

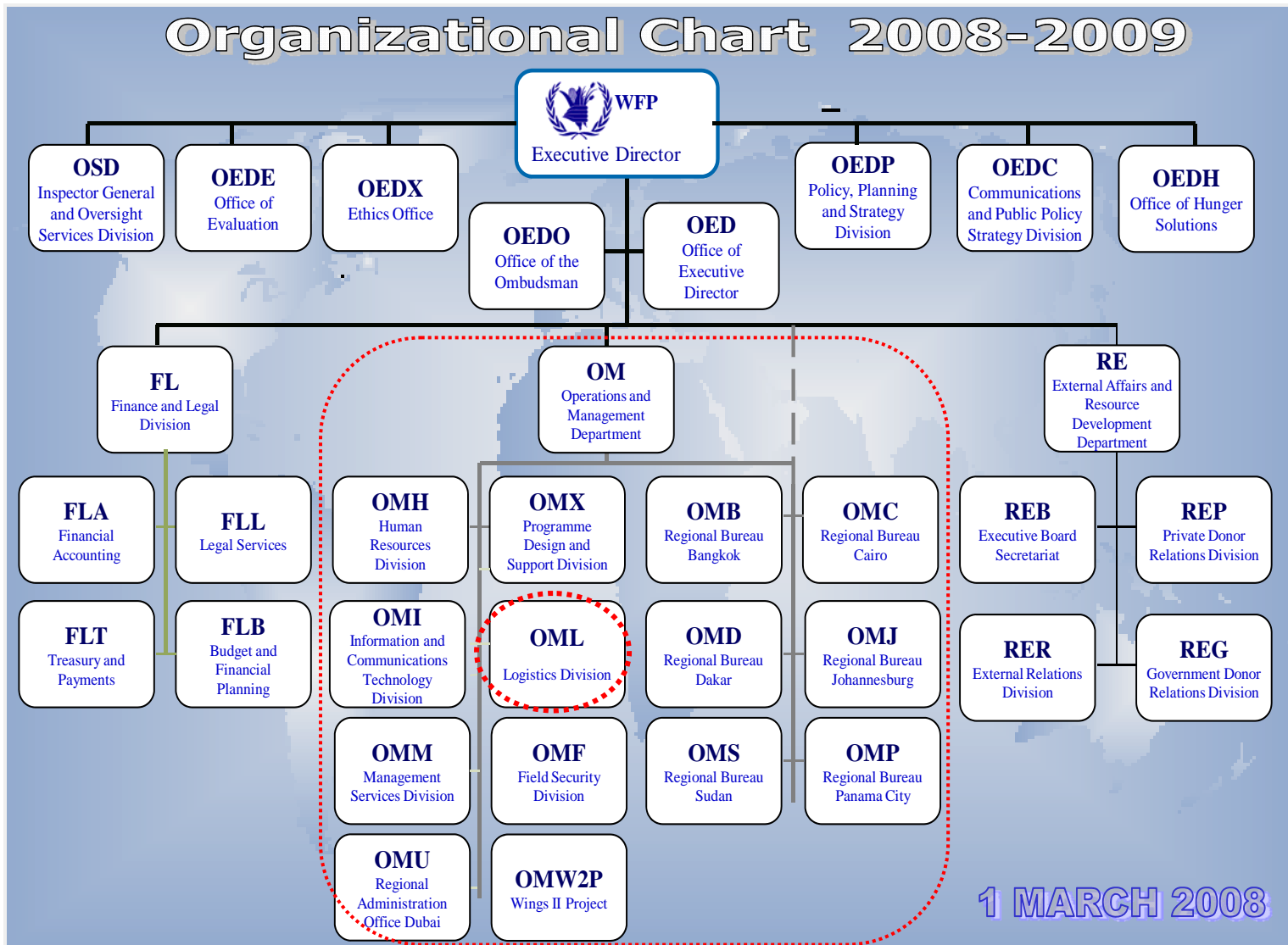
Important Concepts in WPF/SCOP Context

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WFP Organigram

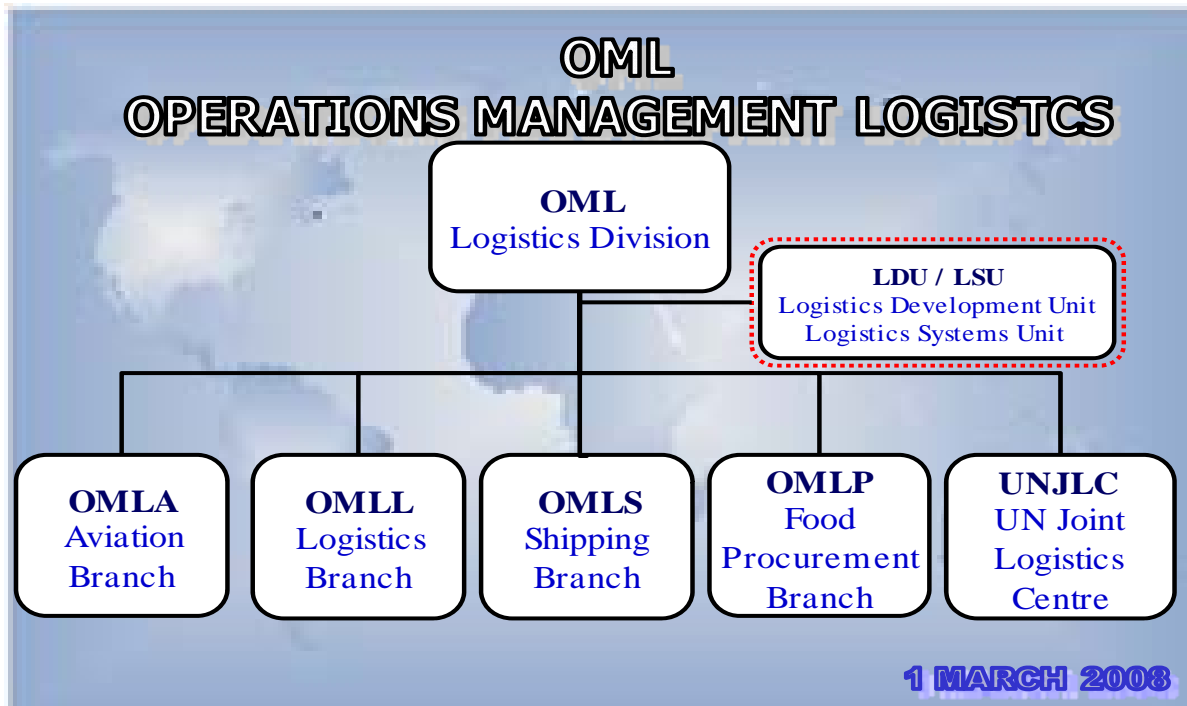
<http://home.wfp.org/organisation/divisions/index.asp>



OML – Operations Management Logistics

Old structure with definition: <http://home.wfp.org/organisation/divisions/od/odt/index.asp>

New
structure:

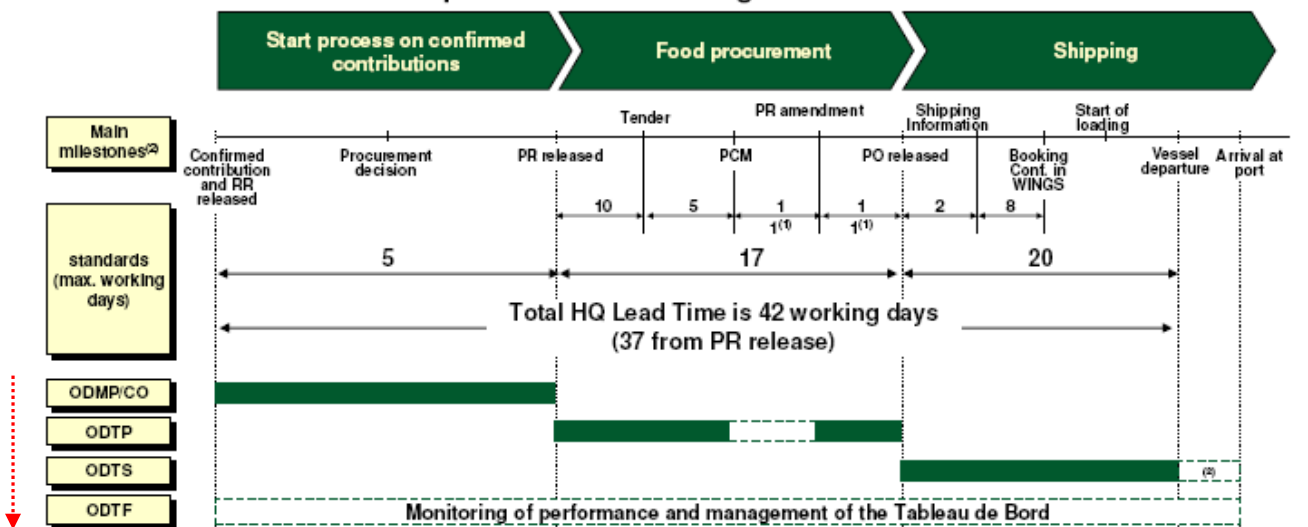


Process / Supply Chain

HQ standards

TO ENSURE SHORT AND RELIABLE LEAD TIMES TO COs CHIEFS OF SERVICES SIGNED-OFF STANDARD LEAD TIMES

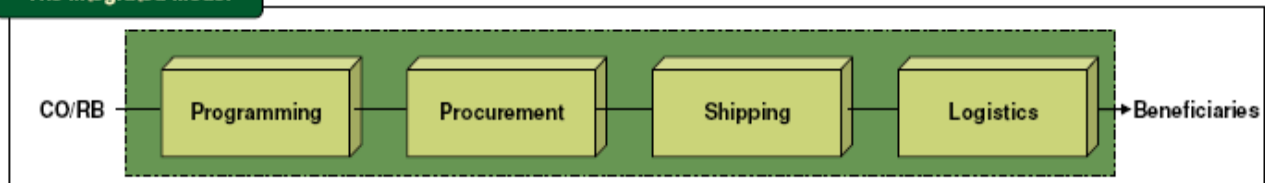
...i.e. a maximum of 42 working days from Contribution Confirmed to Vessel Departure in case of 'regular' international orders



HQ Services will be monitored against these standard lead times

(1) 1 day for ODTP-F team and Procurement Authority to check and release of CCTI note for local/regional procurement and 1 day to release local/regional PO when above delegated procurement level; monitoring will be done once the CCTI system completed; (2) Responsibility with ODS for chartered vessels.
 Note: PR: Purchase Requisition date, PCM: Purchase Committee Meeting date, PRA: PR Amendment date, PO: Purchase Order date. 5 working days = 7 calendar days

The Integrated Model



SCOP: Three main objectives

1. Shorter and predictable lead times;
2. Improved on time delivery of food commodities in Country Offices;
3. Maximization of available resources.

SCOP: Proposed changes

Three key levers for improvement have been identified to address the Country Offices' needs:

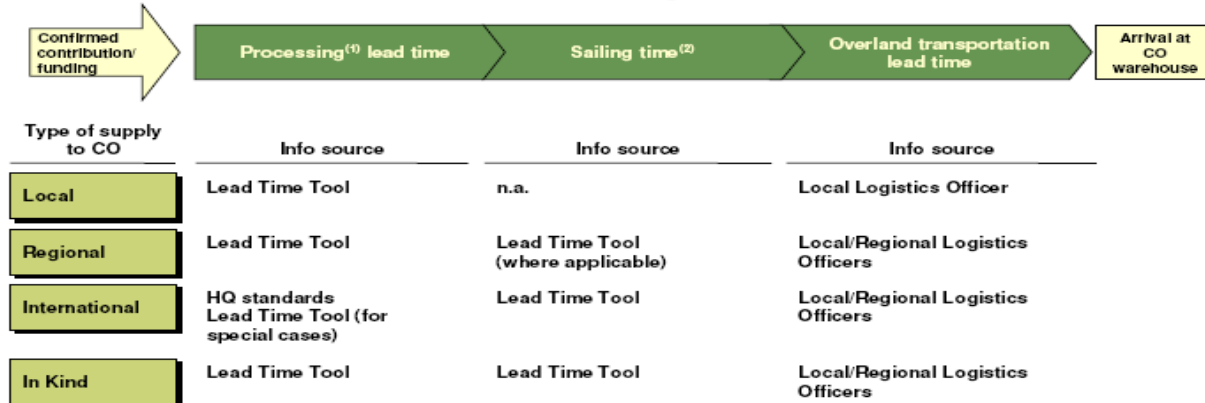
1. Streamlining of HQ processes;
2. Introduction of a Lead Time Tool;
3. Re-introduction of the Requested Time of Arrival (RTA) and PR management.

In order to achieve this target, various measures have been implemented:

1. Streamlining of HQ processes:
 - a. HQ have agreed to target lead times for processing orders (42wdays)
 - b. ?
 - c. *Forwards and Shipping agents* will become much more pro-active;
 - d. Load plan instructions based in the arrival time required;
 - e. Tableau de Board: measure the HQ Service Units performance, with the new KPI (Key Performance Indicators);
 - f. Issuance of the Shipping Instructions(SI), based on the contents in the Purchase Requisition (PR)
2. Introduction of a Lead Time Tool
Used tools:

Implementation phase

MORE PREDICTABLE/RELIABLE LEAD TIMES FOR ALL TYPES OF SUPPLIES TO THE CO FROM ALL DIFFERENT SOURCES
From the confirmed contribution/funding to the arrival at CO warehouse



We are currently working to add the overland component to the Lead Time Tool: this will be available in a few months

(1) Lead time from confirmed contribution/funding to either a) vessel departure (for overseas purchases; also includes Cargo mobilization and loading) or b) contract with supplier or departure from supplier's warehouse (for overland purchases); (2) sailing time, from vessel departure to arrival at discharge port

An extension of the current SAP-based Lead Time Tool to COMPAS data, to cover also Overland Transportation lead times is due to be rolled out beginning 2007. For further detailed information regarding the Lead Time Tool, reference is made to the [manual](#).

3. Re-introduction of the Requested Time of Arrival (RTA) and PR management:
 - a. This date should be clearly indicated and managed/ maintained in:
 - i. WINGS2: Delivery Date in the Resource Request, Purchase Requisition, etc.
 - ii. Assignment Plan: an ad hoc RTA field has been added for the CO to specify this date
 - b. RTA is actively managed;
 - c. [Import Parity Form](#):

Procurement

Effectiveness of Food Procurement

Determined by various factors including:

- Its cost-efficiency
- The timeliness of delivery
- The appropriateness of the commodity to the dietary customs of beneficiaries;
- The impact on the local/regional markets;
- Other considerations specific to the operation for which the commodities are procured.

The WFP food procurement mission statement is “to ensure that appropriate commodities are available to WFP beneficiaries in a timely and cost-effective manner”.

The main factors which must be considered when programming food purchases:

- **Import Parity:** is cost of supplying food commodities locally, regionally or from overseas to the named delivery place in the recipient country.
- **Other Factors:** Once the import parity price has been estimated, the decision to go ahead with local, regional or international procurement can be influenced by other factors which characterize the operation for which the commodities are needed: timeliness, minimum quantity requirements, donors’ constraints, availability, etc.

We can see all this information and the details of that in:

http://docustore.wfp.org/Procurement_Services/homepage/index.htm

And see a specific manual in:

<http://home.wfp.org/manuals/foodprocurementmanual/manual.asp>

Shipment

Effectiveness of Ocean Transportation

The main shipping factors which should be considered when programming funds and planning food purchases:

1. **Basic Shipping Rules;**
2. **Estimation of Ocean Freight Rates from the Consignment Overview.**

Basic Shipping Rules

Overall the most important rule is that ODTS maintains a very field oriented approach and in cases of doubt or further advice and/or support required ODTS shall be ready any time to assist COs in making best choices.

Two types of ocean shipments are used in WFP:

- **Liner shipments:** Primarily containerized cargo (Comparable to a regular scheduled bus service):
 - quantities below 5,000 MT are shipped in containers;
 - Most processed commodities (CSB, Vegoil, WSB, Sugar etc.) are shipped in containers and it is becoming more common that traditional bulk parcels (wheat, maize, sorghum) in smaller quantities are bagged at origin and also moved in containers;
 - Containerised shipments are paid for on the base of weight and number of containers and it is not cost-effective to ship only half-full containers;
 - Two types of containers are currently used by WFP:
 - TEU (Twenty-foot Equivalent Unit or 20ft);
 - FEU (Forty-foot Equivalent Unit or 40ft);
- **Charter shipments:** Either bulk or break-bulk cargo (break bulk refers to Packed in loose bags) (Comparable to a taxi service - you negotiate the route and terms):
 - Commodities like wheat, maize and sorghum are generally moved as either bulk or breakbulk (bagged/unitised) shipments.
 - Bulk shipments;

- Break-bulk shipments;
- Part Cargo;
- Containerised at Carrier Convenience (CCC);

Estimation of Ocean Freight Rates from the Shipping Rates Estimates Table and the Consignment Overview

There are quite a number of **factors determining Shipping Rates**, such as:

- Supply and demand on a particular route;
- Seasonal peaks;
- Vessel and equipment availability;
- Local conditions and surcharges such as congestion;
- Fuel;
- War-risk insurance;
- Etc.

COs might need to estimate Shipping Rates for several reasons such as project budgeting for external transport or calculating import parity.

ODTS has recently decided to further support the COs with a **Shipping Rates Estimates table** that will be posted weekly on the Bulletin Board, ODT/S section.

Suggestions on Quantity and Commodity from the Consignment Overview

The quantity of each commodity is relevant in order to assess if the shipment is likely to be Liner or Charter.

Annex

Terms

COMMODITIES			
CSB	Feijões		
Vegoil			
WSB			
Sugar			
Wheat	Trigo		
Maize	Milho		
Sorghum	Cevada?		
Cereals			
SHIPMENT			
Containers			
Bulk			
Either bulk			
Break-bulk			

Acronyms

UN	United Nations	MRC	Management Review
WFP	World Food Program	NFI	Non-food items
OM	Operations & Management Dep	NGO	Non Governmental
OML	Logistics Division	PIR	Project Implementation Report
LDU	Logistics Development Unit	SITREP	Situation Report
LSU	Logistics Systems Unit	ED	Executive Director
OMLA	Aviation Branch	HQ	Headquarters
OMLL	Logistics Branch	LDC	Least Developed Countries
OMLS	Shipping Branch	LTSH	Landside Transportation,
OMLP	Food Procurement Branch	MAP	Management and Appraisal of
UNJLC	UN Logistics Logistics Centre		
ODTS			
CO	Country Office		