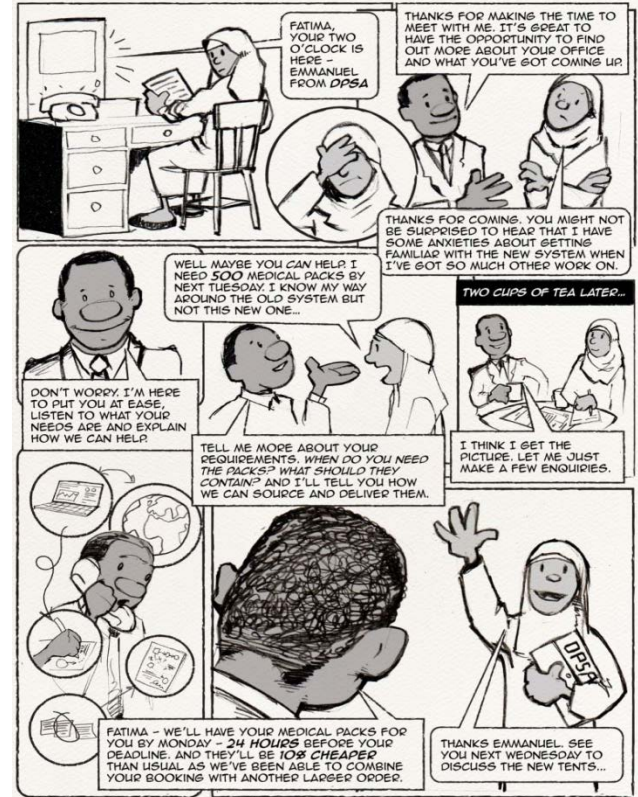
AECOM, through DPSA, manages the procurement requests through our four phase process:

Phase 1 – Receipt of Requirement - clients communicate requirements with their **single point of contact** within the AECOM Delivery Team.

Phase 2 – Verification - The Delivery Team will work to support clients to ensure their requirements meet their end recipient needs. This can often include specification support, national drug regulatory alignment etc. Following finalisation of the requirements, the designated Delivery Team will pass on the request to the our globally based procurement teams.

Phase 3 – Process - The procurement team will liaise with the relevant supply chain partner to procure requirements through an **open, fair and transparent** process.

Phase 4 – Supply and Delivery - Once the products are sourced all dimensions and weights will be passed to the logistics providers for ongoing delivery to ensure **an end to end integrated service**.



DPSA: Value added services

Areas in which the DPSA could provide additional services

Warehousing and distribution

AECOM can draw upon a global network of on-call warehouses managed and maintained by our partners, including significant coverage across Africa, Asia and the Middle East. Our commercial model only attracts fees for those facilities based upon the level of effort for receipt, consolidation and loading of the necessary products and supplies. This approach offers significant VfM while providing flexible warehouse solutions.

In our experience, this flexible approach will be an effective cost cutting technique and delivery enhancement model. AECOM, through DPSA and the wider business, has full access to proven resources, capabilities and infrastructure which is regularly deployed to service the consolidation and storage of goods and equipment for our other clients. Multi-country, multi-centre consolidators are the key focus to ensure that supplies are assembled and dispatched on time, with all appropriate documentation.

Technical Assistance

The AECOM Technical Advisory Service is complementary to the procurement and logistics operation in the provision of Advisory, Audit, Oversight, and Capacity Building services.

- **Advisory:** including specification development, delivery of complex procurements, procurement transformation, and Logistics
- **Audit:** Audit of procurement functions and operations, providing technical review of existing processes.
- **Oversight:** Assurance of ongoing process against delivery aims, turnaround assessment.
- **Capacity building:** including skills assessment, training delivery and upskilling programmes.

Urgent and crisis response

AECOM is able to support urgent supply in emergency circumstances with a range of rapid response mechanisms at our disposal. Target delivery times will always be dependent on the goods & their location. Where there will be an urgent longer term requirement for a specific commodity then we would look at all options to ensure rapid supply & deployment including warehousing in specific locations as required & operationally suitable. Our CRM Teams will work with end users to identify these items, & collaborate with the Procurement & Logistics team to optimise the provision of these critical, emergency-essential commodities.

Kitting solutions

Kitting solutions can be provided if requested. These services are a core component of our DPSA offering and we work with a range of suppliers to deliver fully kitted and prepared solutions when required. These services, integrated into the full offering can add significant value in terms of value for money pricing and compliance of the end-user's requirements.

AECOM has the ability to provide a full spectrum of kitting to include, but not limited to, specialty multi-item kits from IV start, trauma bags with various skill oriented products all the way to a fully up kitted UN Level II hospital. DPSA is experienced in all facets of kitting to encompass simple category kitting to fully kitting out of a UN Level II hospital.

DPSA will provide unparalleled service. We are confident that our approach adds value and to demonstrate this we highlight the following:

Single Point of Contact: We recognise that when you need something or have a concern you want to speak to someone you know and trust. Our Customer Relationship Managers have the right expertise on the ground.

Global/Local: We deliver through category focused procurement with locally focused relationships. We have found that getting this balance right is essential to our successful operations.

Partnerships: Our customers, suppliers and our team are all working in partnership to deliver a better world. We behave and foster behaviour that is open, fair and transparent.

World-Leading Experience: DPSA is made up of world-leading organisations, led by AECOM. We are trusted by public and private sector organisations to deliver their major programmes. Our infrastructure and operations, in conjunction with our wide network of experts, enables us to deliver, every time.

Delivery Assurance: Service is a continuum and we strive to ensure that we foresee and prepare for potential risks. We are not afraid to share what went wrong and how we fixed it as we know that this underpins best practice.

Innovative: Our local network combined with our global reach places us in an enviable position to foster innovation through our people and our supply chain.

Ethical: Businesses are increasingly under scrutiny for their conduct and working together requires a high level of trust. We are proud to be recognised amongst the most ethical & admired companies in the world, giving our customers and suppliers confidence in our work.



DPSA
POWERED BY AECOM

Thank You

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www.dpsa.org.uk

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Imagine it. Delivered.