

Kenya Supply Unit

Terms of Conditions – Regional Missions

Reminder about the basic rules / procedures for interaction with KSU when placing an order

Update is only possible in case of change of procedure.

1) Orders Classification

Objective:

This note is intended to clarify the different types of orders that are sent to KSU. Care should be taken to understand the responsibility of each person and the implication on the flow of activity of KSU.

a) Purchase order (PO)

The purchase order is the mission's order. It can become several "Op (Order for Purchaser)" at KSU, like an OR (Order Request) can become several PO at mission level. The different "OP" will be created based on the items sourcing (Items in KSU Catalog, known item or non-codified items).

An Op is a KSU internal reference linked to the PO reference according to the items status at KSU (stored or not stored).

b) Request For Quotations (RFQ)

Quotations will be processed outside the software. The mission will send requests to KSU Customer Service Officer – providing as much details as possible (including pictures/samples when possible).

To allow quicker feedback to a RFQ, KSU will provide a price based on recent historic purchase or new quotation (if never sourced) – estimating +/- 10% price differences. RFQ will not have a specific follow-up. If needed – please place an order.

2) Orders priority degree

Type of Order	Validation Requested	Priority degree Validation	Impact on KSU flow	Use of EPREP stock in KSU?
Normal	Purchase level	Non Applicable	Non applicable	No
Priority	MedCo LogCo SupplyCo	Request by email to the KSU General Manager for validation of priority and delegation of follow-up according to the request	Specific follow up	No (unless written agreement from EPREP owner)
Emergency	MedCo LogCo SupplyCo	Request by email to the KSU General Manager for validation of emergency and delegation of follow-up according to the request	To be treated before any other orders	Yes (with written agreement)

a) Emergency Order

- Notion of emergency orders: Emergency is used for first order launches in case of a global emergency outbreak based on unpredictability horizon. **Technical requests are not considered as emergency orders.**
- Who declares an emergency order: The emergency order needs to be confirmed by mail by the Medical/Logistic/Supply Coordinator of the mission to KSU General Manager.
- Who manages emergency orders at KSU? Once the order has been confirmed as an emergency – the KSU General Manager will choose one of the KSU team members to be the focal point. He communicates with the mission for follow-up.
- How is an emergency order managed in KSU? Emergency order is treated before all other orders. EPREP stock which is kept and managed by KSU should be used after confirmation from the mission. The EPREP stock owner should be confirmed by mail the use of the EPREP stock if emergency is managed by another mission.
- Communication Flows: The KSU team member dedicated to the Emergency needs to be in the loop of all mails linked to the emergency. In case of impact on others missions, KSU General Manager will define operational priority in collaboration with all the missions.

b) Priority Order

- Notion of a priority order: High (Expedited) priority is in a situation in a project where a shorter delivery date than agreed is required to avoid the risk of severe implication on operations. **Technical requests are not considered as priority orders.**
- Who decides that an order is a priority order at KSU? The priority order needs to be confirmed by mail by the Medical/Logistic/Supply Coordinator of the mission to KSU General Manager.
- Who manages the priority orders at KSU? Once the order has been confirmed as an emergency – the KSU General Manager will choose one of the KSU team members to be the focal point. He communicates with the mission for follow-up.
- How are priority orders managed? Priority order is incorporated within the normal activities in KSU – in order to answer this specific mission needs.
- Communication Flows: The KSU team member dedicated to the Priority needs to be in the loop of all mails linked to the emergency. In case of impact on others missions, KSU General Manager will define operational priority in collaboration with all the missions.

3) Remaining Shelf Life

Two different situations can happen:

- Considering items delivered from KSU Stock → KSU guarantees the following product remaining shelf life at RTS:
 - One third remaining product life for articles with a total life of less than three years (for an article with 18 months shelf-life – KSU guarantees 6 months remaining life when item is RTS)
 - One year remaining product life for articles with a total life of more than three years (for an article with 48 months shelf-life – KSU guarantees 1 year remaining life when item is RTS)
 - **Important!** The RTS date marks the transfer of responsibility. **The mission becomes the owner of the goods.** So, the waiting time in the RTS zone, pending for shipment green light, affects the remaining lifespan and does not allow a claim procedure. Moreover, any destruction cost will be charged to the mission.

- The list of articles with very short shelf life (≤ 24 months) is available at ESC's level
- Considering items purchased to be delivered directly to the mission → KSU liaises with the Mission to validate the sourcing (manufacturer-brand) but also the expiry date. KSU proceeds to the purchase only after validation from the Mission – making sure at reception level to have the correct expiry date.

4) Lead Time Commitment List (LCL)

Definition:

The Lead Time Commitment List (LCL) is a list that contains all the items for which KSU commits on a maximum of two (2) weeks between the reception of the order and its RTS (Ready-to-Ship) date. They are selected based on the frequency they are ordered from the field (minimum 4 times a year), excluded emergency orders.

There are two exceptions to this rule:

- ✓ If the origin or if a particular product is a problem in term of importation (e.g. telecommunication material, forbidden country of origin in the country of importation).
- ✓ It may occur that the ordered quantity of an item exceeds KSU's capacity of procuring it at once, especially when the quantity has not been planned, forecasted and validated beforehand. In this case, KSU will propose, in close collaboration with the field, alternative solutions (for instance by spacing out shipments and/or by doing a direct freight).

The list is meant to be revised every month to keep the items from the LCL up-to-date. The Mission has to import in their software the LCL in order to have correct prices.

Important! KSU cannot guarantee a RTS date for the items not present in the LCL.

5) Validation process for international orders at KSU

KSU orders are placed using the mission Supply software – sending email with needed validation to:

MSFOCB-KSU-CustomerService@brussels.msf.org

cc MSFOCB-KSU-SupplyChainManager@brussels.msf.org

KSU will ensure that the PO has the requested signature according the amount involved (HOM if above 50,000 EUR, Head of Cellule if above 150,000 EUR and Director of Operations if above 300,000 EUR) before starting the activities. It is the responsibility of the mission to ensure the presence of the right signature.

One Order Confirmation Request (ORC) will be sent per “Op (Order Purchase)” (and not per PO). If the amount exceeds more than 10% or/and 500 USD the mission will need to re-confirm the amount involved for the “Op” – before KSU can continue to process the “Op”. In the other case, KSU will execute the order without further notification.

6) Orders Splitting / Specific orders

5 basic rules:

The basic principle states that **EACH** order **MUST BE** split in accordance with the following logistic and financial constraints:

1. One order per Requested Delivery Date (RDD): if some items are required sooner than others, you must group these items by RDD (in six months, three months, one week . . .).
2. One order per Project Code: 01 Coordination – 42 HIV ... for financial reasons.
3. One order per category (Med/Log): medical and logistic items have to be ordered separately. Therapeutic food may be considered as medical order if the local authorities ask for it.
4. One order per mode of transport: by air (see below items list that require air transport), by sea, by road, by express courier or by hand freight.
5. One separate order for Narcotic, Psychotropic Substances and precursor should be sent to the relevant ESCs

Items from category “TC” (Temperature Controlled) must be compulsorily transported to the field using 15°C-25°C AIR transport or reefer container as soon as these transport modes are available for the destination country.

Furthermore, **air transport must be requested** for the following items:

- ✓ **Items under cold chain**: all items that require temperature control (between 2°C and 8°C) such as vaccines ...
- ✓ **Items with a short shelf life**: KSU is considering the same list than ESC

7) Order modification and cancellation rules

As long as a line is not yet confirmed – it is possible to cancel/modify it without restriction. However – once the confirmation has happened - an order cancellation or modification can only take place in exceptional circumstances and has to be justified for operational or strategic reasons. The financial impact has to be covered by the mission making the cancellation.

In case of disagreement, KSU can ask the operational management for arbitration.

a) Consequence of a request for an order cancellation (after confirmation)

In case of cancellation after the order confirmation, KSU will do everything possible to treat the request in the best way, but has the right to charge costs related to the order treatment.

- ✓ In the case of products purchased on demand (not in stock): if the purchase cannot be cancelled with the supplier(s), the mission concerned will be invoiced. If the mission does not want to receive the items ordered, the operational department of MSF becomes owner of the goods and they will instruct KSU about the new destination. In the case of dispatch to another mission, KSU will only invoice the transport costs to the new consignee.

b) Consequence of a request for an order modification (after RTS)

In the case of a request for a modification made after the order has been processed (RTS), KSU has the right to refuse such a request and to apply the rules mentioned above.

8) Specific transport modes

a) Hand Freight

« Hand Freight » mode is carried out by a MSF employee for products provided by KSU. Nevertheless, this procedure must remain exceptional due to its specificity.

Due to its legal status, KSU has the obligation to guaranty the follow-up and traceability of all items ordered and shipped.

In order to choose this transport mode in an appropriate way, it is necessary to remind the related conditions, implications and procedure.

✓ **Conditions**

- Are forbidden by Hand Freight :
 - Any item under customs (in transit zone, bonded goods)
 - Any patented item
- No medical freight can transit by the OCB headquarter
- Any medical hand freight necessarily must be picked up in its entirety at KSU by the MSF employee travelling.
- The MSF employee coming to KSU to pick up the freight will have to produce his/her flight ticket, passport and sign a disclaimer of responsibility.

✓ **Implications/aftermaths for the client or the goods carrier**

- Items with VAT included (16%)
- The carrier (MSF staff) is willing, volunteer and fully responsible for the freight
- Claims for missing, damaged products and cold chain breakdown will be rejected
- Strict compliance with the IATA regulation (International Air Transport Association)
eg: transport of dangerous goods (DGR) when flying with a commercial airline
- KSU cannot be responsible for any problem related to the content, the transport or the importation process in the country of destination

b) Direct transport

A direct transport is a consignment arranged between a supplier and a mission, without passing through KSU.

The choice of organizing a direct transport is the responsibility of KSU, taking various criteria into consideration as shown below:

- ✓ The transport cost is lower
- ✓ The transit time is shorter
- ✓ The weight and/or the total volume
- ✓ The reliable supplier will respect all needs and local documentation required
- ✓ Risk analysis (goods missing, product quality, GDP compliance)

Before organizing a direct transport, KSU will take all relevant factors into consideration in order to choose the most appropriate solution (freight consolidation, import restrictions . . .).

9) International Orders and Goods in Transit in KSU

The Transit-Go-Down is a specific area in KSU warehouse – it is submitted to Kenyan government regulation implying the below rules:

- ✓ International Orders are placed directly with the corresponding European Supply Centers
- ✓ For any use of the Transit in KSU – mission should ensure all needed paperwork/authorization before providing green-light to ESCs
- ✓ KSU will only do the reception of numbers of boxes – checking inside boxes only in case of damaged box(es)
- ✓ Items in transit can stay for a maximum period of 6 months – and should be removed by freights (no re-packing in the Transit zone)
- ✓ Documentation of items entering in the Transit Zone should clearly state Country of Origin and Country of Destination

If items get expired in Transit Zone, KSU will ensure the destruction process and re-invoice the mission accordingly.

10) Invoicing – VAT recovery

KSU pays all invoices for goods procured and service charges on behalf of the Mission. The Mission then will be re-invoiced by KSU for the same amount.

Important information:

- ✓ Invoices are following same rules than European Supply Centers:
 - Invoices are in USD/KES – if needed conversion is based on the monthly info-euro rate conversion. Invoices (including all bank charges) have to be paid by bank transfer in KSU Account within 60 days after invoice date
 - Goods invoices are created once the items are Ready to Ship (several Invoice for one order is likely)
 - Transport invoices are created per freight document and currency
 - Invoice Payment is not linked to the physical reception of the goods but to the invoice date. In case of issues, a claim should be raised and credit note (if KSU is considered as responsible) will be produced
- ✓ VAT for goods is charged then recovered once exportation from Kenya happened (valid for tax amount above 1,500 KSH) – credit note will be created and shared at that time with the mission. Exportation has to happen within the 6 months after supplier invoice date (not KSU invoice date). KSU sends a reminder to the mission when 2 months are left.
- ✓ VAT for services is included in the invoice when tax amount is below 5,000 KSH – when above invoice to the mission is without the VAT

11) Claims

A "claim", or complaint, is a notification by which a customer can report irregularities, problems and / or anomalies related to a product / transport provided by KSU.

Due to the role of KSU – several cases can happen:

- Link to International Purchase managed by ESCs
 - Claim at arrival in KSU (including Cold Chain)→ KSU will generate a claim with the concerned ESC – keeping the mission in cc.
 - Claim at arrival in the mission link to Quality –Quantity inside parcels→ Mission to place a claim with ESC
 - Claim at arrival in the mission link to Quantity/ Damage of parcels → Mission to place a claim to KSU (if no claim was placed before to ESC by KSU)
- Link to Regional Purchase managed by KSU
 - All Claims to be place to KSU

A proper form must be used (see Annex). KSU Customer Service is the focal point and centralizes all the claims (Medical & Logistic).

12) KSU remarks

- ✓ If the parameters of an order are incorrect, the KSU Customer Service has the right to return the order and explain why it can't be treated.
- ✓ For any technical/medical order, KSU will communicate with the mission to validate all specification before launching a purchase. Without Technical/Medical validation – the items will not be purchased
- ✓ When the confirmation order is sent, the mission has one working day to ask to amend it. The order confirmation is done on the content: code and description, quantity, price, RTS date, dispatch address and transport mode.
- ✓ The Mission Supply Responsible and KSU Focal Points will reply to e-mails and questions within 3 working days maximum after reception.
- ✓ KSU focal points and the Mission Supply Responsible must quickly inform each other about any unexpected events (delivery delay, changes in country regulations etc.). The Mission Supply Responsible must inform the stakeholders at Mission level (LogCo, MedCo, Projects etc.).
- ✓ A back-up should be identified and communicated by the mission and by KSU when the focal point is unavailable.
- ✓ KSU Focal Point will share on a regular basis report for all items ordered and not yet received at mission level
- ✓ KSU Finance team commits to share a monthly statement of pending invoices with all the missions

Supply responsible Acknowledgment:

Date:

Signature:

Please do not forget to share your mission contact and the Importation Procedure