



Solution to NMS Management

The Australian National Audit Office (ANAO) recently released a report on COVID 19 Procurements and Deployments of the National Medical Stockpile (NMS)

The report highlighted numerous areas that needed improvement, including:

- ☑ Inconsistent quality checks
- ☑ Poor record keeping
- ☑ Lack of risk based planning or systems around use of the NMS
- ☑ No performance measures, targets & data meant measuring effectiveness could not be established
- ☑ No planning of projected usage or demand
- ☑ Efficiency impacted by the urgency of the situation
- ☑ No competitive pricing process, or pricing data
- ☑ Deployment was partially effective and risks to effective deployment in a pandemic were not considered in the years preceding COVID
- ☑ No data analysis about eligibility outcomes

Impacts of the Report

ANAO's report made 4 recommendations which were accepted by Health:

1. Improved record keeping
2. Undertake regular deployment drills
3. Develop a risk based strategic deployment plan for NMS
4. Develop a performance framework for NMS Deployment in emergencies, including Health & Logistics providers.



These critical issues can be permanently resolved

4Links Technology is a Sydney based software business that has developed a system we call SMART : Supply Management and Response Technology (SMARTPlatform.com.au)

This paper summarizes our solution to the problems arising during COVID, and offers a long term solution to procurement issues faced during emergency events.

What is SMARTPlatform?

SMARTPlatform (SMART) is a sophisticated procurement and enterprise management system that incorporates over 20 integrated applications across every major aspect of supply chain management, including:

- ☑ Collaboration
- ☑ Sourcing
- ☑ Compliance, and
- ☑ Risk Management.

The system has been deployed in the health and aged care sectors, and provides the scalability and feature set to address the issues faced by Health during COVID.

SMART Key Features

SMART can both resolve the 4 ANAO recommendations, and deliver a permanent solution to manage future emergency events.

1. Collaboration:

SMART provides a central record database for Federal, State & Territory Health, suppliers and other stakeholders to interact and share common data, providing:

1. Greater transparency, including eligibility management
2. Control and approval management
3. Improved communications speed
4. Shared contract templates
5. Single database to manage supplier's responses to product requests.

2. Risk Management

SMART enables a risk based approach to managing the NMS:

- ☑ Foundation risks: Sourcing risks are identified, forecast demand modelling may be developed.
- ☑ Strategic: response capability requirements, stakeholder alignment, diversity plan.
- ☑ Operational - deployment, inventory reporting
- ☑ Mitigations:
 - ☑ Supplier failure
 - ☑ Non performance penalties
 - ☑ Business continuity plan
 - ☑ Multiple sourcing strategies

3. Compliance

SMART offers supplier and product compliance to achieve:

- ☑ Transparent & consistent product & service quality checks
- ☑ Consistent, automated supplier compliance across 100% of suppliers
- ☑ All suppliers are engaged online to ensure they all comply with DD checks. SMART can manage complex data analysis and compliance with technical specs, standards or other criteria including uploading verification data for all suppliers. This will avoid procuring products that are not fit for purpose.

4. Strategic Sourcing

SMART provides a highly sophisticated sourcing platform to ensure real time competitive pricing, and inclusion of all approved suppliers. This includes rapid tenders, instant auctions and catalogues that cater for highly complex products. We enable real time supplier data to feed tradeboards with available stock & prices all within a product compliance framework, allowing consistency in short listing, DD & evaluation.

This resolves many of the issues faced by Health during the early stages of COVID including:

- ☑ Inconsistent document naming conventions
- ☑ Inconsistent email & quote filing
- ☑ No centralised document file location
- ☑ No centralised contract drafting point
- ☑ DD docs difficult to locate
- ☑ Approvals workflow not in place



5. Contract management: SMART resolves the contract issues arising during COVID:

- ☑ Manages performance & KPI measurement for all stakeholders.
- ☑ Enables consistent treatment of eligible recipients
- ☑ Enables the Commonwealth Procurement Rules (CPRs) to be implemented
- ☑ Approval Management, this was an issue during COVID, approvals did not provide quality assessment or rationale for the price paid or product comparisons in the approval.
- ☑ Enables procurement classifications to be managed: “focused” “strategic” or “complex”
- ☑ Allows contract tracking with multiple simultaneous editors
- ☑ Allows single points of contact between departments
- ☑ Manages record of Daily Director & Executive meetings
- ☑ Allows a Communications Board & daily status emails
- ☑ Improved clarity on contract drafting
- ☑ Enables performance standards and KPIs to be consistently measured and evaluated.



Key Messages: SMART enables ANAO Key Messages to be implemented:

- ☑ Establish probity measures in procurement
- ☑ Establish a procurement evaluation plan with consistent criteria to support transparency & value for money
- ☑ Enables benchmarking to demonstrate value for money and analyse price ranges
- ☑ Provides secure records management to evaluate performance
- ☑ Provides Governance & Risk management tools:
 - ☑ Conflicts of interest declarations
 - ☑ Risk based emergency response and contingency planning. SMART considers the full range of service / product providers that can

assist an entity rapidly respond to emergencies

- ☑ Performance & impact measurement: open evaluation of rapid implementation process, and building continuous improvement.
- ☑ Enables Commonwealth procurement rules (CPRs) to be applied via rapid & real time sourcing tools, which overcome the issues arising during COVID.
- ☑ Enables Contract Management Plans to be prepared that were absent during COVID

Ethical Procurement:

- ☑ Can manage conflict of interest declarations & training programs, that can be deployed to meet required timeframes before procurement commences, this did not occur during COVID
- ☑ Separation of duties can be managed ie product evaluation separated from financial approval
- ☑ External Probity adviser can access the system remotely to undertake checks for complex, high risk and sensitive procurements
- ☑ Competition & discrimination: SMART can ensure suppliers are not excluded for inconsequential reasons.

Summary

SMART allows all Governments to work together in a single environment, to prepare and plan their response to future emergencies, manage critical supply chains and achieve projected outcomes more effectively.

COVID has taught us some serious lessons and exposed risks that we were not prepared for. We cannot be complacent and think this is a “100 year event” we must take the steps now to minimise the impacts of future events.

Proposal

4Links proposes that Health establish a pilot program to configure and test SMART’s capabilities, to determine whether it can provide a viable solution to the issues arising in the recent AG’s report.