

BRC International Logistics Manual

All yellow highlights refer to tools and templates available to download from the British Red Cross International Logistics Manual website.

An acronym buster is attached to the end of this manual and is also available online.

Visit the manual online at <https://logistics-manual.redcross.org.uk/>

Chapter 1: Procurement

Contents

1.1 What is covered in this chapter?	5
1.2 Definitions and concepts.....	5
1.2.1 Procurement vs purchasing	5
1.2.2 Roles and responsibilities	6
1.2.3 Authority to procure	7
1.2.4 Procurement principles.....	8
1.2.5 Risk management	8
1.2.5.1 Identifying risks	8
1.2.5.2 Managing the identified risks	9
1.2.5.3 Due diligence	10
1.2.5.4 Fraud and corruption	10
1.2.5.5 Conflict of interest and confidentiality agreements	10
1.3 Planning procurement.....	10
1.3.1 The procurement plan.....	11
1.3.1.1 How a procurement plan is designed:.....	11
1.3.1.2 Roles and responsibilities in developing a procurement plan.....	11
1.3.1.3 Who can help develop a procurement plan?	11
1.3.2 What to consider when developing the procurement plan.....	12
1.3.2.1 How to obtain the goods.....	12
1.3.2.2 Where to obtain the goods from and where to deliver them.....	12
1.3.2.3 Defining responsibilities.....	13
1.3.2.4 When to conduct procurement.....	13
1.3.3 Documents to support the procurement plan development	14
1.3.4 Validating a procurement strategy	15
1.4 Planning resources for procurement	17

1.5 Procurement processes in the BRC	18
1.5.1 Procurement in the UK (and/or led by BRC staff)	18
1.5.2 Procurement in partnership with other National Societies	20
1.5.3 Waiving the procurement requirements.....	22
1.5.4 Getting fewer quotes or bids than required	24
1.6 Sourcing for procurement	24
1.6.1 Defining the need for goods or services	24
1.6.1.1 In the UK	24
1.6.1.2 Procurement through partners	25
1.6.1.3 Using the Movement's resources.....	26
1.6.2 Quote-based procurement.....	28
1.6.3 Tendering for goods or services	30
1.6.3.1 Tendering as a BRC partner	30
1.6.3.2 Running a tender from UKO – specifics	33
1.6.4 Supplier due diligence	35
1.6.5 Contracting/raising purchase orders	36
1.6.5.1 When procuring as a BRC partner	36
1.6.5.2 Contracting/raising purchase orders – UK specifics	38
1.6.6 Framework agreements.....	38
1.6.6.1 In general	38
1.6.6.2 FWA set up in the UK for use in the UK	39
1.6.7 Purchasing	40
1.7 Managing procurement.....	41
1.7.1 Tracking	41
1.7.2 Supplier database.....	41
1.7.3 Managing the performance of contracts and suppliers	41
1.7.4 Managing deliveries	41
1.7.5 Documenting deliveries	42
1.7.6 Processing payments.....	42
1.7.7 Documenting and filing	43
1.8 Procurement of special items and services	44
1.8.1 Medical procurement	44
1.8.2 Consultancy services procurement	47
1.8.3 Facilities rental services procurement.....	47
1.8.3.1 Facilities management in the UK.....	48

1.8.3.2 Selection criteria for rental premises.....	48
1.8.4 Clearing and forwarding services procurement.....	50
1.8.5 Procurement to support cash programme delivery	50
1.8.5.1 Sourcing a financial services provider	52
1.8.5.2 Standard selection criteria for FSPs	52
1.8.4 Construction materials	53
1.8.5 Food and seeds.....	54
1.8.6 Vehicles.....	54

1.1 What is covered in this chapter?

Definitions and concepts

The principles that drive procurement activities

Risk management in procurement

When to procure?

Plan for effective procurement
Monitor procurement progress
Evaluate and report on procurement.

Why procure?

When required goods or services are unavailable to the organisation internally, they need to be sourced from third parties

What to procure?

How to select the best possible supplies to procure
How to deliver quality and value for money
How to procure items with special requirements

How to procure?

General guidance and good practices
Procurement processes in use at the British Red Cross
Procurement resources within the Red Cross Movement
How to guarantee traceability of procurement activities

Who should procure?

Stakeholders involved in procurement processes;
Roles and responsibilities in procurement

1.2 Definitions and concepts

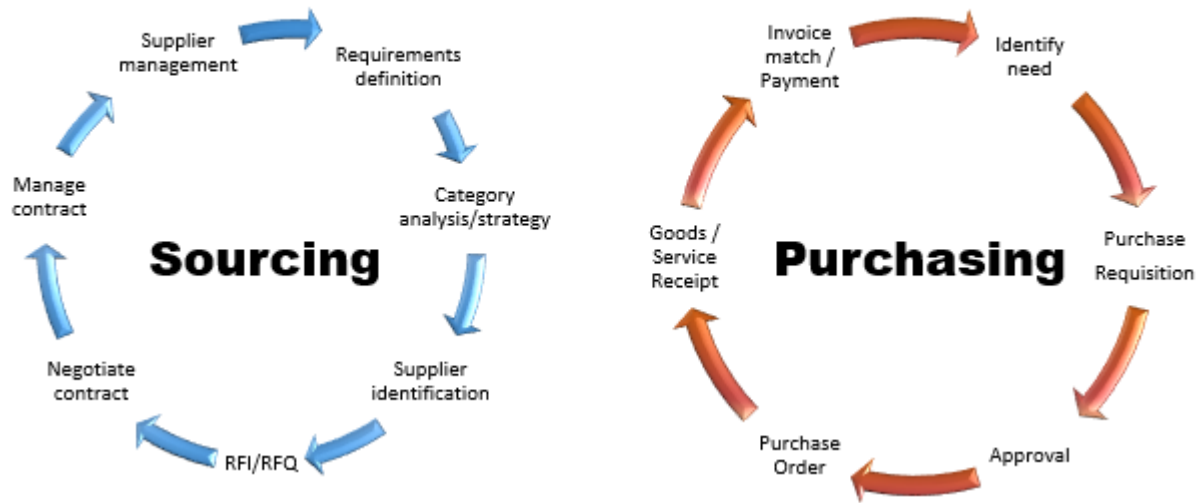
1.2.1 Procurement vs purchasing

The terms “procurement” and “purchasing” are often used interchangeably but purchasing is just one of the many activities involved in procurement. Procurement is concerned with acquiring the goods, services and work that are vital to an organisation, and can be broken down into the following elements or phases:

- Definition of needs
- Market consultation
- Selection
- Negotiation
- Purchasing
- Evaluating

Procurement is the process within which purchasing and sourcing sit. Sourcing is a set of activities conducted before purchasing, usually including market research. It revolves around the needs’ definitions and formalisation of the relationship with potential providers of required goods and services. Purchasing focuses on how goods and services are ordered and delivered. At the time of purchasing, sourcing has usually either already been completed, or its requirement may have been waived under exceptional circumstances.

PROCUREMENT



1.2.2 Roles and responsibilities

Roles and responsibilities evolve along the procurement cycle.

Note: RACI matrices, which are used throughout this manual, break a process into steps, specifying who is responsible, accountable, consulted and informed at each step of the process.

SOURCING	Responsible	Accountable	Consulted	Informed
Needs definition	Requestor	Requestor	Technical adviser	Procurement lead
Category analysis	Procurement lead	Procurement manager	Technical adviser	Requestor
Supplier identification	Procurement lead	Procurement manager	Technical adviser	Requestor
Request for quotes	Procurement lead	Procurement manager	Requestor	Requestor
Contract negotiation	Procurement lead	Procurement manager	Legal Finance Requestor	Requestor
Contract management	Procurement lead	Procurement manager	Legal	Requestor
Supplier management	Procurement lead	Procurement manager	Technical adviser Requestor	Requestor
Risk management	Procurement lead	Procurement and supply chain dept.	Legal Finance Requestor	Requestor Finance

PURCHASING	Responsible	Accountable	Consulted	Informed
Needs identification	Requestor	Requestor	Technical adviser	Procurement lead
Raise requisition	Requestor	Requestor	Technical adviser	Procurement lead
Obtain internal approvals	Requestor	Requestor	Budget holder Finance	Technical adviser
Raise purchase order(s)	Procurement lead	Procurement and supply chain dept.	Budget holder Finance Requestor	Requestor
Goods reception	Warehouse Proc. lead Requestor	Procurement and supply chain dept.	Technical adviser	Requestor
Payment	Finance lead	Finance dept.	Procurement and supply chain dept.	Requestor

1.2.3 Authority to procure

Authority to conduct procurement includes entering contracts, negotiating them or amending them and inviting suppliers to bid for contracts for the organisation. Authority to procure is usually held by the logistics division, though other staff may also require authority to procure.

The GADs that the BRC signs with PNS/HNS/IFRC may also delegate procurement authority, by which the BRC allows partners to conduct procurement activities with funds that the BRC provides to them.

All staff who are given the authority to procure and do not have it in the terms of their job description should ensure that their job description is amended; this should remain in their HR file. The programme manager can propose a list of staff who should be given authority to procure. In case there is disagreement on the allocation of authority, the Head of Logistics can overrule the decision and owns the final decision on who has this authority. In all cases, the regional logistics coordinator at the BRC should ratify the programme manager's allocation of the authority to procure.

It is good practice to keep records of authority to procure – staff with authority to procure should fill out a **Delegation of procurement authority**, to be signed off by the Head of Logistics and Head of Programme as applicable.

Authority to procure

The person with procurement authority is personally accountable for any improper use of this authority or for anyone acting without proper authority in their delegation, office or programme.

The person with procurement authority is personally accountable for any improper use of this authority or for anyone acting without proper authority in their delegation, office or programme. Before making the procurement, they must check that:

- Local laws, rules and regulations and BRC procedures have been complied with
- The commitment has been approved at the appropriate levels
- The commitment is in the best interest of the BRC

Where BRC has signed an integration agreement (IA) with the IFRC in a country where the BRC work with the NS (in other words, a multilateral partnership), the IA sometimes includes procurement rules, which means that authorisation levels and thresholds might differ from those applied by the BRC. In this case, IFRC procurement procedures apply to BRC-led procurement, but also where NS staff conduct procurement under a BRC-funded programme. BRC international logistics should be consulted on this before a new IA is signed, to ensure that there is clarity on the rules.

Where the IFRC is not part of the partnership, the applicable procurement thresholds will be defined in the GAD with the PNS (this is called a bilateral partnership).

1.2.4 Procurement principles

Procurement principles defined by the BRC are in line with the organisation's principles, as defined in its fundamental principles:

ORGANISATIONAL		
Placing the requirements of the British Red Cross at the heart of what we do	Driving value for money	Driving continuous improvement that delivers innovative solutions and sustainable benefits
Managing our suppliers in a way that mitigates the exposure to any risk	Enabling effective competition that is open, fair and transparent	

Procurement principles are safeguarding concepts that should be guaranteed in all procurement processes undertaken in the name of the BRC. These include:

GENERAL PROCUREMENT PRINCIPLES		
Proportionality The larger the risk, the more complex the process	Transparency All suppliers receive the same information	Segregation of duty Different decision-makers along the process
Fairness All suppliers are treated equally	Value for Money The best possible quality at the best possible price, for the best possible impact	Respect for applicable legal framework

1.2.5 Risk management

1.2.5.1 Identifying risks

All procurement activities present different levels of risk to the organisation conducting them. Before starting the procurement process, it is important to assess that risk and the appetite there is to expose the organisation to it. A risk-based approach that considers different types of risk and the appropriate mitigating actions is a healthy way of ensuring that procurement is in line with the main principles described above. When assessing risks linked either to a specific high-value procurement or to a programme's overall procurement plan, consider the following:

PROCUREMENT RISKS

Financial

Relates to the total value of the procurement
Particularly high in cash transfer programmes where the total value of transfers may have to be paid in advance.

Payment recipient

Investigation into ownership of engaged companies may be required

Type of goods

Some goods are “riskier” than others to procure

Country of origin/destination

Legal framework for manufacturing, shipping or quality management may be below acceptable levels

Supply chain

Actors involved in the supply chain, transport needs, etc.

Programmatic risks

Regardless of value, a specific procurement being delayed or compromised can put the entire programme at risk

1.2.5.2 Managing the identified risks

Based on the rating against each of these risks (consider the likelihood and impact of each of the identified risks to evaluate the risk, using the below **risk management matrix**), it is the responsibility of the procurement lead to design and implement mitigation actions. Use a risk assessment tool to capture these factors and include the findings in a programme risk register.

Remember

$$\text{Risk Rating} = \text{Likelihood} \times \text{Impact}$$

		Impact →				
		Negligible	Minor	Moderate	Significant	Severe
Likelihood ↑	Very Likely	Low Med	Medium	Med Hi	High	High
	Likely	Low	Low Med	Medium	Med Hi	High
	Possible	Low	Low Med	Medium	Med Hi	Med Hi
	Unlikely	Low	Low Med	Low Med	Medium	Med Hi
	Very Unlikely	Low	Low	Low Med	Medium	Medium

Once risks are identified, it is the responsibility of the programme team to decide whether:

- the level of risk is acceptable to conduct the procurement,
- the procurement process needs to be flagged on a **risk register** for the consideration of management
- the procurement process should be cancelled.

Regional Logistics Coordinators within the International logistics team of the BRC can always be consulted to support informed decision making on procurement.

1.2.5.3 Due diligence

Due diligence involves taking steps to be certain that the relationship with the supplier does not put the organisation at risk, through a comprehensive appraisal of a supplier that looks at assets, liabilities and processes against financial, ethical and environmental considerations.

When due diligence is considered as part of a procurement process, it is the responsibility of the procurement lead to conduct it. The due diligence framework in the BRC is managed by the Corporate Procurement Team (CPT), and the International department supports the implementation of systems to ensure that due diligence is conducted appropriately.

1.2.5.4 Fraud and corruption

An anti-fraud and corruption policy should be in place in each partner organisation that is involved in procurement activities. The BRC's **anti-fraud and corruption policy** sets out our approach to preventing fraud and corruption within the organisation, as well as how to manage it if it occurs. It is available from RedRoom or from the Logistics team for reference.

1.2.5.5 Conflict of interest and confidentiality agreements

Conflict of interest is a form of corruption and occurs when someone conducting a procurement process has an interest in driving it in a specific direction, based on relationships, financial interests or favouritism.

Anyone involved in procurement should be aware of emerging conflicts of interest and make them explicit. They must also declare any way in which they might have a conflict of interest in a particular procurement process, through a declaration of conflict of interest form (see conflict of interest policy).

All instances of failure to disclose a conflict of interest will be investigated in line with the established disciplinary process, which may lead to dismissal where gross misconduct is proved.

For details on Due diligence and counter-terrorism checks – see Section 1.6.4

1.3 Planning procurement

As part of the *implementation phase** of the project, where the *design phase** has helped identify needs that cannot be fulfilled with BRC-owned resources (such as stock, staff, licenses or premises), the programme team and procurement lead will need to raise a **procurement plan** to capture sourcing options and manage the programme team's expectations, in terms of what should be available when, to fulfil the activities that the programme has defined for itself.

The procurement plan is as much a work plan for the procurement team as a communications tool, and it will act as a service-level agreement between the procurement team/lead and the programme team/lead.

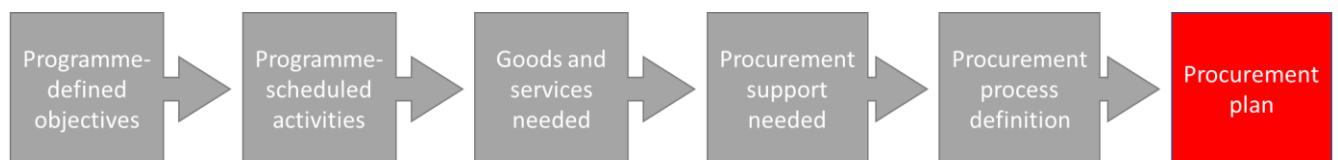
** these refer to the different stages identified in BRC's International Quality Methodology (IQM) process. Details available from BRC staff if required.*

1.3.1 The procurement plan

1.3.1.1 How a procurement plan is designed:

- Programme-defined objectives
- Programme-scheduled activities to deliver those objectives
- What goods and services are needed to deliver those objectives, and when and where do they need to be available? This can include cash-based responses, such as cash vouchers or money transfer services
- How procurement will support the delivery of these items to the programme team: where are they available, at what cost and in what timeline? Identify options, analyse and select against agreed criteria
- Advise the best procurement process to support the delivery of these items in the given timeframe
- List all procurement needs identified with respective recommended procurement process in the procurement plan.

Note: an indicator of likelihood to change should be included in the programme plan for each activity and objective.



1.3.1.2 Roles and responsibilities in developing a procurement plan

DEVELOPING A PROCUREMENT PLAN	Responsible	Procurement Lead		Programme Team	
	Accountable	Logistics department			
	Consulted	Finance	Warehouse	Technical adviser	UKO Logs
	Informed	Programme quality management		Programme Team	

1.3.1.3 Who can help develop a procurement plan?

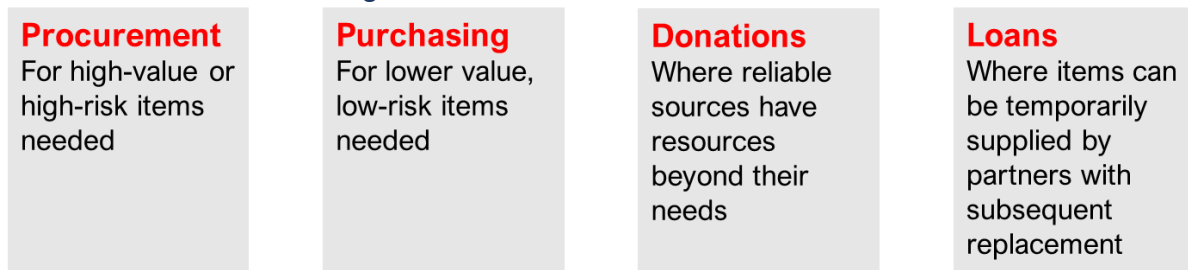
- Those with experience from previous comparable programmes
- UKO Logistics Coordinators can give options, raise risks and plan support
- Finance staff may have a record of cost information from previous purchases
- The Cash Hub (Link here: <https://www.cash-hub.org/>) can provide information on options to deliver cash or services through a cash response
- Supply chain experts in your country of operation can help you ensure that the timelines set for each procurement process are reasonable, based on the sourcing market (for example, where importation is needed).
- IFRC and HNS colleagues in your country of operation might have pre-identified sourcing options to fulfil identified needs, such as long-term agreements with suppliers

- ICRC colleagues in your country of operation might have pre-identified sourcing options to fulfil identified needs
- Other organisations working in your environment might have pre-identified sourcing options to fulfil identified needs



1.3.2 What to consider when developing the procurement plan

1.3.2.1 How to obtain the goods



1.3.2.2 Where to obtain the goods from and where to deliver them



Note: The procurement plan also needs to define the exact delivery point for all the goods or services to procure.

By default, IFRC/ICRC resources are to be compared with other suppliers sourced by the procurement lead. When it is a matter of emergency, or when the full procurement files from IFRC/ICRC can be shared (including CBA and analysis), going to market to compare IFRC/ICRC resources against can be waived as a requirement.

Waivers must be submitted to the UKO Head of Logistics and approved on an individual basis, regardless of the value of the procurement. For procurement conducted in UKO, this is the role of CPT but for procurement done by International, this has been delegated to the International Logistics team. Where the procurement waiver is raised within one of the four International regions, it must be reviewed by the Logistics Coordinator before sign-off by Head of Logistics.

It is best practice to identify a need for a waiver as early as possible but to be compliant it must be issued in writing and approved by directors of logs prior to any contract award.

Note: All waivers requested and obtained must be logged on the procurement plan. For UK-based procurement, a list of the waivers requested/obtained must be kept on a **list of exceptions**. It is good practice to maintain a list of exceptions in all delegations/programmes offices.

See section 1.5.3 for more details on procurement waivers.

1.3.2.3 Defining responsibilities

The below table displays an example of how the procurement process can be broken down into steps, matching each step with responsible, accountable, consulted and informed stakeholders. This matrix should be completed, formally or informally, for each large procurement that is undertaken. There can be as many steps added to the matrix as necessary!

	Responsible	Accountable	Consulted	Informed
Defining needs				
Raising requisition(s)				
Validating procurement process/ route				
Procurement sign-off				
Order management				
Quality check at delivery				

Procurement stakeholders can be: requestor, finance representative, local procurement lead, regional procurement expert, UKO-based procurement expert, technical expert or a third-party service provider, such as a procurement agent within the HNS, PNS, IFRC or ICRC.

PROCUREMENT STAKEHOLDERS		
Requestor	Finance representative	Local procurement lead (IFRC, ICRC, PNS, HNS)
Regional procurement expert/adviser (IFRC, ICRC, PNS, HNS)	UKO-based procurement adviser	Procurement agent (Third-party service provider)

1.3.2.4 When to conduct procurement

Link to project plan/log frame	- Which activity are the goods or services needed for? - What are the dependencies between activities and how might they impact the delivery timeline for the programme?
Establish reasonable timelines	Plan: - Order placement lead time - Sourcing lead time - Contracting lead time

	• Supplier delivery lead time • Transport mode and lead time • Import lead time • Quality inspection/analysis (if applicable) • Local delivery lead time
Plan for reverse logistics	Sometimes, sourced supplies or related items must be returned to their source. This usually applies to equipment that needs to be taken down or returned (a temporary warehouse, for example) or containers and other special packaging that must be returned. This must be included in the process of scheduling procurement.

Link to project timeline

Match up procurement timeline to project objectives
Identify dependencies between activities

Procurement lead time

Sourcing, contracting, manufacturing delivery, how long will it take?

Reverse logistics plan

Plan for any returns or exchanges which could be required

1.3.3 Documents to support the procurement plan development

Document	Obtain from
Project plan (including distribution plan, where relevant)	Programme manager UKO regional team
Financial thresholds and approval matrix	Local finance team UKO finance team
Market assessment	Logistics team (local or UKO) Assessment teams Previous programme managers Other organisations
Specialist procurement guidelines	Movement resources (ICRC/IFRC)
Donor requirements	Programme manager UKO regional team
Legal framework for procurement	Local procurement experts Local finance team
GAD	Programme manager UKO regional team
PNS due diligence reports	UKO regional team
Audit reports	UKO regional team UKO logistics team
Budget	UKO regional team Local finance team UKO finance team
HR matrix	Programme manager UKO regional team

REFERENCE DOCUMENTS FOR PROCUREMENT PLAN DEVELOPMENT

Project plan	Financial approvals matrix	Project budget
Specialist procurement guidelines*	Donor requirements*	Local procurement legal framework
Due diligence reports*	Audit reports*	Market assessment*
HR matrix & organogram	* Not always available or relevant	

Where some of the above information is not available, it might be necessary to conduct a market assessment exercise in order to gather what is missing. The need for a market assessment needs to be identified at the *idea stage* of the project (see BRC IQM guidance document), as it can be time-consuming and impact on the timeline of the project.

Market assessments are normally required when starting a programme in an area where the BRC or implementing partner has not worked before and therefore has no historical knowledge of the local market. However, before conducting a market assessment, it is recommended that you consult with the wider humanitarian sector to confirm whether other organisations or government bodies have conducted a market assessment – results should ideally be shared. There are several tools available in the RC Movement to support logisticians and programme teams in the market assessment process:

- **Market analysis survey tool** to capture average prices and availability of standard goods and services
- Market assessments for cash-based interventions (such as RAM or MAG) are available from the Cash Hub: <https://www.cash-hub.org/guidance-and-tools>

Market assessments are also an important aspect of cash-based assistance programmes. The procurement team can be asked to lead or be part of the market assessment to support the definition of a Cash Transfer Programme (CTP).

Market monitoring and analysis are also tasks that the procurement team can be involved in. Although the market assessment in CTPs often focuses on the local market, it is important that the procurement team has knowledge of the regional and international market. This can help in the response option analysis and in the selection of the most appropriate response modality. For more details on market assessment and monitoring, refer to the Cash Hub and the logistics support to cash programmes RACI matrix (from the **Market Assessment and Analysis Principles paper**).

1.3.4 Validating a procurement strategy

Based on the procurement plan and the estimated costs of items or services to be procured, identifying the procurement lines that will consume the biggest share of the total cost at the

design phase is helpful to understand where the efforts to conduct procurement should be focused.

A good rule of thumb to use is **Pareto analysis**: calculate the total estimated spend on procurement, identify the 20 per cent highest-value procurement lines and invest 80 per cent of the effort on those.

Example:

Procurement line	Estimated value	% of total spend on procurement	Cumulated %
Training materials	£1,200	17%	17%
Construction materials	£1,100	15%	32%
Vehicles	£1,000	14%	46%
Warehousing services	£1,000	14%	60%
Transport services	£900	13%	72%
Clearing services	£800	11%	83%
Medical storage materials	£700	10%	93%
Building maintenance services	£500	7%	100%
Total	£7,200	100%	

In this example, efforts should go to supporting the procurement of training and construction materials. Of course, there are other considerations to take into account, such as the urgency of the requirements, but based on the amounts, it will be critical to define and plan the procurement process of those two lines.

Another way to use Pareto analysis during the implementation phase is to look at the items that are purchased in the largest quantities (whether a high number of orders or a high spend) and use the above method to select items to monitor more closely.

Example:

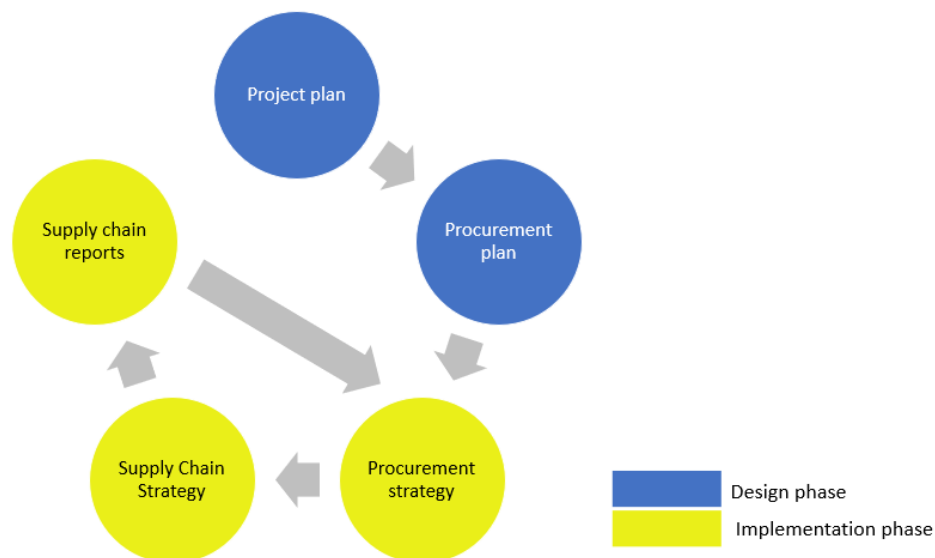
Procurement line	Spend over the past three months (£)	% of total spend	Cumulated %
Fuel	£150	17%	17%
Warehouse shelves	£140	16%	33%
Notebooks	£130	15%	47%
Air filters for generators	£120	14%	61%
Roofing nails	£120	14%	75%
Cool boxes	£90	10%	85%
Floor detergent	£80	9%	94%
Whiteboard markers	£55	6%	100%
Total	£885	100%	

In this case, the Pareto table indicates that it would be most beneficial to look at the market conditions for fuel and warehouse shelves, as this is where most of the procurement spend occurs. When looking at the number of orders placed of each item, the Pareto table indicates which purchases should be done in a more formal way to minimise the workload associated with placing orders. Typically, items that are purchased more than 50 per cent more often than

others (and at regular intervals) should be purchased through long-term procurement agreements such as framework agreements.

In the UK, this is the role of the CPT at SSC – the UK logistics team act as an adviser or stakeholder in the procurement planning and strategy, driven by similar analyses. See the [Pareto step-by-step tool](#) for more details on how to build your own Pareto analysis into your procurement strategy.

The procurement strategy will flow from the procurement plan and from the Pareto analysis and evolves based on the procurement reports that are available throughout the lifecycle of a project.



1.4 Planning resources for procurement

When working on a project, make sure the workload that procurement represents is clearly identified so it can be absorbed by your team. The standard roles involved in procurement are as below (see the [IFRC logistics competency framework](#) for reference):



Standard **job descriptions** for procurement-focused positions can be found in annex to this chapter, or requested from the International Logistics team.

The logistics team's structure should be defined in the early stages of the implementation phase, as per the IQM process. Based on the project plan and other planning tools, such as the procurement plan and budget, a resource plan should be defined and implemented to support the programme's activities.

At that stage, the programme team should define:

- The need for UK-based logistics support – some procurement processes will require support from the UKO-based logistics team
- The needs for in-country logistics support

Note: the cost of items and services to be procured will often be budgeted while other costs related to procurement may be overlooked, such as delivery, administrative or handling costs. The identified procurement lead should make sure that these costs are budgeted for, and that adequate resources will be available to conduct all procurement-related activities.

1.5 Procurement processes in the BRC

The international directorate is part of the wider British Red Cross and therefore must abide by the **BRC procurement and purchasing policy**.

The Logistics team must follow this policy if and when:

- Goods or services procured are going to be delivered within the UK
- Suppliers consulted are based in the UK and must abide by UK laws and regulations

If neither of the above apply, procurement leads must ensure they follow the procedure detailed in the GAD (see below). It is good practice for procurement leads (BRC Logistics Coordinators) to inform the Corporate Procurement Team of procurement greater than £25,000 originating from the International directorate (emailing CorporateProcurementTeam@redcross.org.uk).



1.5.1 Procurement in the UK (and/or led by BRC staff)

UK-based BRC staff use Agresso as a procurement system.

New users must be set up on Agresso and trained according to their user profile (for managing expenses, P2P process or reporting functionalities of the system).

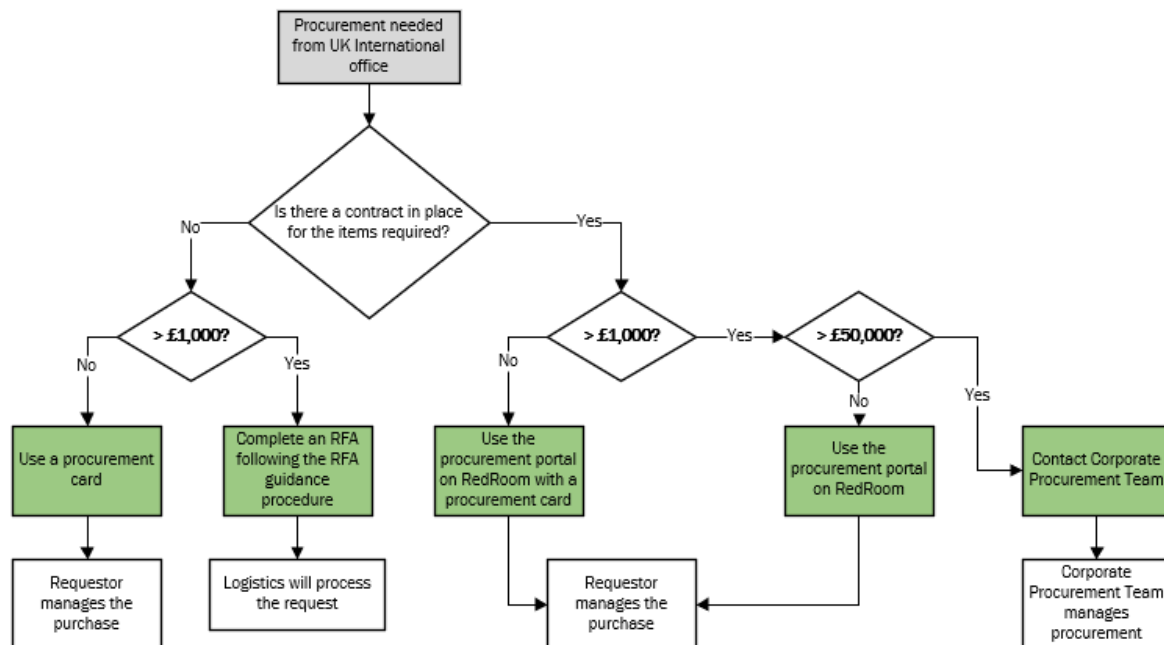
New users must request access to the system, which must be approved by the requestor's line manager and sent to SSC (ssc@redcross.org.uk). The SSC team will then contact the new user about training and access levels will be set up according to the user's responsibilities.

SSC will provide the user with login details. More guidance on accessing Agresso can be found on Redroom.

When looking at a potential procurement with delivery within the UK or from UK-based suppliers, the Logistics team must first check whether the goods or services they are considering to procure can be supplied through an existing contract. Details of the national contracts held by the SSC team are available on Redroom's purchasing marketplace.

If a national contract exists, the procurement lead must initiate the procurement on the procurement portal or the **SSC purchasing hub** or contact the Corporate Procurement Team to request a waiver to be authorised to purchase the goods or services from a different source. See section 1.5.3 for more details on procurement waivers.

Where no contract exists and the total estimated amount of procurement exceeds £50'000, the procurement lead must liaise with the CPT at SSC about how to procure them and complete an **online commissioning form**.



The CPT at SSC can support the directorate in the sourcing process when running tenders. In their e-procurement system, suppliers can be registered and invited to bid for online tenders. They hold a database of existing registered suppliers who can be contacted to bid for tenders initiated by the international directorate, which can also be advertised directly on the BRC website.

The Logistics team also hold a list of known suppliers. Finally, tenders can be advertised on the website of the Inter-Agency Procurement Group (<https://www.iapg.org.uk/category/latest-tenders/>) – the Logistics team have access to the website and can support this.

Note: The CPT at SSC do not directly conduct market assessments, but they regularly engage with UK suppliers and have a good overview of the UK market.

Once the procurement route is clarified, CPT will work with the Logistics team to agree a timeline and on which stakeholders should be involved in the process.

Where procurement is done via BRC staff overseas (with BRC staff present to support logistics and procurement), the same rules apply in terms of financial thresholds, procurement processes and approvals.

Variances from these rules must be justified in writing, approved by the Head of Logistics in UK and by the head of office locally, and put in writing in a separate document, in cooperation between the overseas office and Headquarters.

1.5.2 Procurement in partnership with other National Societies

Where the BRC works in partnership with a National Society or with the IFRC or ICRC to deliver a programme, a **GAD** will be in place to formalise the terms and conditions of the partnership.

A GAD is a non-binding document that sets out the principles under which the collaboration between partners will function. GAD templates are available on BRC's Programme Quality Management system, PIMS, and upon request to the UKO Logistics team.

The Grant Agreement Document

- Drafted after Grant Approval is signed
- No standard clauses can be edited
- Consult Finance, Logistics, P&A...
- Includes:
 - Transfer schedule
 - Reporting requirements
 - Reporting schedule

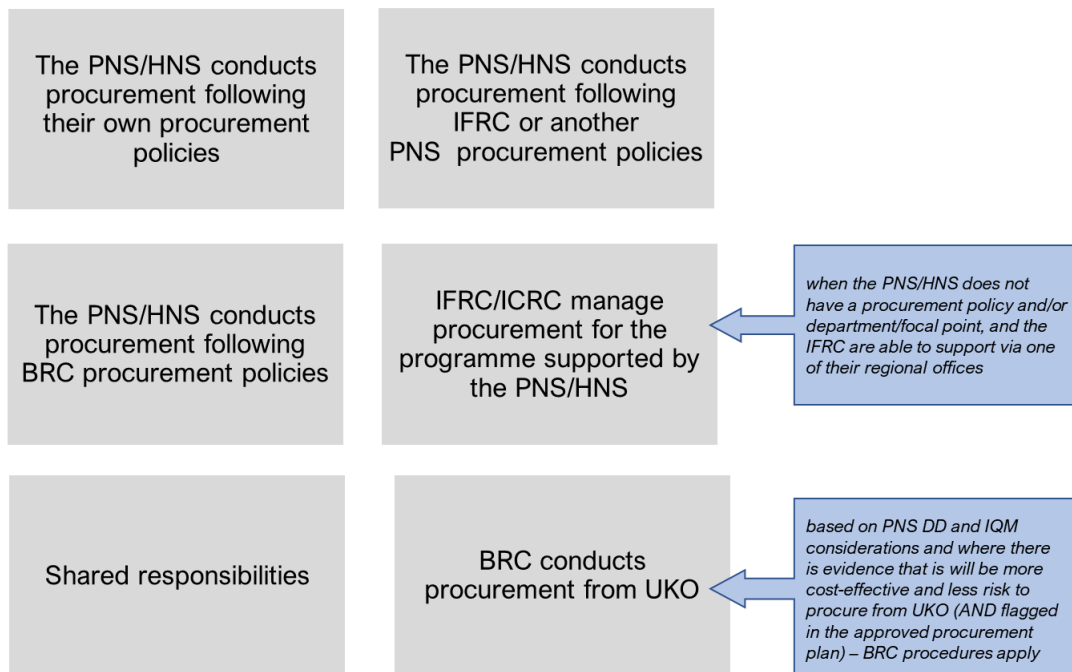
After the *Internal Grant Agreement* (see IQM guidance documents) has been signed, the budget holder has the authority to sign a GAD (or a PMN with the IFRC). No clauses in the GAD can be taken off from the template, but the content under each clause can be adjusted, and clauses can and should be added where relevant.

The international Finance representative, Logistics coordinator, P&A adviser and any other relevant advisers should be consulted when preparing any GAD, which should detail the transfer schedule, reporting schedule and any reporting requirements.

There is a standard GAD template for partnerships with NS, but different templates are used for partnerships with the IFRC and ICRC.

The GAD includes specific clauses on procurement, some of which can be adjusted based on the findings of the **due diligence assessment** (for details on National Society Due Diligence process please check PIMS (Resource Library> 06. Partnerships> 01. Due Diligence, or ask for details from UKO team), previous experience and donor requirements. The Logistics Coordinator needs to be consulted about these clauses before a new GAD is signed.

Procurement modalities in GADs



Additional approvals must be requested from BRC international Logistics for procurement above £25,000, regardless of the option defined in the GAD:

- For procurement greater than £25,000, the international logistics team must approve the CBA. The **approval template** for procurement > £25'000 is available in annex.
- For procurement above £50,000, the tender document must be approved by the logistics team before it is published or shared with known suppliers. The **approval template** for procurement > £50'000 is available in annex.

Regardless of GAD clause	
> £25,000	> £50,000
UK International Logistics must approve CBA	UK International Logistics review the tender document (RFP) before publication
	UK International Logistics must approve CBA or decision minutes

The BRC Logistics team can advise the PNS/HNS on procurement and support the HNS in conducting procurement, based on its capacity and the type of goods or services that are required. The BRC has the option to either conduct procurement directly from the UK (following BRC procurement rules) or to use the IFRC/ICRC procurement services in country (following their procurement rules).

The different procurement options should be discussed and agreed with BRC international Logistics at the *planning stage*, as decisions will impact the programme and contribute to defining a procurement plan and affect the allocation of resources.

Where the BRC works in consortium with multiple other National Societies, the agreement between the consortium partners must specify which organisation's procurement rules will apply. This decision must be taken following an analysis of each of the partners' procurement policies. All the specificities (e.g., e-procurement system, the sharing of procurement resources, etc) and requirements (e.g., electronic validations, authorisation thresholds, supplier management requirements) of each policy must be considered, in order to ensure that the adopted procedure is applicable consistently to all consortium members. The decision on which procedure to follow must be captured in the consortium's GAD.

1.5.3 Waiving the procurement requirements

Where one or more of the standard procurement rules cannot be followed, a **waiver form** must be filled out and shared for approval with the budget holder and UK Head of Logistics, regardless of the value of the procurement, before the procurement process is formalised through a PO or contract. The waiver request must be as detailed as possible.

Note: where the procurement waiver is raised within one of the four International regions, it must also be reviewed by the Logistics Coordinator before sign-off by the Head of Logistics.

The waiver form is mostly used:

- Where not enough bids or quotes have been received or sought during a procurement process. For example, if only one supplier can provide the required goods (this is also referred to as “single source procurement”), or when supplies are needed urgently, so the waiver is a request to accept fewer quotes than the recommended procurement process would require.
- Where the estimated amount on the requisition is greater than £50,000 (this is the applicable threshold at BRC, but can vary from one NS to another), an open tender is required. This can be waived to conduct a closed tender, provided that a local procurement waiver is raised and approved by a Head of Procurement or in line with the country office approval matrix.
- Where a contract expires, and a new RFP should be published, a contract re-tendering waiver must be approved by Head of Procurement (or in line with the country office approval matrix) and a legal representative.
- Where there is significant variation to the standard BRC terms and conditions (T&Cs), such as payment in advance of delivery.
- Other cases justifying procurement waivers are listed on the procurement waiver template

Repetitive orders

A procurement waiver request is required to approve repetitive orders.

The repetition of Order for the same supplies and services to the same supplier without a sourcing process is permitted provided that procurement process for the original award was carried in full compliance with the applicable procurement procedures and the terms and conditions of the original order are strictly the same (only delivery location may change). The period elapsed from the first order award date cannot exceed 120 days.

Repetitive Orders cannot be issued more than twice, and the total value of two repetitive Orders cannot exceed the value of the original Order.

When to raise a waiver request:

It is best practice to identify the need for a waiver while developing the procurement plan. To be compliant, the waiver request must be submitted and approved before raising a contract or Purchase order. If an exception is needed after signature of contract or PO, a Note to File must be used instead.

Note: when exceptions to the procurement rules are made for reasons outside of the above list and/or after the procurement has been formalised into a PO or a contract, instead of a procurement waiver, a **Note to File** should be raised by the procurement lead and signed off by the budget holder and Head of Logistics, and by the budget holder's finance business partner where applicable.

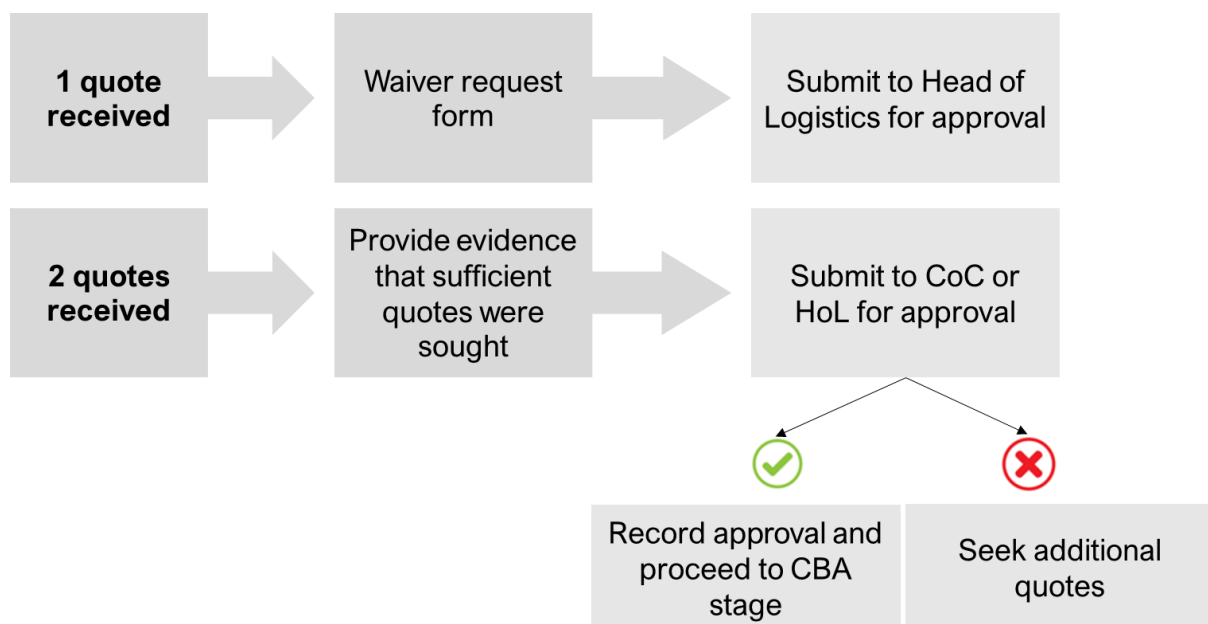
	Waiver request	Note to File
Raise	As early as possible, at the latest before PO or contract	After PO or contract is signed
Use for	Reasons listed on waiver request template	Any reasons not listed on waiver request template Traceability for decision-making
Raised by	Procurement lead	Procurement lead
Sign off	Budget holder	Budget holder

	Head of Logistics Legal rep if contract re-tendering is waived (inform Logistics coordinator if procurement is regional)	Head of Logistics Finance business partner
Filing	Keep in procurement file Record on list of exceptions	Keep in procurement file

1.5.4 Getting fewer quotes or bids than required

Where three quotes are needed, but fewer are received:

- If only one quote is received, evidence that three quotes were sought, and a single source waiver must be submitted to the Head of Logistics in UKO.
- If two quotes are received, evidence that three quotes were sought must be provided. The CoC in country or Head of Logistics will decide if this is acceptable. If this is accepted, it must be highlighted and justified in the CBA. If it is not accepted, sourcing must start again until three quotes are available.



1.6 Sourcing for procurement

See the above definition of sourcing.

1.6.1 Defining the need for goods or services

1.6.1.1 In the UK

When a programme approaches the Logistics team with a procurement request, the Logistics team will review the request and:

- Where the value is less than £1,000 or goods or services needed are covered by an existing national contract, they will advise the requestor to purchase themselves using the procurement portal or their procurement card. Note: The maximum credit amount on the BRC procurement card is set at £5,000.

- Where the value is greater than £1,000, the requestor must complete a Request For Action (RFA). The top half of the form is to be completed by the requestor, who passes it on to the logistics team, who recommend options to fulfil the need and seek approval from the Head of Logistics and finance. The RFA must be as clear and detailed as possible. Where required, the Logistics team will request additional details from the requestor. All communications must be attached to the approved RFA before procurement.

See **Requisitions in UKO flowchart** for details

There are two routes for UK logistics procure goods or services from the UK. The **UK Procurement routes** process is detailed in annex to this chapter.

The choice of procurement process will be based on different criteria, such as estimated costs, risks and the lead time available.

Basic BRC procurement thresholds:

Less than £1,000	Direct purchase A single quote is required. RFA preferred.
£1,000 to £50,000	A minimum of three written quotes should be sought and evaluated using the comparative bid analysis (CBA) template. If the procurement is being conducted through a partner, any procurement file with a value of more than £25,000 must come to UKO logistics for review before a purchase order is placed. If the logistics coordinator deems it necessary to reduce this threshold from £25,000, they should do this in the GAD and the lower value is applicable.
£50,000 to £250,000	Open national tender If tender is being conducted through a partner, UKO logistics must review tender documents before advertising and participate in the committee on contract. UKO logistics must review the contract before it is signed with the supplier.
More than £250,000	Open international tender

The procurement thresholds and respective processes are detailed in the “Procurement processes-UK” flowchart.

1.6.1.2 Procurement through partners

The procurement procedure that applies to the partnership is defined in the grant agreement document. When procurement terms are specified in the GAD, they will usually be one of the mirror the programme’s donor’s requirements (see below standard requirements).

The financial thresholds below only apply to programmes following BRC procurement guidelines. Financial thresholds for each NS will have to be defined and agreed locally, and individual donors can define different thresholds and processes. The GAD determines which guidelines will have to be followed.

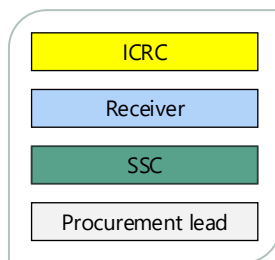
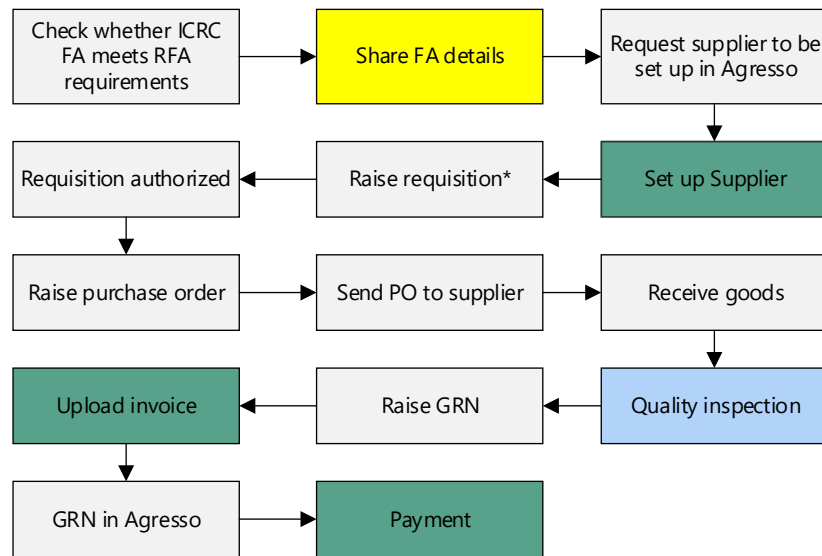
Value in GBP	BRC Corporate Process	BRC International Process
< £ 1,000	Direct purchase	Direct purchase (Logs to raise requisition/RFA if procuring for internal customer)
£ 1,000 - £ 5,000	Agresso requisition and payment Minimum 3 quotations	Requisition /RFA Minimum 3 Quotations CBA UKO Logs can review CBA
£ 5,001- £ 25,000		Requisition /RFA Minimum 3 Quotations Sealed bids (physical or electronic) CBA UKO Logs can review CBA
£ 25,001- £ 50,000		Requisition /RFA Closed local tender Minimum 3 bids Local CoC + CBA UKO Logs approval required for CBA
£ 50,001 - £ 250,000	Open national tender	Requisition /RFA Open Local tender UK Logs approval required before tender publication Minimum 3 bids Local CoC + CBA UKO Logs approval required for CBA
> £ 250,000	Open international tender	Requisition /RFA Open International tender Minimum 3 bids UK Log team must be represented on CoC (can be waived)

* All thresholds must be upheld - however, where it leads to better quality procurement, more stringent thresholds can be followed. For example, it is possible to choose to tender internationally for procurement < £250,000

1.6.1.3 Using the Movement's resources

The BRC has access to ICRC established procurement contracts. They are a preferred option when procuring NFIs, as they are subjected to strict QA testing from the ICRC internal QA team and from third-party service providers mandated to verify the quality of the items manufactured by the supplier. Procurement through an ICRC contract must be managed by UK Logistics.

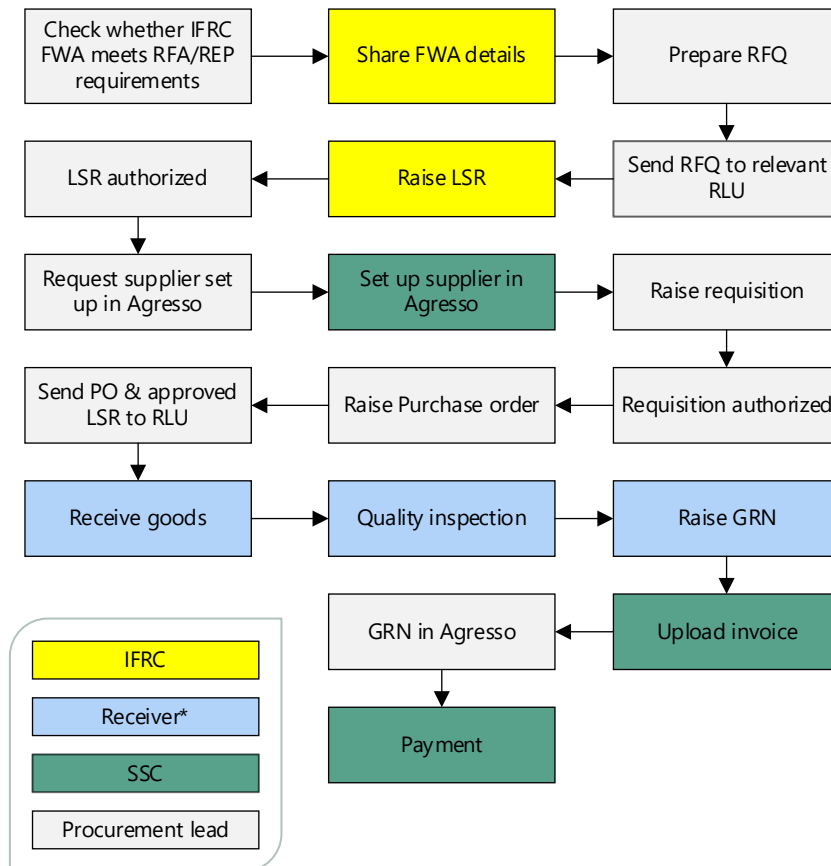
Approved Request for Action (procurement) or REP for stock replenishment



* ICRC FA must be referenced in the Requisition and in all relevant documents attached to Agresso

BRC can also access IFRC established contracts. They are particularly useful in the replenishment of pre-positioned stocks, with delivery at the IFRC warehouses (regional logistic units). A Global Logistics Services agreement governs the relationship between the BRC and the IFRC as a procurement service provider. Procurement through an IFRC contract must be managed by BRC UK Logistics.

Approved Request for Action (procurement) or REP for stock replenishment through IFRC FWA



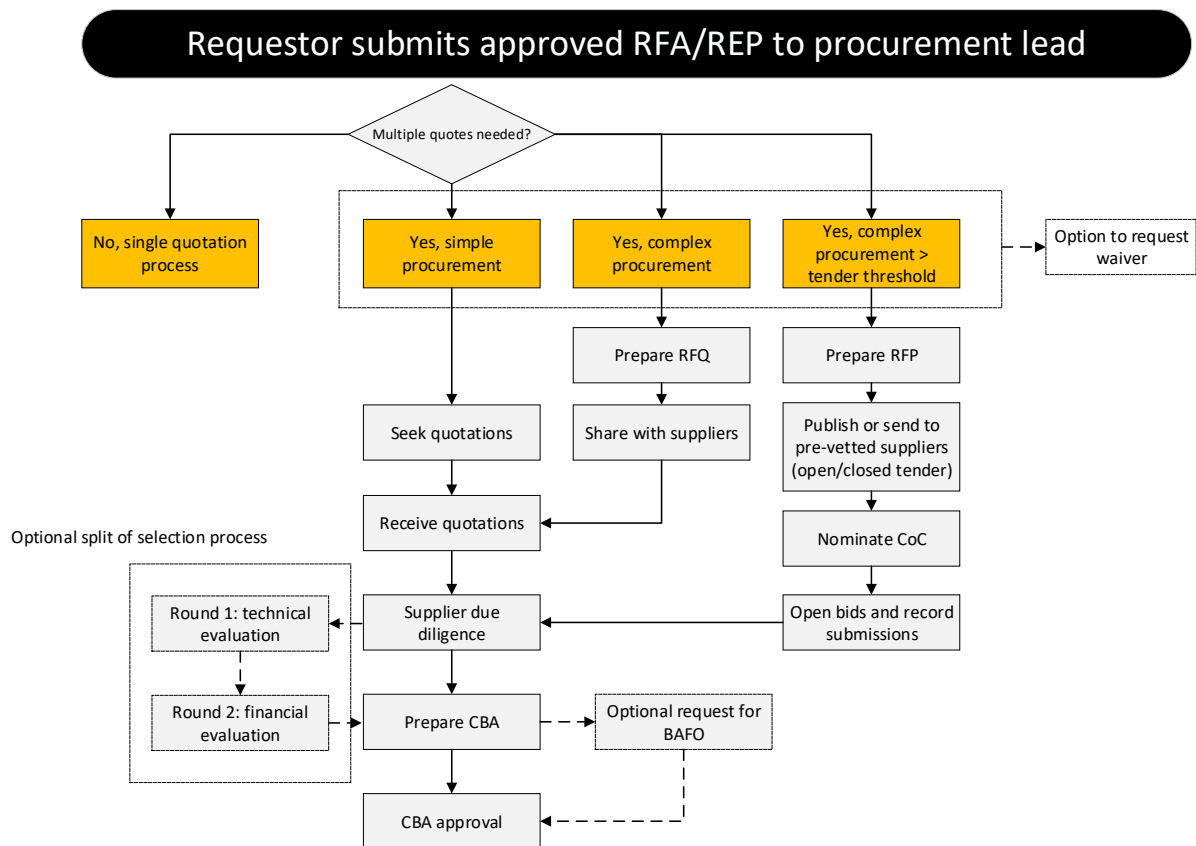
1.6.2 Quote-based procurement

Depending on the agreed financial thresholds and signature authority, some purchases will require one or more quotes to be obtained from suppliers. The requestor will complete and have their requisition form approved, indicating a desired timeline for delivery, before submitting the form to the designated procurement focal point for action. The procurement focal point will consult the market and inform the requestor on a realistic timeline for delivery of the requested items, based on the procurement strategy.

Depending on the complexity of specifications, an **RFQ** should be shared with suppliers for purchases, in order to ensure that all potential bidders receive the same information about the requested goods or services. RFQs should be shared with known suppliers and do not need to be advertised or published. They should clearly state the criteria against which the bidders will be evaluated, which must be agreed with the requestor. RFQs can be shared as simple **forms** to fill out, or as a formal, more detailed **document**.

When multiple quotes are received, they are evaluated against each other in a **CBA** that captures the selection criteria, calculates a weighted score per supplier and gives recommendations as to which is the most suitable supplier. The CBA must be prepared by the procurement lead and submitted to the Committee on Contract (**CoC**) if one is appointed and otherwise to the Logistics team lead, the Finance team lead and the budget holder for approval.

Where relevant and specified in the original request, technical expertise can be sought (and the technical expert must also sign the CBA).



Quote-based procurement, RFQs and CBAs

- Use RFQs for the procurement of items with detailed specifications.
- Draft the RFQ with the requestor and include evaluation criteria.
- Share an RFQ with all the suppliers you contact.
- Analyse and score quotes received in a CBA.
- The CBA is approved by the CoC or by Logistics, Finance and budget holder (Logs and finance sign-off depend on procurement value).

As part of the analysis, due diligence must be carried out and counter-terrorism checks must be performed on all bidders. The BRC have access to a database of sanctions lists, against which all prospective suppliers must be checked. See the attached [guidance note](#) for details on how and when to conduct the counter-terrorism checks.

As part of due diligence, the supplier should also be asked to submit their environmental policy showing commitment to working to high environmental standards, such as a carbon offset plan or an environmental and sustainability policy document. The BRC's environmental and carbon reduction policy can be found on Redroom.

As part of the selection process, it is good practice to request that bidders submit samples of the goods or services they will supply to the procurement lead. Samples should be anonymised by the logistics team and shared with the requestors for their input.

After the quotes' analysis, a purchase order or contract must be drafted and submitted for approval, together with the complete file (including approved CBA, approved waiver (if applicable) and recommendations).

In UKO, this means raising the purchase order in Agresso and submitting for approval (Note that the supplier must have been created in advance in the system, which can take up to 48 hours – see [guidance on creating a supplier in Agresso](#)). All supporting documents must be attached to the order in Agresso (copies of quotes, original requisition/RFA, GRN, waybill and any other documents included in the procurement file).

1.6.3 Tendering for goods or services

1.6.3.1 Tendering as a BRC partner

As part of the development of a procurement policy, every organisation should define a requisition value above which the market will have to be consulted in more details, via a Request for Proposal ([RFP](#)).

The RFP must contain:

Product requirements	Information (and extra appendices, if needed) to guide the bidder's offer in terms of product quality, experience, pricing proposal and delivery schedule.
Submission instructions	How to submit (electronically or physically) and a deadline.
Bid evaluation Criteria and schedule	The weighting of each criterion (more detailed than in an RFQ), a list of document requirements and an overview of the selection process to be used, often different for services (presentations or site visits) and goods (samples). Include timings and location details for events such as bid opening ceremony, etc.
Terms and conditions of purchase	Policies that a bidder will need to accept should they be successful, including due diligence measures.
Bidder response document	To ensure all bidders submit the same essential information, this document should be shared in attachment to the RFP to structure the bidders' offers and ensure bids contain all the necessary information.

Declaration of undertaking	See template (this is an optional addendum as recommended by IFRC procurement guidelines – it is mandatory to use if conducting a tender under IFRC rules)
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RFP - details		
Product requirements To help the bidders structure their offer	Submission instructions Ways to submit, deadline	Terms & conditions of purchase
Bidder response document Standard format for all bidders to use to detail their offer	Bid evaluation criteria and schedule Include timings and location details for events such as bid opening ceremony	Declaration of undertaking optional IFRC addendum procurement guidelines – mandatory if conducting a tender under IFRC rules

The RFP must be published for a minimum of two calendar weeks for local tenders and three weeks for international tenders. Up to an agreed threshold, it only has to be shared with known suppliers, in a restricted tender. Known suppliers can be listed on a database or can be consulted through an Expression of Interest (EOI) and then included in a supplier database. Above that threshold, the RFP will have to be advertised publicly on an online platform or in local newspaper; in remote locations it can be posted on an outside wall of the office. This “open tender” process allows all interested parties to submit a proposal.

Restricted tender occurs when only pre-selected operators can submit offers. Restricted tenders generally start with calls for EOIs, which allows for the advanced selection or shortlisting of suppliers that are then asked to respond to the tender.



Bids can be submitted physically or electronically (in UKO, they can only be submitted electronically through an **e-procurement system**, accessed by CPT or international logistics). All bids received must be recorded on a **bid opening minutes** format, and confirmation of receipt must be sent to each bidder within 24 hours of the deadline stated in the RFP.

Where bids have been submitted electronically but outside of the e-procurement system, they should be sent to a generic email address that only one person can access (BRC international Logistics use [BRC International Logistics@redcross.org.uk](mailto:BRC_International_Logistics@redcross.org.uk)). There are different options to send automatic notifications and to ensure electronic bids are only opened after the submission deadline – IT can support this process if they are consulted well in advance. If bids are received in hard copies (physical copies), it is good practice to use a **Bid submission register**.

After opening the bids, they can be evaluated by:

- a designated group of stakeholders
- a CoC (a minimum of two people, appointed by CPT or by the procurement lead – this is helpful where technical and programmatic considerations need to be taken into account for the supplier selection).
- the procurement lead, where no CoC or stakeholder group has been appointed.

Committee on Contract

A CoC must be appointed for any tender, unless the requirement is waived.
CoC must have representatives from: requestor, procurement, finance, technical expertise where needed.
< £250,000: CoC can be local
> £250,000: CoC must include UKO staff

Bids must be shortlisted (remove any bids that are obviously unacceptable), scored against the set criteria in a CBA and checked for counter-terrorism sanctions (see **guidance**). A positive result on the counter-terrorism checks will result in elimination at the technical review stage. The CBA must be approved by requestor, budget holder, Finance approver, Logistics approver and where needed by a

technical expert, or by the tender committee or CoC where applicable.

Where the tender committee approves the CBA, the **minutes** of the selection meeting must be kept on file. The minutes must list the bidders who were eliminated before CBA stage and explain their elimination.

Best and Final Offers

There can be further consultations and negotiations with the final shortlisted bidders, with requests for a BAFO. BAFO can be a single question, designed to set the last suppliers in the competition apart, or a request to review the quote provided.
All responses and inputs from bidders must be kept on file, and the tender committee should meet to evaluate the updated information until a single bidder is selected.

A BAFO does not need to be requested systematically. All responses and inputs from bidders must be kept on file, and the tender committee should meet to evaluate the updated information until a single bidder is selected.

Unsuccessful bidders must be informed through **standard letters of regret** once the contract with the successful bidder has been confirmed – informing them before then puts the organisation at risk

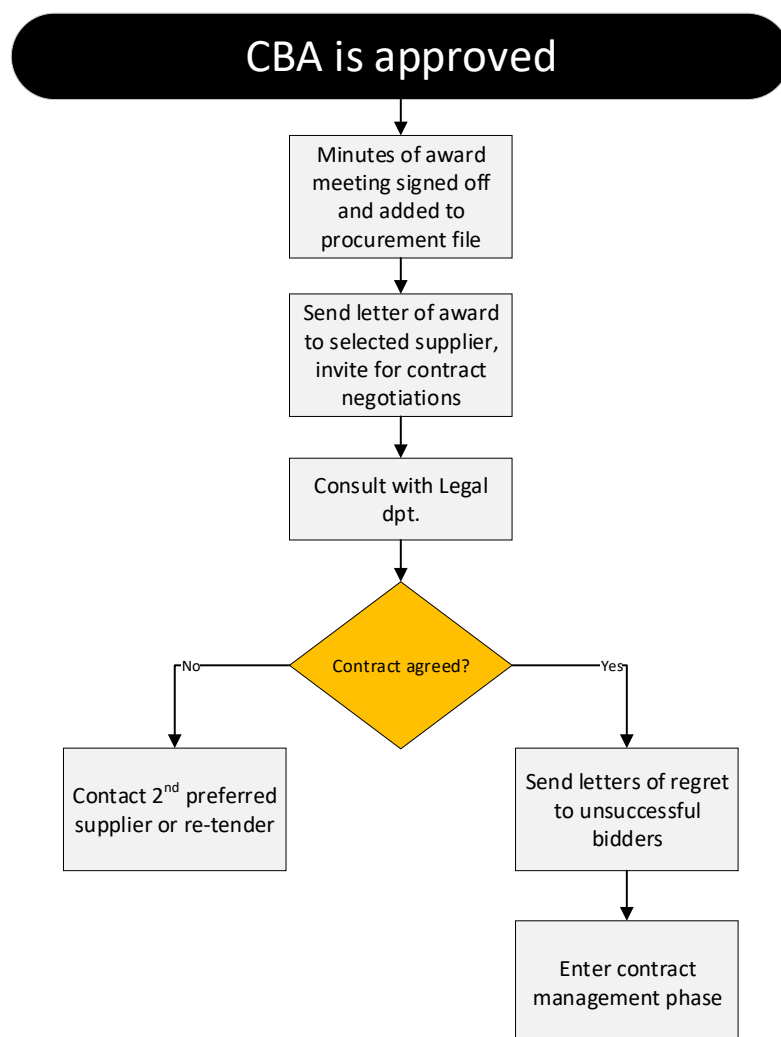
in case the contract cannot eventually be awarded to the successful bidder. Where a supplier

is discarded because of a positive result in the counter-terrorism checks, refer to the **CT guidance document** for details.

The successful bidder must be informed via an **award letter** that references the tender number, terms and conditions and policies that the supplier must agree to. The award letter should invite the successful supplier for contract negotiations and signature.

Joint tendering

Tenders can be run in collaboration with other RCRC members. This requires significant coordination in the absence of a standard approach. There are ongoing initiatives to coordinate and streamline the process. Contact the Logistics Coordinators for overseas joint procurement, and the SLM for UK-initiated procurement.



1.6.3.2 Running a tender from UKO – specifics

When a tender is run from UKO, part or all requirements in Section 1.6.3.1 apply, and the Corporate Procurement Team must be informed ahead of publishing the RFP.

CPT will help the procurement leads develop the tender document and will publish it on their e-tendering system. In parallel, Logistics Coordinators can invite suppliers to register on the system and subsequently apply to the tender if the RFP is published as a closed tender.

The RFP will be endorsed by a tender committee or CoC above a certain threshold (see the UKO example). In any case, bids must be kept sealed until the agreed deadline and opened in presence of the tender committee (if applicable), or by the procurement lead if there is no tender committee appointed. Where CPT have appointed a group of stakeholders in addition to the CoC, they will request input from those. Additional stakeholders can be Finance, Health and Safety or Insurance for example. These do not need to be included in the CoC.

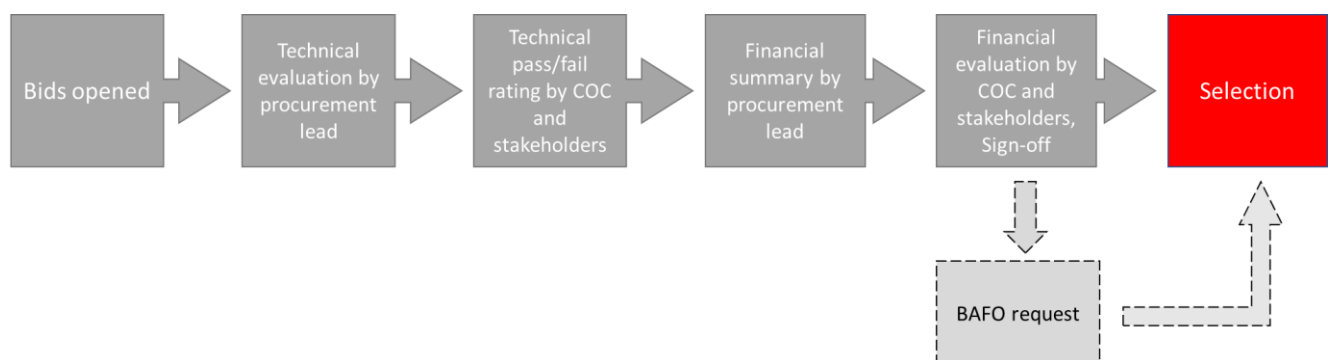
For UK tenders, CPT will run a due diligence check that includes a financial and credit check, and a review of the bidders' policies and insurances. The results of this process will be shared with the CoC and stakeholders for their review and approval.

CPT will then review the technical details of the bids and share them with the stakeholders, together with an evaluation template. Stakeholders and CoC members will have to mark each point as "pass" or "fail". When all stakeholders have evaluated the bids, CPT will organise a call to review the bids collaboratively. On this call, all participants will agree which bidders should be progressed to the next selection step.

When the successful suppliers have been identified, CPT will put together a summary of the pricing schedules submitted by each supplier and share it with the stakeholders. Where it is clear that more than one bidder could equally deliver the project, they can go back to the shortlist and request their best and final offer (BAFO). The stakeholders will then choose a final bid.

A procurement summary report is compiled by CPT and submitted to the Head of Logistics and head of procurement in SSC for approval. This must be signed off to certify that the procurement has been completed within BRC policies and procedures before the contract is formally awarded. Unsuccessful bidders must be informed through a standard letter issued by CPT, after the best bidder has been definitively identified.

The successful bidder must be informed and called in to finalise the agreement.



A detailed process flow chart for tendering is available for download as an annex to this chapter.

Tendering

- Carefully draft the RFP with the requestor.
- Publish the RFP for a minimum of two weeks.
- Restricted tender (shared with known suppliers) vs. open tender (publicly advertised).
- Appoint a committee on contract based on financial value, risk rating or technical complexity.
- Record all received bids in bid-opening meeting minutes.
- Confirm receipt of all bids to bidders in less than 24 hours.
- The procurement lead compiles details of the bids.
- The committee on contract meets to select the best offer.
- Where a tender is greater than £250,000, the CoC must be UK-based.
- Unsuccessful bidders must be informed after the successful bidder has accepted the contract.
- For support in joint tendering, contact UK logistics.

1.6.4 Supplier due diligence

Whenever the international directorate at the BRC or its partners consider engaging with a supplier through a procurement process with a total estimated spend above £5,000 and using BRC funds, the prospective suppliers should be checked using the [MK Denial website](#) before being issued a purchase order or contract.

This threshold can be set lower than £5,000 in cases where additional donor requirements apply or in cases where the risks are higher – for example, due to the context or nature of items purchased. The agreed threshold must be proposed as part of the [risk register](#) developed as part of the IQM process, agreed with the partner and stated in the [GAD](#). The threshold agreed in the GAD supersedes the standard £5,000 threshold.

If a supplier is issued with multiple POs with an estimated total value above £5,000, it is recommended that a Framework Agreement is established following a tender process. Where the procurement lead organisation has a framework agreement (FWA) or long-term agreement (LTA) in place with a supplier, the supplier should be checked periodically, as per the agreed review schedule (this would usually be annual). The [supplier due diligence guidance note](#) explains how and when to perform counter-terrorism checks.

Supplier due diligence and counter-terrorism checks

- For all procurements greater than £5,000, suppliers need to be checked on the MK Denial portal.
- Procurement thresholds can be changed in the GAD.
- Run counter-terrorism checks on contracted suppliers as per the contract review schedule.
- Liaise with UK logistics team for support on counter-terrorism checks.
- Sharing outcomes of counter-terrorism checks within the Movement is possible, but must always be discussed with line manager and UK Logistics.

1.6.5 Contracting/raising purchase orders

1.6.5.1 When procuring as a BRC partner

Following the selection process and due diligence checks, purchase orders (POs) formalise the agreement with the selected supplier.

The below information must be included in the PO:

- the original requisition number
- the tender reference number
- details of items ordered and unit price
- applicable incoterm and any other specific conditions
- any added fees, taxes or delivery costs
- T&Cs and/or payment terms (where relevant)

Note: The purchase order must be signed by both parties in order to be valid.

Where a contract is issued for signature, the same details must be included, with the addition of:

- scheduled deliverables and related payments
- service-level agreements
- all applicable policies, duly signed and approved by the contracted parties

A set of template contracts is available for download from the annexes section of this chapter.

- Transport contract
- Consultancy contract
- Rental contract (lease agreements – see template for warehouse lease contract)
- Framework agreement
- Financial Services Provider contract template (ICRC template, please adapt and contact BRC international Logistics team for support)

Internally, the signatory of the PO or contract is determined by the total procurement value or is the authorised legal representative of the organisation based on the Integration Agreement that is in place within the country. When changes to the contract are needed, they must be documented, approved by the original approver of the contract, dated and kept on file with the original contract.

	Purchase orders	Contracts
Raised by	Procurement	
Consulted		Legal
Approved by*	Budget holder	
	Finance	
	Procurement	Legal

*Seniority of the signatory of the PO or contract is determined by the total procurement value or is the authorised legal representative of the organisation

Extending value or duration of a contract. At the expiry date of a contract or when the total value of it has been spent, a **contract extension form** must be filled out to request an extension. The contract extension form must be signed off by the Head of Procurement (in BRC, this is the Head of CPT or the Head of International Logistics).

A contract can only be renewed once, and the duration of the extension cannot exceed the duration or value of the original contract. At the expiry date of the extended contract, a full procurement process must be completed again (or waived through a waiver request).

	Purchase orders	Contracts
Reference	Original requisition number	
	Tender reference number	
	Details of items ordered: standards, quantity, unit price	
	Added fees, taxes, delivery costs	
	Payment terms	
	For international procurement: applicable incoterm	
		Delivery schedule and payments
		Service Level Agreement
		All relevant policies attached

1.6.5.2 Contracting/raising purchase orders – UK specifics

The requirements in Section 1.6.5.1 apply, and the Corporate Procurement Team must be informed ahead of contracting. BRC corporate procurement tools must be used, i.e. a requisition must be raised in Agresso and approved as per the approval matrix designed in Agresso; once it has been approved, a purchase order can be raised.

Where Agresso is not used, the below information must be included in the PO:

- the original request number
- the tender reference number if applicable
- details of items ordered and unit price
- currency (note that Agresso does not automatically have a field for currency on the PO request forms; enter the currency in the product field, or retrospectively)
- applicable incoterm and any other specific conditions
- any added fees, taxes or delivery cost
- T&Cs

Contract amendments for UK contracts: request must be submitted to CPT, who will draft a contract amendment, sign it and share with Logistics.

Purchase orders and contracts

- Always refer to the original requisition.
- Include all terms to be covered by the contract (schedule, prices, payment terms, etc).
- Refer to all attached policies or documents.
- Signatory per contract amount or by legal representative in country.
- Amendments should be made in writing, signed by original signatory and filed together.
- Use service-specific templates.

1.6.6 Framework agreements

1.6.6.1 In general

Ideally based on the '80/20 procurement strategy' so they cover the most procured items or highest spend lines, framework agreements (FWA) are a specific type of contract that cover several purchases along a determined period. FWA should be used to source regularly procured and readily available products where the market prices are sufficiently stable, where the product specifications and prices are fixed for a period of time.

Standard items usually procured under framework agreements include:

- printing material

- office consumables and stationery
- vehicle servicing and repairs
- IT support
- fuel
- travel agency
- generator service
- standard and high-usage NFIs – blankets, tarpaulins, jerry cans, cook sets, etc

A FWA is set up through a tender process, by circulating a request for proposal (RFP) or expression of interest (EOI) to the open market. The FWA should be reviewed every one to three years.

Once set up with the **framework agreement template**, a purchase of any value can be made against the FWA, based on the approved price list or following the standard single quote procedure if no price list has been included in the FWA.

Selection criteria must be similar to criteria in an RFP but can also include:

- a minimum spend requirement
- minimum order quantity or value requirement
- a maximum spend allowance
- fixed pricing for a standard list of items or fee (for example, travel agency that will apply a fee to each booking)
- turnaround time, from order to delivery service-level agreement

1.6.6.2 FWA set up in the UK for use in the UK

In the UK, the standard FWA awarded by CPT is a two-year contract, with the possibility of a one-year extension (this can change and must be agreed at the start of the project). To set up a FWA, the same steps are followed as for a tender, with the supplier management details added to the specifications. CPT will support by setting up supplier review meetings as needed.

Framework agreements

- Use for regularly procured items with standard specifications, where prices are stable.
- Select a supplier through a tender process.
- The validity limit can be an amount or a period of time.
- Review the FWA every one to three years.
- Once set up, purchase of items can be done directly or through a single quote (if no price list is included in the contract).

1.6.7 Purchasing

PURCHASING OPTIONS			
From FWA no need to complete a procurement process. Purchase order can be raised against the FWA directly, per the agreed unit prices or following a quick-quote process	With a procurement card Procurement card can be requested from SSC. The card can be used as a credit card for small purchases under £1,000. Maximum credit amount is £5,000.	With a Caxton card Caxton card can be requested from SSC. Use for personal expenses while travelling. Not for operational expenditure unless on an ERU deployment.	
Online purchasing Out-of-pocket up to £1,000. > £1,000: must be managed by CPT procurement lead.	Petty cash Out-of-pocket or with professional cash advance up to £1,000. Claim expenses/reconcile advance against receipts.		

Purchasing is the process of buying items or services without a full procurement process. It can be done in various ways in the BRC:

- **From a FWA** – see Section 1.6.6. When a framework agreement is in place, there is no need to complete a procurement process to buy the items that are covered by it; a purchase order can be raised against the FWA directly, against the agreed unit prices or following a quick-quote process. The BRC has a number of national contracts with suppliers; some allow purchasing to be done through the suppliers' portals, while others can be contacted through SSC. All contracted suppliers are listed in the purchasing marketplace on RedRoom. Anyone in the organisation can use these contracts, and BRC staff in the UK must use them for the items they cover. Search "buy goods and services" in RedRoom using the search box to see the categories of items which can be purchased through national contracts.
- See flowchart diagram for **small, one-off purchases with a procurement card**. A procurement card can be requested from SSC – complete a form and submit it to SSC. The card can be used as a credit card for small purchases under £1,000 (there is no need to upload funds to the card before making a purchase). Details on how to obtain and use a procurement card can be found on RedRoom (search for "procurement card" in the search box).
- **Caxton currency card** for travel expenses: this card can be loaded with cash for those travelling overseas. Details can be found in the employee handbook (search for "Employee handbook" on RedRoom). It should be used for covering travel expenses while overseas and not be used for purchasing materials and items for programmes. However, when an ERU delegate has been issued with a Caxton card, they can use it to cover all types of expenses.
- **Online purchasing** can be done out-of-pocket (preferably with a line manager's approval in advance) or using the procurement card. Note that online purchases greater than £1,000 must be managed by the purchasing team lead in CPT at SSC, who will place the online order.
- **Petty cash**: it is acceptable to pay for small purchases with petty cash, up to an amount that is set internally. In the BRC, this amount is £1,000. Up to this amount, one quote is sufficient and a supplier can be paid in cash (although this is not preferred), against an open cash advance to be reconciled with receipt, or out of pocket.

1.7 Managing procurement

1.7.1 Tracking procurement

Use a **procurement tracker** to monitor and report on the progress of requests and procurement processes, highlight and communicate obstacles and delays. This should be shared with programme team and requestors at an agreed frequency and should inform monthly project meetings. Where there are significant obstacles to timely procurement, the programme team and requestors must be consulted.

The procurement strategy and plan should inform the procurement tracker in terms of process to follow and delivery lead times. Looking at the procurement tracker, procurement leads should also be able to highlight procurements that should be initiated in order to meet the requested delivery timeline on the procurement plan.

1.7.2 Supplier database

Maintaining a **supplier database** per category is useful for multiple reasons:

- closed tenders or RFQs can be sent to all registered suppliers
- registration documents and suppliers' policies can be shared in advance, saving time when necessary
- they can be used to the record number of transactions with each supplier, the total amount spent in a year, etc.

Note: In the UK, CPT do not keep a supplier database but they maintain lists of pre-qualified suppliers for specific items who can be called upon for higher-value procurement, so it is good practice to contact them or international Logistics to check with one or both when sourcing items.

1.7.3 Managing the performance of contracts and suppliers

Maintain a separate list of ongoing contracts, including their validity dates and total value.

Monitor supplier performance against a contract's service-level agreement and hold one or two meetings each year to review performance and amend contracts where necessary. The **supplier performance matrix** can be a good guide for these supplier performance meetings. Suppliers can be appraised against the terms of the contract: standard indicators to track include "On Time In Full" (OTIF), order turnaround time and delivery claims. When managing long-term contracts, it is recommended to have standard KPIs in place, against which performance can be measured over time.

Contracts in the UK are managed and reviewed by the CPT. They will contact the Logistics team when contracts are expiring or a supplier performance meeting is due and the Logistics team can give feedback either through the **supplier scorecard** and taking part in review meetings or by working with stakeholders to decide on contract extensions or terminations. Contact CorporateProcurementTeam@redcross.org.uk for more information about the supplier scorecard and supplier management in the UK.

1.7.4 Managing deliveries

The delivery of goods or services against approved POs and contracts must be planned, prepared and documented.

Agreeing deliveries can be done in the contract or PO, through a schedule and agreement of responsibilities. It is good practice to agree delivery terms against the official list of international commercial terms (incoterms) to ensure all parties understand their responsibilities, particularly in cases where the goods or services are sourced internationally. The expected receiver of physical goods (the warehouse officer, storekeeper or receptionist) must be informed at least 48 hours in advance of the planned delivery so they can ensure they have for space, resources and time to process the delivery.

To learn more about incoterms, refer to section 3.2.3.

1.7.5 Documenting deliveries

Delivery of goods must be accompanied by a delivery note prepared by the supplier and a Goods Received Note (GRN), raised by whoever is processing the delivery internally. The GRN, which will eventually have to be signed by the requestor of the goods, should mention any discrepancy in quantity or in quality against the expected delivery and be signed by the delivering party, the receiver and the requestor. What is stated in the GRN must match what is reported in the stock records. See Chapter 3 for more details.

The delivery of services must be confirmed with a qualitative appreciation of the services delivered. In the UK, where there is no form to confirm receipt of a service, this is done through the Agresso tick-box process, or with a GRN where the procurement has been conducted outside of Agresso. In general, a separate document such as a certificate of completion should be used to confirm the quality of the service, but a simple note can be added to the GRN to confirm that the services delivered met the agreed standards. Any additional note must be signed off by the requestor of the service and a technical expert.

Once approved, the GRN and all affiliated documents become part of the procurement file. Where there are discrepancies recorded, these must be detailed on a claims report, signed by both parties. Partial deliveries must be specified on the GRN, or the certificate of completion if used.

1.7.6 Processing payments

Payments can only be processed by Finance staff, based on a fully documented procurement process.

Invoices for delivered services or goods must be addressed to Finance (not to the signatory of the GRN/certificate of completion) and matched with the procurement files handed over to the finance focal point. Where a claims form is attached to the procurement file, Finance should consult with the receiver to ensure the contents of the claim matches the payment. No payment can be issued to suppliers without a completed GRN/certificate of completion.

Invoices for delivered services or goods in the UK must be addressed to APIInvoices@redcross.org.uk (not to the signatory of the GRN/certificate of completion) and matched to an Agresso purchase order. The invoices are then posted on Agresso and a notification is sent to the person who raised the purchase order to post a GRN against it to authorise payment. As the requestor is likely to be different from the receiver, the requestor must ensure they have a copy of the receiver's GRN before authorising it on Agresso and they should attach a copy of the GRN to the procurement file.

Where the supplier has failed to deliver on a product or a service, the outcome of this must be agreed before they post the GRN on Agresso. If the supplier accepts liability, they can issue a

credit note that must be sent to SSC and posted to Agresso. The requestor can then post a GRN against the purchase order and the credit note at the same time, so when payment is approved it takes off the value of the credit note.

Advance payments

Can be agreed but need to be flagged to finance. Where advance payments are made, they must be supported by partial GRN or pre-agreed contractual terms.

A partial GRN or certificate of completion can be submitted to SSC for payment against partial invoices, but the original purchase order should be split into lines to match the expected schedule.

Where advance payments are required, it is advised (although not always possible) to pay a maximum of 30 per cent of the contract or PO value.

Exceptions apply for pre-financing of cash transfer services with Financial Services providers (see 1.8.5)

The preferred payment terms of the BRC are 30 days after invoice against delivery and issuing of a clean GRN.

Note: it is good practice to post the GRN on Agresso before the invoice is received at SSC's level.

Note: where the invoice amount differs from the Agresso PO amount by more or less 20%, SSC will ask for the PO amount to be modified and for the PO to be approved again through the Agresso workflow.

1.7.7 Documenting and filing

Procurement files must be completed and handed over to Finance for payment and filing. Copies of original requisitions, POs, contracts and GRNs must be kept by Logistics, either by procurement file or by type of document. The procurement process flow diagrams show which documents are mandatory by threshold – always check for donor requirements in terms of retention time.

	Finance	Logistics	Supplier
Requisition	original	original	
Quotation(s)	original	copy	
CBA	original	copy	
Waiver	original	copy	
RFQ	original	copy	
RFP	original	copy	
Tender bids	original	copy	
Letter to successful/unsuccessful bidders	original	copy	original
PO	original	copy	original
Tender committee TOR	original	copy	
Tender committee meeting minutes	original	copy	
Contract	original	original	
GRN	original	copy	
CoC meeting minutes	original	copy	
Contract extension form	original	original	original
Invoice(s)	original	copy	original
Proof of payment	Original	copy	

Procurement files should be kept on archive for various durations, depending on the requirements that apply:

UK (HMRC)	Six years
DG - ECHO	Five years
BRC GAD standards	Invoices and purchase orders: six years, plus current year Contracts: end of contract plus eight years

	Supplier selection documents (tenders, meeting minutes and evaluations): three years
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The CPT in the UK retain copies of the tender documents and procurement process as well as documents relating to ongoing frameworks and supplier performance. International Logistics can retain a local copy as well, for reference. Copies of original requisitions, POs, contracts and GRNs are kept by Logistics in separate files in the BRC's International Quality Methodology filing system (PIMS).

Managing procurement

- Maintain and share a procurement tracker.
- Establish a list of known suppliers, with basic information about them.
- Manage the performance of suppliers.
- Plan, prepare and document deliveries.
- Use a GRN for goods and a note or SDC for the delivery of services.
- Invoices are submitted to finance and matched to procurement files handed over by the procurement lead.
- In the UK, GRNs must be posted in Agresso so suppliers can be paid.
- Check donor requirements in terms of document retention.

1.8 Procurement of special items and services

1.8.1 Medical procurement

MEDICAL PROCUREMENT

Needs definition

Clear specifications including shelf life requirements
Use medicinal names rather than brand names
Special requirements
Include sample quantities in total order where necessary.

Shelf life calculations

paracetamol has a 30-month shelf life.
Requestor asks for 90% remaining shelf life (27 months) at delivery.
Import lead time = 4 months.
→ international procurement will not comply with requestor's requirements.
→ Options: lower the minimum remaining shelf life required or procure locally.

Supply chain requirements

Restricted items = stricter import rules and controls
Check transport and storage conditions needs (ex: cold chain)
Check who can be a consignee of imported medical supplies
Check requirement for testing or sampling at arrival in country.

National regulations

Check national essential medicines list for any limitations or requirements in importations.
Some countries require that importers of specific medical suppliers be registered as such.

Procurement agent services

Procurement can be delegated to a procurement agent (at a cost).
Tendering is required for procurement agent contracting.

Supplier selection

Request for support from ICRC/IFRC procurement experts.
All procurement of medical items done under IFRC rules must be approved at GVA level.

The procurement of medical items, whether equipment (tools, machinery, diagnostics or laboratory equipment) or drugs, requires special care and consideration. Priority should be given to a PNS with medical experience or to IFRC or ICRC who hold contractual relationships with medical suppliers.

There needs to be careful selection and thorough investigation of suppliers – procurement will be restricted to a selected number of validated suppliers who have the required Good Distribution Practices (GDP) and Good Manufacturing Practices (GMP) certifications, follow World Health Organization (WHO) procedures in procurement and guarantee the quality of their products.

When planning to procure medical items, contact your allocated Logistics Coordinator as soon as the requisition is raised. Unless stated otherwise in the GAD between the BRC and a PNS, no medical procurement should be initiated in country without prior notification to the Logistics Coordinator or the procurement department of the IFRC.

The procurement and distribution of medical supplies requires strict quality control procedures to ensure the quality of products provided to beneficiaries. This applies particularly to the procurement and distribution of pharmaceuticals, which can be life-threatening when the quality is substandard. There are numerous ethical and legal responsibilities related to the quality of medical products offered by humanitarian agencies. The [WHO Model List of Essential Medicines](#) serves as a guide for the development of national and institutional essential medicine lists and is updated every two years by the WHO Expert Committee on Selection and Use of Medicines.

All medical supplies must have a batch number allocated by the manufacturer. Each batch must have a manufacturing date and an expiry date, both including month and year, at least. Each batch that is manufactured must have a batch certificate or a certificate of analysis that confirms that drugs from this batch have passed the necessary tests.

When procuring medical items, consider the below carefully:

Definition

- Make sure the specifications of the request are clear: what form/dosage of each drug is required. List the typical forms, with images.
- Ensure that the request states the medicine needed rather than the name of a manufactured drug. For example, if paracetamol is required the requisition should say “paracetamol” and not “Panadol”.
- Ensure that any special requirement is listed on the requisition: is this molecule classified as a narcotic, restricted or dangerous goods?
- Ensure that the requisition specifies the expected shelf life for the item ordered and the minimum required shelf life at delivery. Make sure the supply chain lead time is factored into the required shelf life. The decision on this must be made in conjunction with the requestor and based on recommendations from IFRC or your allocated logistics coordinator.
- Confirm that the total estimated cost of the request captures the cost of the supplies themselves, as well as associated costs – for example, packaging, shipping, sampling, testing, taxes, in-country registration fees.
- Where samples will be taken out of the consignment for analysis, make sure the total quantity ordered takes this into consideration.

National essential medicines list and legal framework

Each country holds a list of the drugs they allow in the country

- Some drugs may be prohibited in the country you are working in.
- Refer to the Food and Drug Administration of your country to confirm whether the drug requested is allowed for use in your country – most of the time these lists are in line with WHO recommendations, but they may differ.
- Each country is free to classify specific drugs as restricted medical items, and this will be specified on the national essential medicines list.
- Restricted medical items often require further documentation to be imported and must be stored with increased controls (see Chapter 3). Note that some countries will limit the quantity of narcotic drugs imported by a single consignee over a set period. The national FDA is the preferred source of information for these details.

Supply chain requirements

- See above for restricted medical items.
- Transport and storage conditions for drugs and medical supplies are generally stricter than those for other commodities. Always ensure that you or the final recipient have the capacity to store an order in the correct conditions (see Chapter 3).
- Some drugs or diagnostic supplies must be kept in temperature-controlled conditions during transport and storage (see guidance here). When receiving a request for drugs with cold chain requirements, ensure the supplier has the capacity to confirm that the supplies have been transported in the required conditions (e.g.: reefer containers with temperature loggers) and that you will be able to store them in a temperature-controlled environment at the point of delivery.
- The importation of medical supplies is often more restricted than the importation of other types of commodities. To import drugs, you will typically have to:
 - Be registered as an authorised importer of drugs in the importing country.
 - Submit an import application to obtain pre-approval ahead of the shipment arriving in country. This application will typically contain a letter explaining the need for importation, the registration certificate and all draft commercial documents provided by the supplier (commercial invoice, packing list, certificate of origin and certificate of analysis). Based on the application, customs and the national FDA will deliver an authorisation to ship the medical supplies.
 - Humanitarian organisations can obtain tax exemptions for the importation of medical supplies. Usually this is requested from the ministry of health or finance and customs, which must each approve the request separately. To file for a tax exemption, you will typically have to submit a donation certificate certifying that the consignment has no commercial value (will not be sold once in country) and a proforma invoice for all the drugs to be imported. Tax exemption documents must be stored carefully and included in the documents submitted upon the departure or arrival of the consignment.
 - Some countries require that the consignment should be inspected by a third-party service provider (often named by the ministry of health or FDA) upon arrival in country. This will usually have to be arranged by the shipper or consignee and will require sampling at port of arrival, placing the supplies in quarantine until clean results are obtained and releasing them after reception of the results. Inspection costs should be added to the estimated cost of procurement.

Selecting suppliers of medical products for procurement

See the section of the **IFRC procurement manual** for information about the pre-selection of suppliers for medical supplies. Note that all procurement of medical items (incl. pharmaceutical products and medical equipment) done under IFRC procurement rules MUST be approved by the Procurement authority in Geneva before issuing a contract.

Recognising that the capacity of the BRC and other PNS does not allow for the necessary thorough controls, it is recommended to use the capacity of IFRC/ICRC to assess and monitor suppliers – where they are in place and with prior notice, use existing contracts that IFRC/ICRC hold with medical suppliers.

Using a procurement agent to conduct medical procurement

In some cases, the organisation requiring the medical supplies will not have the capacity to conduct medical procurement beyond the definition of needs. Such processes can be delegated to a procurement agent against a service fee (usually a percentage of the total value of the procurement delegated by the organisation). These procurement agents often hold a list of pre-qualified suppliers who have been quality-approved. This can be a useful solution in the rare case where a programme requires a drug or piece of equipment that cannot be supplied via a known supplier. Always refer to your logistics coordinator to assess sourcing options.

An example of shelf-life calculation: paracetamol usually has a 30-month shelf life. Your requestor asks for 90 per cent remaining shelf life (27 months) at delivery, and you know that importing drugs into your country will take around four months. Based on this, you can deduct that international procurement will not comply with your requestor's requirements, so the choice is to lower the minimum remaining shelf life or procure the paracetamol locally.

1.8.2 Consultancy services procurement

In the BRC, this is currently not managed by logisticians, although this is under discussion as it technically is a procurement process – contact international HR for details on the process to recruit consultants.

A process flowchart is available from International HR for more details on consultancy services procurement.

1.8.3 Facilities rental services procurement

The needs definition phase should focus on:

- area of choice
- safety and security
- building/compound size
- number of bedrooms/offices required
- amenities
- space needed for parking vehicles and storage
- preference for serviced or unserviced property

Recommendations should be sought from peer organisations or rental agencies, with options compared in a CBA format. The CBA and the recommendation should then be approved by a budget holder, procurement manager and Finance manager, with the security focal point included for information.

Negotiations with selected supplier or service provider should ensue. Negotiation points confirm:

- rent amount
- regularity of payment
- period of notice to close contract
- shared maintenance responsibilities
- responsibility for building and contents insurance
- responsibility for payment of utilities

Due diligence must be carried out before the contract is issued to the supplier or service provider. Rental invoices should be sent directly to the finance team for payment with a copy of the rental contract.

1.8.3.1 Facilities management in the UK

In the UK, the Facilities team at SSC will support the selection and contracting process. The Facilities team should receive invoices for all property rentals and process property-related payments directly. SSC hold a framework agreement covering maintenance and services to property rented by the BRC. Service requests must be placed through SSC's support desk, who liaise with the facilities management company and allocate a level of urgency to every request. Requestors of building services will be informed of the timeline for service delivery directly. More information on the Facilities team and their support can be found on Redroom.

There is a requirement for the British Red Cross to have specific documents available on BRC-run sites at all times. Some of the documents within the statutory documents folder must be stored on site, while others are part of the BRC's duty of care and are held voluntarily.

The standardisation and introduction of the statutory documents folder across BRC properties will support ongoing compliance. More information about the statutory documents folder can be found on Redroom.

1.8.3.2 Selection criteria for rental premises

1.8.3.2.1 In general

- Compounds located close to military compounds, market areas or other areas of security risk should be avoided.
- Any examination of a new site should include the use of the NS security audit checklist, ideally done by a security adviser.



- Secure location
- Enough space and ways in and out for expected traffic
- At least two exit routes
- Access to a main road
- Adequate secure parking space
- Adequate and safe fuel storage capacity
- Sound, well-maintained building structure
- Access to a generator



- Nearby a military compound, market area or other risk-prone area
- Communications restrictions (phone, internet coverage)
- Flooding liability
- Ill-designed or run-down building structure
- Possible negative impact on local community structures

Given the status of PNS in country (working for the IFRC and not having legal authority in country), whenever considering property rentals, make sure the legal authority in country is involved in the process and kept informed at all stages. The lease agreement must eventually be signed by the legal authority in country.

1.8.3.2.2 Warehouse selection

See Sections 2.3 and 2.4 in Chapter 2.

1.8.3.2.3 Accommodation

As a rule, prioritise secure facilities such as an apartment, house or other fully self-contained area, or containers or prefabricated buildings in a compound. Considerations listed above apply.

1.8.3.2.4 Office space

Where the BRC works in partnerships, it is usually possible to be hosted by either the NS, the IFRC or the ICRC, following the terms of an Integration or service-Agreement (IA). The use of office equipment is usually provided on either a free or cost-sharing basis, or as part of the service/integration agreement.

1.8.3.2.5 Sharing premises within the Movement

As a PNS, it is usually not possible to acquire land or property in country; however, where relevant, a business case should be put together to provide a costs-benefit analysis to compare acquisition and rental options. A PNS willing to rent premises outside their own country would have to go through the HNS or IFRC to rent spaces for them, as the PNS will rarely have legal status in the country.

If renting space from the IFRC, service charges must be defined as part of the IA or a separate agreement.

See the **Policy and Procedure for Provision of Integration and Administrative Services for National Societies** from the IFRC for more details on Integration and Service agreements.

If renting space from the HNS, service charges can either be defined in the GAD or agreed locally.

Due diligence on property leasers

knowing the ownership details of the premises being rented out is crucial, as there is a high risk of the Red Cross name becoming associated with that of the owner of the premises.

Request to see ownership documents and check the name of the owner and of the agency marketing the property to ensure that neither can be linked to terrorist acts.

If office space must be sourced outside of existing agreements, bear in mind the security of staff and materials and where possible, locate space close to other international agencies or the diplomatic community.

Any examination of a new site should use the NS security audit checklist and ideally be

carried out by a security adviser from the Federation.

1.8.4 Clearing and forwarding services procurement

To facilitate the import and export of goods, humanitarian organisations often contract the services of agents to act as intermediaries to ensure the correct application of import/export procedures and the use of proper documentation.

The main agents working in import/export are:

- In many countries, only official licensed clearing agents are authorised to effect customs clearance and are able to obtain the release of imported or exported goods. Their tasks include the classification of the goods, the presentation of the required customs documentation and guaranteeing that taxes or duties are collected or that the relevant exemption is granted. In some countries, customs regulate the clearing of goods through a governmental clearing service.
- Freight forwarding agents.

For more details on the procurement of clearing and forwarding services, see Chapter 2.

1.8.5 Procurement to support cash programme delivery

For more details and useful resources about cash programming, refer to the BRC [Cash Hub](#).

The [Cash Hub platform](#), hosted by the British Red Cross as a shared leadership initiative with IFRC and ICRC, has been launched as a global resource for the Movement to help increase the Movement's capacity to deliver cash assistance. All templates referred to in this section are available on the Cash hub (use the searchbox), mostly from the *Resources > Cash and logistics* section.

Visit www.cash-hub.org and join the online cash community of the Movement: the platform offers support to expand our knowledge, skills and networks in different ways, such as searching through a range of [resources](#), [training opportunities](#), [programme guidance and tools](#), or accessing interactive [cash maps](#) with key data on cash programmes.

Cash and Vouchers Assistance (or Cash Transfer Programmes)

Cash is a form of humanitarian response based on the transfer of cash (or vouchers) to individuals, households and communities, so they can access goods and services to meet their needs.

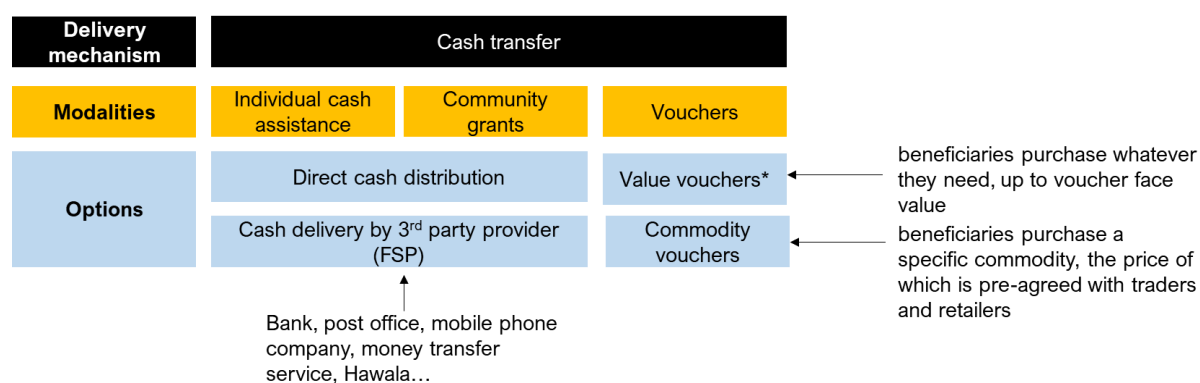
Cash is a specific aid delivery mechanism and requires specific services to be in place.

The vast majority of Cash programmes will require tendering for financial services and/or voucher services. The requirements for cash services must be defined by the programme team, using the Scope of Work template and the response sheet as a reference. Note that there are separate response sheet templates to use for FSP procurement and voucher vendors procurement. Using these resources will ensure that you collect the minimum information necessary to ensure the tender is successful.

The modalities of cash distributions must be defined in a supply chain strategy and associated services must be captured in a procurement plan, so they can be sourced, contracted and monitored by procurement experts with consultation of Finance and programme experts.

Cash services providers must be evaluated jointly by programme, Finance and Logistics, through a tender process or a simple CBA.

The most common services that cash programmes require are:



To define the procurement process to follow, make sure the distinction is made between the value of the vouchers or amount of cash distributed and the cost of delivery.

CASH PROCUREMENT RULES		
Value voucher cash programmes	Commodities voucher cash programmes	Cash assistance Through Financial Service Provider
Only service fees to be charged by the third party or transfer service provider define the authorisation level and procurement process to follow (e.g., services to print vouchers or to encash vouchers), not the face value of the vouchers distributed.	The combined value of the commodities and service fee determine the authorisation level and procurement process to be followed.	< 1,000 CHF: single quote procurement is sufficient but regional/central quality check required. Use of the SoW and response document is not mandatory but recommended > 1,000 CHF: Run tender (preferably restricted) with support from regional/central Logistics team (UKO, IFRC or ICRC) See the Cash Hub for guidance on tendering for financial services provider, under the assessment section.
Where the procurement experts reviewing the process identify a risk, they may escalate its validation to the funding PNS for further review.		
The selection of a financial services provider should always be validated by a central procurement team (PNS at minimum, funding PNS where value of procurement is greater than £25,000).		

The ICRC have published a step-by-step guide to Cash Transfer Programmes tendering on the Cash hub which helps planning for the entire procurement process.



Take the “**Cash Assistance through Financial Services Provider**” training, a 90-minute online modular training outlining critical steps and tools to successfully contract an FSP. The training is accessible from the Cash hub under *Resources > Cash and Logistics > Procurement tools and templates*.

1.8.5.1 Sourcing a financial services provider

Look up existing resources on the Cash Hub, under the [assessment](#) section, to find guidance on how to assess service providers and lay out a risk register for a cash response.

The roadmap at the start of the assessment section gives useful general information, and the “financial service providers baseline checklist” and the “mapping service provider template” are also available. There is also an “assessing FS topics and sources template”. All templates are available from the Cash hub (www.cash-hub.org).

Other information sources that can support the selection of an FSP:

- Logistics, procurement and programmes collect information on the service providers in the market. Finance should be included in the assessment, too – if possible, they should lead, together with programme, as they have the necessary technical knowledge of FSPs.
- Finance should also be involved in setting the requirements for FSPs, as they will need to be able to transfer the money to them, pay them on time and have the requirements met for reconciliation of funds. They may also hold a list of potential FSPs.
- Identify and narrow down potential service providers that fulfil your requirements. Sourcing can also be supported by consulting other humanitarian organisations that already implement cash-based responses and have established contracts with service providers.

There are strong regulatory controls around financial transfer services including (but not limited to) anti-money laundering (AML); counter-terrorism financing (CTF) and know your customer (KYC) procedures. Due diligence is therefore a key mitigating action against the risk of using an FSP for the delivery of a cash programme and will ensure both compliance and the technical quality of the services delivered.

A pre-qualification step should occur before the tender is published, with a Request For Information (very similar to the EOI) sent to potential suppliers (the [supplier registration form](#) can be used as an RFI when accompanied by background information on the future tender). The FSPs who respond should be evaluated against a pre-defined set of criteria. Pre-qualified suppliers should then be invited to tender (see section 1.6.3 for more details). This is the preferred option, but if there is insufficient time to undertake two steps, an open tender can be the preferred route to select an FSP. Technical and financial proposals must be requested and received from suppliers or FSPs and after the technical evaluation only those eligible will be considered for the financial evaluation.

1.8.5.2 Standard selection criteria for FSPs

Check the Cash Hub’s [set up and implementation](#) section for guidance on the selection of service providers.

Standard criteria include:

- can the FSP pre-finance the cash grants value?
- does the FSP charge account fees to users and recipients?

Unless otherwise agreed with the FSP, the payment terms of the procuring PNS will apply (the standard terms for the BRC are 30 days after satisfactory delivery of services) and the FSP should be paid the agreed fee upon receipt of the required documentation and following thorough information triangulation to confirm transfer and receipt of all cash grants.

Where an advance payment is required, see section 1.7.6 on payment terms for details on the process to follow. Where the selected FSP charges account fees to the users (in this case the recipients of cash grants), the programme team should make sure the cost of account fees is included in the cash grant amount distributed to beneficiaries, so the impact on the recipient is minimised.

See the [preparedness](#) section of the Cash Hub to find a **standard contract for FSP** and tools and templates to use in cash programmes.

For a voucher programme, retailers need to be contracted as service providers and all usual contracting requirements should be followed. A tip sheet for voucher programmes is available from the Cash hub.

The Cash-logs SMCC working group

Cash requires specialist skills and brings a variety of stakeholders together.

Developing SOPs and agreeing roles, technical support and responsibilities is crucial.

Procurement, Finance and programme leads should be clear on who is responsible for what when it comes to cash programming.

Check the shared Movement resources created under the Cash-logs SMCC project: cash RACI matrix, competency framework, training library...

Regular monitoring of the retailers and voucher providers is important from the procurement side, to ensure they hold the right items (in quantity and quality), offer fair and transparent prices, etc. The information collected from the retailers must then be triangulated with the beneficiary monitoring data to initiate payment of the retailers and of the voucher provider.

1.8.4 Construction materials

If you have decided not to subcontract your construction project, you will have to procure construction materials yourself.

A supply chain strategy is important for any programme requiring supplies but is crucial for construction projects. An analysis of the supply options needs to be included in the programme design.

CONSTRUCTION MATERIALS/SERVICES PROCUREMENT

Direct delivery to construction sites

Prefer direct delivery by supplier
If supplier enters organisation's premises, ensure safe access and prevent any image issues due to association (thorough supplier due diligence, precise communication to staff and other visitors)

Quality control

Consider hiring external resource to help with QC
Quality of supplies AND quality of service must be controlled
Assess supplier supply chain (ethical due diligence)

Storage of construction materials

Own warehouse vs. temporary storage vs. drip-feed deliveries
Ensure safe storage
Consider storage support options from local community

Construction timeline

Often > 1 year
Build staggered deliveries into agreement with supplier

Price fluctuation

As much as possible, agree fixed prices for the duration of the works

Location of construction site(s)

Access to local markets
Include transport costs in project budget

Some points to consider when procuring construction items:

Note that all procurement of construction items or services done under IFRC procurement rules MUST be approved by the Procurement authority in Geneva before issuing a contract.

1.8.5 Food and seeds

The BRC rarely supports the procurement of food and seeds. National Societies would typically seek advice from the IFRC or ICRC purchasing teams for such procurements, to manage the risks associated with procurement of food and seeds (mostly phytosanitary). For further information, see Section 3.4 of the IFRC's procurement manual, which is dedicated to the procurement of food and seeds.

In many ways, the standards for procuring food and seeds are similar to those that apply to procurement of medical items: strong controls are in place to ensure goods are fit for consumption, and to protect national production – some countries will not allow food and seeds to be imported for example.

Always refer to your regional logistics coordinator for advice on procuring food or seeds.

1.8.6 Vehicles

See Chapter 5 for details on the procurement of fleet.

Chapter 2: Warehousing and Stock Management

Contents

2.1 What is covered in this chapter?	58
2.2 Definitions and concepts.....	58
2.2.1 Functions of a warehouse.....	58
2.2.2 different types of inventory	59
2.2.3 Purposes of holding stock	59
2.2.4 Stock ownership	60
2.2.5 Stocks management – roles and responsibilities	60
2.2.6 Financial management of stocks	61
2.2.7 Stock positioning	61
2.3 Building a stock strategy.....	62
2.3.1 Assessing the warehouse requirement (number, location and operation):	62
2.3.2 Quantity and location of warehouse(s)	63
2.3.3 Stock strategy definition	63
2.3.3.1 What?	64
2.3.3.2 Where?.....	65
2.3.3.3 When?	66
2.3.3.4 How?	66
2.3.3.5 How much?	66
2.3.4 Estimating your storage space needs.....	69
2.3.5 Estimating your floor-load capacity needs	70
2.3.6 Calculating stock turnover and adjusting target stocks	71
2.4 Sourcing a warehouse	72
2.4.1 Setup options	72
2.4.2 Types of warehouse:	73
2.4.2.1 Temporary warehouses	73
2.4.2.2 Permanent warehouse.....	76
2.5 Setting up a warehouse	77
2.5.1 Mapping a warehouse.....	77
2.5.2 Equipping a warehouse	79
2.5.3 Storage options.....	79

2.5.3.1 Stacks.....	79
2.5.3.2 Volumetric storage	81
2.5.3.3 Pallet racks	81
2.5.3.4 Large racks.....	82
2.5.3.5 Shelves.....	82
2.5.4 Choosing the best storage options	82
2.5.5 Manning your warehouse	83
2.5.5.1 Recruiting a warehouse team	84
2.5.5.2 Managing the warehouse team	85
2.6 Managing a warehouse	85
2.6.1 Warehouse access	85
2.6.2 Warehouse maintenance	85
2.6.2.1 Pest control	86
2.6.2.2 Humidity control.....	88
2.6.2.3 Temperature control	88
2.6.3 Good storage practices.....	89
2.6.3.1 Food.....	89
2.6.3.2 Medical supplies	90
2.6.3.3 NFIs.....	91
2.6.3.4 Construction materials.....	91
2.6.3.5 Dangerous goods	92
2.6.3.6 Chemicals	92
2.6.3.7 Kits	93
2.6.4 Insurance	93
2.6.5 Receiving stock	94
2.6.5.1 Plan for reception:	94
2.6.5.2 Upon reception of the consignment	94
2.6.6 Document the reception	95
2.6.7 Receiving stock for the BRC (in UK or at RLUs)	96
2.6.7.1 With Agresso	96
2.6.7.2 Receiving international stocks from IFRC (pipeline report and CTN #).....	97
2.6.8 Dispatching stocks.....	99
2.6.9 Relocating stocks to a new warehouse	99
2.6.9.1 Relocating a temporary warehouse	100
2.6.9.2 Relocating a permanent warehouse	100

2.6.10 Stock records.....	100
2.6.10.1 Bin cards.....	101
2.6.10.2 Stock cards	102
2.6.11 Stock management and reporting options	102
2.6.11.1 Manual stock board.....	102
2.6.11.2 Excel spreadsheet stock report and analysis	103
2.6.11.5 Offline databases.....	103
2.6.11.4 Online databases.....	103
2.6.11.5 LogIC (logistics inventory control)	104
2.6.12 Warehouse performance management.....	104
2.7 The ERU stock management.....	104
2.8 The RLU stocks management.....	105
2.9 Releasing stock	106
2.9.1 Prior to releasing stock from the warehouse:.....	106
2.9.2 How to prepare a consignment	107
2.10 Stock takes and reconciliation	108
2.10.1 Cycle counting	108
2.10.2 100% stock audit	109
2.10.3 Stock reporting	111
2.10.3.1 The stock report	111
2.10.3.2 Annexes to the stock report.....	111
2.11 Disposing of and writing off stock	112
2.11.1 Donating stock	112
2.11.2 Disposing of stock	113
2.11.3 Recording a stock loss or theft	114
2.12 Health and safety in the warehouse	115
2.12.1 Guidelines for the manual handling of heavy loads.....	116
2.12.2 Fire safety in the warehouse.....	116
2.12.3 Managing dangerous goods	117
2.12.4 Safety training pathway	118

2.1 What is covered in this chapter?

Definitions and concepts

Minimum standards and Red Cross standards

Stock audit requirements

Stock safety

Health & safety in the warehouse

In-kind BRC support to the Red Cross Movement

Building a stock strategy

Roles and responsibilities in stock management

Storage options

2.2 Definitions and concepts

The 11 major rules of running a warehouse

1. **Rotate** stock so old goods are used first: FIFO (first in, first out). If goods have an expiry date, use FEFO (first expired, first out).
2. **Stack** goods safely.
3. Plan the **layout** of goods for easy access and finding them again.
4. **Record** all movements or losses on the correct forms.
5. **File** all papers immediately.
6. **Plan** ahead: what goods/staff/transport will be required on the next day/week/month?
7. Keep goods **secure**.
8. Keep warehouse **clean**, with daily, weekly and monthly cleaning.
9. **Dispose** of spoiled goods correctly and quickly.
10. **Communicate** objectives, plans, progress and issues effectively.
11. Conduct physical **inventory** on a regular basis.

Definition:

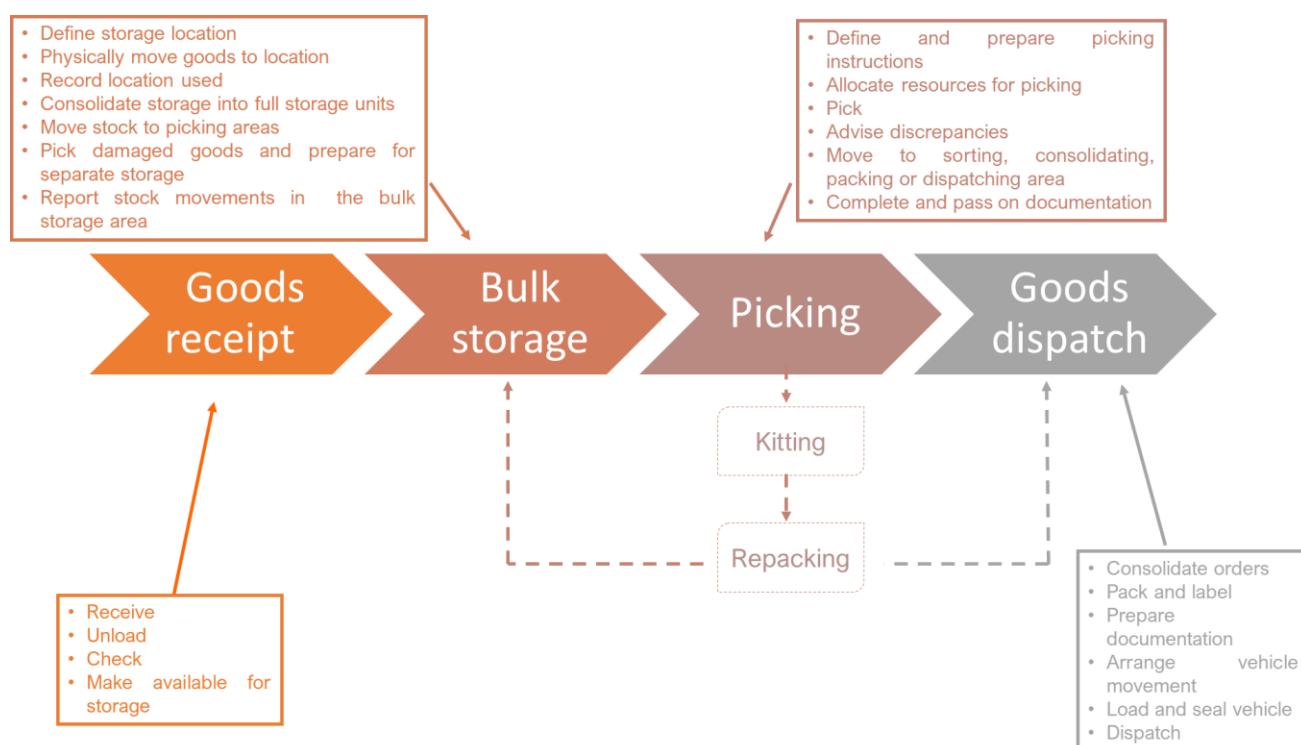
A warehouse is defined as a planned space for the storage and handling of goods and materials. Goods and materials stored in a warehouse are considered as stock, which is also called 'inventory'. Warehouses are an integral part of the supply chain, their main purpose being to serve as physical transit points between supply (delivery from suppliers) and demand (end-users or beneficiaries).

Where needed, warehouses allow for the breakdown of bulk deliveries across different requestors or into phased deliveries, and for the combination of loose items into kits to meet beneficiaries' needs.

A well-managed and well-positioned warehouse allows for speedy responses to both planned and unplanned needs and ensures that both inventory and staff are ready to respond to planned and unplanned needs.

2.2.1 Functions of a warehouse

A warehouse processes diagram is available to download from the annexes to this chapter.



2.2.2 different types of inventory

It is important to be aware of the difference between stock (inventory), office supplies, office equipment and assets:

	Stock	Office supplies	Equipment	Assets
Definition	Consumable items that are tracked and stored until use or distribution	Temporary or disposable consumables, food or cleaning products required on a day-to-day basis, for use in the office or residence	< £1,000 Not powered by electricity No running costs Not defined as asset by donor	> £1'000 or > 3 years useful life or Powered by electricity or Incurs running costs or Defined as asset by donor
Examples	Programme supplies for direct distribution	Stationary	Furniture	Owned property
	Office supplies for distribution to beneficiaries, partners	Office cleaning materials	Housing equipment	Vehicles
	Vehicle spare parts, fuel	Food for office consumption	Household items	Comms equipment
Reporting requirements	Stock report	None	Property register	IT hardware
Storage location	Warehouse	In the office	In use or in store room*	Large household appliances
				Asset register
				In use or in store room*

*The storeroom is typically a small room in the office where a small stock of office supplies are kept.

2.2.3 Purposes of holding stock

The main purpose of stock is to de-couple supply and demand in an operation that requires the provision of pre-determined goods and materials.

In an ideal world	In the humanitarian world
Exact needs are known	Needs fluctuate unpredictably
Suppliers are reliable	Suppliers are liable to multiple risks (environmental, political and financial)
Supply is stable	Supply is often interrupted
infrastructure is stable	Infrastructure is exposed to multiple risks (environmental, political and financial)
Little to no need for inventory	Inventory acts as a buffer against structural risks

2.2.4 Stock ownership

Generally, stock is owned by its original requestor (the person who pays for the goods) and physical management of items and materials is delegated to Logistics.

This means that logistics cannot choose to increase or decrease stocks unilaterally and that updates on inventory must be shared between the Logistics team and the owners of the stock they manage in the delegation.

In that sense, Logistics are responsible for the inventory they hold for others, but requestors and programme managers are accountable for the type and quantity of items they require Logistics to hold in stock for their use.

2.2.5 Stocks management – roles and responsibilities

WAREHOUSING & STOCK MANAGEMENT	Responsible	Warehouse staff	
	Accountable	Requestor/budget holder	
	Consulted	Programme team	Health & Safety
	Informed	Logistics team	Finance team

RACI matrices

used throughout this manual, they break a process into steps, specifying who is **Responsible**, **Accountable**, **Consulted** and **Informed** at each step of the process

Finance must be involved in the stock management process as it usually comes with large budgetary requirements. The valuation of inventory is critical for the organisation to manage the risk of ownership of stock in general, and in particular to support the definition of insurance requirements.

2.2.6 Financial management of stocks

For financial management of stock in the UK, refer to the **Bulwick warehouse SOP**, **ERU kit SOP**, **UKO stock management SOP**, **RLU stock management SOP** and the **Balance sheet guidance note**. More information on the RLU and ERU stocks management can also be found in chapters 7 and 8 of the Manual.

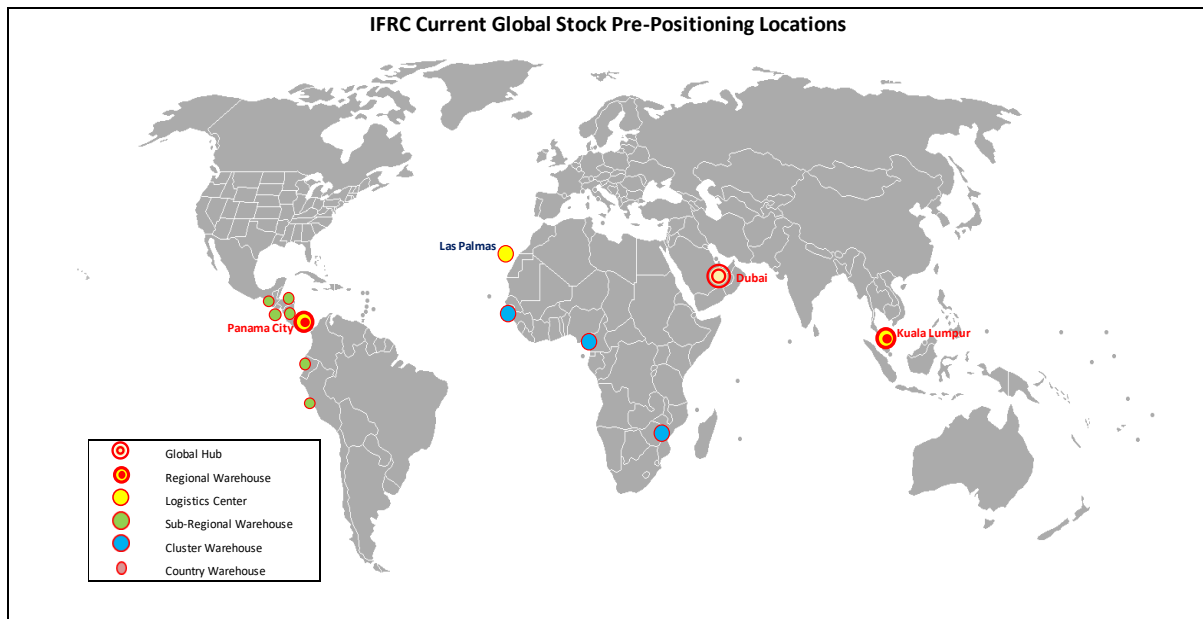
The general concepts to bear in mind are:

- Inventory held by international logistics for preparedness purposes is valued in collaboration with the Logistics Finance business partner, based on procurement information shared by the Logistics team.
- The value of inventory held by Logistics sits on the BRC balance sheet from the moment stock is received to the moment it is despatched for use.
- When stock is despatched for use, the value of the despatched items is charged to its requestor and taken off the BRC balance sheet.
- When stock needs to be disposed of, Logistics must use a **write-off form** to record the disposal. The value of the disposed items is usually charged to the Logistics budget and taken off the BRC balance sheet. See Section 2.9.5.2 for more details on stock write-offs.
- It is recommended that the members of the Logistics team who manage stock regularly meet with both their requestors and the Finance team to review current stock type, levels and locations, discuss proposed changes (if any), ensure budget management and reconcile stock. In the BRC, the Logistics team meet with owners of the stock they manage (ERU kits, RLU representatives) and with their Finance business partner on a regular basis.

2.2.7 Stock positioning

Within the Red Cross Movement, stocks are held at different levels and the processes to follow to access stock vary between levels of storage:

STOCK POSITIONING		
Country level	Regional level	Global level
Stock that is available in country	Stock held in regional hubs	Stock held in IFRC-managed global hubs
Locally available stock can belong to the country's NS or to a partner NS and would include the ERU kits that a PNS chooses to hold for IFRC-led responses.	In RLUs (Kuala Lumpur in Asia, Panama City in Americas), stocked by the IFRC and other PNSs and managed by the IFRC.	The Dubai and Las Palmas logistics centres are "global hubs", serving all regions equally.
NS that do not hold ERUs may also have stocks available in country, either for ongoing programmes or for preparedness purposes.	In sub-regional warehouses or in decentralised regional stores ("cluster warehouses"), in Harare , Douala and Dakar .	



The IFRC's global stock strategy aims are:

To cover the initial needs of the immediate aftermath of any disaster, the IFRC, with the stock pre-positioning of their members in the different RLU, has pre-positioned emergency response stockpiles in their network of regional warehouses across the globe, which could support up to 450,000 people at anytime and anywhere.

The IFRC's global stock strategy is under development at the time of writing. To be sent the latest version of the document, contact your Logistics business partner in the UK team.

2.3 Building a stock strategy

2.3.1 Assessing the warehouse requirement (number, location and operation):

During the *design phase* of a programme, a **stock strategy** should be developed, including the potential requirements for warehousing. This should fit into the wider **supply chain strategy** for the programme (see **supply chain strategy template** and guidelines).

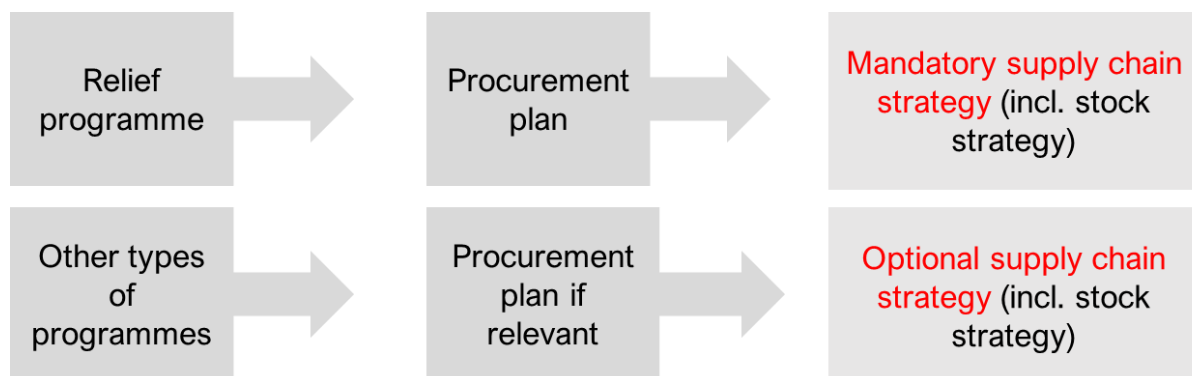
Warehouses are required when the time required to purchase and mobilise relief items is expected to be lengthy or when responding to a protracted crisis where the risk of disruption on the supply chain is high.

A network of warehouses may also be required to ensure the rapid and efficient delivery of relief supplies. Since most BRC programmes are short-term (a maximum of several years) the need for a permanent warehouse is rarely justified, although it can be considered as a long-term solution for an HNS supporting future programmes.

Stock strategies must be in line with organisational strategies because holding stock with a projected high value is a risk to the organisation. Other supply chain options, such as the delivery of goods taking place closer to the required time, are sometimes preferable.

However, holding stock cannot always be avoided, especially in the context of an emergency where supply lines might be disrupted, local markets disturbed and needs fluctuating.

Programmes should not be built around the stock strategy (*What do we have?*) but a stock strategy around the programme (*What do we need?*).



It is a requirement to develop stock and supply chain strategies for any programme that has a relief component (e.g., the distribution of goods and/or a construction component where the construction will not be subcontracted). Other programmes that include one-off supply activities (e.g., vehicles, equipment, tools, etc) require a **procurement plan** but not necessarily a stock or supply chain strategy.

2.3.2 Quantity and location of warehouse(s)



→ **Number and location of warehouses required for an operation**

2.3.3 Stock strategy definition

Link to **stock strategy definition** diagram.

During the *planning phase*, the programme team should provide the following information to enable logistics to develop a stock strategy.

2.3.3.1 What?

Storage requirements vary depending on type of items: NFI and food items can usually be stored in bulk and do not require specific storage or handling practices, beyond being stored separately from chemicals and other dangerous goods.

Some items require special attention in terms of the type and security of storage they require. Specific attention is required when storing and handling these items.

Medical supplies and drug shipments can contain small and high value items, many of which have a limited shelf-life. A secure area is required, and close attention must be paid to expiry dates.

Antibiotics and vaccines require temperature-controlled cold storage arrangements, with sufficient capacity and a reliable power source, with a back-up option.

Non Food Items (NFIs) can usually be stored in bulk with no specific storage or handling limitations

Combustible items, such as alcohol and ether, must be stored separately, preferably in a cool, secure shed in the compound and outside the main warehouse.

Dangerous goods such as fuels, compressed gases, insecticides and other flammable, toxic or corrosive substances, are hazardous. International regulations require special markings to identify their dangers.

Consider the volumes to be stored: the quantity to be stored and the frequency and size of deliveries and despatches will influence the stock strategy definition.

Will the stock strategy involve holding kits in stock? How much kitting activity is expected to take place in the warehouse? Kits are often used in emergencies, when the aim is to provide large quantities of a standard set of items to large numbers of people. The IFRC standard product catalogue (SPC) includes a wider variety of kits, normally provided as full kits by long-term suppliers sourced by the IFRC (<https://www.ifrc.org/en/what-we-do/logistics/procurement/catalogue/>).

Handling hazardous substances:

- Inform warehouse personnel of the specific hazards associated with the dangerous goods in store and provide personal protection equipment (PPE), training and regular practice on how to deal with accidents and spills.
- Post clear instructions, in the local language, on how to deal with hazardous substances and spills, including who should be notified.
- Follow instructions on package labels carefully.
- Stack hazardous materials with care, prominently posting signs that display their dangers to all who have access to the storage area.
- Store flammable substances separately and away from the warehouse building.
- Do not permit smoking, cooking or open flames of any kind within ten metres of the storage areas. Ensure that fire extinguishers and sand buckets are nearby.
- Substances which vaporise easily, whether flammable or toxic, must be kept cool.

- Store chemicals such as fertilisers, pesticides or cement separately from other items, and never store them in a warehouse where foodstuffs are located.
- Always comply with local regulations when storing hazardous materials.

Managing kits:

- Kits and their content used by any Movement partner should always match IFRC or ICRC specifications, although other UN standards might be used in exceptions. Non-standard kits may have to be developed for specific operations, with items procured and delivered as loose stock and kitted in the warehouse before despatch and delivery. Standard kits may also be used, with slightly modified contents to cater for specific needs.
- Variations from standard kits must always be discussed and agreed with the programme team so they match the technical requirements and so all kits, and their content are exactly identical.
- A cost analysis is required to determine if the kits should be assembled by the NS or by the supplier. If it is decided that the NS or other partners will cover the kitting activities, this should be taken into consideration when designing the warehouse and its space and health and safety requirements.
- Throughout the supply chain, it is important that a kit is always considered as a single item (one unit) that cannot be separated. Items included in a kit cannot be requested as separate units.
- Where the kit contains one or more perishable items, the whole kit expires as soon as a single unit reaches its expiry date. This is often the case for medical kits; a medical kit containing a single expired item should be placed in quarantine until the expired item is replaced.
- If kits are assembled inside the warehouse, it is recommended that a requisition form is used specifically for the assembly of kits, as the kit is built from pre-existing loose stock.
- Only complete kits can be returned; otherwise they should be received in stock as loose items.
- Where kits are complex (more than 15 items, high-value, varying expiry dates, medical kits or assembled in the warehouse), it is recommended to use a **kit preparedness tracker** (easily developed in Excel) to manage them and communicate clearly on the capacity to deploy them. The tracker also helps to support the kit replenishment process.

2.3.3.2 Where?

- Where is the programme being implemented, and where are the goods required?
 - Geographical location (is access by road, sea or air?)
 - Rural or urban area
 - Number and location of sites
 - Security situation
- What warehouses are available, in the region and country, in and outside of the Movement, and what are their associated costs?
- What are the options and costs of renting commercial warehousing?
- What are the options and costs of using temporary Rubb Halls (mobile storage units, or MSUs) or containers (a last resort, due to cost, storage conditions and their difficulty to manage)?

Gathering this information will allow for a decision on where along the supply chain to position the warehousing (at global, regional, local or field level).

Consider the option and cost of having Vendor-Controlled Inventory (VCI). Where there are long-term relationships with suppliers, suppliers can hold stock for the RCRC in their own

warehouses. The stock is prepaid by the RCRC and released with a simple stock request. In this case, requirements need to be carefully calculated and transport costs closely estimated as they are likely to be higher. A VCI strategy is viable where the variety of items required is small and can be supplied by a maximum of two or three suppliers, who are willing to collaborate and consolidate shipments to control transport costs.

2.3.3.3 When?

A detailed timeline (start and finish dates for the programme), with requirements throughout the programme's implementation.

Details of the frequency of deliveries and despatches will also be helpful here.

2.3.3.4 How?

Design the reception, requesting, despatch and reporting processes at an early stage of the programme design, to inform the level of human, financial and administrative resources required.

Questions to ask when defining a warehouse resourcing strategy:

- How will deliveries be managed? Who will process them and how will they be documented?
- How will requests from users be managed? When will they be received by the warehouse team and how will they be documented? Who will prepare the orders – in what timeframe, at what frequency, with deliveries done where (at the warehouse door or at the site?)?
- How will despatch operations be managed? Who will oversee the booking of transport, how will transport be booked, how will despatch be documented, who will validate despatch and how will delivery rounds be organised?
- How will stock reporting be compiled and communicated? What information will be recorded and what will the reporting cycle be (weekly, bi-monthly or monthly)?

2.3.3.5 How much?

Some factors you need to consider when setting the stock minimum:

- Total population in the area
- Total population at risk in case of disaster
- The kind of disasters that might occur
- The probability of disasters happening
- The kind of items needed
- Replenishment time = the time it would take to get relief items from HQ or other partners to your area
- The response capacity of the branch (number of active volunteers trained in emergency response and/or logistics)
- Available storage space
- Available transportation means...

The setting of minimum stock levels must be discussed between the logistics and programme teams.

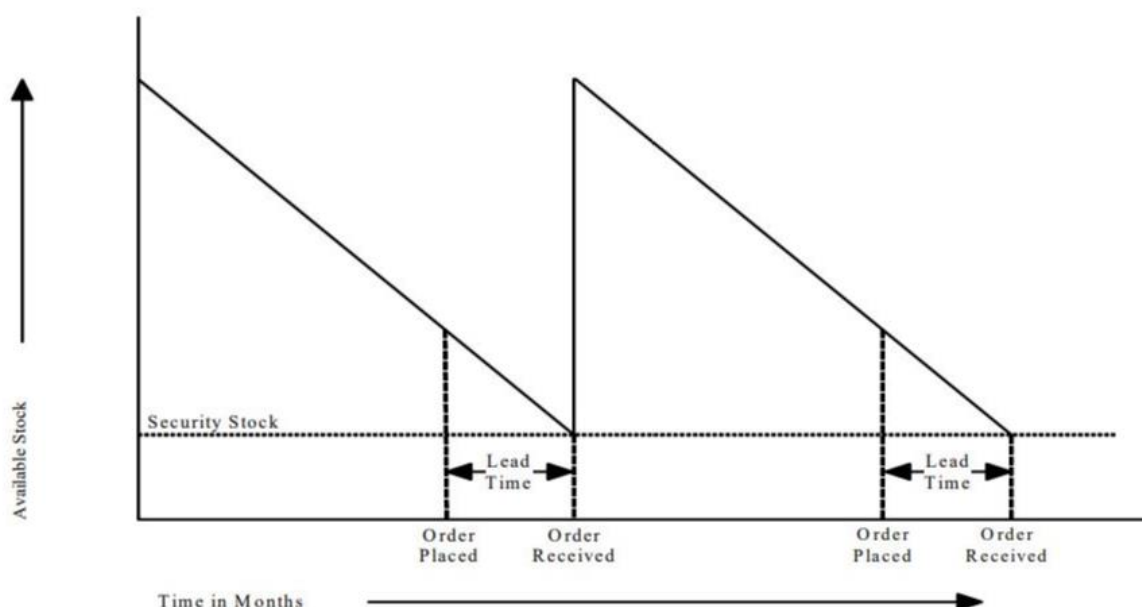
The Logistics team should make a recommendation based on the programme's requirements, to be assessed by the programme team in view of objectives, budgets and timeline.

There are a set of criteria that support defining the ideal inventory level. Usually these include:

- The budget available for warehousing and transportation costs. Limited resources will influence what type of warehouse activities the programme can afford, in terms of storage space, transportation possibilities and human resources.
- Clarifying the different purposes of the inventory:

	Working stock	Safety stock	Preparedness stock
Purpose	To meet normal or expected demand for humanitarian goods between deliveries.	To mitigate the risk of stock-outs in the period between deliveries (due to increased demand or decreased supply).	To meet sudden increases in demand.
Depends on	Level of demand	Unpredictability of demand	Organisational policy
	Order frequency	Unpredictability of supply	Availability of funds and resources to manage
	Vehicle spare parts, fuel	Risk appetite	Household items

- Understanding the stock-time curve: this is about managing the supply and demand. The usage rate of stock can vary and it is important to identify and record times when the safety stock is used. See the below diagram that illustrates the stock-time curve.



- Using forecasts. Estimating demand and supply capacity will support the accurate definition of order quantity and frequency. Forecasts will be based on the organisation's strategy (how they define preparedness requirements in the stock strategy paper), assessment reports (how they define working stock levels in assessment reports) and short-term forecasts and risk assessments (how they define safety stock levels in the programme plan).
- Choosing an ordering system – choose the trigger for placing a replenishment order. Apart from the stock level and the usage rate, two factors can determine what is the right time to place an order:
 - Order placement and delivery lead time

- Order quantity
- Considering the shelf life of items held in stock in the ordering cycle.

To determine the order frequency and quantity, the free stock level is the most important information to have at hand.

$$\begin{aligned}
 & \text{physical stock on hand} \\
 & + \text{stock on order from suppliers} \\
 & + \text{stock in transit} \\
 & - \text{reserved stock} \\
 & = \textbf{Free stock level}
 \end{aligned}$$

Reserved stock is stock already allocated to orders in preparation, or stock otherwise reserved for special purposes.

There are two different “standard” re-ordering systems:

Two-bin system

- Best used for low-value items
- Stock is kept in two separate bins (50 per cent in each bin).
- When Bin One is empty, start picking into Bin Two and replenish quantity for Bin One and Bin Two.

Periodic review system

- Define review period, depending on stock movement frequency.
- Best used for High usage, “critical” items
- Weekly/monthly review of free stock quantity.
- Replenishment system options:
 - *Top-up system*: at each review, place an order to top up from available stock to a target stock (agreed with stock owners)
 - *Minimum stock system*: place order when free stock is less than minimum stock (a “re-order point”). Bear in mind that other factors can impact the order quantity, such as the minimum order quantity set by suppliers or the available budget.

Remember

Reorder quantity (ROQ) = average daily usage x average delivery lead time

Reorder point (ROP) = ROQ + safety stock

When ROP is reached, an order should be placed to the ROQ quantity calculated.

Safety stock must be an organisational decision (expressed in days', weeks' and months' usage), based on risk appetite.

ROQ should be calculated with daily, weekly and monthly numbers consistently across the calculation. This calculation takes consumption during both the order lead time and consumption in general into account but variations (higher or lower consumptions) will not be incorporated.

A concrete example

➡ The initial situation:

- In Sinapai branch, they decided to stock at least 50 family kits (= 50 lanterns, 50 buckets, 50 jerry cans, 150 blankets, ...).
- Their actual stock is 60 complete family kits.

➡ The distribution:

- After a small disaster, the branch distributed 10 family kits with 15 extra jerry cans and 10 extra blankets.

➡ The new situation:

- They only have 35 complete family kits left.

➡ Replenishment needs:

- They absolutely need to replenish 15 jerry cans and 10 blankets to reach their stock minimum of 50 complete family kits.

General considerations for stock strategy definition

- Are there other programmes planned (by BRC or another NS) with similar activities that could potentially fit into one stock strategy? If yes, ensure strategies are aligned and well embedded.
- If stock strategy poses too high a risk or does not provide VFM, can alternative modalities be considered? Think of vendor-controlled inventory, or stock managed by partners.
- Are there any previous experiences with this HNS or context we can draw from? Consult with other programme managers.
- How does the stock strategy support development of the capacities of the HNS? How is it aligned with its strategic objectives?
- Logistics can advise ordering extra items for safety, but this must always be agreed with the budget holder (or programme manager) before placing the order.

2.3.4 Estimating your storage space needs

Once it is confirmed that one or several warehouses will be needed to deliver the objectives of the programme and with the storage location(s) agreed, you will need to estimate the storage needs.

The size and type of the warehouse will depend on the required storage capacity for an operation and is determined by the maximum quantity (in tonnage and volume) of supplies to be stored there.

This may be different from the total quantity required for the whole operation. The quantity of stock to be held and the number of warehouses to use will vary along the duration of the programme and is determined by the programme plan.

The required storage volume depends on the weight-per-volume ratio of the goods. The area occupied by one item depends on its volume, the height of the storage space and the maximum permissible load-per-square-metre of floor space.

To illustrate how volumes can vary dramatically, below are some examples of the average volume in cubic metres of one tonne of the following items:

Items	1 MT (1 metric ton = 1000kg)
Grain, flour, sugar (bagged)	2m ³
Medicines (average for bulk shipments and medical kits)	3m ³
Vegetable oil (in drums or tins)	1.5–2m ³
Blankets in pressed bales (approximately 700)	4–5m ³
Blankets in un-pressed bales	8–10m ³
Clothes (in bales)	7–10m ³
Tents (approximately 25 family tents)	4–5m ³
Kitchen utensils (in 35–40kg boxes)	4.5m ³

When calculating storage requirements, only 70 percent of the total warehouse's surface capacity should be considered as available for storage space. The remaining 30 percent is used to ensure proper ventilation, passageways, handling space and repackaging areas.

Warehouse's storage capacity

Approximate storage capacity of the warehouse = Length x width x (height – 1m) x 70%

How to calculate the required storage capacity:

- Add the total weight and total volume of the items to be stored and use the volumetric info from the above table (CBM per MT requirements)
- Divide the total CBM by 70 and multiply by 100 to calculate the total warehouse volume needed. Assume 2m stacking capacity. Include truck docking areas (in addition to the storage spaces).

item	packaging type	A/C	stock levels	stock levels	stock level	space required per MT in M3	cubic requirement	area in sqm required for optimum stacks at 2m high	total area needed (incl 30%)
		unit	pc	kgs	MT				
Rice 5% broken	Bags	kg	639,000.00	639,000.00	639.00	1.50	958.50	479.25	623.03
Beans red kidney	Bags	kg	262,312.00	262,312.00	262.31	2.00	524.62	262.31	341.01
Vegetable oil	Tin	litre	82,214.00	82,214.00	82.21	1.70	139.76	69.88	90.85
Wheat soya blend	Bags	kg	83,042.00	83,042.00	83.04	2.00	166.08	83.04	107.95
Sugar white	Bags	kg	7,071.00	7,071.00	7.07	1.50	10.61	5.30	6.89
Iodised salt	Bags	kg	2,357.00	2,357.00	2.36	1.50	3.54	1.77	2.30
Family tents	Piece	piece	213.00	18,105.00	18.11	5.00	90.53	45.26	58.84
Kitchen set	Box	piece	512.00	2,560.00	2.56	4.50	11.52	5.76	7.49
Blankets 50%	Bundle	piece	1,230.00	61,500.00	61.50	10.00	615.00	307.50	399.75
grand total sqm									1,638

2.3.5 Estimating your floor-load capacity needs

No more weight than that specified in the warehouse leasing contract should be stacked per square metre of floor space. The permissible load at ground-floor level will normally be 1,000–3,000kg/m², but on upper floors (or ground floors where there is a crawlspace or basement) it can be as low as 500–800kg/m².

Always do a physical check of the floors – when they are in good condition, standard capacity calculation will be good enough, but when floors are damaged, their capacity will be reduced.

Floor capacity calculation, rice bags

1 bag = 50 kgs

1 storage layer = 5 x 10 bags
= 50 bags
= 2500 kgs

A 14-layer stack = 14 x 50 bags
= 700 bags
= 35 tons

Each layer is 5m x 5m = 25 sqm

Minimum required floor-load per sqm for storing the rice bags:
= 35 tons/25smq
= **1.4 ton/sqm**

2.3.6 Calculating stock turnover and adjusting target stocks

It is good practice to periodically review the target levels of stock that have been set for a programme and set a stock turnover target (per item and per period) to ensure that the stock targets remain relevant to the operation.

The stock turnover target can vary from one item to another and depends on the context of the operation.

At the BRC, the stock turnover target on NFI stocks pre-positioned for emergency response is equal or greater than two per year: to consider stocks as relevant, the ratio of items issued out to the average inventory level in the year must be greater than two.

A basic way to calculate the average inventory is the beginning-of-year inventory plus the end-of-year inventory, divided by two.

$$\text{average inventory} = \frac{(\text{inventory at beginning of year}) + (\text{inventory at end of year})}{2}$$

A few questions to guide the stock review:

- Of the total stock, how much has been used (requested or issued stock divided by total stock, in percent) over the period observed?
- What is the total percentage of stock loss (expired, damaged, and lost stock divided by total stock, in per cent)?
- What is the ratio of used storage area vs available storage area in the warehouse?
- What are the objectives of the programme the stock serves?
- What are the relationships of the NS with established suppliers in the area? Could they provide VCI or respond to needs within a maximum of 48 hours?

2.4 Sourcing a warehouse

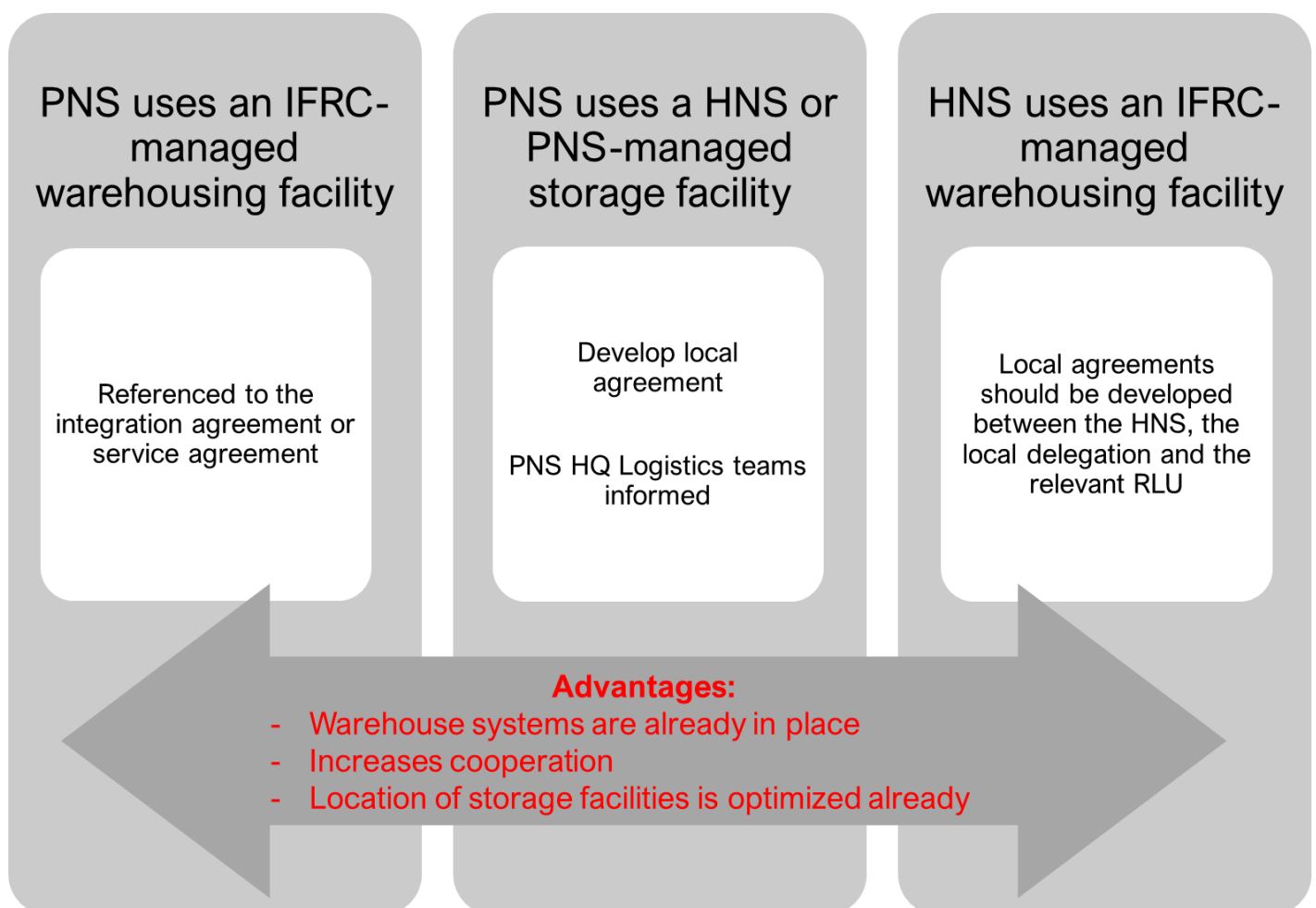
2.4.1 Setup options

Central, regional and distribution-point warehouses can be built, commercially rented or provided by the host National Society, the government or operational partners. Buildings designed for storage are preferred as central or regional warehouses.

Where no suitable facilities exist, the construction of temporary or permanent warehouses should be considered. Immediate and interim needs can be met through the use of specially designed warehouse tents (MSUs) or other temporary storage facilities.

Wherever possible, avoid sharing a warehouse with another agency and, especially, commercial firms. Where this is unavoidable, fence off different partners' areas or clearly mark each partner's stock. Additionally, when sharing a warehouse with another agency, a standard Memorandum of Understanding (MOU) should be signed to specify the detailed terms and conditions of the lease/sharing. This ensures a clear understanding of the storage terms and conditions and removes ambiguity. It should also include a minimum notification period should the conditions of the share need to change.

Options to share warehouse facilities within RCRC:



2.4.2 Types of warehouse:

2.4.2.1 Temporary warehouses

2.4.2.1.1 Tents

Tents can be standard tents or Rubb Hall (MSU) tents.

Tents should always be set up on flat and firm ground (preferably on a concrete slab), with ditches around their outside perimeter. If possible, add a tarpaulin or net on top of the tent, allowing space for ventilation between the roof of the tent and the additional tarpaulin. If using a tarpaulin to cover stored items, ensure that a separate tarpaulin protects the items from the ground. Make sure the tent can be securely closed with padlocks. Ideally, it should be fenced inside and out to limit access and manned with 24-hour security wherever possible.

Rubb Halls (also known as mobile storage units or MSUs) are tents that have been specially developed for emergency storage purposes. The standard model used in RCRC operations offers a maximum 600m³ of storage, and a ground surface of 240m² for palletised storage. Erecting a tent requires 12 people, at least one of whom must be a trained technician, and takes two days. Rubb Halls should also be lined with mesh or chicken wire to prevent theft.

Rubb Halls are usually equipped with a locking system that requires one large padlock, or two padlocks if the Rubb Hall can be opened at both ends.

Length	24m
Width	10m
Height	Approximately from 3m on side to 6m at ridge
Materials	Steel structure and UV proof PVC coated canvas cover
Logo/branding	Banners that can be attached or printed directly on the canvas

Note: Rubb Halls are available in different sizes. However, the above is as per RCRC standards and is the model deployed to most RCRC operations.



Rubb Halls can be ordered by Logistics through the IFRC or the ICRC or directly from the supplier (see <https://www.rubbuk.com/>). The BRC holds Rubb Hall tents in the IFRC RLUs in Panama, Kuala Lumpur and Dubai. Rubb Halls are only be released for extremely urgent and rapidly onset operations, with a strong business case and approval of the relevant international Logistics coordinator.

Good reasons to deploy a Rubb Hall include:

- Extensive damage to buildings
- Temporary increase of stock in emergency situations (where warehousing space is already available but insufficient to absorb increased stock).
- Pre-positioning of stock in remote locations where there is no infrastructure.
- Legal response where humanitarian agencies are not allowed to build permanent structures.
- A high likelihood that the location of the operation will change in the duration of the response.

2.4.2.1.1 Re-purposed containers/wagons or barges

Where no firm ground can be found or where tents cannot provide security for stock, it is possible to use shipping containers as temporary storage. If a container is used for long-term storage, it needs to be repurposed to create optimal conditions for its maintenance and for the items stored.

Air circulation:

- Place the container on concrete blocks, and – if relevant – secure it and the blocks into the ground, to prevent it being blown over in a cyclone/hurricane.
- Ensure a perimeter of at least one metre around the container.
- Ensure the container has lateral ventilation to allow cool air inside the container (an opening to the side of the container, that needs to be waterproof). If vents are not installed, have them cut into the container.
- Ensure there is roof ventilation by installing waterproof turbine ventilators to allow hot air to get out.

Characteristics of the ventilator

- Galvanized steel or aluminium
- Lubricated track system
- Min. diameter: 12"/30 cm
- Min. height: 12"/30 cm
- Min. number of vanes: 20



Place the container on 10" reinforced concrete blocks, repair it where necessary and make it weather and rust proof (1 inch = 2,5 cm).



Make 4 to 8 rodent proof lower lateral 12" x 12" air vents by drilling series of 1/2" holes through the inner groove of the container wall. (Inside view)



Cover these air vents on the outside with home made moulded galvanized steel plates welded 3/4 around to prevent vertical & lateral water infiltration.



Apply 2 coats of anti-corrosion white paint inside and outside the container. Cover the air vents on the inside with mosquito screening to prevent insect infestation.



Cut out the opening for the turbine ventilator and weld a (4") inch circular turbine base to the opening. (The base must not stick out more than (2") inches).



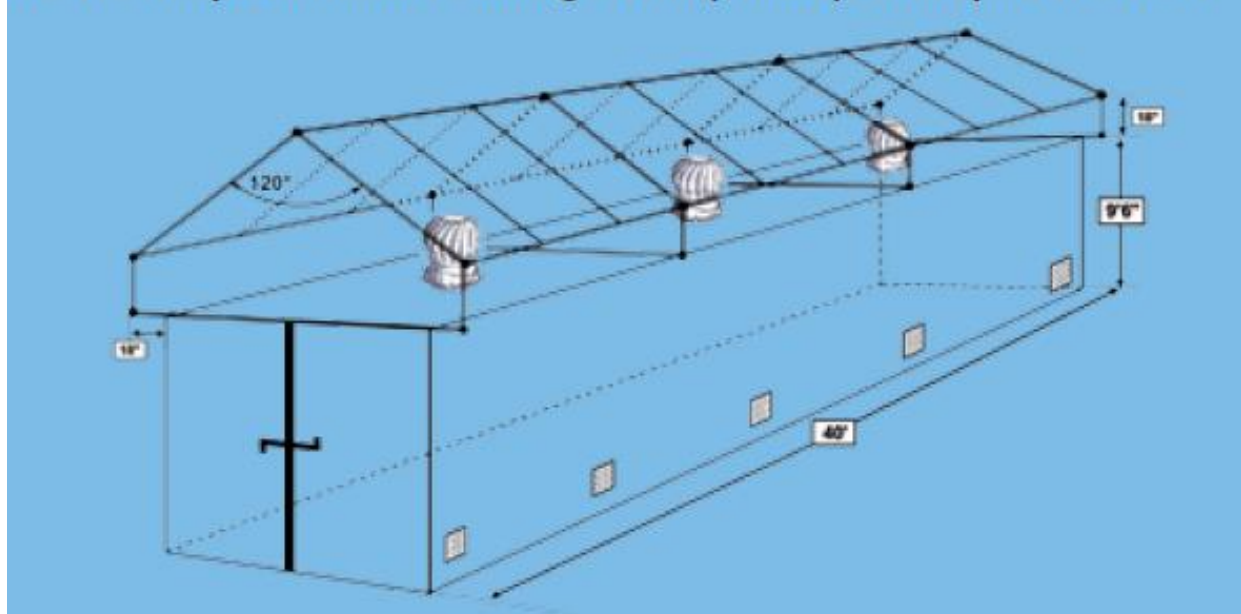
Place the 12" diameter turbine ventilator into the welded base and bolt it to it for added security. The rotating vanes will prevent rain penetration.



Build a roof (canopy structure, tin roofing, ...) preferable with an angle of 120° and fix it to the container.

The container should be retrofitted, as in the below diagram. The pointed roof (at a 120-degree angle) is preferable, as it will provide better protection from heavy rain.

40' HC Tropical Mobile Storage Unit (TMSU) - Perspective View



The major risks to a container storage unit are adverse weather and pests. Accurate roofing, anti-corrosion and anti-rust measures will protect against adverse weather. Netting and regular maintenance will prevent damage from pests.

Train wagons and barges can be retrofitted in a similar way.

Using barges for storage is an option, but not a preferred one: it is much more difficult to maintain good storage conditions in a humid environment (even if the barge is out of the water, the humidity inside it will be a problem). If using a barge for storage, make sure ventilation is guaranteed through similar processes as for a container, and measure humidity levels carefully, using a hygrometer where possible.

2.4.2.2 Permanent warehouse

In emergency setups, warehousing facilities will usually be rented as opposed to purchased.

2.4.2.2.1 Find a suitable warehouse

1 > Characteristics of a good warehouse

- ➔ Solid building with a flat, firm floor.
- ➔ Dry and well ventilated.
- ➔ Gives protection against animals, insects and birds.
- ➔ Gives protection against humidity, extreme temperature fluctuations and local weather conditions.
- ➔ Easy access for trucks.
- ➔ Easy loading and unloading.
- ➔ Secure against theft (locked, gate, ...).
- ➔ In an appropriate site (low disaster vulnerability: above flood level, away from salt spray, ...).

Also consider:

- Size of the warehouse
- Accessibility 24/7
- Red Cross visibility
- Ownership of the warehouse or the land it is on
- Avoid sharing with other agencies. If not possible mark very well the area that belongs to you

2.4.2.2.2 Agree lease conditions

- Cost and payment schedule.
- Period of lease agreement.
- Period of notice for terminating or extending the lease.
- Include confirmation of property insurance, covering third party, fire, water damage and any damage to the structure of the building.
- Details of security arrangement: who will provide security services and in what pattern (number of guards, rotation times, validation of guards, etc).
- An inventory of any equipment, fixtures and fittings included with the building and a detailed description of their condition and maintenance requirements.
- Confirmation of sole tenancy or, where relevant, details of other tenants. Where a warehousing facility, the memorandum of understanding with sharing tenants should be annexed to the lease contract.
- Information about the ground or floor strength.
- Weight capacity of any equipment included in the lease (forklift, racks shelves, etc).
- Access by the landlord to the warehouse must be specified in the lease. The landlord should preferably notify the leasing party before accessing the warehouse.

To uphold the RCRC's neutrality principle, the identity of the owner of the premises (might be different from the leaser) must be known. Where the owner is linked to the military, religious authorities or government, this should be reported to Headquarters for risk analysis. Also review any previous usages of the warehouse to identify risks, such as if it was previously used to store dangerous/toxic material, weapons, etc.

A template **Warehouse rental agreement** is available as a download from the annexes section.

2.5 Setting up a warehouse

2.5.1 Mapping a warehouse

Once the storage space has been identified, it will need to be optimised for your planned needs. Areas to be included in the storage map are:

WAREHOUSE AREAS		
Bulk storage area where the majority of items will be stored – it can be densely organised. items in most regular demand should be closest to the goods receipt/despatch/picking areas.	Goods receipt area Estimate its dimensions per the expected incoming volumes: if you expect to receive items in 20-ton truckloads, make sure your reception area is large enough to store the corresponding volume.	Goods despatch area Estimate its dimensions per the expected outbound volumes: if you expect to dispatch items in 20-ton truckloads, make sure your despatch area is large enough to store the corresponding volume.
Picking area Depends on the dispensing units: if items will be despatched in a smaller packaging unit than they come in, you will need a picking area (bulk construction items such as nails, bolts or medicine, as you will dispense packs or bottles in smaller quantities than the base carton quantity).	Office space Ensure office space can be isolated from noise and vehicle movements and is ventilated. A safe path to the office space must be kept clear at all times	Packaging materials storage area Use to store carton boxes, pallets, wrapping and strapping materials.
Truck docking area For trucks to station and manoeuvre and offload. Include level docking platform if possible.	Cold chain area For items which require specific temperature conditions. Move close to power supply source and ventilation.	Sanitary facilities, breakout area Ensure respect for cultural norms.
	Quarantine area For expired, damaged items or items pending inspection or test results. Must be lockable.	Emergency exits and fire fighting equipment Must be signalled clearly
		Security shed/quarter For security personnel to use during shifts and to store their work equipment. Should be located near the main entrance to the warehouse compound.

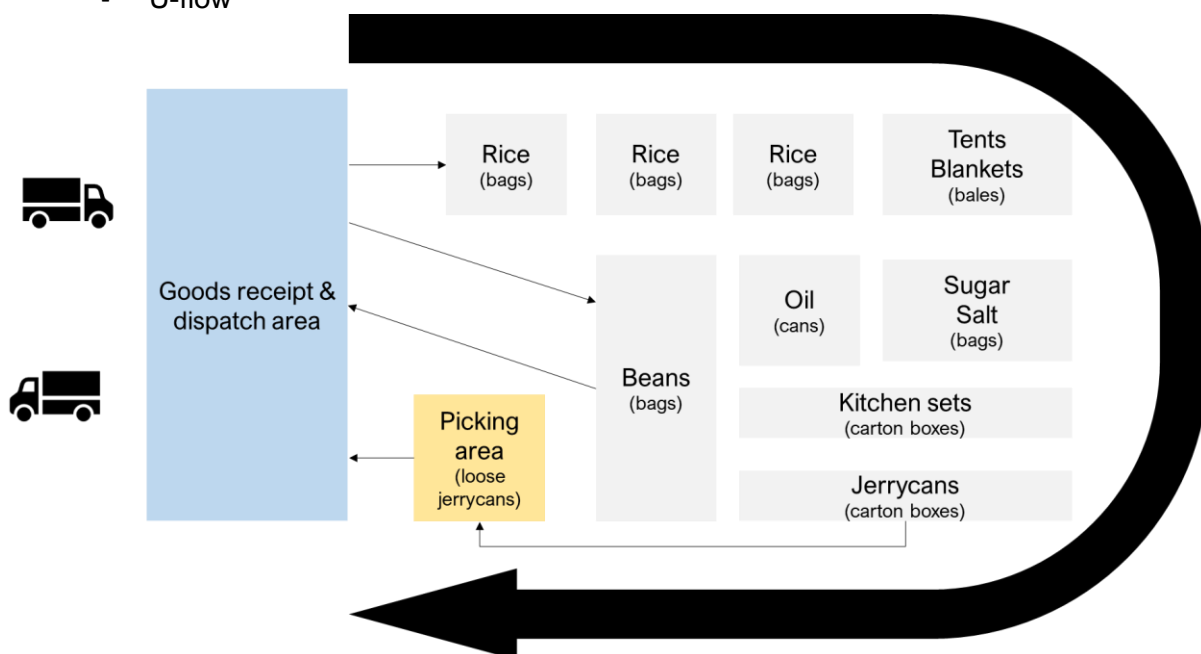
Each of the areas should be clearly separated from one another, and space between stacks, racks, shelves or pallets must be included, to allow for passage and cleaning.

Depending on how the goods will be handled (manually or with specialised equipment), the space between storage blocks will be different. For human handling, 1.2m is usually enough. Where specialised equipment (forklift, sack truck or hand pallet truck) is used, the manufacturer will be able to confirm the required turning circle.

Each storage unit must be at least 50cm away from the main wall of the warehouse.

Standard layouts include:

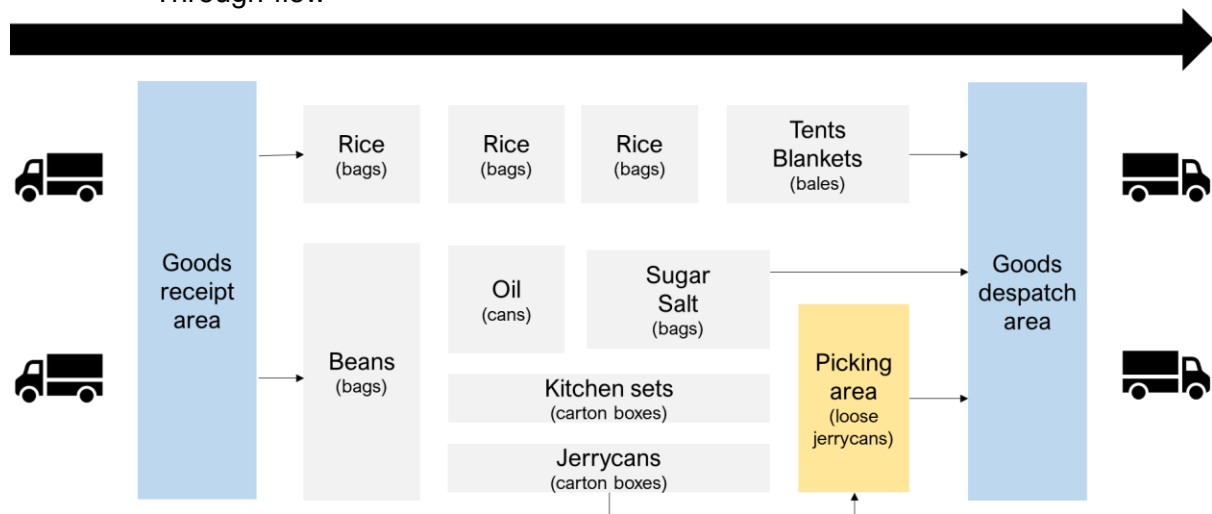
- U-flow



U-flow is used when the receiving and loading areas are next to each other on the same side of the building. It provides the following features:

- Because the receipt and dispatch areas are side by side, the space can be used flexibly, particularly if these activities are scheduled to take place at different times in the working day. This can save space.
- Personnel and equipment can be used in a flexible way, reducing the overall requirement for resources.
- Because the main access to the building is in one place, access and security are easier to manage.
- The building may be extended on three sides where required and where the site allows.

- Through-flow



Through-flow is used when the receiving and dispatch areas are at opposite ends of the building. It tends to be used under the following conditions:

- Where vehicles and equipment used in receipt and dispatch are of different types.
- Where the flow of vehicles around the site will be facilitated.

The warehouse manager should ensure that all areas of the warehouse are physically identified, and a map of the warehouse must be available and posted on its walls.

2.5.2 Equipping a warehouse

Depending on the type of goods to be stored, the activities that will take place in the warehouse and the equipment available, the warehouse will have to be fitted with office equipment, specific storage equipment, additional safe storage space and/or partitioning.

In certain cases where the warehousing activities are expected to be critical to the operation, it may be relevant to invest in handling equipment.

In all cases, the storage facility will have to be equipped with a fire prevention system.

2.5.3 Storage options

2.5.3.1 Stacks

A stack is a pile of the same item on a warehouse shelf.

Goods must be stacked separately and sorted by programme ownership, expiry dates or final destination, for example.

A **bin card** must be physically attached to each stack or grouping with the same CTN, batch number and expiry date.

Wherever possible, stacks should be placed on pallets and not directly on the floor, to avoid contact between the goods and water. Where possible, they should be wrapped in plastic sheeting or tarpaulins.

Where supplies of pallets are limited, note that bagged foods are more vulnerable to humidity than canned or bottled products, so food items should be stacked in priority.

Where pallets are not available, items can be temporarily stacked on plastic sheeting laid on the ground.

The distance from stacks to walls and between the stacks must allow a person (or a forklift) to pass and be at least 50cm.

The recommended size of a stack is 5 x 5 metres and a maximum 2.5 metres high with bags stacked by 5 x 10 = 50 in each layer x 14–15 layers (= ~ 700 bags).

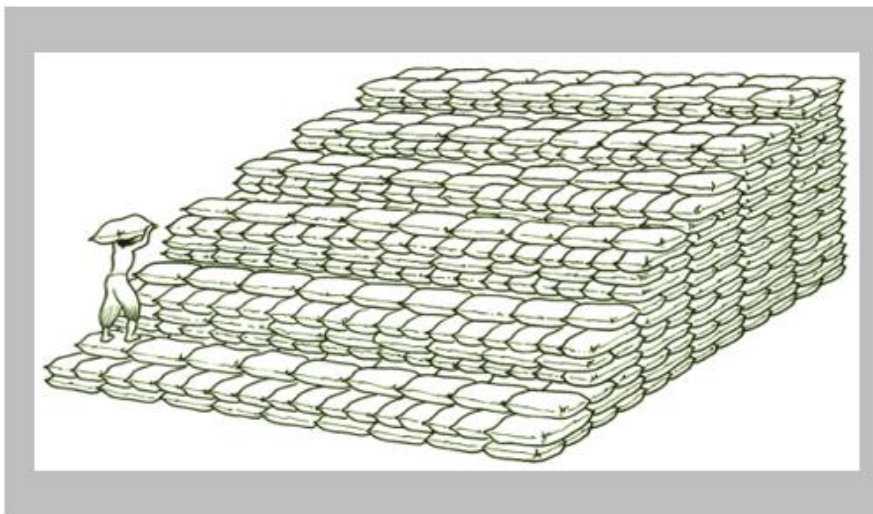
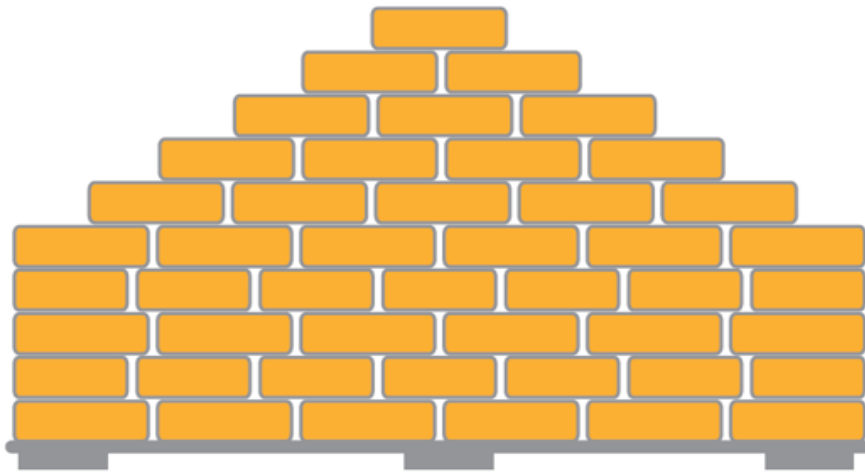
The stack height will be affected by the type of packaging; boxes and jute bags stack higher than woven polypropylene bags, which tend to slide. When stacking cartons, ensure that lower packages in the stack are neither crushed nor torn. Commodities packaged in tins and plastic bottles, have lower restrictions in terms of maximum stacking heights.

In addition to height restrictions, oil packages frequently indicate a recommended maximum number of rows for stacking. Check the instructions on packaging, where they exist, or consult the suppliers for information.

Where stacks are tall, it is useful to tie a rope around the top layer to stabilise them.



Bags that need to be stacked higher than 2.5m should be stacked up to 2.5m as above, with the additional layers stacked in a pyramid to avoid slippage. Plastic sheeting can be added between layers to prevent slippage.



2.5.3.2 Volumetric storage

Create a one-cubic metre container to measure sand, gravel or a quantity of construction materials in bulk. This works well for timbers, poles, bamboos and items stored in “bundles” of 100 pieces.

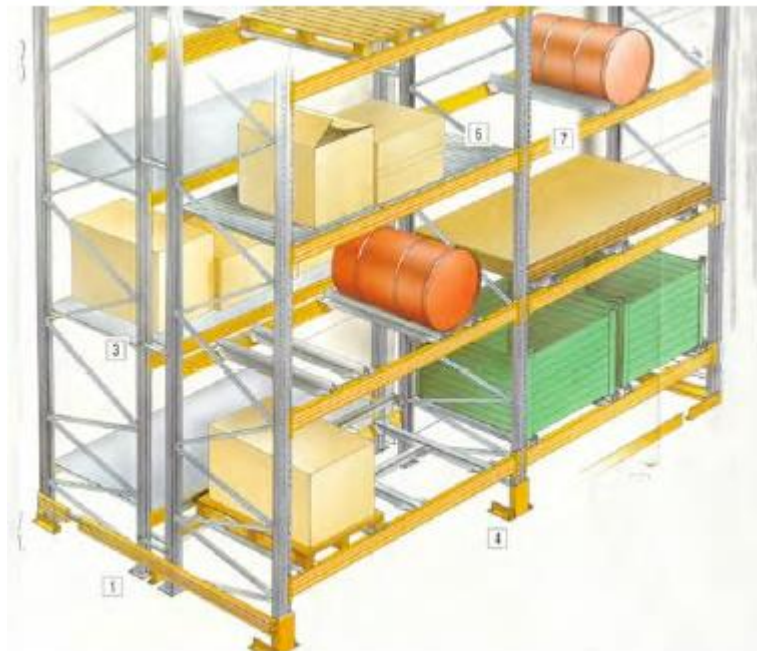
2.5.3.3 Pallet racks

Simple pallet racks usually have two or three tiers. Two tiers of pallet-racking require a clear total height of about three metres and three tiers require a clear total height of about 4.5 metres. It is possible to have more tiers, but sophisticated mechanical handling equipment is then required.

The benefits of shelving and pallet-racking can be combined. The bottom tier of racking may be used to store the working stock if arranged at a convenient height for manual order picking. Alternatively, a special picking shelf can be placed immediately above the bottom tier of pallets. In both cases, the upper tiers can be used to store safety stock or bulk stock. Caution: check the racks' load-carrying capacity with their owner/manufacture or an independent engineer before using them and check every rack regularly for signs of damage.



Keep space between the racks and the walls, ensure that the racks are stable and, where possible, fixed together and to the wall and/or to the floor.

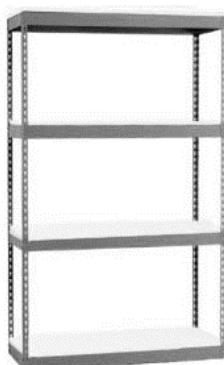


2.5.3.4 Large racks

Large racks are useful when storing large inventories of a variety of types, and where the dimensions of pallets are not the standard dimensions of packaging. The racks pictured here have the advantage of adjustable racking height.

Leave space between the racks and the walls.

Ensure that the racks are stable and where possible, fixed together, to the walls and/or to the floor.



2.5.3.5 Shelves

Use shelves where there are a lot of small items and/or when there are items that need repacking (medical supplies, kits, etc). Storage on shelves does not require mechanical handling. In tropical countries where termites attack wood, metal structures are preferred. Shelves can be taken apart and adjusted to suit the goods to be stored.

Keep space between shelves and walls to improve ventilation.

2.5.4 Choosing the best storage options

Bulk items (loose) Volumetric storage 1000 kgs = Variable volume Make sure the volume is defined at item level, as each item will have a different density 1522kg of gravel = 1cbm 1,922kg of sand = 1cbm	Food in bags (grains, flour, sugar, salt) Stacked on pallets, with chicken wire between pallet and supplies 1000 kgs = 2CBM	NFI in boxes Stacks Adjustable racking Check stackable height where items are fragile	NFIs in bags or bales Stacks (fenced) Adjustable racking 1000 kgs = 8–10cbm Stacks if stable Adjustable racking preferred for bales
Construction materials Bundles of xx units 1000 kgs = Variable volume Keep stacks fenced with timbers or wiring	Food in cans or bottles Stacked on pallets 1000 kgs = 1.5 CBM Ask manufacturer for maximum stacking layers	Medical supplies (drugs) Large racks for main storage Shelves for picking units	Medical equipment Pallet racks or large racks

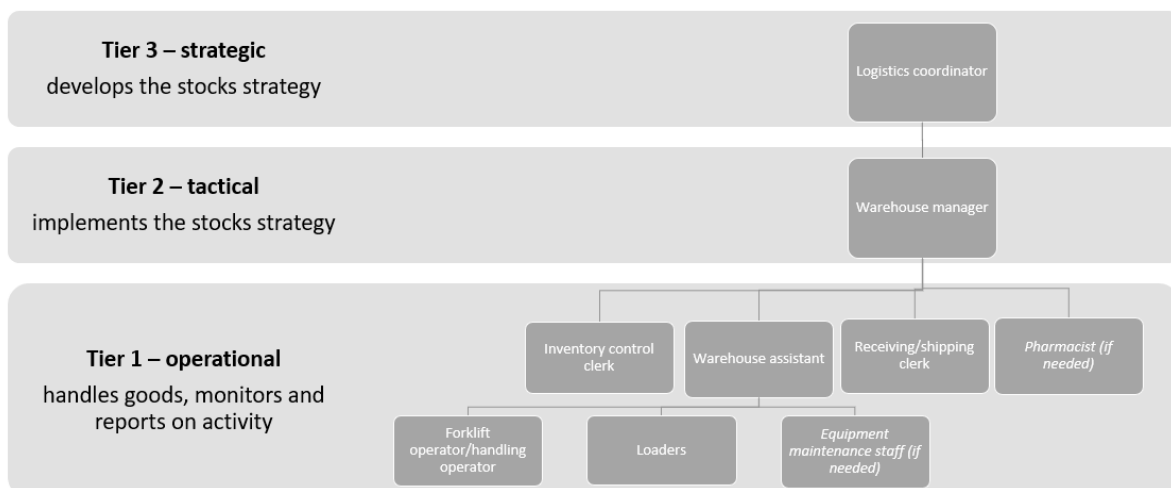
In addition to the above, note that to store medical and/or food items you will likely need:

- Cold chain equipment: passive (ice packs or other isotherm systems) and active (power-generated)
- A locked storage space for controlled substances
- A quarantine area equipped with shelves/racking

2.5.5 Manning your warehouse

Based on the process mapping exercise (part of the stock strategy definition – see “How”), adequate resourcing will be required for the operation of the warehouse.

The size of the warehouse team will depend on the size of the operation, and the allocation of tasks should be adjusted accordingly (one member of staff may cover several of the below functions). Below is a standard organisation chart including all the skills needed to operate a warehouse.



2.5.5.1 Recruiting a warehouse team

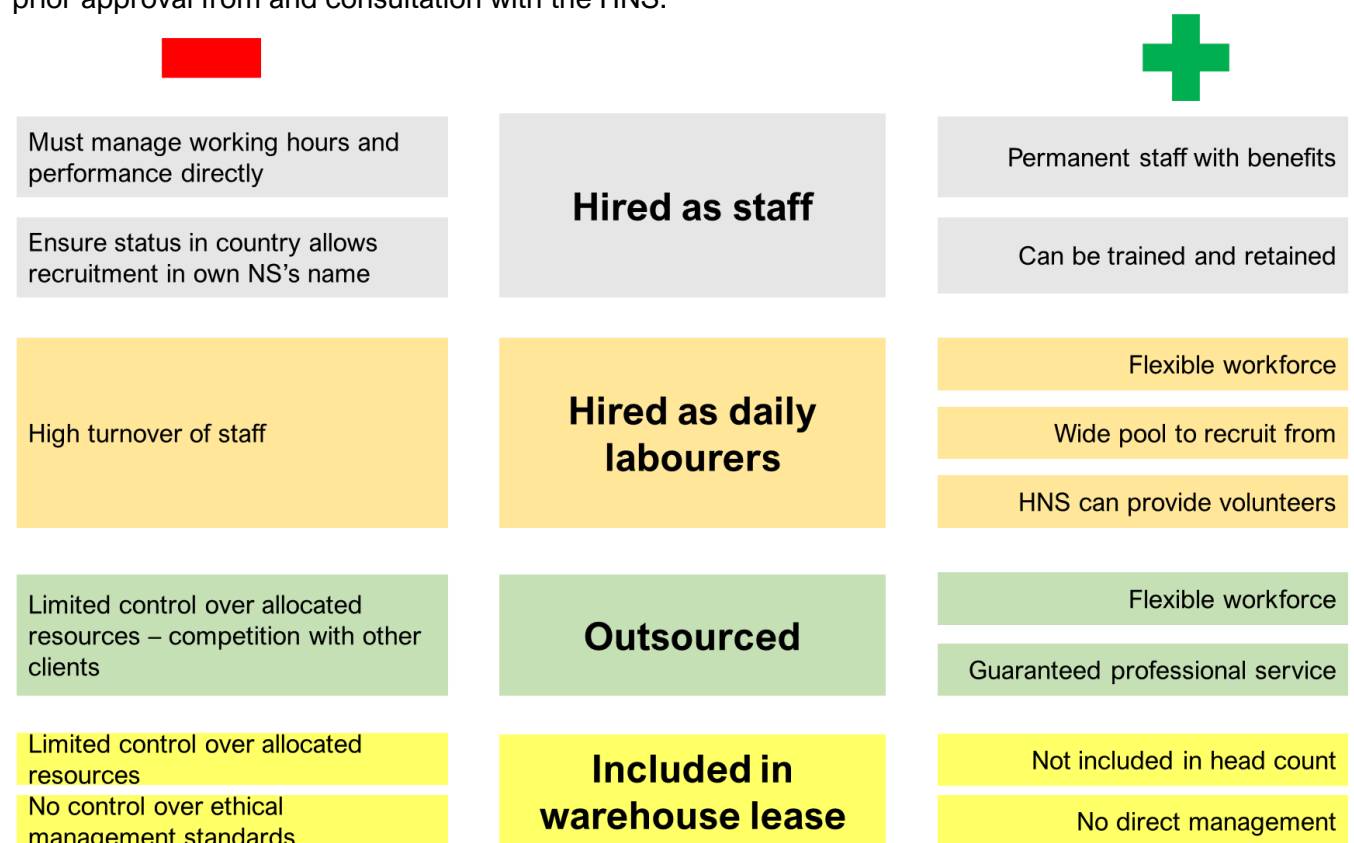
Standard job descriptions are available for download from the annex section of the chapter.

Should you need any examples of written tests for recruitment, Logistics coordinators can provide them upon request.

Guards and security staff and services can be either hired as staff or day labourers, outsourced as a service or included in the lease of the warehouse. Where guards are hired as staff or day labourers, the warehouse manager will have to define working patterns and shifts (rota). Ideally, these should be captured in a **guards' shifts planner**.

Some situations will call for a set of core permanent staff, with the arrangement for temporary staff to meet periodic increases in demand or workload. Holding a register of daily workers with contact details and specific skills, managed by the warehouse manager only, can be useful.

HNS volunteers can also help in the warehouse during periods of high activity, but this must be agreed with the HNS and their procedures and practices must be observed in terms of volunteer hours, incentives and payments. Do not engage volunteers as regular staff without prior approval from and consultation with the HNS.



2.5.5.2 Managing the warehouse team

Warehouse managers are permanent staff members, HNS staff or volunteers. They are responsible for all activities related to stock movements: the reception, storage, release, dispatch and recordkeeping for all goods.

The warehouse manager defines, schedules and coordinates the activities and resources that need to be available to deliver the mission of the warehouse. They also oversee security arrangements, control the recruitment of day labourers and manage the schedules, payment, performance and training of all warehouse personnel.

Regular team meetings should be held, organised by the warehouse manager:

Frequency	Attending	Purpose
Monthly	Complete warehouse team and logistics delegate	Monitor performance against set objectives and discuss updates on projects
Weekly	All warehouse staff	Warehouse manager to present operational objectives of the week and reflect on the past week
Daily	Individual briefs to loaders and receiving/despaching staff	Allocate daily tasks

Where daily labourers are regularly recruited, a system must be in place to request the number required each day, record their attendance and report to finance for payment. For example, the receiving/shipping clerk should request through a **daily worker request form**, signed off by the warehouse manager. Attached to **daily worker records sheet**, the whole file should be submitted to finance for weekly payment at an agreed time. As far as possible, day labourers should only be hired as security guards, cleaners and loaders.

2.6 Managing a warehouse

Once the warehouse is selected, sourced, set up and the team has been put together, the warehouse operations can begin.

2.6.1 Warehouse access

All staff members with access to the warehouse (keyholders) must be recorded.

A keyholder list must always be kept and updated: anyone gaining access to the warehouse must sign the **key sign-in and -out list** (kept in hard copy in the warehouse or Logistics office). The warehouse manager is responsible for keeping the list up to date, and the Logistics delegate is accountable for ensuring the list is always up to date and available and should therefore review the list periodically.

2.6.2 Warehouse maintenance

Regular inspections must be scheduled.

	Clean	Check
Daily	Floors	Pest signs
		Locks
Weekly	Walls	In-depth check for pest
	Sides of racks, shelves, fridges	Stability of racks, shelves
Monthly	Complete deep-clean: floor, storage, structure, roof, gutter, surroundings	Wall cracks
		Water leakages

A **maintenance schedule** must be put together and shared, detailing all types of scheduled maintenance and status (equipment, building, facilities etc.). All maintenance undertaken and the matching findings must be recorded and signed off by the warehouse manager.

2.6.2.1 Pest control

Pests are a major risk for warehouses and can critically damage items in stock.

The most common forms of pest found in storage spaces are:

- Rodents (rats and mice): destroy packaging and consume foodstuffs and medicines; also contaminate them with their excrement and urine. Eliminating places in and around the warehouse where rodents can breed is the most effective means of preventing an infestation. Traps, with or without poison, can be used.
- Spiders
- Beetles
- Other insects: termites attack stock and wooden structures. Cockroaches and moths attack grain and flour.

Harbouring pests in the warehouse can jeopardise the integrity of the items in stock as well as damage personnel health. If left unattended, an infestation can result in extensive property and product damage and can even affect the warehouse's structural integrity.

As a preventive measure, warehouses and stored items should be carefully inspected on a regular basis for signs of infestation (a quick daily check, an in-depth weekly check, an extensive **monthly check**). Using soapy water or a mixture of water and vinegar (1:1 ratio) for the deep cleans is the best preventive measure against pests.

Incoming and outgoing stock should be inspected as they are loaded or unloaded. Random samples should be taken from newly arrived consignments to ensure the quality of the goods and to prevent infested goods entering the warehouse and contaminating other stock. Alternatively, certificates must be obtained from the manufacturer and transporter to guarantee that the items delivered are free of pests.

2.6.2.1.1 Pest inspection checklist

Warehouse inspections are best conducted at the end of the afternoon, when temperatures are highest, and insects are most active.

Simple methods for finding insects:

Check the base and top of each stack

Check under the pallets for insects, spider webs, cocoons, traces of insects and rodents.

Signs: excrement, bite-marks

Check the corners:
slightly raise the bags
(careful not to upset the pile)

Use a sampling spear
check for insects in the middle
of stacks

Lift several bags from the top of
the pile,
pull them onto their sides to
examine the unexposed sides
and look between the bags

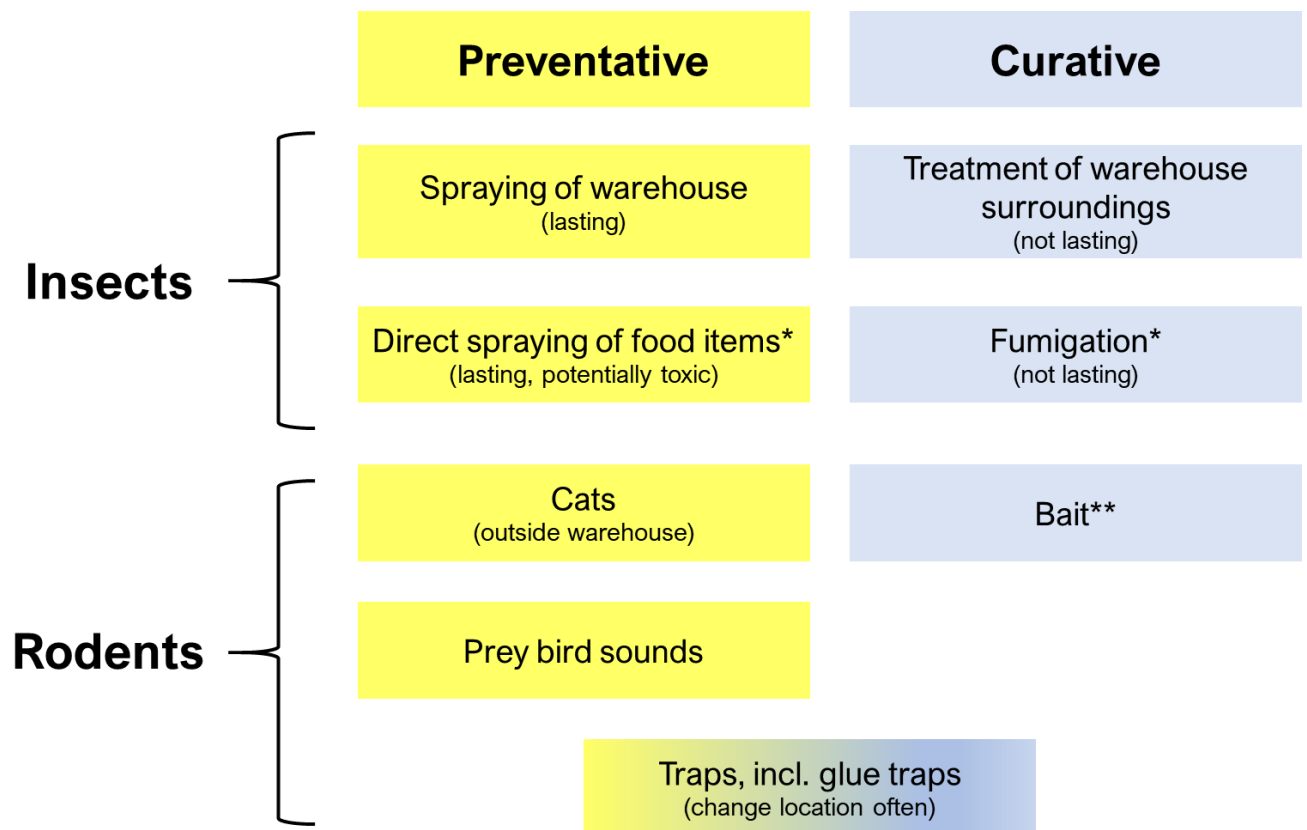
Open and spread out the
contents of some bags to check
for the presence of insects
They will be more easily spotted
if the bags are shaken before
being opened

2.6.2.1.2 What to do in case of infestation

If infested stock is found, immediately separate and quarantine them from the rest. Consult with local experts in the Red Cross Red Crescent, World Food Programme, Food and Agriculture Organization, government or university agriculture departments and/or commercial fumigators.

The warehouse manager must promptly report all infestations to the Logistics delegate and/or the Logistics coordinator in UKO.

The choice of the optimum pest-control product, dosage and method of application should be left to an expert. Using the wrong product, method or dosage could render the treatment useless or the goods hazardous to human consumption. Only trained pest removal experts should be allowed to decide on the treatment method.



**Items may need to be procured internationally – refer to your Logistics coordinator.*

***Be mindful of local food practices. rats poisoned in the warehouse may escape and be eaten by local population.*

2.6.2.2 Humidity control

A lot of the items typically stored in humanitarian supply chains (grain, flour, cans of food, drugs, machinery, NFI kits or construction materials) are sensitive to extreme humidity, and a lot of the places where humanitarian supply chains operate have humid climates.

Humidity levels must therefore be tightly controlled in an RCRC-operated warehouse to maintain the quality of the items in stock and avoid losses. It is recommended that hygrometers be fitted in the warehouse and that humidity levels be checked and recorded every day, especially during rainy seasons. Where humidity levels are high, consult with your regional Logistics coordinator.

2.6.2.3 Temperature control

All warehouses must be equipped with temperature-recording devices. Ideally, several of them must be placed throughout the warehouse, close to the ground and to the ceiling, and at both ends of the warehouse.

The readings of the temperature trackers should be extracted each month by the warehouse manager, or **manual temperature recording forms** should be maintained and filed.

Some goods require temperature-controlled storage to prolong their life, and most goods are degraded or damaged by extreme temperatures. Manufacturers can confirm which of the goods they supply must be stored within specific temperature ranges and advise on steps to

take in case of cold chain rupture. Temperature requirements are usually included in the items' packaging.

Chilled and frozen goods require special refrigeration equipment and should be handled with care. Care should also be taken to avoid temperature extremes in the ambient area of the warehouse (e.g., ensuring adequate ventilation and avoiding excessive exposure to direct sunlight).

Examples of temperature-sensitive goods include medicines and foodstuffs. These goods must be kept within a certain temperature range from the time of their manufacture to the point of their consumption. As an example, many vaccines need to be kept at between zero and eight degrees Celsius. If temperature limits are not respected, vaccines will often lose their efficacy or original expiry dates will no longer be guaranteed.

A supply chain that deals with such temperature-sensitive goods is known as a cold chain. In a cold chain, measurements are taken, and checks are made to confirm that the goods have remained within the specified temperature range throughout the chain. Cold chain failures are a frequent cause of problems in immunisation programmes.

From a warehouse perspective, the vulnerable parts of the cold chain are:



Unloading and loading operations

Often these involve moving goods from one area to another, which poses a challenge to ensure products stay within their allowed temperature range.

Interrupted power supply

To support an active supply chain, constant power is needed. The use of stabilisers and battery switch is highly recommended where an active supply chain must be maintained

In warehouses where temperature-sensitive items are stored, there must be a clear temperature control procedure with a process in place to ensure temperature are checked and recorded twice per day. All cold chain materials must be checked twice daily – use the **temperature recording forms** to track temperature in fridges and freezers. One form should be available for each of the fridges in use.

Standard storage temperatures are normally defined as follows:

- Deep freeze: below -15°C.
- Refrigerator: +2°C to +8°C.
- Cooled: +8°C to +15°C.
- Room temperature: +15°C to +25°C.

To learn more about cold chain management, check out the [Logistics Cluster](#) guidance document.

2.6.3 Good storage practices

2.6.3.1 Food

Food storage

- Food needs to be protected from sun, rain, humidity and extreme temperatures.

- Covered and protected storage is preferable.
- If uncovered and unprotected storage cannot be avoided, make sure this is temporary (maximum 10 to 15 days)
- Always store food separately from chemicals (including pesticides, fertilisers, cement, and fuel), dangerous goods and drugs. This applies to when loading onto vehicles.
- If you are treating a warehouse that contains food against pests, make sure the chemical used is food-safe (consult your regional logistics support if you are unsure)
- Ensure the storage areas are cleaned daily, and that all cleanings are recorded (daily sweep, weekly clean and wipe-down, **monthly deep clean**)
- Food items should always be stored either on pallets or on tarpaulins if stacked, or on shelves/racks that do not touch the walls of the warehouse.
- Use a sampling spear for taking samples where necessary.
- Pay particular attention to infestation signs
- Immediately separate and quarantine infested stocks from the rest. Consult with local experts in the BRC, HNS, IFRC, World Food Programme, Food and Agriculture Organization, government or university agriculture departments and/or commercial fumigators. All infestations must be reported immediately to country manager and logistics team in UK.
- Expired food items must be quarantined and stored separately until they can be destroyed.
- Maintain a system to warn off pre-expired food supplies – when on their last six months of shelf life, food can be donated to local authorities or other parties. Keep a list of the three and six-month-pre-expired food on your stock records.
- Perishable stocks must be rotated following FEFO principles (see above definitions in Section 2.2) .
- Expired food must be disposed of immediately. Check with local health authorities to determine whether it can be used as animal feed or for the appropriate disposal method (incineration or burial). Be mindful that the destruction of food may sometimes cause strong cultural reactions.
- Pay particular attention to the reception process to confirm weight received: weigh five to ten per cent of the consignment and extrapolate weight of the full consignment to estimate total weight of the consignment against documented weight or use a truck weighbridge to compare the actual weight to the documented weight on the **GRN/delivery note/waybill**. Record any discrepancy on the GRN.
- Remember that the ICRC maintains regional QA testing teams who can support the testing of food items.
- Always record batch numbers and expiry dates of food items upon receipt and stock movement (at minimum on the bin card, preferably on stock card and stock report).

2.6.3.2 Medical supplies

Medical supplies storage

- No direct sunlight on the boxes.
- Temperature in the warehouse must be controlled and recorded daily, and fridge temperature must be controlled and recorded twice daily where cold chain items are stored.

- Cartons should be stored on pallets or tarpaulins or on clean racks/shelves that do not touch the walls of the warehouse.
- Drugs should ideally be stored by type of drug: infusions, injectables, oral drugs, diagnostic tests, etc.
- Always store medical supplies separately from chemicals or food (pesticides, fertilisers, cement, fuel included), and dangerous goods. This also applies when loading onto vehicles.
- If stored on pallets, all cartons should be clearly labelled with their contents. If stored on shelves/racks, shelves must be labelled.
- Always record batch numbers (found on the outer cartons and on each container of the drugs, allocated by the manufacturer) and expiry dates of medical supplies upon receipt and record batch references at all stock movements (on bin card, stock card and stock report – see Section 2.6.8 for definitions and guidance on stock tracking tools).
- It is good practice to track medical supplies on stock cards raised by batch number. Alternatively, you can record the batch number of the drugs as they moved in and out of stock. See different types of stock cards.
- When conducting checks of the warehouse, check the packaging of drugs thoroughly for wet cartons, chewed plastic and spilt liquids.
- Perishable stock must be rotated following the FEFO (first expired, first out) principle.
- Maintain an alert system to warn about pre-expired drugs – during the last six months of their shelf life, drugs can be donated to local authorities or other parties. Keep a list of the three and six-month-pre-expired drugs on your stock records.
- Expired drugs are not fit for human consumption and should be destroyed safely. Contact your local Food and Drug Administration to enquire about the regulations around the destruction of medical supplies.
- Expired or damaged drugs must be quarantined until they can be safely destroyed. Keep a record of drugs placed in quarantine on the relevant bin and stock cards.

2.6.3.3 NFIs

NFI (Non-Food Items) storage

- Take care when stacking NFIs; stacks are fragile.
- If packed compactly, Bales should be stacked; if packed loosely they should be stored in caged piles.
- Build your stacks in a way that facilitates the inventory process (in layers of ten, for example).
- Avoid storing NFIs on the ground – stack them on pallets or tarpaulins or using racks or shelves.
- Clearly separate areas of the warehouse which contain stock that is still to be kitted from the areas used for the storage of the kits.
- NFIs often won't have batch numbers – use the CTN number allocated by your RLU to track how long your items have been in stock.
- For goods that do not expire, ensure you use the FIFO (first in, first out) method to rotate your stock.

2.6.3.4 Construction materials

Construction materials storage

- Small parts such as screws, nails, turns and bolts are measured by weight rather than units.
- A two-bin system works best for small parts – store the stocks in two separate bins or buckets (50 per cent in each bin or bucket). When the first container is empty, start tapping into the second and suggest re-ordering (in this case, re-ordering quantity should be Bin One plus Bin Two).
- For poles, sticks, metal bars and other long and/or bulky items, build “reference” storage areas, with items separated by quantity. For example, store wooden poles in bins with 100 pieces in each. This will help managing stocks per FIFO principles and avoid the deterioration of stock.
- For sand, gravel and other loose materials, build tank storage per cubic metre to help track stock levels. A good option is to build one cubic metre “bins” and cover them to preserve the quality of the material.
- The maximum height of a stack of cement should not exceed 15 bags, to prevent lumping from pressure. The width of stacks should not be more than four bags or 3m, which means that each layer should be comprised 16 cement bags, to a maximum height of 15 layers.
- Cement must always be kept dry and away from the walls of the warehouse. Ideally cover cement stacks with tarpaulin to protect the bags.

2.6.3.5 Dangerous goods

Dangerous goods storage

- The management of dangerous goods is legally regulated – check with your local authorities whether you hold any dangerous goods in storage.
- Dangerous goods must be clearly identified and stored separately from any other items in store, ideally locked away to minimise the number of people who handle them.
- Only selected and trained staff should be allowed to handle dangerous goods.
- Dangerous goods must be tracked separately from the rest of the items in stock.
- When conducting routine warehouse checks, check the packaging of dangerous goods thoroughly for: wet cartons, chewed plastic, broken seals and spilt liquids.
- All material safety data sheets must be available in hard copy at the warehouse and in soft copy to the entire Logistics team.
- When planning for transport of dangerous goods, check their safety data sheets and with local authorities or your freight agent in case of any doubt.
- Transporting dangerous goods requires specific packaging and preparation operations.
- Rules on the international transportation of dangerous goods are generally more stringent than those for domestic transportation.
- Fuel and chlorine are the most commonly stored dangerous goods in humanitarian contexts – make sure they are managed accordingly.

Examples of MSDS sheets can be found online for more details.

2.6.3.6 Chemicals

Chemical products storage

- Chemicals can never be stored with food or drugs supplies.

- A lot of chemicals are dangerous goods – make sure you identify them and follow section 2.6.3.5 section guidance
- When conducting routine warehouse checks, check the packaging of chemicals thoroughly for wet cartons, chewed plastic, broken seals and spilt liquids.
- Most chemicals are perishable. Maintain an alert system to warn of pre-expired chemicals – when in the last six months of their shelf life, they can be donated to local authorities or other parties. Keep a list of the three and six-month-pre-expired chemicals in your stock records.
- The disposal of chemicals is extremely sensitive. Always refer to your Logistics delegate, regional Logistics or UKO Logistics before initiating the process to dispose of chemicals.
- Fuel and chlorine are the most commonly stored chemicals in humanitarian contexts – make sure they are managed accordingly.

2.6.3.7 Kits

Storing kits

- Factor activities relating to kitting into your warehouse mapping exercise.
- Refer to the IFRC standard product catalogue
- Always agree variation from standard kits with the programme team.
- Consider the kit as one unit once it is fully kitted from loose stock.
- Items included in a kit cannot be requested as loose items unless the entire kit is broken into single items.
- Where a kit contains perishable items, the kit expires at the same date as the item with the earliest expiry date.
- Try to use a stock requisition to release loose items to be kitted to help the traceability of stock movements in the warehouse.
- Never accept the partial return of a kit. Record all items received as loose stock and only kit once all items are available for kitting.
- Where relevant, maintain a kit tracker spreadsheet.
- Ensure that the value of kits held in stock is accurately calculated and shared with finance.

2.6.4 Insurance

You should ensure that your stock and warehouse are covered by insurance. The stock held in UK (UKO and Bulwick sites) is covered under the BRC's insurance policy. The current policy covers the value of stock held at both locations and approximations of the stock's value are shared with the insurance manager.

The excess for insurance is £5,000 – any losses or damages under this value are not covered and cannot be claimed through the policy. Replacement for these items must come out of the Logistics team budget and be discussed with Finance.

For losses or damages over £5,000, the UK insurance manager must be contacted to process the claim. If the level of damage is over £10,000, the insurance company may send an inspector to validate the damage.

Once the claim has been processed, the money will be returned to the insurance manager, who will re-code this to the Logistics budget. The items' value should remain on the balance sheet until the money from the insurance claim has been transferred to the balance sheet. Finance will inform Logistics when the insurance refund is captured in their account.

For overseas projects, refer to the NS insurance policy and make sure stock is covered against theft, flooding, fire, destruction. The warehouse lease contract may also state whether insurance should be purchased by the lessor or the lessee.

2.6.5 Receiving stock

2.6.5.1 Plan for reception:

Request details of incoming goods as early as possible, with the estimated weights and dimensions clearly stated on the documents.

Arrange your reception area to ensure that the full consignment can be temporarily stored before being moved into the bulk storage area – if necessary, make temporary adjustments to the warehouse layout (reduce the dispatching area, for example) to accommodate the consignment. Make sure any temporary changes to the layout are communicated to the warehouse team.

If receiving a cold chain consignment, make sure you have a spare fridge as reception area. If necessary, prepare passive cold chain (isotherm carton boxes or cool boxes fitted with ice-blocks) to use as extra reception area.

When receiving large consignments, it is good practice to draft a reception plan with end users to capture their priorities. The reception plan should detail:

- The extra capacity needed for offload/check/storage of the incoming goods
- The re-scheduling of all major consignment preparations to avoid the reception
- The order of priority in which items should be checked and placed in the bulk storage area (i.e. available for despatch)

Where possible, an offloading plan should be made available for the offloading process: have a list of all the boxes for each CTN or order, so that offloading supervisors can tick the boxes one by one as they are offloaded.

2.6.5.2 Upon reception of the consignment

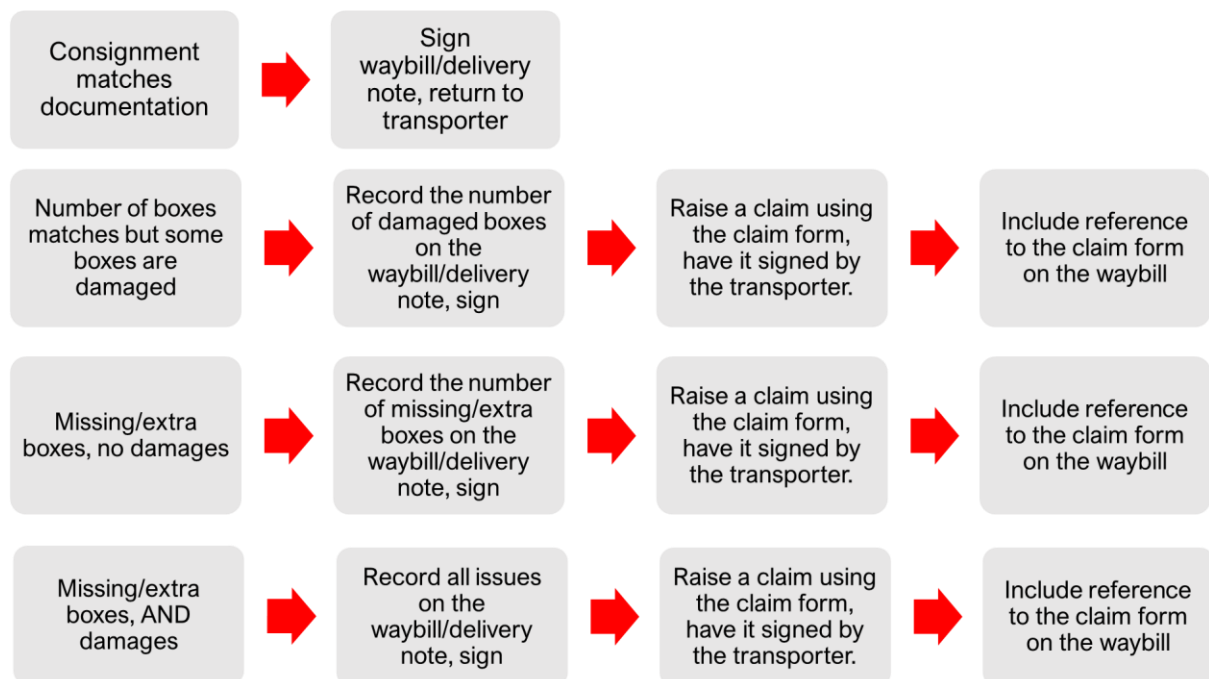
Check that all documents are attached to the consignment:

- commercial invoice
- gift certificate
- packing list
- waybill, bill of lading, air waybill or CMR sheet
- relevant customs clearance certificate (tax waiver documents for example).

If receiving containers, ensure that the container seals are in good condition.

Proceed to offloading (use the offloading plan, if available), checking the condition of each box or pallet as it is offloaded and checking the labels on each packaging unit.

Confirm that the number of boxes offloaded matches the consignment documentation (purchase order and packing list in particular). If they match and no damaged boxes are found, sign the **waybill/delivery note** provided by the transporter.



If receiving a cold chain consignment, read the temperature-monitoring devices attached to the consignment to confirm cold chain has been maintained throughout the transport process. Where an anomaly appears on the readings (i.e. where the temperature has risen above 8°C or below 0°C), record it on a claim form and have it signed by the transporter. Include reference to the claim form on the waybill and share the claim form and temperature readings with the delegation's pharmacists to confirm that drugs are fit for use.

Check and inspect the contents of each box to confirm the exact quantities received against the packing list attached to the consignment. Record any discrepancy and reconcile once all boxes have been inspected (sometimes all ordered goods are in the consignment, but the packing lists are not accurately broken down per packaging unit).

For more details on documenting procedure for the reception and despatch of goods, refer to Chapter 3.

2.6.6 Document the reception

Raise a **GRN** to confirm the exact quantities received. The GRN must be raised in 1 original and 3 copies.

White copy ORIGINAL Hand out to supplier and/or donor (when stock is donated)	Blue copy Hand out to transporter	When the GRN is raised electronically, it is good practice to inform all stakeholders and keep soft copies on file or in archives.
Green copy File in Logistics' files	Yellow copy File in the warehouse	Raise a claim in case there are any discrepancies against the shipping documents, in quantities or in quality. Record all incoming quantities on the appropriate stock cards, referring to the GRN number. Record all incoming quantities on the bin/stock cards if applicable, referring to the GRN number.

Make sure the stock levels are updated as per the applicable stock tracking method:

- If using an electronic system, stock levels should be updated automatically when posting a GRN.
- If manually updating the stock levels, make sure the updates are captured on the stock cards and in the upcoming reporting cycle (this can be immediate, within the work week or within the applicable reporting period).

Keep a copy of the signed waybill on file, including copies of any claims raised and enter them on a claim tracker for follow-up.

Some consignments will require inspection by a third party (this would have been agreed at the time the order was placed). In this case, a company must be selected to observe the reception process, sample the items received as per the agreed sampling method and take the samples away for analysis. Typically, items that require third-party inspection would not be available for distribution until the inspection results are available. Samples taken for inspection should be recorded as sampled quantities – this quantity should be withdrawn from the GRN and should not be included in the quantities recorded in stock.

Procurement manager should hand over the procurement file to Finance so they can match with the invoice. Note: Invoices should be delivered to a Finance staff and not to the warehouse staff processing the reception.

2.6.7 Receiving stock for the BRC (in UK or at RLUs)

2.6.7.1 With Agresso

Where items are received into stock through an Agresso purchase, the physical GRN must be raised in the usual way and received quantities must be updated in Agresso. To do so, the receiver must open the Agresso PO and enter the received quantities in the “quantity received” column. Where deliveries are incomplete, the Agresso PO should be closed after the received quantities are consigned against the PO quantities.

This applies to all stock purchased through Agresso, including RLU prep-positioned stocks (see Section 2.8 for more details on RLU stocks).

2.6.7.2 Receiving international stocks from IFRC (pipeline report and CTN #)

2.6.7.2.1 The pipeline report

The pipeline report indicates the type and quantity of goods in the pipeline for internationally sourced supplies for a given operation, as well as their point of origin and expected/actual date of arrival.

The pipeline report allows Logistics delegates in the field to pre-arrange warehouse space, custom clearances and transport. Depending on space availability and need, goods may be taken from border posts and airport and port facilities to a central warehouse or directly to distribution-point warehouses. The pipeline report indicates all the consignments (i.e., past, ongoing and future shipments) and CTN allocated to that operation.

Regular updates of the pipeline report should be shared with the International Federation's regional logistics unit leading the operation, National Society staff, donors, operational partners and whomever else the logistics coordinator deems relevant to the success of the operation.

The pipeline report serves many functions:

- Distribution managers can use it to pre-plan distributions according to incoming items from donors and international procurements.
- Other operational agencies, as well as customs clearance agencies, can be in copy of the pipeline report, to assist in establishing a global overview of relief items for the operation and to facilitate inter-agency coordination and the preparation of reception/clearing plans.



International Federation of Red Cross and Red Crescent Societies
Fédération internationale des Sociétés de la Croix-Rouge et du Croissant-Rouge
Federación Internacional de Sociedades de la Cruz Roja y de la Media Luna Roja
الاتحاد الدولي لجمعيات الصليب الأحمر والهلال الأحمر

Pipeline Report

09/05/08

Session OU : IFRC Regional Logistics Unit

Date : - To -

Project Name : Tropical Cyclone (ME)

Country Name : Myanmar

CNSG No	ETD	ATD	GRN Dt	Sender Name	Item	UOM	Pkg Type	Item Qty	Rem/ POE	Currency	Dest site	Transp Mode	Vehicle Details	Item Total WT in Kg	Remarks
CTN	ETA	ATA						Consignment Cost			Consignee	Ship Docs		Item Total Vol in M3	
CSGN-MYRLU-08-0050	08/05/08 00:00			Japanese RC	KIT, SHELTER, (shovel, handsaw, 2x tarpaulins,	Kit		300.00	YANGON	CHF	Yangon	AIR AWB:630 5041566 8	Chartered Aircraft PB 121/08	6,600.00	
08-0000567	08/05/08 00:00							15,186.00			MMRYN			15.600	
CSGN-MYRLU-08-0051	08/05/08 00:00			Japanese RC	JERRYCAN, foldable,10L, food grade plastic, screw cap 50mm	Pce		3,750.00	YANGON	CHF	Yangon	AIR AWB:217 -186943 51	Regular Aircraft THAI TG303/09	663.00	
08-0000569	09/05/08 00:00							15,000.00			MMRYN			8.060	
CSGN-MYRLU-08-0051	08/05/08 00:00			Japanese RC	TARPAULINS, woven plastic, 4 x 6 m, white/white, piece	Pce		1,000.00	YANGON	CHF	Yangon	AIR AWB:217 -186943 51	Regular Aircraft THAI TG303/09	4,300.00	
08-0000568	09/05/08 00:00							15,710.00			MMRYN			11.150	
CSGN-MYRLU-08-0053	10/05/08 20:15			American RC	MOSQUITO NET, Long Lasting Impregnated Bed Nets,	Pce		8,000.00	YANGON	CHF	Yangon	AIR MAWB:2 17-1869 4395	Regular Aircraft THAI TG303	3,554.00	
08-0000582	11/05/08 08:45							43,360.00			MMRYN			12.930	
CSGN-MYRLU-08-0052	10/05/08 20:15			British RC	JERRYCAN, foldable,10L, food grade plastic, screw cap 50mm	Pce		3,000.00	YANGON	CHF	Yangon	AIR MAWB:2 17-1869 4395	Regular Aircraft THAI TG303	530.00	
08-0000575	11/05/08 08:45							9,930.00			MMRYN			6.440	

The regional Logistics office (RLU) has ultimate responsibility for updating all aspects of the pipeline report – both headquarters' information (new donor commitments, consignment departures, etc) and field-based information (arrivals, losses, etc). The RLU shares all relevant pipeline information with the field daily, and even more frequently at the beginning of an operation.

Pipeline reports are automatically generated by the mobilisation software programme. The RLU is responsible for all data entry into the software programme, hence, for updating the pipeline report. The field-based Logistics delegate is responsible for confirming and reporting to the RLU on the state of all consignments immediately following their arrival. The delegate must also share a copy of the GRN to the RLU so that it can be sent to the appropriate donors and/or suppliers. Note:

2.6.7.2.2 The CTN number

Commodity Tracking Numbers

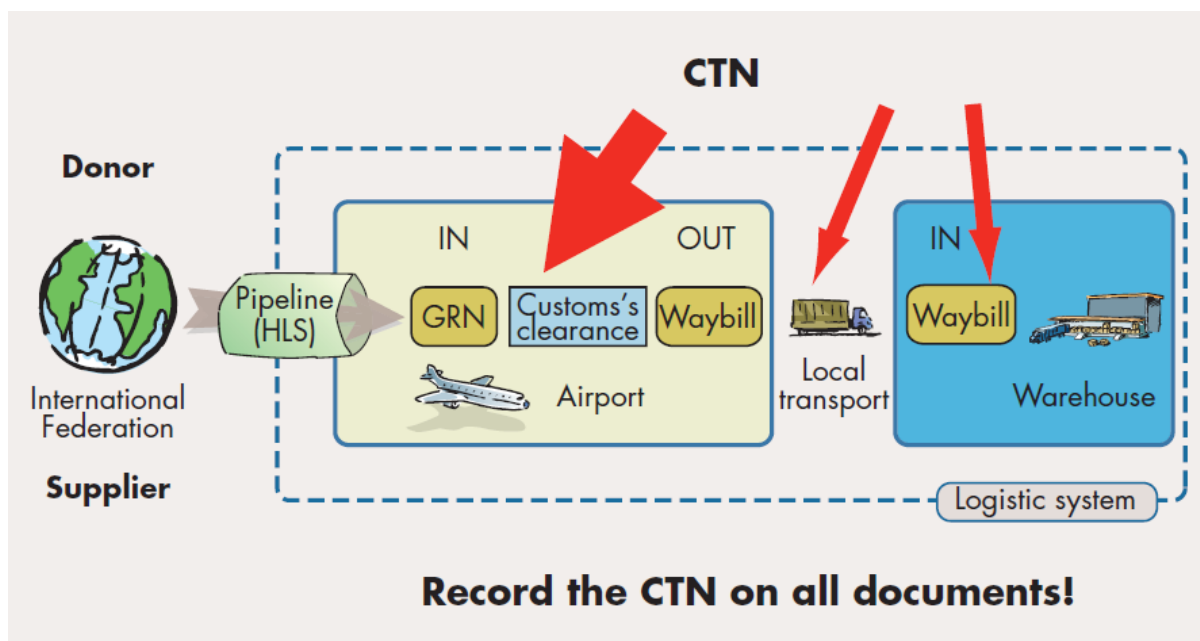
- Each IFRC shipment is assigned a unique consignment tracking number by the IFRC's Logistics department, called CTN.
- A consignment refers to a shipment that is handled by a common carrier – this shipment may contain only one type of goods or a combination, each with their own CTN.
- Large donations with the same CTN may need to be sent in several shipments and will thus have multiple consignment numbers.
- The consignment number and the CTN are key elements in the tracking process – they must both be recorded on the GRN so it can be matched to the goods in the pipeline report and a report sent to the appropriate donor.
- Unsolicited goods donations will also appear on the pipeline report, however they will not be allocated a CTN.

The CTN is assigned to each donated or procured commodity. It is also the primary tracking information used to identify the source (donor) of the goods for accurate reporting and must appear on all documents. Shipping, clearing and forwarding documents should be filed by CTN reference for ease of traceability.

The RLU allocates a CTN at the time of donation or procurement. Prior to procurement of any relief item (such as non-food, food, water and sanitation or health supplies) in the field, a CTN must be requested from the RLU.

It is extremely important to mark this tracking number on each document and, where possible, on each package. Stencils can be used to mark individual goods where the CTN was not included on the pre-printed bags or cartons. Whenever goods are received without a tracking number, the RLU must be contacted for the missing number or, in the unlikely event that none was pre-assigned, to acquire one. The CTN must be written on each document, including the relief distribution report, ensuring a link between Logistics and Relief operation reporting.

The CTN is not the item code. An item code is the number assigned to each item listed in the standard product catalogue which is published by the IFRC (available online). The item code allows easy reference of items in the catalogue, which describes the standard specifications of individual relief items.



2.6.8 Dispatching stocks

Refer to Section 3.8 in Chapter 3.

2.6.9 Relocating stocks to a new warehouse

Some programmatic or contextual changes (insecurity, lease conditions, etc) may require moving stocks to a new facility. This is a resource-intensive process and should be planned well in advance, to ensure that the programme's staff (including support functions) are aware of the timings, implications and resource requirements involved.

Transporting the entirety of an operation's stock requires careful planning. If the exact weight and volume of the stock is known, it will be relatively easy to calculate truck requirements for the move. If such data is not available, the most practical way to prepare for the move is to mark areas on the floor of the warehouse, their dimensions corresponding to the trucks available for the move, and transfer the stock into these markings, stacking it to the maximum height of the truck, while incrementally dismantling the storage units, and recording all items moved into each of the marked out areas.

Ensure that all items in the warehouse are included in the volume calculations. This includes stock, storage systems, office materials, equipment and machinery, spare materials, generators, etc.

Cold chain stocks must be transferred to passive cold chain containers (cool boxes with ice packs) for the duration of the move. It is preferable to use air transportation for cold chain items if the move is long-distance (more than 12 hours by road).

Documenting the contents of each truck (packing lists and waybills) and scheduling the trucks' trips to the new warehouse is essential.

Ensure that the stocks needed for distribution most urgently are moved into the new warehouse first and pace the arrivals of the trucks to leave time to place each shipment into storage before the next one arrives.

Ensure that restricted goods are transported in locked containers as far as possible, that dangerous goods are transported separately and that quarantined stock, if it must be transported, is transported separately.

Note: Where stocks are being moved to a distant location, ensure that the trucks used (whether hired or owned) can stay overnight at secure locations and have all the necessary road permits to enable them to transit without delays or obstacles.

The rules and guidance points listed in Section 2.6.3 apply to storage in transit.

2.6.9.1 Relocating a temporary warehouse

2.6.9.1.1 Rubb Hall

The Rubb Hall takes about two days and a team of 12 people to dismantle (and the same to re-erect it in its new location). Ensure that you follow the instructions closely when dismantling the tent. This means that the transfers need to be well-scheduled, taking into consideration the dismantling time, the transit time and the re-erecting time.

The items stored in the Rubb Hall will likely have to be temporarily stored in a different facility (probably another Rubb Hall erected nearby) for at least a week.

2.6.9.1.2 Container

Never move a repurposed container without first emptying it of its stock. As the container is repurposed into a temporary storage unit, some ventilation holes will have been made in its structure; ensure that it is protected while it is in transit to its new location.

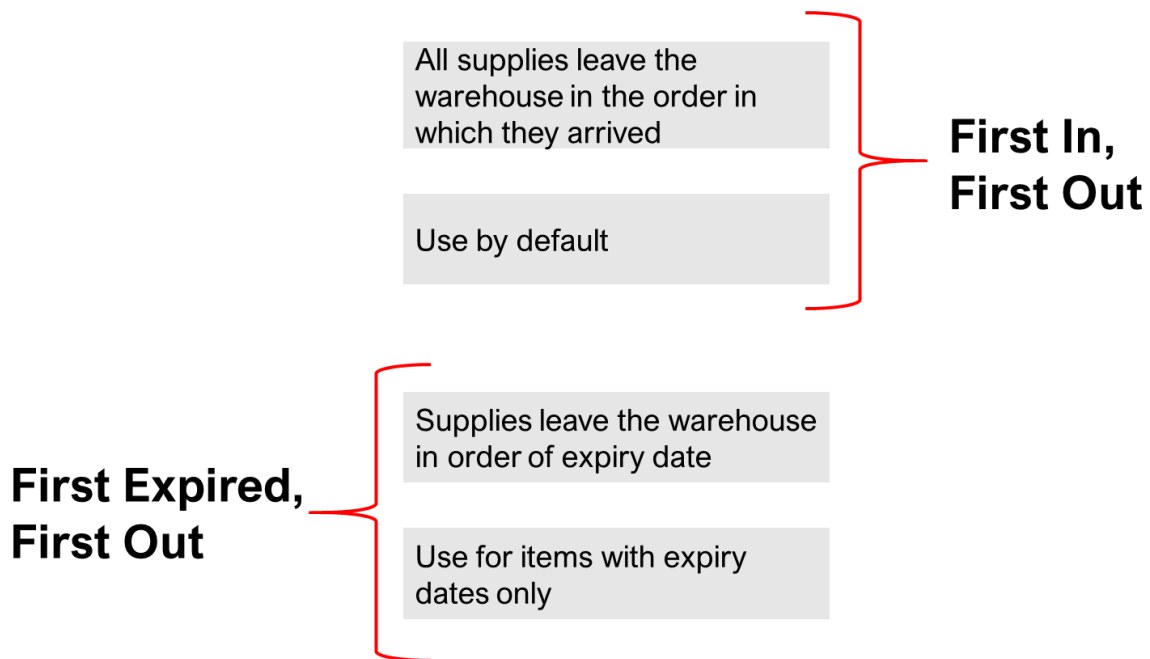
2.6.9.2 Relocating a permanent warehouse

See guidance points in Section 2.6.9.

Ensure the new warehouse is inspected while empty, well in advance of the move (a minimum of two weeks) and arrange for any identified need to be addressed before the move (wall fixtures, pest control, ventilation, etc). The new warehouse must be mapped before the first stocks arrive at its location, so that briefed staff can easily move the goods into storage. Ensure storage systems (shelves, racks, etc) are installed before the first stock is delivered, and that water and electricity supply is arranged in advance.

2.6.10 Stock records

Once goods are in stock, the field Logistics officer and the warehouse manager must ensure that the stock is maintained in good condition and accurately tracked until they are dispatched. Stock should be kept at manageable levels to permit frequent rotation to avoid the build-up of unused stock and losses due to spoilage and overdue expiry dates.



Apply the **First In, First Out rule**; all supplies should, in principle, leave the warehouse in the same order in which they arrived. The exception is the **First Expired, First Out rule**; items with expiry dates must be distributed according to their expiry date. Additionally, damaged, infested or damp goods that are still fit for human consumption must be distributed before older stocks and without delay, to avoid further loss.

All supplies stored in the warehouse must be registered on **stock cards and bin cards**. These cards are the primary tracking tools used in a warehouse – they follow the commodities from the time they enter the warehouse to the time they are dispatched.

Though similar, the two forms have separate functions and should not be confused. Templates for the cards can be found in the appendices, and both are discussed below. Ideally, both stock cards and bin cards should be used, especially where few items are in store and where they are in large quantities and under different CTN numbers.

2.6.10.1 Bin cards

A bin card must be physically attached to each grouping (a stack, pile or grouping on a shelf) of an item in a warehouse. It provides basic information about the goods:

- item type
- CTN (where applicable)
- batch number (where applicable)
- quantity
- origin
- arrival date
- expiry date
- any re-conditioning it has undergone

Separate cards must be issued for each stack, as well as for goods with different CTNs, batch numbers or expiry dates. A grouping of one commodity (hereafter referred to as a stack) can be increased on the same bin card, as long as the goods are placed in the same stack and have the same CTN, expiry date and batch number (where applicable).

Where any of these three do not correspond, a new stack must be started, even where the commodity is the same. Every time an item with the same CTN, batch number and expiry date is received, either under a GRN or a transfer waybill, and is added to a pre-existing stack, the quantity is recorded in the “IN” column on the bin card. The “OUT” column is used every time part of the stack is dispatched under a waybill or losses have occurred and a claim report has been filed.

The bin card is closed and removed from the storeroom when the entire stack has been dispatched, transferred or accounted for under a claim report. The old card must be filed, sorted by item code and date.

2.6.10.2 Stock cards

All commodities received or dispatched from the warehouse should be immediately registered on a stock card by the warehouse manager. These entries should correspond to a GRN, waybill or, in the event of loss, a claim report.

Every entry should bear the signature of the warehouse manager or, in the case of larger operations, a designated assistant. A stock card is less detailed than a bin card and includes stock with different expiries or batch numbers.

Stock cards can also be raised by batch number or by CTN where no bin cards are in use. It is a summary of all bin cards for goods with the same CTN and indicates the overall stock level for an item. The “IN” and “OUT” columns are completed in the same way as on the bin cards.

The warehouse manager is responsible for keeping the stock cards in a safe location in the warehouse office space and must ensure that they are filed properly (in alphabetical order, by catalogue codes or by area of the warehouse, for example) and that all stock cards that have been filled out are numbered and archived properly.

The summary of all stock cards is the **stock report** or stock movement report, which is used for daily, weekly or monthly reporting and for stock management.

2.6.11 Stock management and reporting options

Besides using the mandatory bin and stock cards, total stock levels can be monitored using different systems, with varying levels of automation and sophistication.

2.6.11.1 Manual stock board

This can be useful in small operations, with a limited number of items in stock and a limited number of end users. A stock board is a visual way of informing requestors of current stock levels in the warehouse and must be updated every time there is a stock movement. This system should be used only in cases where no other options are available or sustainable, and for as short a period as possible.

2.6.11.5 LogIC (logistics inventory control)

LogIC is currently the system that is most widely used across the Movement, particularly in IFRC-led operations, but the IFRC and ICRC are currently looking to develop a more holistic joint stock-tracking tool. Each National Society can choose the system they use to track stock.

2.6.12 Warehouse performance management

The warehouse manager is responsible for overall reporting and KPI monitoring, under the supervision of the Logistics delegate. KPIs monitored include:

	Definition	Source	Target
Warehouse utilisation (%)	What part of the available storage space is actually utilised?	Warehouse map Stock volume information	If <70%, warehouse is being under-utilized
Stock accuracy (%)	What part of the stock is accounted for correctly after stock takes?	Stock take report	100%
Order preparation lead time (days)	Number of days from approved request to despatch of items	Requisitions Waybills	To be agreed locally
Loading / offloading lead time (hours)	Number of hours to load or offload consignments	Visitors' book	To be agreed locally
Claims against deliveries (units)	How many claims have been raised on shipments dispatched from the warehouse?	Waybills Claims forms	To be agreed locally

2.7 The ERU stock management

The Emergency Response Unit kit is designed to support emergency teams deploying in the field and make them as self-sufficient as possible. The kits that are put together and maintained by National Societies contain key items for the ERU teams to perform their role, including infrastructure items to help operate offices and warehouses such as tents and generators, as well as items for delegates themselves, such as camping and kitchen equipment.

The purpose of the kit is also to act as a NS capacity-building tool – there is a general rule that items sent into the operation will be left with the Host National Society, for use in future disasters. Once the kit has been despatched, the BRC's international Logistics team will generally procure a new kit. When a team wishes to return specific items of a kit, they will propose it to the Logistics and Emergencies teams, who will make a decision.

More details on ERUs can be found on the IFRC website: <http://www.ifrc.org/eru>

The BRC holds two types of ERUs:

- Logistics (the BRC holds two full kits, so can potentially deploy two Logistics ERUs at the same time)
- Mass sanitation module for 20,000 people (MSM20)

As this is an IFRC standard tool, the kit list is standardised across ERUs – the lists can be found on the IFRC standard product catalogue (SPC). National Societies can add additional items but they cannot take any away.

The National Societies that hold the ERUs meet regularly in Geneva and sometimes review and update the kit list, but this can only be done in agreement with the other ERU holders.

For more details about the procedures that apply to the maintenance, replenishment and deployment of the ERU kits that the BRC holds, refer to the **ERU kit SOP** and to chapter 8 of the Manual.

2.8 The RLU stocks management

As detailed in their stock pre-positioning strategy, the IFRC currently hold stock in a number of different locations and allows PNSs to use warehouses run by the IFRC to pre-position stocks as well.

The primary purpose of these warehouses is to store and manage standard non-food items (NFIs) to respond to Emergency Appeals (EA) and for use within BRC programmes and partnerships.

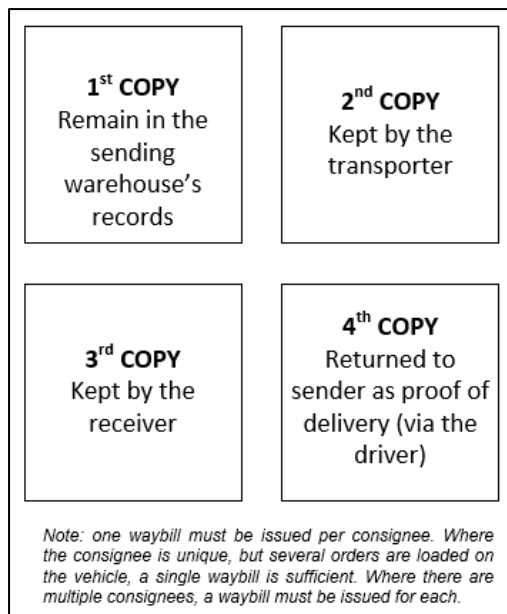
Stocks are also sometimes loaned to other NS. As part of this pre-positioning mechanism, and based on an annually reviewed agreement, the BRC currently holds stock in the following places, managed by the IFRC:

- Panama (Americas region)
- Kuala Lumpur (Asia region)
- Dubai (Middle East and North Africa region)
- Zimbabwe (East and Southern Africa region)

Each warehouse is managed by IFRC staff and follows internal standard operating procedures for its management, layout, access, staffing and procedures.

For more details about the procedures that apply to the maintenance, replenishment and deployment of the stock held in the RLUs, refer to the **RLU SOP** and to chapter 7 of the Manual.

2.9 Releasing stock



Remember to apply the First In, First Out rule: all supplies should, in principle, leave the warehouse in the order in which they arrived. The exception is the First Expired, First Out rule; items with expiry dates must be distributed according to their expiry date. Additionally, damaged, infested or damp goods that are still fit for human consumption must be repackaged and distributed before older stocks and without delay, to avoid further loss.

Remember that management of the stock is delegated to the warehouse manager or Logistics delegate in charge of the warehouse, while ownership of the stock remains with the budget holder, generally the programme manager. Therefore, Logistics must guarantee the traceability of stock movement and report to the stock owner on the same.

To support this, systems must be implemented to release stock, deliver items safely and document all stock requests processed by the warehouse team.

2.9.1 Prior to releasing stock from the warehouse:

Stock release must be authorised by the stock owner.

Generally, **Requisition forms** are used as stock request forms to document approval of the stock release, by ticking the “request for stock issue” box. Where this option is not available, a separate stock release form should be developed.

The **stock request form** should be filled out by the requestor, reviewed by the requestor's supervisor and approved by the stock owner. The warehouse team should also sign the stock request to signify their acceptance of the order preparation task. The warehouse team is responsible for keeping the approved stock request forms on file and must be able to give access to the records during an audit.

A **packing list** must be raised and communicated to both the requestor and the consignee of the stock (if different). It must provide a breakdown of the consignment per packaging unit (box, sack, barrel, etc), with the weights and dimensions of each container included in the consignment.

The packing list must be prepared by the warehouse staff in charge of order preparation and reviewed by the warehouse manager before the consignment leaves the warehouse. A separate packing list must be issued for each order. Several orders can be loaded onto the same vehicle, so the driver of a vehicle might be given several packing lists.

Within the Movement, waybills are often used as packing lists, in which case there is no need to include a separate packing list.

	Requisition (stock request form)		Packing list		Waybill
Prepared by	Requestor		Warehouse staff (storekeeper)		Warehouse staff (dispatcher)
Authorised by	Stock owner (budget holder)		Warehouse manager		Warehouse manager
Received by	Warehouse staff		Transporter Consignee		Transporter Consignee
Signatory	Warehouse staff		Storekeeper Warehouse manager		Warehouse manager Transporter Consignee
Contents	Details of items requested and quantity (use item codes if possible)		Detailed contents per packaging unit (box, container, pallet...)		Total number of packaging units per consignment
	Requested delivery date and place		Weight and volume per packaging unit		Total weight and volume
Reference to	Programme code (budget, activity)		Requisition(s) #		Sender and consignee details
Copies	Requestor Warehouse		Warehouse Receiver		Transporter details
					Packing list(s) #
					Warehouse (x2) Receiver Transporter

Remember to use CTN reference whenever available!

2.9.2 How to prepare a consignment

The careful preparation of a consignment will avoid losses, claims and discrepancies, and mitigate the risks involved in delivering it to its consignee.

Step-by-step order preparation

- Pick the items to be shipped and move them to the dispatch area.
- Group items into containers or onto pallets (having checked container size requirements with the consignee). Remember to keep empty boxes/containers/pallets in the warehouse for re-packaging where required.
- Split the consignment by item type – refer to the list of requirements for each item and document any dangerous goods as required.
- Count the total number of containers in the entire consignment.
- Print labels for each container, ensuring a CTN is noted on the label if applicable.
- Safely close all containers, shrink-wrap and strap pallets.
- Stick labels to containers/pallets.
- Weigh and measure containers individually.
- Report consignment details on a packing list.
- Obtain packing list sign-off.
- Raise waybill for the consignee.
- Arrange or order transport services.

- Prepare vehicle loading plan as per agreed vehicle specifications (including box list).
- Load vehicle (ticking off boxes/pallets on the list as they are loaded) and hand documentation to the driver.
- Share the packing list, waybill and driver contact details with consignee to inform them of incoming shipment.

For details on shipping goods, see Chapter 3.

2.10 Stock takes and reconciliation

Inventories (stock takes) are helpful to:

- Know what is in stock, by quantity, value and quality
- Agree corrective actions in case of discrepancies or poor quality of stock
- Update reporting tools

Stock takes should follow two separate patterns:

2.10.1 Cycle counting

It is good practice to have five per cent of stock, or a minimum of ten stock cards, checked each monthly.

This process should be led by the warehouse manager or team, with a **stock spot check report** prepared and shared with the Finance team member in charge of stock and balances, and with the stock owner.

All differences must be recorded on the stock spot check report and investigated and explained within one month or before the next stock spot check takes place. This should be done by the warehouse manager, under the supervision of the Logistics delegate.

All boxes/pallets that are counted can be sealed and strapped after the Finance and programme business partner have accepted the spot check, so they don't need to be counted again during the 100 per cent stock takes.

Cycle counting can also be done on a predetermined cyclical schedule. Effective cycle counting requires the counting of a pre-set number of items every workday and should result in the counting of all warehouse stock twice a month (refer to the below section on cycle counting procedure).

Cycle counting procedure

The number of stock cards determines the frequency of the cycle count.

To calculate the number of items to be counted daily in order to permit a complete count of all warehouse stock twice during the month, multiply the number of stock cards by two and divide the result by the number of workdays in the month.

For example:

30 stock cards in warehouse: $30 \times 2 = 60$

20 workdays in month: $60/20 = 3$

In this example, the items listed on three stock cards are to be counted each day.

A schedule for conducting cycle counts is then established and integrated into the daily or weekly routine. Bin cards, stock cards and the documents certifying receipt or dispatch (waybills, GRN) of the supplies being controlled are verified.

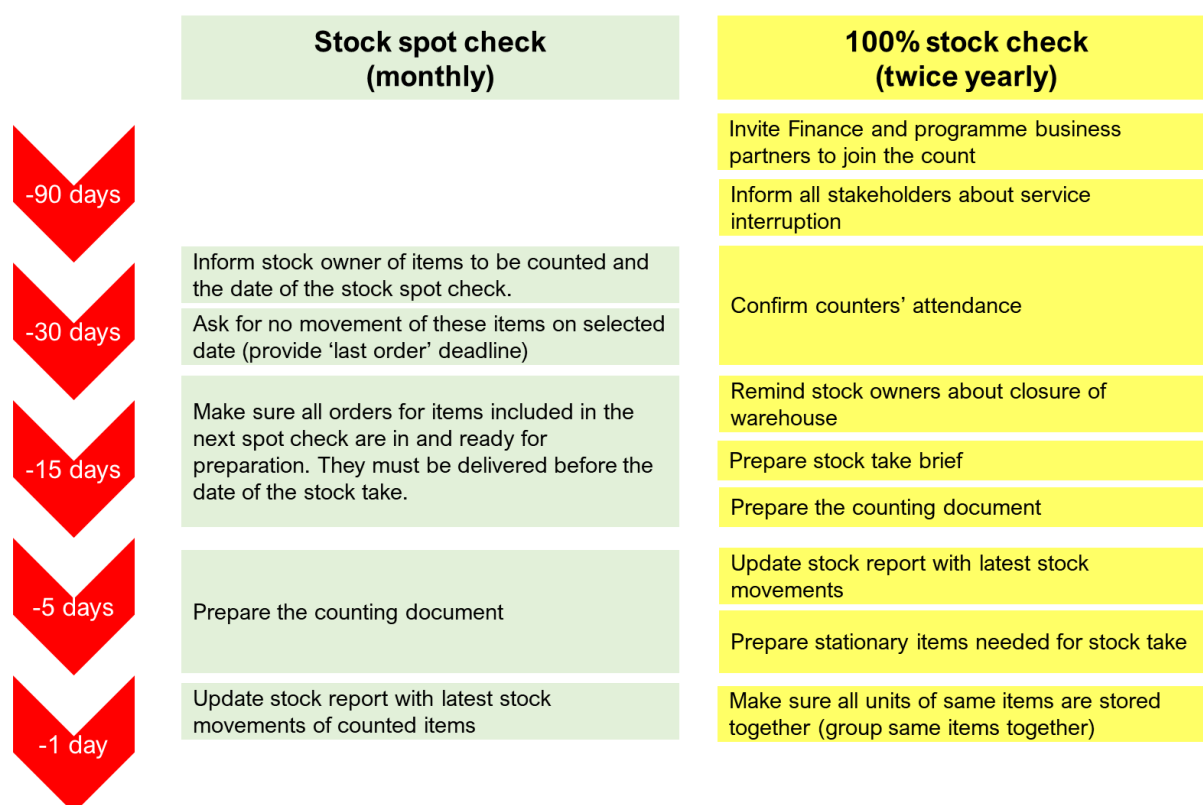
The latest global stock report is crosschecked for conformity against the stock cards. A physical count is performed for the selected items and crosschecked with the stock cards and bin cards. When variances are found, the cause (e.g., count error, recording error, unrecorded dispatch, theft) is identified and appropriate corrective actions are taken.

2.10.2 100% stock audit

It is mandatory to conduct at least one 100 per cent stock take each year, though it is good practice to conduct two 100 per cent stock takes per calendar year.

All counted quantities should be reported on a **stock take report**, with all discrepancies recorded and investigated, and the report approved by relevant authority (usually Head of Logistics or Head of Delegation) and shared with all stock owners and the head of Logistics or delegation within one month of the stock take.

Before a stock take



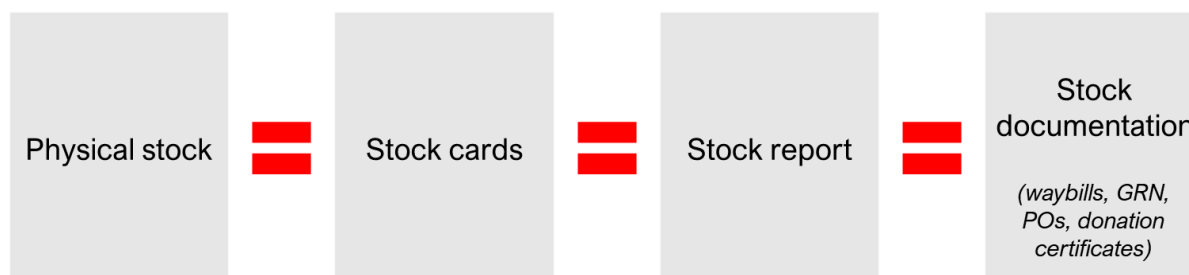
During a stock take

Stock spot check (monthly)	100% stock check (twice yearly)
Locate items to be counted	Make sure no order preparation is pending. If necessary, update the stock reports with latest stock movements.
Record a physical count on the stock take sheet (theoretical stock should not be included).	Brief counters on their role and allocate counting responsibilities.
Mark all counted boxes (colour code or date-stamp).	Distribute counting sheets. Theoretical stock should not be visible on the stock take sheet, and blank lines should be added to record additional items if needed
Reconcile physical count with stock cards, highlighting and investigating discrepancies (use GRNs, donation certificates, waybills and stock requests in archive).	Make sure counters open every box they have been asked to count, unless a box's content has been counted during a stock spot check.
Fill out a stock spot check report and submit to the warehouse manager and stock owner.	Make sure all counting sheets are handed to the warehouse manager and signed off by counters.

After a stock take

	Stock spot check (monthly)	100% stock check (twice yearly)
Same day	Record physical count on stock card (report in red or other identifiable format)	
Within 1 week	Update the stock report with confirmed physical quantities Seal and strap counted boxes/pallets Agree required corrective actions and record in stock spot check report File stock spot check report	Reconcile physical count with stock cards, highlighting and investigating discrepancies (use GRNs, waybills and archived stock requests to investigate) Agree required corrective actions and record in stock take report Prepare stock take report, submit to Head of Logistics and stock owners File stock take report
Within 2 weeks		

Note: Stock audits can be conducted by internal or external auditors, outside of scheduled stock takes. The warehouse manager will have to produce the necessary documents to conduct a four-way match between physical stock, stock cards, stock report and GRN/waybill/donation certificates/PO.



2.10.3 Stock reporting

2.10.3.1 The stock report

The summary of all stock cards is the **stock report** or stock movement report, which is used for reporting and overall stock management.

The stock report should be in a simple format, capturing the opening balance, quantities received (split between purchases and donations) or issued (split between requests, losses, donations or disposal), and closing balance for each item in stock.

Stock reports are usually updated on a monthly basis and shared with stock owners as a snapshot of the available quantities in the warehouse, though Finance and UKO-based Logistics coordinators may also request to receive them. In emergency operations, this report can be required to be shared on a weekly or a daily basis.

In addition to the above, the periodic stock report should ideally highlight:

- The 20 per cent fastest-moving goods in the warehouse.
- The 20 per cent slowest-moving goods in the warehouse.
- Where items are perishable, those quantities expiring within the next six and three months must be highlighted and actions to avoid wastage agreed.

2.10.3.2 Annexes to the stock report

- The **monthly warehouse checklist** must be completed and attached to the stock report.
- Quarantined items must either be reported against separately or visually identifiable in the report, with the reason for placing the items in quarantine clearly. Items held in quarantine and cleared to be returned to “normal” stock must also be tracked on the report.
- A **warehouse dashboard** can be put together and shared with stock owners and other clients to give a measure of the activity level in the warehouse and inform of any upcoming changes (such as deep cleans, training events or stock counts).
- The value of any stock donations (received or issued) must be known by the warehouse team and included in the report for Finance to record. If requested, **donation certificates** must be produced.

- Ideally, the total value of stock losses (due to expiry, theft or damage) must be known and included in the report for finance to record. If requested, **disposal or loss certificates** must be produced.

Always consult with the stock owner to be informed of any specific donor requirements. Donors will usually want to know the value and content of the stock balance at the end of a project they fund.

2.11 Disposing of and writing off stock

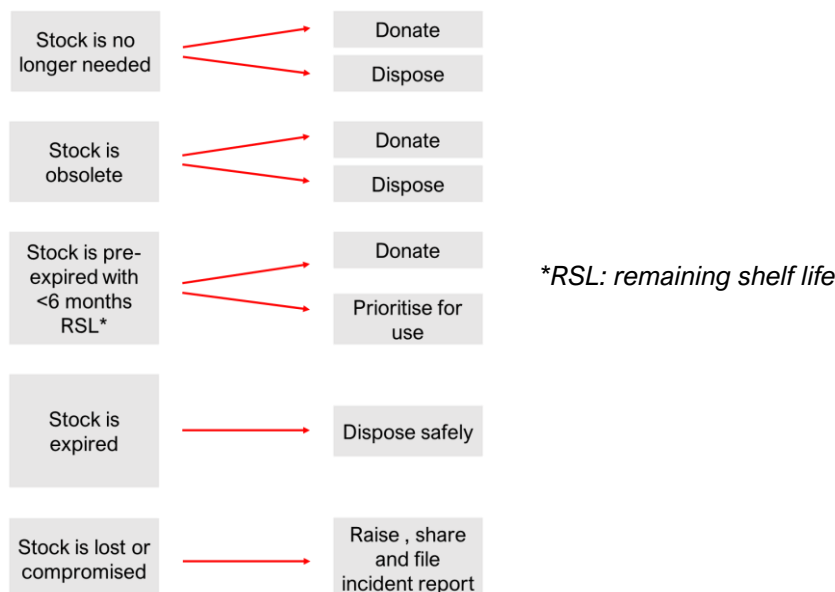
Stock that is not used by its owner should be donated or disposed of, depending on the context and on the quality of the items. In either case, the stock movement must be recorded like any other, and the value of stock transferred must come off the inventory. Stocks owned by the BRC are written off, i.e. taken off the Logistics balance sheet.

The BRC has determined the following priority order, through which asset/inventory disposal must be executed:

1. Donation to HNS
2. Donation to RC/RC Movement
3. Donation to local partner
4. Donation to another humanitarian actor
5. Sale
6. Destruction

Donation to staff is strictly prohibited, though staff/volunteers are permitted to bid on items which are on sale.

There are various reasons to write stock off:



2.11.1 Donating stock

Before donating stock, make sure that:

The prospective receiver wants the items

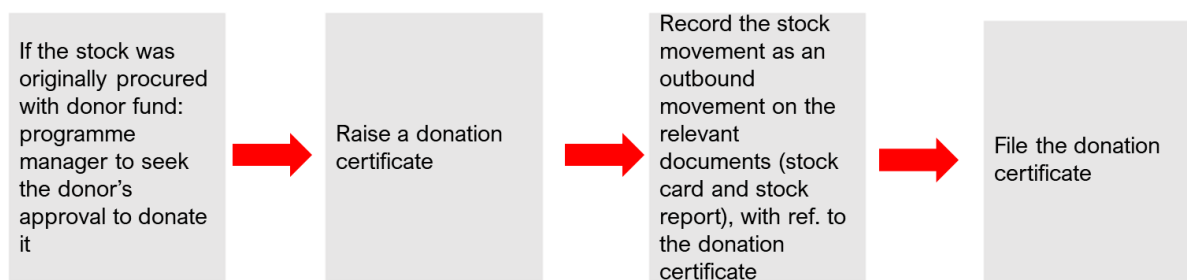
→ ask: “Do you want the items?”

The prospective receiver can safely use the items

→ ask: “Can you provide guarantees that you have the means to use and control the items safely?”

A donation can be made to a partner organisation or to a separate project within the same organisation, though it is then more of a transfer.

In all cases, the process to follow is the same:



The donation certificate:

- Must include at least an estimate of the total value of the donated items.
- Must be approved as per the approval matrix: the higher the value of the items donated, the more senior the approver – follow guidance in Section 4.6.1 in Chapter 4.
- Must be signed by the stock owner (programme manager) and the receiving organisation/partner.

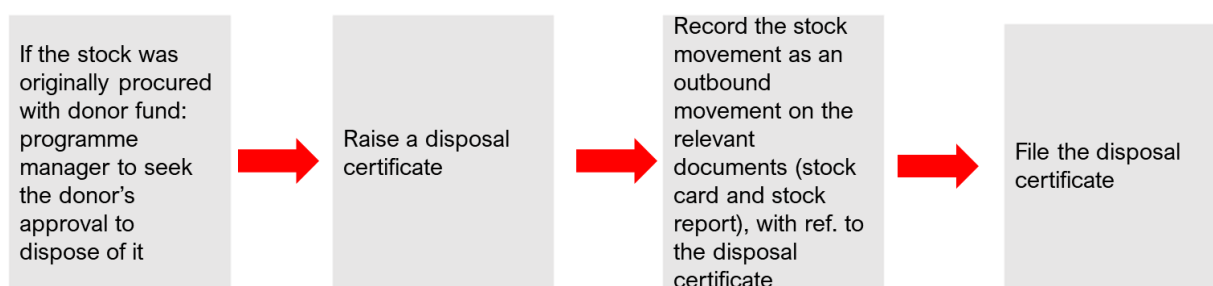
Finance must be informed of the value of the donated/transferred stock so they can reallocate the values accordingly. Ideally, the total value of donated stock must be communicated to Finance on at least a yearly basis, through a **donation report**.

When receiving donated stock, the donating partner or programme must raise the donation certificate, and the receiver of the donation must record the quantity as an inbound stock movement. The total value of received stock must be reported on a similar basis as the donated stock. See **stock donation tracker** format. The format must be used for recording asset and stock donations – see Chapter 4 for more details on asset donations.

2.11.2 Disposing of stock

Disposing of stock means destroying it and should be a last resort. Where stock is disposed of, this must be done in a safe and legally compliant way.

The process to follow is:



The disposal certificate must:

- Include at least an estimate of the total value of the disposed items.
- be approved as per the approval matrix: the higher the value of the items disposed of, the more senior the approver – follow guidance in Section 4.6.1 in Chapter 4.
- Be signed by the stock owner (programme manager) and the receiving organisation/partner.

Finance must be informed of the value of the disposed stocks, so they can write its value off accordingly. Ideally, the total value of disposed stock must be communicated to finance on at least a yearly basis at least, as part of the yearly reports.

When disposing of food items, medical supplies, dangerous goods or chemicals, it is recommended to liaise with the appropriate local authorities to understand the rules that apply. Where destruction is required, it must be documented by a **destruction certificate**, signed by the NS disposing of the stock and the authority overseeing the destruction. Note that authorities usually charge a fee for destruction.

If stock is returned to the UK damaged or if items in stock in the UK or in any of the global IFRC warehouses expire (e.g., water purification drops, first aid kit), they must be written off in a **stock write-off form**, in which the Logistics Officer must justify the reasons for the write-off and propose options for dealing with the stock which could include:

- Destroying the items.
- Donating items (e.g., to shops or UK operations). If items or equipment are in good condition and have resale potential, contact the eBay manager in retail who will consider them for posting on eBay. Email: ebayretailsales@redcross.org. Address: British Red Cross, eBay, Unit 2D, Road Three, Industrial Estate, Winsford, Cheshire CW7 3GE.
- Recycling or disposing items. Radios, satellite phones and electronics need to be disposed of properly and the TA should contact IT or a supplier to dispose of items properly.

The Logistics Officer documents different options, stating the preferred option in the recommendation section and gets this signed off by the Head of Logistics.

When the form is signed, the Logistics Officer gets this agreed/written off by Finance and actions the agreed outcome.

Note: Additional funds will need to be requested for higher value asset write-offs, as they are deducted from logistics management's budget.

2.11.3 Recording a stock loss or theft

An **incident report** must be completed when stock is stolen or lost to damage, destruction or bad management, where the total value of the loss is above £100.

The incident report must be raised by the warehouse staff in charge of the stock, with proposed follow-up actions reviewed by the Logistics delegate and approved by the Logistics coordinator. The incident report must specify the estimated value of the total loss.

Where the incident report is raised to report on stocks held in UKO, Bulwick or in the IFRC's RLUs, the incident report must be prepared by the Logistics Officer, reviewed by the Logistics

Manager and approved by Head of Logistics and international Finance. See **SOPs** for more details on these procedures.

The quantities declared as lost must be reported on the stock card and report, with reference to the incident report.

2.12 Health and safety in the warehouse

In a warehouse there is the potential for serious incidents or accidents to occur.

Every effort should be made to reduce the risk of accidents:

Equipment	• All equipment (e.g., trolleys, sack trucks and hand-operated pallet trucks) should be carefully and regularly maintained. Specialised equipment must only be used by trained, authorised employees (some equipment may require load testing to ensure they are fit to use). • Access in areas where forklift trucks are used should be restricted to prevent people being hit during loading and unloading activities.
Storage	• Racking and shelving should be regularly checked. • Shelving with collapsing stacks should be immediately restacked. • Shelving and racking should be firmly secured to the floor or to the building – if this is not possible, keep racking to only two levels.
Facilities	• Toilet facilities and welfare areas should be provided, so that breaks can be taken away from the main warehouse.
Personal safety	• Staff must be issued with protective clothing where required (based on an assessment of risk) – specifically, boots and gloves for handling heavy and bulky goods. These must be kept clean and regularly inspected to ensure they are fit for purpose and replaced when they are not. A record of PPE equipment must be kept on site. • Ensure all staff are aware of hazards and are fully trained in safe working techniques, including manual handling techniques. • First aid kits should be available and regularly checked, and one or more permanent warehouse staff should be trained in basic first aid.
Hazards	• All hazardous materials like oils, lubricants and fuels should be assessed so the correct action can be taken if staff are exposed to a spillage. All materials will have a safety data sheet which provides this detail and is available from the manufacturer. Safety data sheet are supplied for all the materials deployed in the ERU modules. • Immediately clean up spilt goods, especially oils, lubricants and fuels, as this will reduce the risk of slips and falls, as well as the risk of fire. • Expired goods and food items no longer fit for human consumption must be correctly disposed of immediately. Check with local health authorities to determine whether they can be used as animal feed or for the appropriate disposal method: incineration or burial. • Smoking is prohibited in the warehouse and adjoining compound. • Cooking and open fires should be restricted to designated areas in the compound – never inside the warehouse. • Damaged pallets should either be repaired or discarded.

2.12.1 Guidelines for the manual handling of heavy loads

- Assess the weight of the item and ask for help if it is too heavy for you to lift safely.
- Clear a path and know where you are going.
- Lift with your legs and knees.
- Hold the object close to your body with your feet a shoulder-width apart.
- Keep your eyes up and your back straight. Avoid twisting, as this places extra strain on the back.

When undertaking a site risk assessment, contact the local Health and Safety focal point. This will usually be the IFRC in multilateral operations, but it can also be coordinated by the ICRC or the HNS. For warehouses in the UK, the focal contact person is the Health and Safety adviser, who must inspect all buildings used and rented by the BRC.

2.12.2 Fire safety in the warehouse

Warehouse staff must be trained as fire wardens – see the safety training pathway (Section 2.10.4).

For UK warehouse-staff, contact the health and safety team (Health&Safety@redcross.org.uk) to receive fire warden training (a three-hour, face-to-face course).

Fire safety in the warehouse

- Fire safety procedures should include clearly marked fire exits and escape routes marked with the sign used in the country of operation.
- A fire assembly point must be clearly identified.
- The fire safety procedure instructions must be clearly posted around the warehouse and all staff (including National Society volunteers) must be trained on what to do in the event of a fire. The information should be represented in pictures or in the local language as well as in English.
- Fire safety equipment must be present in all warehouses, and a maintenance plan must be in place for each type of equipment. The equipment must be checked by staff on a weekly basis.
- All inflammable materials like oils, lubricants and fuels should be stored together and away from the fire escape routes. This should ideally be outside in a covered and caged area, so that in the event of a fire these items can be extinguished without risk to the main warehouse stock.
- Any fire alarms and smoke detectors must be regularly tested – ideally weekly.
- A fire evacuation drill must be conducted once per rotation of International staff.
- Where possible, it is advisable to liaise with the local fire brigade, to make them aware of the Red Cross activities in the warehouse.

Types of Fire Extinguishers

Symbols found on fire extinguishers & what they mean

					
	Water	Foam spray	ABC powder	Carbon dioxide	Wet chemical
Wood, paper & textiles 	✓	✓	✓	✗	✓
Flammable liquids 	✗	✓	✓	✓	✗
Flammable gases 	✗	✗	✓	✗	✗
Electrical contact 	✗	✗	✓	✓	✗
Cooking oils & fats 	✗	✗	✗	✗	✓

The fire extinguishers in the ERU modules sent by the British Red Cross are red, with their type identified by a coloured band:

- Red for water
- Cream for foam
- Blue for dry powder
- Black for carbon dioxide

Wet chemical extinguishers are not provided – fire blankets are available for cooking areas.

Examples of useful fire signage



2.12.3 Managing dangerous goods

See Section 2.6.3.5 for details on handling dangerous goods.

There are different regulations in place for different modes of transport and in every country.

Ultimately, for all modes of transport – sea, air, rail, road and inland waterways – the United Nations Committee of Experts on the Transport of Dangerous Goods and other organisations, which includes the International Air Transport Association, have assigned dangerous or hazardous substances one of nine classes, in order to help make the transportation of dangerous goods as safe as possible.

Note that the number of the class of dangerous goods does not indicate the degree of danger.



1. **Explosives:** capable of producing hazardous amounts of heat, light, sound, gas or smoke.
2. **Gases:** includes compressed gases, liquefied gases, dissolved gases, refrigerated liquefied gases and aerosols. Gases are dangerous both because they pose a risk as potential asphyxiants and because of their flammability.
3. **Flammable liquids:** volatile and can give off a flammable vapour.
4. **Flammable solids:** highly combustible and can cause fire through friction.
5. **Oxidising substances:** classified as dangerous goods because, although not necessarily combustible themselves, they can contribute to the combustion of other hazardous substances.
6. **Toxic and infections substances:** can cause serious injury or death to humans if swallowed, inhaled or by contact with skin. Infectious substances are classified for containing pathogens, including bacteria, viruses, parasites or other agents that can cause disease in humans or animals upon contact.
7. **Radioactive materials:** any substance which contains atoms that are subject to radioactive decay.
8. **Corrosives:** react chemically to damage or destroy material, including living tissue, upon contact.
9. **Miscellaneous:** present a danger not covered by other classes. This class includes environmentally hazardous substances, elevated temperature substances and GMOs or GMOs.

Dangerous goods require specific documentation and handling methods: packing, moving and transporting them is highly regulated and should be overseen by a third-party service provider.

2.12.4 Safety training pathway

The BRC employs a full-time Health and Safety advisor to facilitate a variety of training, most of which is bespoke. Below is a list of the most common training delivered, most of which can be delivered remotely. The Health and Safety team are working on collating a standard catalogue of the available training; in the meantime, feel free to contact them directly.

The below training courses address safety from an occupational safety perspective and not from a personal security perspective, which is addressed in the HEAT courses developed and managed by the security team based in UKO. The below falls under the delegate refresher requirement and must be refreshed every two years.

	Content	Target audience
Driver safety training	Vehicle, traffic and driver safety awareness training	All drivers of RC vehicles
General safety awareness training	Occupational health and safety (basics)	All staff with roles that involve the manual handling of goods
Risk assessment and management training	How to identify, mitigate and report risks	All managers of staff working in environments where manual handling takes place
Hazardous substances training	How to identify and manage hazardous substances	All staff with roles that involve the manual handling of potentially hazardous goods
Warehouse safety management training	Racking, shelving and handling goods	All warehouse staff
Environmental protection training	Managing the risks of warehouse activities on the environment	All warehouse staff

Chapter 3: Transport Management

Contents

3.1 What is covered in this chapter?	122
3.2 Types of movements: local and international	122
3.2.1 Primary distribution	122
3.2.2 Secondary distribution	123
3.2.3 Specifics of international movements	123
3.3 Modes of shipment	125
3.3.1 Road, air, rail, sea and animal	125
3.3.2 Choosing modes of transport and designing a strategy around it	125
3.4 Procuring for transport	127
3.5 Sourcing transport services	127
3.5.1 Selecting a transport service provider for the movement of people	128
3.5.2 Selecting a transport service provider for the movement of goods	128
3.5.3 Transport needs assessment	128
3.5.4 Sourcing process	129
3.5.5 Transport service provider evaluation and performance management	130
3.6 Sourcing clearing agents	131
3.6.1 Clearing agents	131
3.6.3 Selecting a clearing agent	131
3.6.4 Sourcing a clearing agent	132
3.6.5 Clearing agent evaluation and performance management	132
3.6.6 Working with clearing agents	133
3.7 Sourcing inspection services	134
3.8 Planning, tracking and reporting on transport	134
3.8.1 Preparing for reception	135
3.8.2 At the time of reception	136
3.8.3 Offloading trucks	136
3.8.4 Documenting the reception	137
3.8.5 After reception of the goods	138

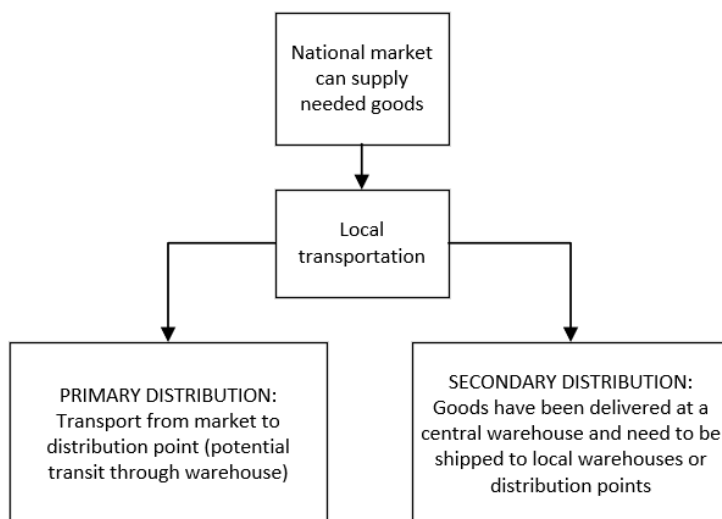
3.8.6 Preparing outbound shipments	138
3.8.7 Loading trucks.....	139
3.8.8 At the time of despatching	140
3.8.9 Documenting the consignment.....	141
3.8.10 After despatch.....	141
3.9 Shipping instructions.....	142
3.10 Special considerations.....	142
3.10.1 Cold chain shipments	142
3.10.2 Transporting dangerous goods	142
3.10.3 Drop-ships	143
3.10.4 Deliveries at point of usage.....	143
3.11 Safety, security and incident reports	143
3.11.1 Reporting incidents	144
3.11.2 Use of military transport means.....	144
3.11.3 Use of RC emblem on transport not owned by Red Cross	144
3.12 Transport documentation	146
3.12.1 The Air waybill.....	146
3.12.2 The Bill of Lading.....	150
3.12.3 The waybill.....	152
3.12.4 The CMR.....	152
3.13 Transport data analysis.....	153
3.13.1 Monitoring and reporting.....	153
3.13.2 Optimising transport management	154
3.14 Organising transport to/from UKO	155
3.14.1 Within UK and Republic of Ireland	155
3.14.2 Ireland and Northern Ireland.....	155
3.14.3 Rest of the world.....	156
3.14.4 Shipping details	156
3.14.5 Logistics Owned Vehicle	156
3.14.6 Taxi	156
3.15 Shipping out the ERU kit.....	156
3.16 Shipping RLU stocks	156

3.1 What is covered in this chapter?

Origin & destination	People & goods	Local & international
Air / Sea / Road / Rail / Other?		
How to select the best transport mode?		
How to contract transport services? How to monitor performance of transport services?		
Standard transport documentation		
Transport data analysis		

Elements on transport of people can be found in chapter 5 (Fleet).

3.2 Types of movements: local and international



Local transportation is often required in countries where the national market can supply goods for the purpose of the ongoing programmes, in which case transport is from market to distribution point, with potential transit through a local warehouse (also known as 'primary distribution').

Local transportation is also required when goods have been delivered in country at a central warehouse and need to be further distributed to smaller regional or local warehouses, or distribution points. Sometimes these delivery points are served by a

single transport movement; this is called 'secondary distribution'.

3.2.1 Primary distribution

Primary distribution is usually straightforward and can be organised either by the selling party or the buyer of the goods.

For fragile loads, refrigerated goods or controlled supplies (chemicals, drugs, etc) it is often better to leave the organisation of the transport to the seller, who will have a better understanding of the safety or regulatory requirements and a knowledgeable network of transporters.

For general supplies with no specific requirement, the buyer can organise transportation, either mobilising their own resources or outsourced fleet (rented trucks or chartered flights, for example).

3.2.2 Secondary distribution

Secondary distribution often requires more in-depth planning, to avoid wastage of time and resources.

Optimisation factors will include:

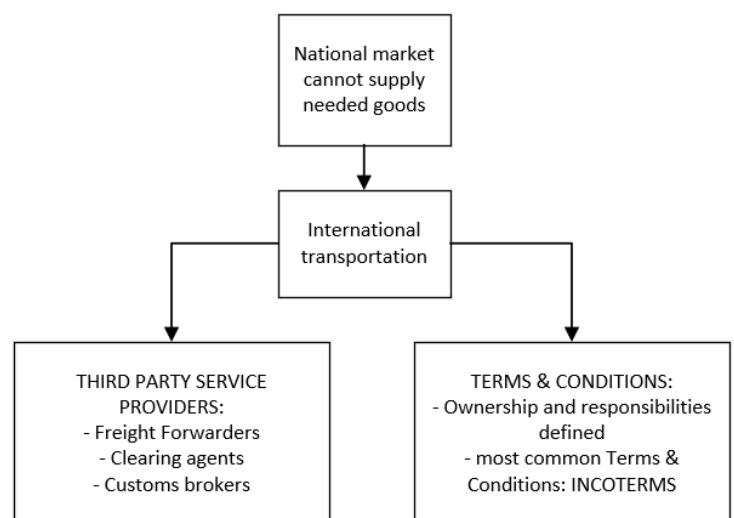
Route definition	Sequencing the deliveries in a way that minimises the use of fuel and lead times
Vehicle load	Load in order of distribution, to minimise offloading time
Local context	Considering labour laws and security rules (maximum number of hours worked, curfews)
Safety & security	Planning for safe overnight arrangements when the distribution route spans several days

3.2.3 Specifics of international movements

International movements involve transportation from the origin country to the destination country, via ports, roads, airports or train stations.

Moving goods internationally will require interventions of third parties such as customs officials, clearing agents who may be required to support the customs clearance process, and freight forwarders who may be needed in case the sending or receiving party cannot supply the necessary vehicles.

International shipments are usually arranged as part of the sourcing or contracting process under specific terms and conditions, commonly known as incoterms (“International Commerce Terms”, Procurement_23, Procurement_24).



Incoterms are defined by the International Chamber of Commerce (ICC) and are a series of pre-defined commercial terms that ensure sellers, shippers and buyers have a shared understanding of the commercial terms governing the commercial transactions they enter.

The agreed-upon incoterm will determine several conditions of the sale but most importantly, it will define who has responsibility (over costs and process) of:

- preparing the consignment for export (palletising, labelling, marking, wrapping, etc)
- carrying the consignment from seller to point of departure (port or airport)
- arranging and booking transportation services
- insuring the goods – up to which point will the goods be covered by the seller’s insurance and from which point will they be covered by the buyer’s insurance?

- loading the goods at point of departure and offloading at point of arrival
- clearing the goods through customs at point of arrival
- transporting the goods from point of arrival to point of delivery
- offloading at point of delivery
- defining when the ownership of the goods transfers from the supplier to the buyer
- clarification of who carries responsibility for payment of import duties, taxes, etc

Planning for all of the above and selecting the right incoterm will avoid surprises during the transportation of the goods.

For a list of the most up-to-date incoterms, see the ICC website: <https://iccwbo.org/resources-for-business/incoterms-rules/incoterms-rules-2010/> or templates Procurement_23 and Procurement_24.



Local and international transport

- Primary distribution vs. secondary distribution.
- If transporting items with special requirements, leave the organisation of the transport to the seller.
- International transport requires the intervention of third-party service providers.
- There are international conventions to define the terms and conditions applying to shipments – incoterms define ownership and responsibility in particular.

3.3 Modes of shipment

3.3.1 Road, air, rail, sea and animal

Below is a matrix to assist with the selection of the most appropriate mode of transport:

Ratings are from 1 to 5, where 1 is the strongest at the individual criterion.

	Speed	Reliability	Cost	Flexibility	Safety	Other
Air	1	1	4	4	1	Limited network Limited capacity in crises
Sea	4	4	1	3	3	Restricted network Long admin delays
Road	2	3	3	2	4	Extensive networks Sensitivity to network condition
Rail	3	2	2	5	2	Fixed networks, routes and schedules
Animal	Depends on distance	Depends on distance	Depends on distance	1	5	Contracting can be challenging Consider how to add RC visibility

3.3.2 Choosing modes of transport and designing a strategy around it

In both local and international transport operations, the objective should always be to optimise the utilisation of resources used. This is easier to achieve in large international shipments than in the local management of transport, where there are usually multiple delivery points and sizes can vary widely.

In general, the objectives will always be to maximise the load being moved and minimise distances travelled and loading/offloading time, at a total cost that delivers value for money (VfM). However, factors influencing the optimisation process vary from one type of transportation to another.

Factors to consider include:

- local labour regulations (e.g., legal working hours for drivers)
- local security regulations (e.g., legal driving hours, curfews, checkpoints)
- delivery point characteristics and access constraints
- vehicle and fleet characteristics: available vehicles and their total/individual capacity
- environmental considerations
- available budget for transportation

The transport chosen will depend on multiple factors.

Accessibility - Security issues - Delivery timeline and other programme imperatives - Transport infrastructure available, from origin to delivery point - Export/import customs regulations - Access conditions	Cost factors - Distance and journey time - Weight and volume of goods - Funding available - Delivery schedule (especially in emergency) - Demand for transport (with limited supply, cost is likely to increase)
Donor compliance - Some donors will impose a maximum ratio of cost of transport to cost of items as a performance indicator - Some donors will not fund air transportation – transport must then be arranged earlier	Others - Dangerous goods require special transport methods or bring constraints (air freight regulations) - Certain items require refrigeration in transit - Cross-border transport may impose restrictions on vehicle/driver based on nationality

Modes of shipment

- Options include air, road, sea, rail and animal.
- Always try to use the mode of shipment that optimises the utilisation of available resources (time, budget, vehicles and manpower).
- Consider the local context: labour law, security, traffic, environment and infrastructure.

3.4 Procuring for transport

Organisations often do not have the means to fulfil transportation requirements internally. The appropriate fleet might not be available, or the right skills may be difficult to source; knowledge of the local market, infrastructure or legal framework may also be scarce.

When transport requirements cannot be fulfilled with internal resources, they must be outsourced to professional companies. Transport service providers must be selected carefully, as they will be handling goods and materials owned by the organisation and, in most cases, distributing them to beneficiaries.

Be aware that in the context of crises or an increased humanitarian response, it might be difficult to source those services as competition for them increases. In those situations, it is recommended that organisations share the available resources by liaising with other RCM partners to identify efficiency gains through sharing fleet.

Where operational, the Logistics Cluster (<https://logcluster.org/>) can organise shared transport services on standard routes. Local/national authority coordination resources (such as the National Disaster Management Office) may also support resource-sharing where the Logistics Cluster is not mobilised.

3.5 Sourcing transport services

The supply chain strategy for a programme may include the procurement of vehicles to transport people and goods. Where this is not included, renting/leasing vehicles (and possibly drivers) will need to be considered.

In some contexts, a single service provider will be able to provide transport services for both goods and people, but in most cases two separate suppliers will have to be identified.

3.5.1 Selecting a transport service provider for the movement of people

For selecting a transport service provider for the movement of people, refer to section 5.2.4 of the Manual.

3.5.2 Selecting a transport service provider for the movement of goods

Below are a set of criteria that should be considered when sourcing a transporter. Note that these criteria are particularly relevant in long-term agreements and less so where transport services are sourced ad hoc.

Owns or has access to a bonded warehouse to protect and control shipments in transit	Is licensed by the government to conduct customs clearance formalities and is up to date on changes in customs regulations	Offers a variety of services (freight booking, re-packaging, clearance, etc.)
Has influence in the transport market, with port authorities, etc.	Has an established reputation ; has been in business for a number of years	Has a proven record of reliability, accuracy, timeliness , as verified by customer references
Has experience working with humanitarian actors	Owns fleet for inland transport and has access to specialized vehicles when needed	Has trained, competent, experienced and trustworthy staff

Other criteria include:

- prior commercial contracts that do not, or are not perceived to, pose a reputational risk
- the ability to hire temporary manpower
- loading/offloading arrangements and costs
- the existence of country-wide presence with strategically placed offices and staff
- the availability of safe space for vehicles to park overnight
- the ability to provide insurance against loss or theft
- the use of technology, such as tracking devices

3.5.3 Transport needs assessment

Before going to market to source transport providers, it is recommended that you complete a needs assessment and to capture its result in the issued sourcing document (RFQ, tender or EOI – see section 1.6 for details on sourcing process). The needs assessment should detail the below requirements at minimum.

Nature of the goods to be moved	Any specific constraints relating to the type of goods
Expected delivery timeline and frequency	Expected delivery points
Cost coverage (fuel, maintenance, insurance, tolls, loading, driver per diem, etc)	Compliance with RC code of conduct
Cross-border requirements if applicable	Weight and volume of goods to be transported

Assessing the local transport services' market may include pre-qualification of service providers available. This will involve identifying as many potential suppliers as possible and asking them a series of questions to assess their suitability.

This exercise will shortlist suppliers and gather basic information about them, such as fleet size, existing networks, previous experience, basic rates and registration information.

Depending on the expected volume of expenditure, an RFQ or RFP can then be sent to these pre-qualified suppliers with the details of the services needed, (or mini-competitions can be launched in the UK, via the e-sourcing system currently in development – contact the Logistics team for more on the e-sourcing system).

3.5.4 Sourcing process

The sourcing document should clearly reflect the findings of the needs assessments and set out the selection criteria. For details on the recommended procurement processes, refer to sections 1.5 and 1.6 of the Manual.

Prior to the award of the contract, it is recommended to have face-to-face interviews with the successful supplier to review contractual terms such as:

- expected turnaround times (and any seasonal variations on this)
- cost per trip per load (if the routes are unlikely to change)
- contact focal points
- validity of quoted rates
- contract length
- payment terms
- penalties when agreed service standard is not reached

Remember to select the right costing options for your needs – you can request a quotation per day, per type of vehicle, per ton or per route.

Different requirements will result in different types of contract – below is some guidance on which type of contract to use in specific conditions (Note: This guidance is generic and context-

specific details can lead to different decisions). A **template transport contract** is available in annex to the Procurement chapter (Procurement 31_Transport contract template).

Contract type	Details	Use when
Task-specific (“one-off”)	Quote based on set quantities, set schedule, set origin, set destination, limited timeframe	Needs are specific and limited in time and quantity There is a pre-defined budget for the service There is a single expression of needs (one requisition)
Open contract	Quote per vehicle type and per period (day, week, month) or per route	Long term projects with regular routes and needs Transport services market is stable and services can be scaled up and down There are multiple requestors for transport services

3.5.5 Transport service provider evaluation and performance management

It is important to agree evaluation criteria for the service provider’s performance monitoring, so the service provider has an opportunity to improve their performance across the duration of the contract.

It is good practice to hold quarterly meetings with regular service providers to review performance against set key performance indicators (KPIs). This requires careful recording of performance data on all shipments carried out by the service provider, a task that must be appropriately resourced internally.

Appropriate points of analysis and performance to evaluate transport service providers may include the below data points.

Total volume transported (weight, volume, value)	%age of shipments received on time in full (OTIF) per contractual schedules and damage definition
Number of claims raised, total value of claimed damages	%age of properly documented services (returned signed waybills etc.)
Variations from contractual rates	Total spend to date against total value of contract (“burn-rate”)
Options to extend the value or duration of the contract	Actual availability of resources against contractually agreed availability (drivers, loaders, vehicles...)

Transport service providers can also be contracted for single operations, whether they involve a single transportation or multiple pick-ups and deliveries. In that case, the right selection and procurement processes must be followed for the estimated cost of the operation and the contract terms will slightly differ, as the costs and services will be pre-agreed. Penalties should still be agreed, but where the services required are to be completed over a short period of time (less than three months), the supplier performance review is limited.

Procuring transport services

- When internal resources (vehicles, context knowledge, skills, etc) are insufficient, transport services need to be outsourced.
- Make joint use of available resources.
- Make sure the needs for transport services are clear before starting procurement.
- Pre-qualify several service providers so you have a variety of known suppliers available.
- Follow the right procurement process based on the estimated total spend.
- Manage the performance of the service provider and enforce penalties where relevant.

3.6 Sourcing clearing agents

3.6.1 Clearing agents

Clearing agents can offer similar services to freight forwarders – they occasionally offer transport services from the point of entry into the destination country to the final delivery place. However, their ‘core’ service offer is the clearance of goods through the destination country’s customs.

Clearing agents can be a valuable source of information in helping to anticipate issues that may arise during the customs clearance process.

In some countries, the government will impose a mandatory clearing agent; some shippers (senders/sellers) will offer services from a partner clearing agent in their quote, and some consignees (receivers) may recommend a partner clearing agent. Where clearing agents are recommended, it is usually good practice to use them rather than sourcing alternative agents. Where there are no suggested clearing agents, these must be sourced through a procurement process.

3.6.3 Selecting a clearing agent

The process and selection criteria are like those used when selecting a freight forwarder, with some more specific criteria to consider (that should have been identified in the transport needs assessment).

For example, the capacity of the customs agent to provide access to the goods for the consignee before they are cleared can be critical for some shipments. This would therefore be included in an RFQ, EOI or tender (see section 1.6), which must be published so that agents can come forward with their offers.

Below are some key requirements that should be included in the RFQ/EOI/tender document.

Is licensed by the government	Can handle road, air, sea shipments
Can provide details of procedures to follow for all types of goods ahead of shipment	Has offices located close to the entry points (port, airport, etc.)
Has access to a network of (bonded) warehouse	Can guarantee delivery to final destination
Have experience working with the humanitarian sector	Works with a network of licensed agents
Can share details of customers to provide references	Can share details of their client portfolio - contracting a clearing agent who will prioritise more important customers could be a critical risk to the delivery of supplies

3.6.4 Sourcing a clearing agent

The sourcing document should also specify the criteria that will be used to evaluate the offer, some of which should be based on the above list. As a result of responses to the above requirements, you may want to contract multiple clearing agents (one for air shipments and one for sea shipments, for example) based on their capacity, the existing market and your needs. You can also choose not to have contracts in place but a list of pre-qualified, pre-vetted agents, who would provide you with quotes on a shipment-by-shipment basis.

Note that the clearing agent's fees structure is typically quite complex, and includes the following:



Remember to ask your clearing agent to provide the breakdown of the costs they forward to you in their invoices. Demurrage costs in particular should be clearly explained ahead of the clearing process.

3.6.5 Clearing agent evaluation and performance management

It is important to agree evaluation criteria for the clearing agent's performance monitoring in the contract (or as an annex to the contract if they are linked to penalty fees). That way, the clearing agent will have a clear understanding of their client's expectations and they are given an opportunity to improve their performance through the duration of the contract.

It is good practice to hold quarterly meetings, with regular reviews of performance against the KPIs that have been set. This requires a careful recording of performance data on all shipments carried out by the service provider, a task that must be appropriately resourced internally.

Appropriate KPIs to review clearing agents' performance may include:

Average time taken to clear goods through customs (per mode of shipment), compared to contractually agreed time	Invoiced costs compared to quoted costs
Number of claims raised for losses or damages in transport and total value of claimed damage	A review of cases where the process that was initially suggested had to be revised due to a lack of understanding of the specifics of the cargo
Demurrage costs incurred	

Demurrage costs are charged by port or airport authorities when shipments stay on their premises beyond an agreed number of days. They can add up very quickly as they are usually formulated per container or per pallet and incurred daily. They can be avoided through pre-defined agreements or preferential arrangements between clearing agents and port/airport authorities. They should be paid by the party responsible for the delay, but they are extremely difficult to waive once incurred.

3.6.6 Working with clearing agents

To process a shipment through customs, the sender or receiver of the goods (depending on the incoterm in place) will generally have to submit the shipping documents to the clearing agent in advance of the arrival of the cargo. The type of documents understood by “shipping documents” will vary from shipment to shipment but will almost always include:

Document	Function	Provided by
Commercial or pro-forma invoice	Declare total value of goods to be cleared	Seller
Packing list	Provide physical details of consignment and detailed contents	Shipper if sold EXW Seller if sold on any other incoterm
Donation or gift certificate (if relevant)	Declare 0-value of goods to be cleared and allocate ownership of goods to consignee	Shipper
Certificate of origin	Declare origin of goods	Manufacturer / seller
Certificate of analysis	Provide quality assurance certificate	Manufacturer / seller
Good Manufacturing Practices certificate (GMP)	Provide quality assurance certificate	Manufacturer / seller
Draft and final shipping title	Provide quality assurance certificate	Shipper if sold EXW Seller if sold on any other incoterm

Note: a gift certificate template is available in annex to the Manual.

Some types of goods (vehicles, drugs, food items, electronic devices) are subject to stricter importation rules. Your clearing agent should clearly lay out the required documents for you

for each shipment you intend to have cleared through them. Delays and additional costs incurred because of bad advice from your clearing agent should be recovered from them.

Procuring clearing services

- Clearing agents assist in getting items through customs after they arrive in country.
- Managing a clearing agents requires strong relationship management skills.
- Make sure the agent is able to explain the import process clearly.
- Make sure the agent's fee structure is clearly explained.
- You may chose to contract several clearing agents.
- Governments can appoint a mandatory clearing agent.
- Manage the performance of the clearing agent.

3.7 Sourcing inspection services

Some donors, destination countries and governmental bodies require that goods are inspected when they arrive in country, to ensure they have not been damaged in transit and that the goods entering the country match the customs declaration (shipping documents) and respect the quality standards imposed by the country.

There is a limited number of companies that provide inspection services and their rates are usually based on their local branches' fees, transport fees and laboratories' fees. These rates will often lack transparency and are hard to pass on to donors if they have not been pre-agreed in an approved budget, so it is important to include an assessment of the needs for inspection services in the review of the project design phase (see IQM guidance documents for more details on this). SGS and Intertek are the two major inspection service providers in the world.

Wherever possible, ensure that the inspection process is managed by either the selling or the shipping party, as they will manage the relationship with the service provider more effectively.

Inspection controls can also be required at departure. They are usually best managed by the selling party, but this is not always permitted, and donors or governments may have appointed independent inspection agents to sample and test some shipments.

3.8 Planning, tracking and reporting on transport

Note: In the following sections, vehicles can be cars, trucks, planes, or ships. Where variations from the process occur, they are detailed at each step.

When planning inbound movements of freight (i.e. receiving a consignment):

3.8.1 Preparing for reception

The sender must always inform the consignee ahead of shipping goods, sharing as much information as possible on the shipment before the vehicles leave for delivery.

Information to share ahead of shipping		
Expected arrival date and time	Goods transported a draft packing list or reference to orders (requisition), estimated weights and volumes.	Vehicle details registration, driver/pilot details and route. For sea shipments, this will be vessel route and shipping line
Special requirements cold chain, dangerous goods, bulky equipment, etc.	Details of vehicles Schedule, number of trips and prioritisation	

The receiver should confirm their capacity to handle the inbound shipment and make necessary arrangements.

Arrange your reception area to ensure the full consignment can be temporarily stored before being moved into the bulk storage area – if necessary, make temporary adjustments to the warehouse layout to accommodate the incoming consignment.

Communicate temporary changes to the layout to the warehouse team.

To prepare for reception	
Plan for space to offload	Plan for documentation to track offloading process – ensure a detailed packing list is available
Plan for available manpower to offload	
Plan for cold chain capacity if needed	Re-schedule planned orders with the warehouse team and end users
Prepare labels for storage	
Prioritise processing order with end users	Rent or procure handling equipment if necessary

Information to share after shipping		
Container seal number where relevant	Copy of final transport document (waybill, bill of lading, air waybill, CMR where relevant)	Contact details of driver/pilot and rental company (if relevant) The captain of a vessel can usually not be contacted directly, but vessels can be tracked by a bill of lading (https://www.track-trace.com/bol)
Expected ETA	Exact contents of consignment: final packing list, weights & dimensions, specific handling requirements and markings	

Note: Where the shipper of the goods is the supplier of the same goods, the same details must be obtained from them.

	Sharing shipment details	Preparing reception
Responsible	Shipper	Receiver
Accountable	Receiver	Receiver
Consulted	Receiver/requestor	Requestor
Informed	Requestor	Shipper

3.8.2 At the time of reception

	When to count containers	When to count pallets	When to count boxes	When to count boxes' contents
Air	n/a	At airport if palletised	At airport if unpalletised At delivery place if palletised	At delivery place
Sea	At port	At port if possible At delivery place otherwise	At port if possible and unpalletised At delivery place if palletised	At delivery place
Road	At delivery place if relevant	At delivery place if relevant	At delivery place	At delivery place
Rail	At delivery place if relevant	At delivery place if relevant	At delivery place if relevant	At delivery place

Note: Counting the contents of sea freight containers (pallets, boxes, loose goods, etc) can often not be done at the port and has to be done either at the final delivery place or at the freight forwarders/clearing agent's premises.

Road consignments will usually be delivered straight to the delivery point. At the time of offloading, make sure every unit (pallet or box) is accounted for, and store them separately until the entire content of the boxes has been reviewed against the shipping documents accompanying the truck. Where a transshipment is needed, all pallets and boxes must be accounted for during the transshipment.

- ✓ Check that all documents are attached to the consignment: commercial invoice, gift certificate, packing list, waybill, bill of lading, air waybill or CMR sheet (where applicable) and any customs clearance certificate (including tax waiver documents where applicable)
- ✓ Check that container seals are in good condition
- ✓ Check the condition of each box/pallet as it is offloaded and check for labels
- ✓ Confirm number of boxes matches the consignment documentation in each vehicle/container
- ✓ Check and inspect the contents of each box to confirm exact quantities received against the packing list attached to the consignment. Record any discrepancy and reconcile only once all boxes have been inspected (sometimes all ordered goods are in the consignment, but the packing lists are not accurately broken down per packaging unit)
- ✓ If receiving a cold chain consignment, read the temperature-monitoring devices attached to the consignment, to confirm cold chain has been maintained throughout the transport process

3.8.3 Offloading trucks

- If available, use loading docks or platforms. Otherwise, position the truck on level, solid ground, as close as you can to where the goods must go to.

- Allow enough space for movement around the truck, especially if you are using a forklift truck or hand pallet truck.

If goods are palletized, try to keep them that way and move them to the appropriate storage area using equipment.

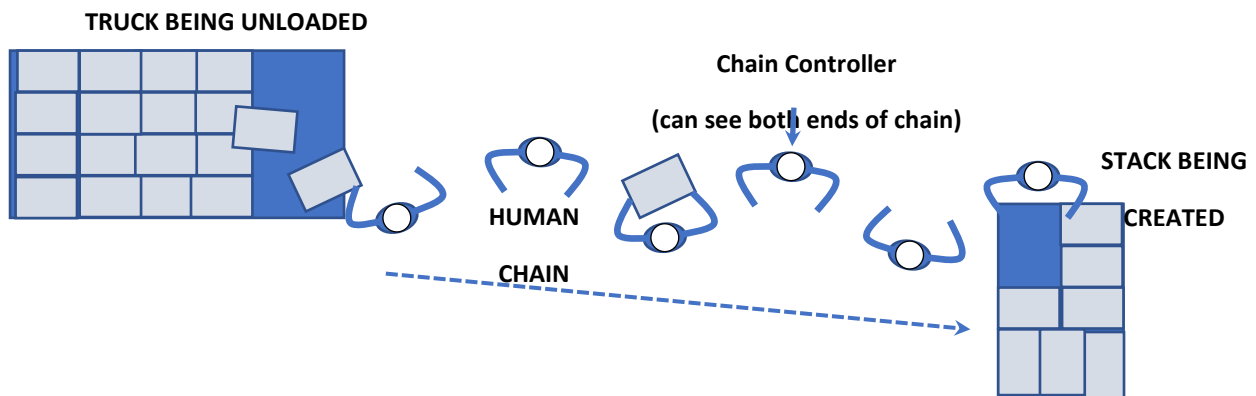
If goods are not palletized, try to palletize them in standard sizes and quantities before placing them in storage

- If you have inbound trucks and outbound trucks available simultaneously, consider whether it is worth transshipping directly from one truck to the other (as long as you can control the process and ensure accurate counting is done).

- If handling equipment is not available, do not throw unidentified goods from a truck but hand them down carefully.

- If goods must be manually handled because there is no handling equipment, use a chain of people (with one person in charge). The chain must have enough people for each person not to have to 'walk' more than one step.

The people should be placed facing alternately along the chain to avoid unnecessary 'twisting'.



- Avoid handling goods more times than you must by only putting them down where they have to go, in the stack they have to go in (see section 2.5.3 on stacking). If the person you are handing the goods to is not ready, call the chain to stop.
- Always maintain height if you can. Do not put goods on the floor if they must be lifted up again.
- Make sure someone who is not handling the goods is counting as the goods are moved. That person should keep a tally (marking off per layer removed or built, for example), in case they get interrupted and cannot remember where they had counted to.
- A check count should be done when each stack is created.
- When all goods are offloaded, cross-check offloaded quantities against shipping documents and make note of any discrepancy.

Take breaks when needed during offloading, and make sure drinking water is readily available

3.8.4 Documenting the reception

See Sections 2.6.5, 2.6.6, 2.6.7 and 2.9 for details on how to receive goods in a warehouse.

3.8.5 After reception of the goods

- Record all received quantities on the appropriate **stock cards** and **bin cards**, referring to the **GRN/CTN** as appropriate. Templates available in annex to Warehousing and procurement chapters: Warehouse_16, Warehouse_4, Procurement_41.

Updating the stock levels after receiving stock

If using an **electronic system**: stock levels should be updated automatically when posting a GRN.

If update is **manual**: updates must be captured on the stock cards and in the period's stock report.

used in the activity reporting process.

- Transfer the goods from the reception area to the main storage area as soon as possible.

- In case of any **claims** (Procurement_43), follow up on resolution options with the sender/transporter, agreeing on corrective measures to be put in place for future shipments where relevant.

- Log the shipment in a **shipment tracker**, with complete details of the consignment – this will be

Inform the requestor and sender of completed delivery: share a copy of the GRN. Detail any measures being taken to address claims raised (where

For more details on the reception of IFRC international cargo, refer to Chapter 2.

3.8.6 Preparing outbound shipments

When planning outbound movements of freight (i.e. shipping a consignment):

The sender must always inform consignee ahead of shipping goods, sharing as much information as possible on the shipment before the vehicles leave for delivery:

Information to share ahead of shipping

Expected arrival date and time	Goods transported a draft packing list or reference to orders (requisition), estimated weights and volumes.	Vehicle details registration, driver/pilot details and route. For sea shipments, this will be vessel route and shipping line
Special requirements cold chain, dangerous goods, bulky equipment, etc.	Details of vehicles Schedule, number of trips and prioritisation	

- Move the goods to be shipped to a designated despatch area. The despatch area can be temporarily modified as necessary, but make sure the warehouse team is informed of any changes.
- Inspect the goods to be shipped:
 - Are all packaging units in good condition?
 - Ensure cartons/pallets are stripped of any markings that could lead to confusion.

- What are the packaging/labelling requirements? Be sure to ask the transporter and the consignee about any specific requirement they may have. **Shipping instructions** will also be helpful to find information about such requirements.

- What will be the route of the vehicle, and the shipping mode? This will impact the loading plan and must be agreed with the transporter as early as possible.

When sending sea shipments, control over the loading plan will be with the shipping line.

- Where temperature control is required, cold chain materials (thermometer, temperature tracking devices, cool boxes, icepacks, etc) must be made available.
- Raise a final **packing list** with all details of the consignment. In the RC movement, the waybill is often used as a packing list however it is sometimes easier to use both documents separately (for very large consignments for example).
- Use a **load optimisation tool** to determine best transport options (this only works for road shipments).
- Place the request for the necessary vehicles well in advance (as per the terms of the service-level agreement defined in the contract, where relevant), ensuring that you receive driver/pilot details and a vehicle registration certificate before the shipping date.
- Ensure the necessary manpower and loading equipment will be available for loading the vehicles.
- When using shipping containers, make sure the use of the containers is optimised and suggest changes in quantities where relevant (e.g., when five per cent of the order

Where multiple vehicles are transporting multiple items, agree in advance the **load composition** (i.e. whether each vehicle holds a combination of all the items or only one type of item).

Kitting items from loose stock

- Conduct **sample checks** to ensure kits are complete (correct items, correct quantities)
- Ensure kits are **packed identically** to avoid perceived difference in kit content at the distribution site.
- Ensure each kit box or bag has a **label** detailing full content
- Ensure **waybill(s)** specify total number of kits and detailed kit contents

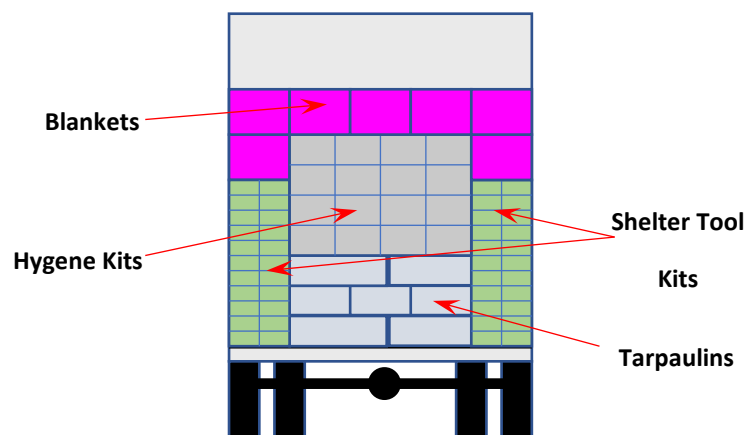
does not fit into a single container, the consignee might be willing to postpone the delivery to save the cost of the extra container).

- Based on the number of packaging units shipped, prepare a loading sheet to give to the loaders, so they can track the progress of the loading process.

3.8.7 Loading trucks

- If available, use loading docks or platforms. Otherwise, position the truck on level, solid ground as close as you can to where the goods have to go to or come from.
- Allow enough space for movement around the truck, especially if you are using a forklift or hand pallet truck.

- If handling equipment is not available, do not throw unidentified goods from a truck but hand them down carefully.
- When loading trucks, always stack goods starting at the front of the truck and work towards the back.
- Always place the heaviest goods on the floor of the vehicle.
- Rules about stacking also apply on a truck (see section 2.5.3).
- If you are loading a truck for distribution, lay the goods along the length of the vehicle, so that complete sets of whatever is being delivered can be distributed off the back of the truck (unless the truck has an open top or can be easily accessed from the sides, like a 'wing' truck).



**TRUCK LOADED
FOR**

**DIRECT
DISTRIBUTION**

**Viewed from the
Back**

(Example Only)

3.8.8 At the time of despatching

- Hand out loading sheets to loaders and retrieve them after the vehicle is loaded. The loading sheet should simply list all the parcels to be loaded, and one loader should monitor loading progress by ticking the parcels off as they are loaded on the truck.
- Confirm the route of the vehicle.
- Raise a **waybill** (Warehouse_12), detailing the quantity of units (pallets, sacks, boxes)

The shipper and the driver must sign the waybill and one copy must stay at the origin

loaded, weight and volume per unit and total weight and volume of the consignment. Alternatively, waybills can detail the total quantity, weight and volume per item included in the consignment (in particular when goods are sent unpalletized or loose).

- Place seals on containers where necessary.

- Ensure load is safe (with no risk of spillage or cross-contamination, etc) and securely fastened inside the vehicle – straps can be used, or blankets can be used to secure a load on a half-empty truck, for example.
- When sending a cold chain shipment, double check the cold chain plan and ensure that clear instructions are given to the transporter.

3.8.9 Documenting the consignment

- The transporter will leave with three copies of the waybill.
- Certain countries or regions will require the shipper to obtain a permit to access certain areas – make sure you request such permits from the relevant authorities.
- Keep a copy of the outbound waybill, to be reconciled with the returned signed copy after reception is confirmed by the receiver.
- Where delivery is planned directly at a usage point (a distribution point where no stocks are managed, for example), a **GRN** (Procurement_41) will have to be raised. The delivery will not always happen at a warehouse, so a logistician should go to the delivery site and conduct the check of the delivered items and raise the GRN with the requestor of the goods. Where goods are missing or damaged, the GRN will be returned with a filled-out claims form.

It is safer to ensure that drivers/pilots are issued with a **mission order**, confirming that they are moving humanitarian goods. A standard mission order should be available in each delegation/mission/project.

3.8.10 After despatch

- Log the shipment in a **shipment tracker**, with details of the consignment. This will be used in the activity reporting process.
- Update your **stock cards** and **bin cards** (where relevant).
- Inform the receiver of revised expected time of arrival and confirm the transporter's contact details.
- After receiving the returned signed copy of the waybill and GRN, where claims have been raised, make sure they are addressed, and that a corrective plan is in place to avoid future disruptions.

INBOUND Planning, tracking, reporting	OUTBOUND Planning, tracking, reporting
• Preparation: confirm green light to sender, mobilise resources needed and prepare documentation • At reception: check all cargo, document reception (make note of any discrepancy) • After reception: update records, store goods, follow up on claims	• Preparation: inform, ensure consignee can receive, confirm packaging requirements, prepare loading plan, plan route • At despatch: inspect shipment, load vehicle per distribution route, ensure load is safe, document shipment • After despatch: update records, follow up on claims received

3.9 Shipping instructions

Shipping instructions are critical in any transport operation, and even more so in the international movement of humanitarian goods. Shipping instructions must be created per destination and updated regularly to show the most up-to-date information.

It is the responsibility of the logistics manager in the country of destination to ensure the shipping instructions are up to date.

Typically, shipping instructions must provide the below details:

Shipping instructions		
Consignment delivery address and contact details at delivery place	Delivery requirements: warehouse opening hours, requirements of pallets or labels, availability (or not) of mechanical handling equipment	What documents must accompany the shipment?
Appointed freight forwarder/customs agent contact details (" notify party ")	Document delivery address and contact details (" consignee ")	In the Red Cross Movement, shipping instructions will contain information and contact details of the IFRC regional hub overseeing the shipment of the goods

Shipping instructions can be shared by and to anyone along the supply chain.

From: consignee To: shipper (whether the shipper is the seller of the goods or the transporter)	From: shipper To: transporter (where the shipper is arranging for transportation of the goods)	From: consignee To: freight forwarder/customs agent (where the agent is in charge of delivery from entry point to final destination, per shipping instructions)
---	--	--

3.10 Special considerations

Some consignments are more sensitive than others. Typically, the transportation of dangerous goods or cold chain items require stricter preparation and tracking.

3.10.1 Cold chain shipments

When transporting cold chain items, remember to:

- Double check the cold chain capacity calculations: are you sure that the temperature can be maintained for the duration of the shipment? If not, make sure you include additional icepacks to the consignment, include them on the packing list and waybill, and provide the transporter with instructions as to when and how they must be used.
- Include a temperature tracker in the consignment. You can usually arrange for shippers to fit a tracker in a container (at a cost). Where you are the shipper of goods, you can procure temperature trackers to include in boxes, and provide the receiver of the goods with means to read the trackers once goods are delivered.
- Follow up on any cold chain rupture claims notified by the consignee and implement corrective actions.

3.10.2 Transporting dangerous goods

- There are nine classes of dangerous goods (see Section 2.6.3.5).

- Transportation of DG is highly regulated and should ideally be handled by a third-party service provider. Freight forwarders usually have capacity to advise on DG shipments and may have to pick them up from your warehouse to arrange for special packaging prior to the shipment.

3.10.3 Drop-ships

Drop-ships are cases where a supplier might deliver to the end user directly, upon specific request of the buyer. The buyer can be the consignee or a service provider acting on behalf of the consignee (a regional logistics hub, for example, in the context of the Red Cross Movement).

In drop-ships, the supplier will usually present at the delivery place with a waybill of their own format and/or an internal delivery note. In this case:

- Sign the waybill only when all packaging units have been accounted for (pallets, boxes or loose cargo).
- Sign the delivery note when all the items on the packing list have been delivered. The transporter should leave a copy of the signed delivery note with the person who signed it.
- Raise a **claims form** (Procurement_43) where there is any discrepancy.
- Raise a **GRN** (Procurement_41) to record entry into stock.
- Move the goods to the bulk storage area or proceed to distribution if the goods have been delivered at the point of usage.
- Update stock records if goods enter the warehouse
- Inform the sender (supplier or third party, such as RLU) that goods have been received. Send copies of waybill, delivery note and claims form.

If drop-shipped goods are distributed immediately, they do not need to be recorded in stock. A **delivery note is enough to reconcile with the order or requisition.**

3.10.4 Deliveries at point of usage

Where requested goods are delivered at the point of usage or distribution, a **delivery note** is preferable to a GRN, as the items are not to be managed by logistics. That way, the items do not become Red Cross stock, but the delivery is still documented. A copy of the delivery note must be kept in the procurement file before it is transmitted to finance for payment.

3.11 Safety, security and incident reports

Whenever vehicles are used to transport goods belonging to the Red Cross Movement, it is strictly forbidden to transport:

-  Weapons of any sort
-  Any personal items or other freight not directly related to the operation requiring transport services
-  People be they Red Cross personnel, military, or beneficiaries. An exception would be providing urgent transport to the nearest medical facility, but this must, as far as

possible, be agreed with a security or fleet manager beforehand and captured in an incident report upon return.

Any observed breach of these rules must be immediately reported in an **incident report**.

3.11.1 Reporting incidents

All incidents involving BRC staff or property must be reported – refer to the BRC or applicable National Society's incident reporting procedure for information on how to do this.

Where BRC delegates are seconded into another organisation such as the IFRC or ICRC, or where they are working under the umbrella of another organisation such as a HNS, this organisation's incident reporting procedure must also be followed, in parallel to that of BRC.

3.11.2 Use of military transport means

As per the Movement guidelines on the use of military and civil defense assets (MCDA) in disaster relief:

“Military assets should only be used as a last resort, where there is no civilian alternative and only the use of military assets can meet a critical humanitarian need.”

No armed escort is allowed for shipments undertaken for the Red Cross Movement, unless:

- There is extremely pressing need (e.g., to save lives on a large scale)
- It represents no added security risk to beneficiaries
- No one else can meet the needs
- Armed protection is for deterrence and not firepower
- Parties controlling the territory are in full agreement with armed escort
- Protection against bandits/criminals is needed
- Authorisation is given in advance, at the specified level – typically secretary general or senior director within the HNS and ICRC/IFRC in Geneva

All military actors run the risk of not being perceived as neutral and jeopardising the Red Cross Movement's commitment to neutrality and impartiality. Absolute rules in terms of using military resources are:

-  Never use armed military transports
-  Never use the assets of a party involved in an armed conflict
-  Never use military assets simply because they are available

3.11.3 Use of the RC emblem on transport not owned by Red Cross

Red Cross-owned fleet will always bear a Red Cross emblem. The decision on which emblem (ICRC, IFRC, BRC or HNS) to use will be made in discussion with the lead Red Cross Movement partner and the HNS – this applies to both RC-owned and RC-rented vehicles.



Where fleet is rented, the emblem must be clearly visible on the rented vehicle (truck, small vehicle, boat, or plane).

On road vehicles, flags should be used at the front of the vehicle. The emblem, in whatever form, must be removed and retained by the RC logistics or transport manager immediately after the vehicle is no longer serving the Movement.



Based on the above conditions, where the Red Cross agree to use military assets for transportation, vehicles must visibly carry the emblem.

3.12 Transport documentation

3.12.1 The air waybill

An air waybill (AWB) is a standard form distributed by the International Air Transport Association (IATA) that accompanies goods shipped by an international air courier to provide information about the shipment and allow it to be tracked. The bill has multiple copies, so that each party involved in the shipment can document it.

An AWB serves as a receipt of goods by an airline (the carrier), as well as a contract of carriage between the shipper and the carrier.

It becomes an enforceable contract when the shipper (or shipper's agent) and carrier (or carrier's agent) both sign the document.

The AWB contains:

- the shipper's name and address
- the consignee's name and address
- the origin airport code
- the destination airport code
- the declared shipment value for customs
- the number of pieces
- the gross weight
- a description of the goods
- any special instructions (e.g., "perishable")
- the carrier's terms and conditions and charges.

The International Air Transport Association (IATA) designs and distributes air waybills.

There are two types of AWBs – an airline-specific one and a neutral one. Each airline's air waybill must include the carrier's name, head office address, logo and air waybill number. Neutral air waybills have the same layout and format as airline AWB but aren't prepopulated.

There are two further types of air waybills: the master AWB and the house AWB.

A master air waybill has 11 numbers and comes with eight copies, in varying colours. Since 2010, paper air waybills are no longer required. The 'e-AWB' has been in use since 2010 and became the default contract for all air cargo shipments on enabled trade lines in 2019.

A master airway bill (MAWB) details the complete information of the consignment, including the place of origin, destination and cost of the shipment. Most importantly, it is issued by the agent on behalf of the airline.

A house airway bill (HAWB) is released by a freight agent and serves as proof that the goods have been received by the customer. A HAWB provides two benefits to the customer – it serves as proof of receipt of the goods and is evidence of an agreement between both parties. The HAWB clearly states the terms and conditions and should be read by both parties carefully. Bear in mind that HAWB is not the document title. Most importantly, only one copy of a HAWB is issued, while the airline or the agent releases seven copies of a MAWB (of the total eight copies available).

A HAWB does not have a long verification code like the MAWB's 11-digit code. The first three digits is a prefix, while the rest of the numbers are used to keep track of the consignment.

Master AWB

LAXCAN-676b42

Shipper's Name and Address GERGY INC. 9133 S. LA CIENEGA BLVD., STE 170 INGLEWOOD, CA 90301		Shipper's Account Number 123546		Not Negotiable Air Waybill BLUE SEA SHIPPING Issued by 841 SANDHILL AVE CARSON, CA 90746	
Consignee's Name and Address CHINA INTERNATIONAL USA ROOM 801-807, DONG SHAN PLAZA 69, XIAN LIE ZHONG ROAD GUANGZHOU, CHINA		Consignee's Account Number 464536		Copies 1, 2, and 3 of this Air Waybill are originals and have the same validity. It is agreed that the goods described herein are accepted in apparent good order and condition except as noted hereon, SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF, ALL GOODS MAY BE CARRIED BY ANY OTHER MEANS, INCLUDING ROAD OR ANY OTHER CARRIER UNLESS SPECIFIC CONTRARY INSTRUCTIONS ARE GIVEN HEREON BY THE SHIPPER, AND SHIPPER AGREES THAT THE SHIPMENT MAY BE CARRIED VIA INTERMEDIATE STOPPING PLACES WHICH THE CARRIER DEEMS APPROPRIATE. THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplementary charge, if required.	
Issuing Carrier's Agent Name and City BLUE SEA SHIPPING 841 SANDHILL AVE CARSON, CA 90746		Accounting Information MAWB 016-2354-5463			
Agent's IATA Code		Account No.			
Airport of Departure (Addr. of First Carrier) and Requested Routing LOS ANGELES LAX					
To CAN	By First Carrier UNITED AIRLINES	to HKG	by UA	to CAN	by UA
Airport of Destination GUANGZHOU BAIYUN CAN		Flight No. 1834		Currency USD	Declared Value for Carriage 84300.00 USD
				Amount of Insurance NIL	Insurance - If carrier offers insurance, and such insurance is requested in accordance with the conditions thereof, indicate amount to be insured in figures in box marked "Amount of Insurance".
Handling Information PLEASE NOTIFY CONSIGNEE UPON ARRIVAL					
These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Ultimate destination CHINA				Diversion contrary to U.S. Law prohibited	
No. of Pieces RCP	Gross Weight	Rate Class Commodity Item No.	Chargeable Weight	Rate Charge	Total
250 CTNS	8056.00 L 3654.178 K		3654.00	1.82	6650.28
250 CTNS	8055.61 L 3654.00 K				6650.28
Prepaid		Weight Charge		Collect	
		4932.90		.00	
		No Inland Charge			
		No			
		No Inland Charge Over Agent			
		.00		.00	
		No Inland Charge Over Carrier			
		986.60		.00	
		No Prepaid		No Collect	
		5919.50		.00	
Commodity Classification No. 1		CC Class or Description		11/19/03	
				Executed on (date)	
For Contract, see sub in Declaration		Charge in Declaration		No Inland Charge	
				.00	
Other Charges				Signature of Shipper or his Agent	
Shipper certifies that he particulars on the face hereof are correct and that, insofar as any part of the consignment contains dangerous goods, each part is properly described by name and is in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.				SAMPLE AGENT	
Signature of Issuing Carrier or its Agent				SAMPLE AGENT	
Signature of Issuing Carrier or its Agent				Signature of Issuing Carrier or its Agent	
LAXCAN-676542					

House AWB

403	HKG	30323032	MBW03011701											
Shipper's Name and Address CHARM'S INDUSTRIAL LIMITED UNIT 502, HAPPY IND. CTR., 12, XYZ STREET, KLN BAY., KLN, HONG KONG			Shipper's Account Number			NOT NEGOTIABLE MBW (DEMO) Air Waybill Issued by								
Consignee's Name and Address ABC TRADING 2F, 16 DONG, ABC AREA, 14, SIN CHUN-DONG, SONG PA-GU, SEOUL, KOREA TEL:82 2345 2345 FAX:82 2435 2345			Consignee's Account Number			Copies 1,2 and 3 of this Air Waybill are originals and have the same validity. It is agreed that the goods described herein are accepted in apparent good order and condition (except as noted) for carriage subject to the conditions of contract on the reverse hereof. All goods may be carried by any other means including road or air other than carrier's specific commodity instructions are given herein by the shipper, and shipper agrees that the shipment may be carried via intermediate stopping places which the carrier deems appropriate. The shipper's attention is drawn to the notice concerning carrier's limitation of liability. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge if required.								
Issuing Carrier's Agent Name and City HELLO TRANS CORPORATION			Accounting Information											
Agent's IATA Code 1731492929			Account No. 3000929											
Airport of Departure (Addr. of First Carrier) and Requested Routing HONG KONG														
To ICN	By First Carrier	Requested Routing	To	By	To	By	Currency (RRR)	Goods	PS	COLL	PS	COLL	Declared Value for Carriage	Declared Value for Customs
	PO						HKD						N. V. D.	N. C. V.
Report of Destination ICHEON, KOREA			Flight Date PO 143 17 JAN 03			Amount of Insurance NIL			INSURANCE - If Carrier offers insurance, and such insurance is requested in accordance with the conditions thereof, the amount to be insured in figures in box marked "Amount of Insurance".					
Handling Information														
SCI														
No. of Pieces RCP	Gross Weight	kg	Rate Class Commodity Item No.	Chargeable Weight	Rate Charge	Total	Nature and Quantity of Goods (incl. Dimensions & Volume)							
10	57.0K	K		282.5K (VOL)	PREPAID AS	ARRANGED	200YDS OF ARTICLE: SONATA-04 P. O. NO: 1234YH-AD 65 PCT POLYNOSIC 35 PCT POLYESTER WOVEN TEXTURE NO COMMERCIAL VALUE DIM: 48x56x63cm/10							
Prepaid			Weight Charge			Collect			Other Charges					
PREPAID			AS ARRANGED						CFS: HKD 197.0					
Valuation Charge														
Tax														
Total Other Charges Due Agent									Shipper certifies that the particulars on the face hereof are correct and that insofar as any part of the consignment contains dangerous goods, such part is properly described by name and in proper condition for carriage by air according to the applicable Dangerous Goods Regulations.					
Total Other Charges Due Carrier									MBW (DEMO) Signature of Shipper or his Agent					
Total Prepaid			Total Collect											
Currency Conversion Rates			CC Charges in Dest. Currency			17 JAN 2003			HONG KONG			MBW DEMO		
For Carrier's Use only at Destination			Charge at Destination			Enclosed on (date)			at (place)			Signature of Issuing Carrier or its Agent		
						Total Collect Charges								

	Master air waybill	House air waybill
Issued by	Carrier (an airline, shipping line or groupage service, for example)	Forwarding company (Kuehne Nagel, for example)
Issued on	Carrier's pre-printed air waybill form	Standard air waybill form
Signed by	Carrier or their agent	Forwarding agent (carrier not stated)
IATA rules	Apply	May or may not apply
T&Cs	Carriage T&Cs stated	Forwarder's T&Cs stated
References	MAWB number	MAWB & HAWB number

3.12.2 The bill of lading

A **bill of lading** (B/L or BoL) is used for maritime shipments.

It is a legal document issued by a carrier to a shipper that details the type, quantity and destination of the goods being carried.

A bill of lading also serves as a shipment receipt when the carrier delivers the goods to a predetermined destination. This document must accompany the shipped products and must be signed by an authorised representative from the carrier, shipper and receiver.

A bill of lading is a legally binding document that provides the carrier and shipper with the necessary details to accurately process a shipment.

The BoL has 3 functions:

- It is a document of title to the goods described
- It is a receipt for the shipped products
- It represents the agreed terms and conditions for the transportation of the goods

B/Ls usually carry the name of a specific person (consignee). This is called a "straight bill of lading" and means that the person to whom the shipment is being delivered is the only person who can sign for and accept the shipment. This bill of lading is non-transferrable.

3.12.3 The waybill

A waybill is an official shipping document that travels with a shipment, identifies its shipper, transporter and consignee, origin and destination, describes the goods and shows their weight and freight. See above for more details on how to use the waybill copies.

The standard IFRC **waybill form** is available in annex to this Manual (Warehouse_12).

3.12.4 The CMR

A CMR is a waybill used in international road transportation. It is an abbreviation of a French term: “*Convention relative au contrat de transport international de marchandises par route*”.

If goods are being transported internationally by road within the European Economic Area, you must use a CMR note. At least three original copies are required, which are signed by both the freight carrier and the sender.

See [link](#) for members of the CMR convention – shipments by road from Europe to these countries (and back) require CMR letters. The CMR forms a contract between the sender and the carrier company and confirms that the carrier has received the goods. It also sets out the transport and liability conditions between the two parties.

The following details are part of the CMR waybill:

- Place and date of issue
- Address and name of sender
- Address and name of carrier
- Place and date of acquisition of the goods, and place of delivery
- Name and address of recipient
- Definition of the type of goods, as well as the type of packaging
- The quantity and sequence of the packages (“box 1 of 22” for example)
- The weight and dimensions of each box
- Statement of costs (for example, for freight, tariffs, extra charges, etc)
- Instructions for handling tariffs, and for other official regulations
- The agreement that all transports must conform to conventions, even if contents differ
- Mention of the prohibition of transshipment
- The costs carried by the sender
- The collection fees at delivery
- Exact information about the value of the transport goods
- All handling specifications from the sender to the carrier, for insurance
- The time limit by which the transport must be completed
- A list of all documents handed to the carrier

Colour-coding and disposal of CMR consignment note

Copy	Disposal	Colour
First copy (sender's copy)	Retained by sender	Red
Second copy (consignee's copy)	Accompanies the goods	Blue
Third copy (carrier's copy)	Accompanies the goods	Green
Fourth copy (carrier's file copy)	Retained by carrier	Black

Documenting shipments

- Air – **air waybill** (house and master).
- Sea – **bill of lading** CMR convention.
- Road – **CMR** or **waybill**.
- All other types – **waybill**.

3.13 Transport data analysis

3.13.1 Monitoring and reporting

In order to understand how your transport strategy serves the delivery of ongoing programmes, it is important to track transport needs, activities and results, and to present them in a structured reporting format, at agreed intervals. Ensuring that all movements are well documented will support the updating of the reports.

A format for **monthly logistics activities reporting** is proposed in the annexes to this manual. You may want to adapt it to the specificities of your activities (breaking it down per programme or per destination, for example), but below is a list of performance points that you can track and include in the transport section of the report.

Note that all of the information should be available from either transport documents (waybills, GRNs, claim forms, etc), from organisational information (per diem rates and fuel costs, for example) or from invoices (especially from freight forwarders or clearing agents).

	Received	Shipped
Quantities	Number of shipments received (for each transport mode)	Number of shipments despatched (for each transport mode)
	Total weight and volume of received goods (for each transport mode)	Total weight and volume of despatched goods (for each transport mode)
	Total number of units (parcels/pallets) received	Total number of units (parcels/pallets) despatched
	Ratio of shipments (for each mode of transport)	
Costs	Total cost of handling (offloading, reception check and storage,	Total cost of handling (loading)
		Total cost of rented vehicles
		Total cost of use of own vehicles (fuel consumption, driver's per diem, etc)
		Average cost of shipping per kg or ton (for each transport mode)
Lead times	Average number of days in transit to delivery point (for each transport mode and origin)	Average delivery lead time (for each transport mode and origin)
Claims and performance	Number of claims raised to sender/transporter	Number of claims received
	Number of unresolved claims with sender/transporter	Number of open claims (under investigation)
	OTIF receptions: number of shipments received on time and in full, with no claims raised, for total number of shipments received	OTIF deliveries: number of shipments delivered at destination on time and in full, with no claims received, for total number of shipments despatched
International shipments	Number of shipments cleared through customs (for each mode of transport)	Number of international shipments despatched (for each mode of transport)
	Total cost of clearing cargo (for each mode of transport and kg/ton)	Total cost of international shipments (for each mode of transport)

3.13.2 Optimising transport management

The data presented in the activities report can be used to steer the transport activities towards more efficient use of resource to deliver the needs of programmes.

Data from the report should be shared with other teams, to encourage better use of resources. For example:

- Showing the relationship between better anticipation in order placement and cheaper transportation costs will encourage requestors to place their orders earlier, to save transportation costs.

- Performance data should be shared with service providers to help them focus on necessary improvements.
- Data on cost of freight can be used to benchmark freight forwarders against the average costs of shipping.
- Data on cost of customs clearance can be used to benchmark clearing agents against the average clearing costs.

3.14 Organising transport to/from UKO

3.14.1 Within the UK and the Republic of Ireland

Postal service

The UKO post room has a franking machine that offers discounted rates for smaller items and can provide packing material. Cost code details are required, and it is preferred that items are handed to the post room before 3pm to ensure they leave on the same day. The last collection for outgoing mail with Royal Mail is at 4pm.

Courier service

The UKO post room can arrange overnight courier (Santis Courier) – quotes can be requested from the post room. All teams can book their own couriership services up to £1,000, regardless of whether within the UK or to overseas. If cost exceeds £1,000, the couriership service must be booked through the logistics team. Courier services must be requested following the online courier booking form process detailed on Redroom (type “book courier” in the search bar).

Note: The HR team assistant is in charge of shipping overseas delegates’ personal belongings.

Contact the Logistics team for details about managing shipments from UKO.

For collection of items outside of London in UK and the Republic of Ireland for the next day, the post room should be approached before 11.30am.

For collection of items within London for the next day, the post room should be approached before 4pm.

3.14.2 Ireland and Northern Ireland

Quotes available on request.

Note that the Republic of Ireland does not use post codes. **For sending from UKO to UK and the Republic of Ireland** for the next day, the post room should be approached before 3pm.

For Ireland and Northern Ireland, dangerous goods regulations apply as the likely courier will be by air.

Cost codes and the full address and contact number of the recipient are required before a quote can be given. **Overnight courier parcels cannot weigh more than 30 kilograms per item.** The post room and UKO stock room each have a set of scales; the post room can lend trolleys for larger items and can assist with packing materials.

3.14.3 Rest of the world

Anyone from the International directorate can request support from the Logistics team to move items outside of UK if couriership costs are estimated above £1,000.

The standard procurement process should be followed: an RFA should be completed with cost code information, item quantity/dimensions/weight and full contact details for the recipient. Once signed off by the relevant parties, the Logistics representative should send out an RFQ and conduct a CBA, in line with thresholds outlined in Section 1.6.

If the timeframe allows, it is cheaper to move goods by road (and ferry) from the UK to the rest of Europe, making this mode more appropriate for dangerous goods.

Note: shipments to the EU and to the rest of the world are subjected to tariffs – these can significantly increase the cost of shipping, it is important to ensure the necessary funds are available.

3.14.4 Shipping details

Post room and reception should be informed ahead if a large delivery is expected to UKO, so that space can be made for the items. There is 24-hour access to UKO, but Facilities ([Facilities UKO@redcross.org.uk](mailto:Facilities_UKO@redcross.org.uk)) should be informed ahead of any shipments expected to arrive out of hours. Courier should be given out-of-hours contact number (below) should security be patrolling the building at time of deliver.

British Red Cross UKO
44 Moorfields,
London,
EC2Y 9AL
0344 871 1111
07711854191 (out of hours)

3.14.5 Logistics Owned Vehicle

Check with the Logistics team if a vehicle is available for quick short-distance, urgent deliveries.

3.14.6 Taxi

Taxis can be arranged for the movement of goods within London – depending on the size of the goods, this can be cheaper than a courier. Taxis (Green Courier) can be booked via the post room up to a week in advance. Cost codes are required, and it is preferred that the post room is approached before last collection at 4pm. Taxi apps have been used in the past (with payment via procurement card).

3.15 Shipping out the ERU kit

See chapter 8 for details on ERU deployment process.

3.16 Shipping RLU stocks

See chapter 7 for details on shipping globally pre-positioned stocks.

Chapter 4: Asset Management

Contents

4.1 What is covered in this chapter?	158
4.2 Definition of an asset	159
4.3 Categories of assets	160
4.4 Items that are not to be managed as assets	160
4.4.1 Consumables/office supplies	160
4.4.2 Equipment.....	161
4.4.3 Stocks.....	161
For the management of stocks, refer to Chapter 2.	161
4.5 Procuring assets	162
4.6 Registering, tracking and reporting assets, and filing.....	162
4.6.1 Registering assets.....	162
4.6.2 Asset responsibility.....	163
4.6.3 Asset checks	164
4.6.4 Reporting on assets.....	165
4.6.5 Asset depreciation.....	165
4.6.6 Asset maintenance	166
4.6.6.1 Regular maintenance	166
4.6.6.2 Unplanned maintenance.....	167
4.6.6.3 Cost of maintenance	167
4.7 Asset donations.....	167
4.7.1 Receiving an asset donation from a partner organisation, donor or commercial actor	168
4.7.2 Donating an asset to other organisations.....	168
4.8 Asset disposal.....	170
4.8.1 Disposal by donation	172
4.8.2 Disposal by sale	172
4.8.2.1 Selling process	174
4.8.2.2 Determining fair market value (FMV).....	174
4.8.2.3 Actions subsequent to sale	175
4.8.2.4 Disposal by public auction.....	175
4.8.3 Disposal by destruction.....	175
4.8.4 Writing off obsolete assets – UKO assets only	175
4.8.5 IT, communications and data management assets specifics	176
4.9 Note on asset management and partnerships.....	176

4.1 What is covered in this chapter?

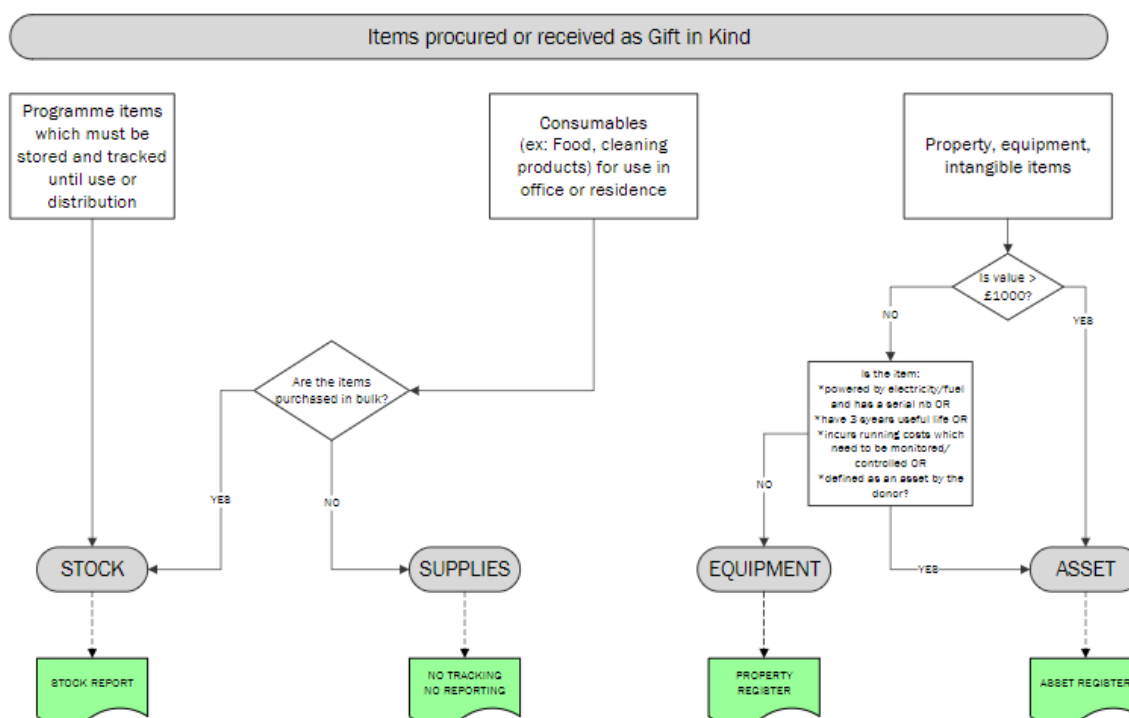
Assets, stock, equipment: definitions
Assets procurement
Assets management
Assets donations
Asset disposal plans
Asset ownership

Overall accountability for asset management sits with the programme/country manager, however certain aspects are delegated to finance or logistics to ensure segregation of duties. Examples of this are identification and tagging of assets by logistics and valuation and depreciation by finance.

Logistics may also be required to provide data such as valuations to finance and are also expected to deal with the disposal of assets, following the decision-making process conducted by the relevant country/programme managers through the asset disposal plan validation.

ASSET MANAGEMENT	Responsible	Logistics (asset manager)	
	Accountable	Programme manager / budget holder	
	Consulted	Donor	Finance team
	Informed	Donor	Finance team

4.2 Definition of an asset



The below table defines the BRC's understanding of assets. Different partners may have different definitions (especially around the minimum value or useful life of an item), which will be stated in their own logistics or financial procedures.

	Stock	Office supplies	Equipment	Assets
Definition	Consumable items that are tracked and stored until use or distribution	Temporary or disposable consumables, food or cleaning products required on a day-to-day basis, for use in the office or residence	< £1,000 Not powered by electricity No running costs Not defined as asset by donor	> £1'000 or > 3 years useful life or Powered by electricity or Incurs running costs or Defined as asset by donor
Examples	Programme supplies for direct distribution	Stationary	Furniture	Owned property
	Office supplies for distribution to beneficiaries, partners	Office cleaning materials	Housing equipment	Vehicles
	Vehicle spare parts, fuel	Food for office consumption	Household items	Comms equipment IT hardware
Reporting requirements	Stock report	None	Property register	Large household appliances Asset register
Storage location	Warehouse	In the office	In use or in store room*	In use or in store room*

*The storeroom is typically a small room in the office where a small stock of office supplies is kept.

Asset management requirements are defined in the **GAD**, together with any other specific requirements, whether they come from BRC or from a donor (Section 6 in the standard GAD). Where it has been agreed that the partner will use their own asset management procedure, this requires prior approval and must be mentioned in the GAD.

One person from either logistics or finance must have operational responsibility for asset management, delegated from a country or programme manager. However, efforts to ensure compliant asset management will vary between projects and must be carefully allocated, as it might exceed existing staff's capacity.

In large, multi-site operations, **an asset manager should be hired** to ensure compliant asset management. The task of asset management can be part of an existing role, such as logistics officer or finance officer, or could exist as a standalone role (asset manager)

In certain operations, assets may be managed at a programme or project level, but it is recommended that someone is allocated the task of centralising asset management (see above RACI matrix for reference).

4.3 Categories of assets

There are multiple categories of assets and it is important that assets are grouped in the right category, from the project procurement plan (or handover/donation plan) to the asset register and exit plan of action.

Fleet	Communications & IT	Buildings	Household	Tools	Medical equipment	Intangible Assets
Vehicles Motorbikes Forklift Digger Generators Solar System Setup	Telephones Smartphones Satellite phones Radio sets Radio base stations Satellite dish Handheld GPS Laptops Desktops Printers Scanners CPUs Digital tablets	Any owned property, built or land Includes temporary structures such as Rubhall	Office Safe Fridges Freezers Cookers Power stabilizers Surge protector Fans Air Conditioning units Washing machines TV	All tools, powered or mechanical	All specialized equipment All assets falling under other categories but used in medical settings should not be classified as medical. Ex: a fridge used in a hospital is a Household asset, not a medical asset. An oxygen concentrator is a medical asset however.	Insurance Software licenses Patents
Within criteria: > £1000 OR > 3 years useful life OR Powered by electricity or fuel, has a serial number OR Incurs running costs OR Defined as an asset by donor						

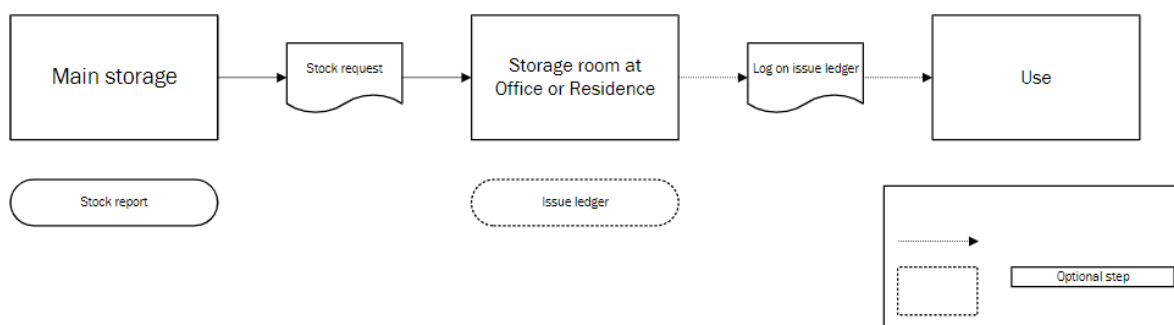
Note: it is good practice to track intangible assets on the asset register. Some donors may require tracking intangible assets.

4.4 Items that are not to be managed as assets

4.4.1 Consumables/office supplies

Consumables don't need to be taken as stock or assets, as their value is usually low. These include cleaning materials, stationery, lightbulbs, and other replacement items.

These would typically be taken out of a bulk storage area into a smaller storage space, accessible only to logistics staff. It is recommended that usage is tracked in a simple ledger book, though in smaller operations this may not be necessary.



4.4.2 Equipment

Items that are worth less than £1,000, not powered by electricity, do not incur maintenance costs, have a useful life of less than 3 years, and are not defined as assets by the donor who funded their purchase, are classified as equipment and should be tracked on a **property register**.

Furniture, unless an item worth more than £1000 should be included on the **property register** rather than on the **asset register**.

4.4.3 Stocks

For the management of stocks, refer to Chapter 2.

Assets - basics

- It is important to distinguish assets from equipment, stock and consumables
- Each type of items comes with different tracking and reporting requirements
- An item is an asset if its value is >£1,000, OR if it has >3 years useful life, OR powered by electricity, OR requires maintenance OR donor defines it as such.
- Section 6 of the GAD defines asset management requirements (can be PNS-driven or donor-driven)
- A single person must have overall responsibility for asset management
- There are different categories of assets

4.5 Procuring assets

Assets must be identified as such in the **procurement plan** and estimated lead times as well as processes (for example, quote-based, national or international tenders) must be defined in the procurement plan, so that the procurement processes can begin in time. If an asset must be procured through an international **tender**, the delivery lead time will be longer than if it only requires the collection of quotes. The procurement plan should also identify which assets or groups of assets will require procurement **waivers**, where derogations are required.

Before procuring new assets, make sure there are no existing assets that can fulfil the same role. Sharing assets between projects is a way of achieving **value for money**, but not all donors will allow it.

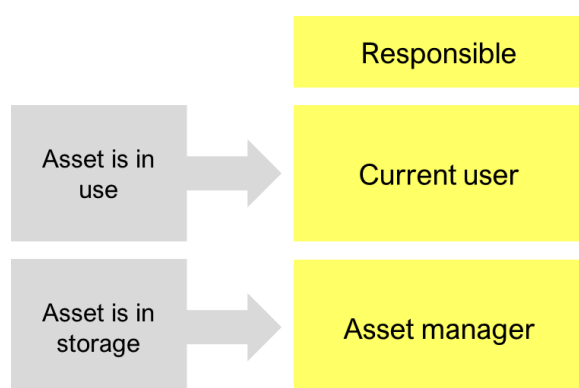
When purchased assets are delivered, a **GRN** must be raised and kept in the GRN files, with a reference to it on the **asset register** so it is easy to trace if necessary.

Seek advice from your regional Logistics Coordinator, as they will be aware of the donor requirements and can tell you about assets that could be used for your project (this is particularly true for vehicles).

For details about the different procurement processes and respective requirements, refer to Chapter 1.

4.6 Registering, tracking and reporting assets, and filing

Assets require more tracking than regular items (see flowchart of definitions). When an asset is received, some of its details must be captured and periodically updated on an **asset register**.



Maintenance services performed on assets must also be kept on file, in order to monitor the usage of the asset.

Assets are typically either issued to staff or kept in storage until they are needed. When assets are issued, the responsibility to maintain them lies with the person to whom they have been issued. When assets are in storage, they are under the responsibility of the asset manager.

Asset transfers must be recorded on **asset transfer forms** and the assets' status must be kept updated

on the **asset register**.

The asset register should be used as an asset report and shared with the project team at an agreed frequency (most commonly monthly), but also with donors when they request it and with the finance team when they require information about the value of assets.

4.6.1 Registering assets

When assets are received, an asset folder must be created and references captured on the asset register, so GRN and PO can easily be traced back.

The asset manager is in charge of tracking the sequence of asset numbers, and of allocating the next available number to the newly received asset following an agreed numbering convention.

Examples of asset numbering conventions:

Name of NS	Country of use	Asset category	Acquisition year	Sequence number
BDRCS/BANGLADESH/FLEET/2019-22				

Or more simply

Name of NS	Sequence number
BDRCS/22	

Any numbering convention is acceptable, but it must be used consistently

The asset number must be captured on the **GRN** (template ref: Procurement 41) and tagged on the asset as soon as possible. Make sure that the asset tags used are secure or engrave/paint the asset number on the asset (on generators, vehicles, etc). This becomes the asset's identification number and must be unique to that asset.

The asset can then be recorded on the **asset register**, where more details will be listed, such as:

- Asset number
- Category
- Description
- Brand/Make
- Model
- Serial number
- Budget codes used to purchase the asset (project code), and donor code (where applicable)
- Date of purchase
- Purchase order reference
- Purchase value
- Current value (provided by finance)
- GRN reference
- Maintenance plan (where relevant – how often does it need to be serviced?)
- Person responsible (must match the most recent asset transfer form)
- Location (current physical location or point of use)
- Status (for example, OK, damaged, in repair, lost, broken or stolen)

All documents related to a single asset must be kept together in **an asset file** – this can be a plastic file, for example, with a cover sheet listing the documents on file and the date at which they were added.

Documents related to the maintenance, transfer, receipt, insurance, sale and donation of the asset must be kept in that file.

All asset files should be kept together in an asset management folder.

Note: When an asset is received as a donation from a partner, it must be allocated a new asset number and entered on the **asset register** as a new asset.

For guidance on asset value, refer to the section 4.5.4.

4.6.2 Asset responsibility

Asset responsibility is allocated through an asset receipt form or **asset transfer form** (both have the same purpose, but the Red Cross Movement generally uses asset transfer forms).

Every time the main user of an asset changes, an **asset transfer form** must be completed and kept on file, and the asset's status must be updated on the asset register. When the asset transfer form is complete, the user of the asset assumes responsibility for it and their name must be recorded on the asset register as the current user.

When an asset is not allocated to any specific person, it is the responsibility of the asset manager and must be shown as such on the asset register. It is then the asset manager's responsibility to ensure the asset is stored safely and securely while not in use and that the necessary maintenance services are performed.

The asset manager should have access to a storage space to hold the unallocated assets, which can be anything from a locked cupboard to a storage room. The assets should be stored by category, with their asset tags or markings easy to read while in storage.

Some assets, such as buildings and vehicles, require insurance. Assets must be insured locally unless they are purchased in an organisation that holds global insurance for their assets (always ask your regional Logistics Coordinator to confirm the status of partners' asset insurance).

Unless it is a legal or donor requirement, if the insurance cost is higher than the replacement cost (and if this can be shown through quotes), taking out an insurance policy is not mandatory.

All motor **vehicles** must be insured in compliance with the country's legal regulations and under the name of a Red Cross partner who has legal status in country.

Rented or owned **buildings** must be insured. Insurance policies usually include the building's contents and any high-value items.

Owned buildings/property/land must be captured on the asset register but rented properties may or may not have to be, depending on the duration and financial management of the lease (depreciation can sometimes be applied to long-term rental agreements). Refer to your finance team and/or to the UK-based Logistics Coordinators to confirm whether or not a leased building/property should be on the asset register.

Note: Some donors may require some categories of assets to be insured. In this case, insurance costs should be covered by the donor requesting the insurance.

4.6.3 Asset checks

Asset checks should be conducted regularly. It is good practice to have 5% of the asset register, or a minimum of ten assets (whichever is highest) checked against the asset register by finance and logistics staff in each of the country offices on a monthly basis, using the **asset spot check form**.

All differences must be investigated and reported on the asset spot check form by the staff who conducted the spot check (finance and logistics) and signed:

- Locally: by the asset manager's line manager, programme manager or country manager
- HQ level: by the Head of Logistics

The asset spot check form must be signed within a month of being raised, asset checks are required by default, unless otherwise specified in the GAD. The asset spot check form does not need HQ sign-off if it does not identify discrepancies.

Following the monthly asset spot check, the asset register must be updated and the spot check form should be attached to the next dissemination of the asset register.

A full physical check of all assets must be completed by finance and logistics staff on an annual basis, preferably just before the end of the financial year. All differences must be investigated and reviewed per the same process as for asset spot checks. Following the annual asset check, the asset register must be updated, and the approved investigation report must be attached to the next dissemination of the asset register.

All asset check forms must be kept in the asset management file. The asset manager must keep track of the assets that have been checked during the monthly spot checks to ensure that different assets are checked each month, on a rolling basis.

Asset tracking

- Identify assets in the procurement plan
- Check for regionally available assets before purchasing new assets
- Be aware of applicable donor requirements
- All assets must be numbered, tagged and tracked on the asset register
- Assets should have individual asset files with all documents available
- When an asset is not in use, it is under the responsibility of the asset manager
- Regular asset checks must be completed and discrepancies reported

4.6.4 Reporting on assets

Most donors require regular information about assets purchased with funds they have provided. The details in the asset register should cover all the information they require, but it is good practice to agree beforehand on the information that will be shared.

Whenever new partnerships are designed, it is advisable that the future grant recipient shares their version of an asset register with the donor, to ensure that the level of information is sufficient. Some donors may require asset reports to be submitted in a specific format – this is sometimes not negotiable, so expect to have to use different formats in which to plug the information captured in your asset register and make sure all assets on your asset register are associated with the donor who funded their purchase so that you can easily extract the information that is relevant for each donor.

Assets that have not been used for over a year should be reported to senior management by the asset manager, to discuss potentially disposing of them.

See Section 4.6.2 on asset disposal

4.6.5 Asset depreciation

The value of assets owned by an organisation sits on its balance sheet. Keeping the balance sheet updated is usually the responsibility of the finance team, but the information required for the process is often shared between logistics and finance. Communication between teams is critical when it comes to recording the right assets at the right value.

In the BRC, see the “Guidance on accounting for fixed assets” (available on Redroom) for information about capitalising assets. Note that in UKO, each team is responsible for their own assets and must maintain an asset register to be shared with the finance team when required (for the end-of-year report for example).

At BRC, Assets with a value above £1,000 and with a useful life of more than one year must be capitalised and depreciated. Further details can be found in the policy.

The value of assets decreases during their life and must be updated in the organisation’s balance sheet accordingly. Depreciation is usually applied once a year, and the updated value of the asset should be captured separately from the purchase value in the asset register, following an annual meeting with finance to adjust the value of depreciated items. Finance should be consulted to understand which assets incur depreciation (not all of them will).

An asset will typically be allocated a life cycle of x years, and its value will decrease by the same amount every year for x years. At the end of x-year life cycle, the asset’s value will be 0. Those 0-value assets still need to be managed as all other assets, and their status must be updated on the asset register.

It is not the responsibility of logistics to apply depreciation to the assets. The asset manager must make sure the depreciated values are computed and shared in due time to report on the total value of assets.

4.6.6 Asset maintenance

Assets that require regular maintenance or inspection services typically include:

- All fleet, including generators and mechanical handling devices (i.e. forklifts)
- Buildings, whether owned or rented
- Medical equipment
- IT and comms equipment
- Some household items

4.6.6.1 Regular maintenance

Regular maintenance should be incorporated into the usage cycle of assets. For example, it should be expected that maintenance requirements will prevent vehicles from being used for a couple of a days every quarter; this should be reflected in the fleet plan and the drivers’ allocation plan.

A maintenance planner should be used to visualise all completed, ongoing and upcoming maintenance, and covering all the assets that require maintenance. A maintenance planner is included as a tab in the **asset register** template. It is important to consider legal requirements that apply to categories of assets: for example, an annual vehicle inspection is required in certain countries, with the renewal of the roadworthiness certificate.

See Chapter 5 for more details on fleet maintenance and maintenance planning.

Most of the maintenance requirements for buildings in the UK will be covered by BRC's maintenance service provider.

To request a maintenance service, contact SSC, so they can schedule it via the Facilities management contractor.

See the BRC [portable appliances technical guide](#) for details of the maintenance procedures to follow regarding BRC-owned electrical assets in the UK. This guide should inform the maintenance planner for the UK logistics team.

See [guideline for maintenance of BRC-owned vehicles](#) in the UK.

4.5.6.2 Unplanned maintenance

Unplanned maintenance needs must be identified as such and avoided as far as possible. When they do occur, a **maintenance request** must be authorised by the asset manager, and the associated costs should be recharged to the budget code of the user requesting the maintenance.

4.5.6.3 Cost of maintenance

The cost of maintenance associated with an asset should be monitored, with copies of invoices for maintenance services included in the individual asset files kept in the asset management folder.

Looking at the cumulative value of maintenance costs associated to a specific asset can support a decision to dispose of an asset, replace it or to switch to renting rather than owning similar items.

It is important to track maintenance costs at asset level. For example, it is not as helpful to know how much was spent on vehicle maintenance in a month as it is to know how much has been spent on each vehicle specifically.

For vehicles, generators and some electrical/medical equipment, maintenance should also be captured in the logbook.

Management of assets

- The asset manager maintains the asset register
- The asset register must be shared regularly
- Different donors have different asset reporting requirements
- BRC depreciation policy requires straight-line depreciation unless otherwise specified by donor
- Asset depreciation does not apply to all assets, and does not always apply at the same rate
- Maximise planned maintenance to minimise the need for unplanned maintenance
- Record all maintenance events and costs per asset

4.7 Asset donations

4.7.1 Receiving an asset donation from a partner organisation, donor or commercial actor

No asset can be received without an asset **donation** certificate being raised (ideally by the donating party rather than the receiver, although the receiver can raise the receipt) and a GRN, signed by both parties.

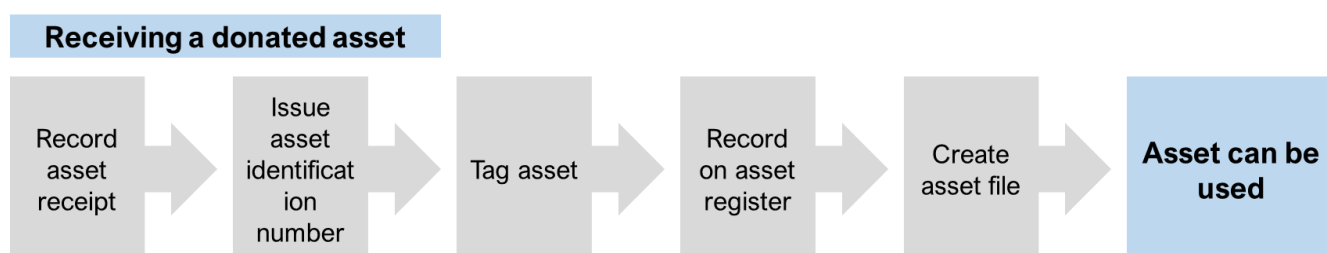
The donation receipt must show all details relevant to the asset being donated, including:

- Original purchase value
- Current depreciated value
- Origin (supplier, manufacturer)
- Insurance requirements
- Maintenance records

The asset is tagged with a new number, per the numbering sequence maintained by the asset manager.

The asset is recorded on the asset register, with both the purchase value and the current depreciated value. It should be marked as a donation, with reference to the donation certificate or receipt number. Ideally, a **donations tracker** should be maintained and updated with any received donation.

The asset donation certificate should be kept on file.



4.7.2 Donating an asset to other organisations

No asset can be donated without a **donation certificate** being raised by the donating party and mutually signed. Note that the level of approval of the donation certificate will depend on the total amount of the donation.

Up to £50,000	Budget holder (e.g. Programme Manager / Country Manager) + Finance
Up to £100,000	Head of department/head of region (LogCo consulted)
Up to £1,000,000	Programmes & Partnership Director international
Up to £5,000,000	Executive Director International
Above £5,000,000	CEO and CFO (ELT informed)

Refer to section 4.7 on asset disposal for more details.

Note: regardless of the total value of the asset donation, it is critical that the budget holder is informed in case an asset purchased with the budget they are responsible for is considered for donation.

Where applicable, ensure the donor has agreed to the asset donation. Depending on the donor, this may be through a formal submission of the asset disposal plan for approval and should be submitted through the relevant donor facing colleagues.

The donation certificate must show all details relevant to the asset being donated, including:

- Purchase value
- Current depreciated value
- Origin (supplier, manufacturer, etc)
- Insurance requirements
- Maintenance records

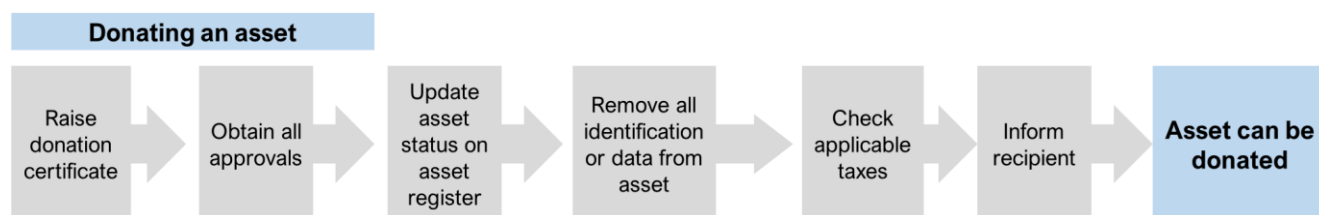
The donated asset must be kept on the asset register but marked as donated, with reference to the donation certificate number.

The asset tags and any other Red Cross visibility and data must be removed from the asset before it is physically transferred to the receiver.

Ensure that the applicable taxes are paid by the agreed party. Note: Assets imported in a country on a tax-free basis often require payment of taxes at the time of donation. The receiver must be aware of all the costs associated to owning the asset (tax, registration, maintenance, etc.) and agree to cover the costs.

In the case of donating assets that are more sophisticated than those usually available in the country or region of donation, ensure that the receiver has been trained on the usage and maintenance of the asset, and that they understand that the donating party will accept no responsibility in case of harm or damages caused by the use of the asset.

See section 4.8 for more details on the overall asset disposal process (donation is one of several disposal options).



See [guidance](#) for asset disposal or transfer in the UK.

Ideally, a **donations tracker** should be maintained and updated with any donation to other organisations.

Asset donation

- Donations to and from partners must be recorded
- Received assets must be added to the asset register
- Donated assets' status must be updated on the asset register
- Received assets must be numbered and tagged per the receiver's convention and sequence
- Make sure the receiver of a donated asset can use and maintain it
- Consider an order of preference for asset donations (4.7)

4.8 Asset disposal

When closing down an office/operation/programme, all assets should be allocated a disposal option in an **asset disposal plan** that forms part of an overall exit plan of action. The selection of options through the asset disposal plan is the responsibility of the budget holder (programme manager or country manager), implementation of the disposal plan is delegated to Logistics.

In order of preference, assets that need to be disposed of should be:

1. Donated to the HNS
2. Donated to another RC Movement partner
3. Donated to a partner
4. Donated to another humanitarian organisation
5. Sold
6. Destroyed

Separate to these options, the option to export the asset back to the UK for further use should always be considered, based on the type of item, value and relevance in the local context. Consult the Logistics Coordinators to enquire about the relevance of returning an asset to the UK.

The budget holder must select the best option from the above list when creating the asset disposal plan.

The asset manager is responsible for managing the asset disposal process following the above RACI matrix (see Section 4.1). However, accountability for the process lies with the budget holder who must initiate the process, make the relevant decisions about each asset's disposal and ensure all steps are followed properly through to sign-off of the disposal plan.

Designing the disposal plan	Task	Method
	Confirm and compile list of assets and high-value stock as part of the exit plan of action (refer to the updated asset register)	- Physical check - Use the list to update status as the disposal process progresses - Propose list to UKO for validation - The list must include damaged items and those that have already been pledged (which should be marked as such) - The list must indicate purchase value, current depreciated value and donor codes.
	Consider donor/government requirements	Obtain guidance from donor and local government on asset disposal
	Consider return, transfer or disposal options	Committee at UKO to be constituted (can include members from logistics, finance, IT and programme team and donor representation) to agree disposal route: - Export to return to UK - Transfer to <u>other</u> programme locally (BRC, HNS, consortium) - Donation - Sale - Destruction Committee to consider donor requirements, Value for money, repair options and costs, on-going maintenance/running costs (potentially impacting the HNS adversely) and cost of repatriation (including carbon footprint analysis).

Implementing the disposal plan	Option	Method
	Donation to HNS, PNS, IFRC or other NGO *Donation to staff is strictly prohibited	- Communicate the asset list to organisations to see if anything within the list is needed for their programme. - BRC need to ensure that assets will be used and should consider what other PNS will do to reduce the risk of overwhelming the HNS with assets. - Confirm with local legal advisor that there is no problem transferring assets under the IFRC Integration Agreement. - Donation certificate will be required
	Sale	- Bill of sale must be raised, signed by each party. - Depending on quantity of items to be sold, consider contracting a company to manage the sale. - Tax implications of sale must be carefully researched. - Proceeds of the sale must adhere to donor requirements
	Destruction	Consider local environmental law and associated costs and requirements (especially for dangerous goods and fluids). Consider contracting recycling companies and associated costs and donor requirements.
	Export back to UK	Costs must be investigated and approved by UKO committee

Reporting losses: All lost or stolen assets should be recorded on the **frauds and losses register** as they occur. BRC requires all asset losses to be reported through Datix incident management system.

Damaged assets must be identified as such – logistics must be consulted on repair options and arrange for agreed repairs.

The overall exit plan of action, and the asset disposal plan in particular, must be signed off according to the total value (that is, the purchase value, not the depreciated value) of the portfolio of items/assets being disposed of following the thresholds listed below and signed off in the MPB if there is one.

Up to £50,000	Budget holder (e.g. Programme Manager / Country Manager) + Finance
Up to £100,000	Head of department/head of region (LogCo consulted)
Up to £1,000,000	Programmes & Partnership Director international
Up to £5,000,000	Executive Director International
Above £5,000,000	CEO and CFO (ELT informed)

Note: regardless of the total value of the asset disposal plan, it is critical that the budget holder (Programme Manager or Country Manager) is informed at all stages of development of the plan.

Note: the sequence of approvals is important for asset disposal plans:

- 1- MPB if there is one
- 2- BRC per the above table
- 3- donor

Once the **asset disposal plan** has been finalised, it should be circulated to the designated approvers, together with an **asset disposal plan sign-off form**.

The exit plan of action should be updated as the disposal process progresses, so that it is used as a resource to track progress against the exit plan.

4.8.1 Disposal by donation

The preferred option for disposing of surplus stock and assets is to donate them, so they continue to benefit the needs of the communities they were originally sent to help.

It is crucial that assets are handed over in a sustainable way to ensure they add value rather than becoming a burden. It is recommended to clearly state all running and maintenance costs of any asset that is available for donation.

Potential receivers of asset donation (see order of preference to be followed above) should be contacted sequentially with donation offers, with a timeline within which they should respond. Beyond that timeline, the next option can be considered. Dates and offers of donations must be kept in writing.

Do they want them?	Can they use them?	Can they maintain them?
A list of the items available should be shared for potential receivers to pick from.	Sophisticated and specialist equipment may require training before the receiver can autonomously use and maintain it.	Certain items will require maintenance – can the receiver cover the cost?

4.8.2 Disposal by sale

Logistics are responsible for organising the disposal of assets by sale, after all the necessary approvals are obtained.

When selling items, a transparent system must be put in place, with a senior staff member overseeing the process. This could be through sealed-but-publicly-opened bids for higher value items or through a public, live auction with set prices for lower value items.

The following need to be considered:

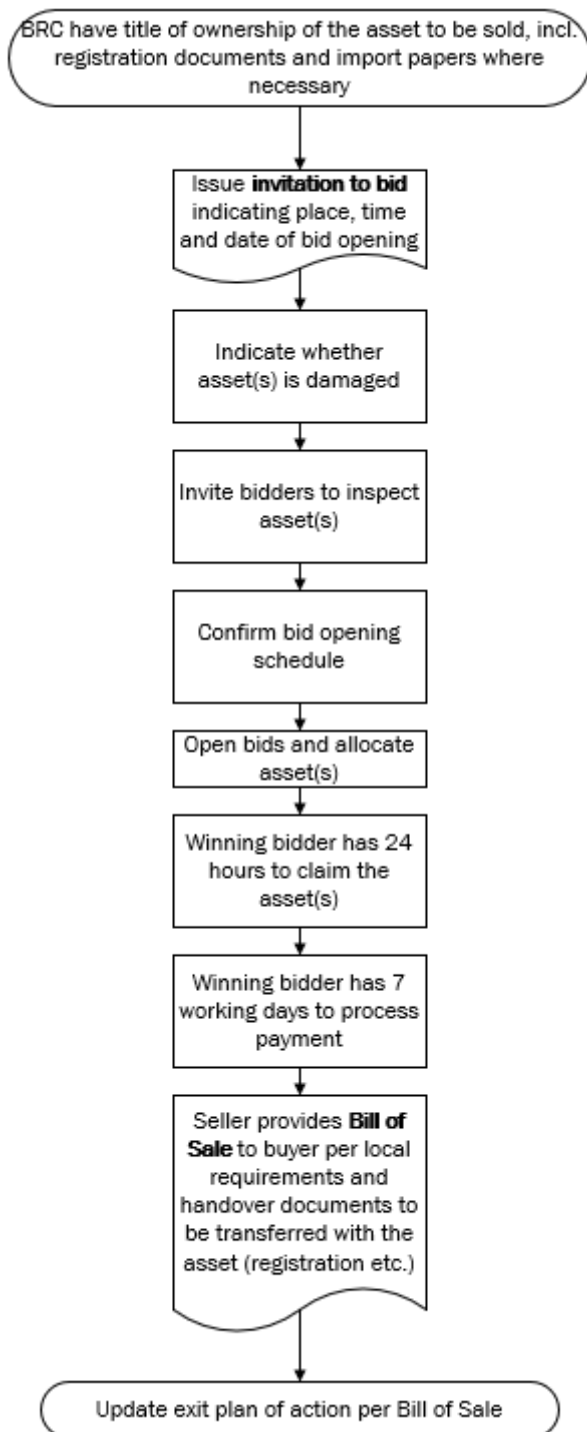
- The estimated sales value of the asset, and the administrative costs involved in a sale.
- If the exchange of asset in partial or full payment for replacement equipment or supplies is possible.
- If the destruction of the asset will be more economical or is required by law or by the nature of the property.
- If the interests of the BRC will be better served by donation of the asset to a National Society or other humanitarian organisation, or transfer to another operational programme.
- If the asset is part of an operational programme, and if there are restrictions on the use of programme commodities and the desires of the donor.
- Whether there are governmental restrictions forbidding the sale of assets imported or requiring import duties to be paid prior to the sale of such goods.
- The public relations impact of such a sale.
- Taxes: if an item is brought into the country without paying tax, it must usually be paid if sold onwards within the country.

Sale of fixed assets should be performed on a sealed-bid basis, to obtain market value and ensure that the sale is both transparent and at 'arm's length' (with no possible interpretation of fraud or collusion). This is done by the following:

- The sale of items or lots with a total value below £500 does not need to be performed by sealed bidding, and prospective buyers may be approached by telephone, letter or in person as well as through the media. After inspecting the asset, they may submit informal bids by phone, email, in writing or in person.
- Competitive bidding. **Invitations to bid** for the purchase of assets are published in local media and issued to pre-identified prospective purchasers, and it is recommended that advertisements be published in the local media to encourage sales. The invitation to bid must specify whether augmented bids will be accepted after the opening of bids; if this is not specified, bidders should not be allowed to raise their bids after the official bid opening. If raising bids after the bid opening ceremony is allowed, bidders must be encouraged in their invitation to attend the sale in person and it must be made clear in the advertising and bidding documents that this will be an option.
- Sale by fixed price may be recommended if the value of the property is known and the fixed price will ensure a fair return to the BRC. However, it may be better to advertise for sealed bids, with the desired fixed price set as a minimum. This minimum set price should not be advertised however to allow opportunity for receipt of higher bids.

Note: The sale of assets to staff is usually not permitted. Should this be allowed as an exception, it must be a transparent process where all staff members have the opportunity to purchase.

4.8.2.1 Selling process



The selling party must have title or legal ownership of the property in order to conduct the sale. Certain items, such as vehicles, require registration documents and import papers.

To prevent misunderstanding or legal difficulties, it shall always be clearly indicated if the property is damaged, used or in need of repairs before it is advertised. Prospective purchasers should be urged to inspect the property before submitting bids.

The sale shall take place as scheduled on the invitation to bid or in the public announcements. If the bid opening time or location is changed, all bidders must be notified. Bidders need not be present to win the bid but must be able to be contacted within 24 hours.

A limited time should be allowed following the sale for payment and removal of property, usually five to seven working days.

The seller shall provide a "**bill of sale**" to the buyer, consistent with local government requirements that should be signed by both parties. Each should retain copies, as well as other documents that may be required to be transferred with the property.

4.8.2.2 Determining fair market value (FMV)

By broad definition, fair market value is the price that would be demanded and paid in a sale involving a willing seller under no compulsion to sell and a willing buyer under no compulsion to buy, assuming both have reasonable knowledge of the relevant facts about the asset.

Consult HQ logistics when there is a need to determine fair market value.

There are few options available to determine an asset's current value:

- If the asset is insured, the finance team can request an appraisal from the insurance company.
- If the above is not possible, an independent authorised surveyor can be contracted to provide value of an asset, based on the standard practice in the specific country determined by law.
- In the case of vehicles or generators, the logistics team can request an appraisal from a vendor of second-hand/used cars/generators (preferably a dealer of the specific vehicle/generator), or from a local mechanic if neither are available. A minor fee is usually required for such appraisals.

4.8.2.3 Actions subsequent to sale

The **asset register** must be updated based on the **bill of sale**, with a copy of the **bill of sale** kept on file.

The organisation's Insurance policy should be updated following the sale.

The proceeds of the sale must be reflected in the monthly accounts and incorporated as income to the programme for which the asset was utilised before being sold.

4.8.2.4 Disposal by public auction

Sales of items or lots of a total value above £500 to third parties are to be conducted by public auction or by submitting sealed bids. Sales are to be made to the highest bidder (subject to the reserve price being met). Exceptionally, local and international staff can bid on items but will have to place the highest bid to win them.

Proceeds from sale	Public sale with fixed prices
Income from the sale of assets funded by donors must be used as co-funding or according to donor guidelines. The money received from the assets' sale must be recorded in accounts as income and not set against the expenditure account.	Reserve prices should be set by a logistics coordinator, with validation from the head of delegation or country representative. They should be roughly equal to prices found on the open market.

4.8.3 Disposal by destruction

Destruction of assets/inventory is subject to local environmental law and can be expensive.

Check for special authorisation from government, especially for the disposal of food, chemical items or dangerous goods found in assets (batteries, fluids, etc).

Recycling companies can be contracted to dispose of assets, though some costs may be incurred.

4.8.4 Writing off obsolete assets – UKO assets only

While stored in the UK, pre-positioned assets are largely managed as stock and kept on a balance sheet – items are purchased with logistics budget and reimbursed by users as they request the assets in stock.

When assets are broken or obsolete before they can be deployed, they must be written off and somehow “paid for”.

Logistics have some budget to cover write-off costs, but where assets have been damaged in use, the user’s team’s budget should cover the cost. A **stock/asset write-off form** must be completed and approved before the asset’s value can be written off the balance sheet.

The destruction or donation of obsolete assets should be budgeted for unless the asset has reached its 0-value due to depreciation.

Note: When an asset has been sold, its value can be offset against the proceedings of the sale without using funds from any other budget.

4.8.5 IT, communications and data management assets specifics

An IT decommissioning policy does not currently exist within the BRC. However, when disposing of any IT, communication or data management assets (such as computers, tablets, phones, GPS devices, radio sets and satellite phones), all the data stored on the device and all the parameters that were set up on it must be wiped off the device, applicable SIM cards removed and accounts closed.

In case of doubt, please contact the regional Logistics Coordinators so they can provide any necessary technical support.

Assets disposal

- Assets can be disposed of either at the closure of a programme or ad hoc
- If a programme is closed, disposal options must be considered in an exit plan of action
- An asset disposal plan must be validated by the right person, based on the total value of disposed assets
- Disposal options are: donation, sale, destruction or write-off
- Report all lost or damaged assets
- Consider order of preference for donations
- Ensure all donated assets are clear of all data and BRC visibility

4.9 Note on asset management and partnerships

Due to the variety of ways of working within the BRC, the responsibility of procuring, maintaining, reporting and disposing of assets may lie with different parties.

The standard types of relationships are listed below, indicating respective responsibilities.

	Procurement	Maintenance	Reporting	Disposal
Bilateral GAD	HNS purchases with BRC funds sent through a GAD	HNS plans and tracks	HNS submits to the BRC	HNS submits disposal plan and sign-off request to the BRC
Indirect GAD (BRC partners with a PNS who implement with a HNS)	PNS purchases per GAD terms (specifies which procurement policy to follow). PNS owns the asset.	HNS plans and tracks	HNS submits to PNS	PNS submits disposal plan and sign-off request to BRC (unless GAD specifies differently)
BRC procurement support to (P)NS (no GAD necessary)	BRC procure with BRC funds and donates to NS	NS per internal requirements	NS per internal requirements (no report to BRC required, unless specified)	NS per internal requirements (no disposal plan/sign-off form to BRC required, unless specified)
BRC asset for BRC use	BRC UK team	BRC UK team	Per BRC requirements	Can be donated individually if standalone items, or through a disposal plan and sign-off request if at end of programme

Note: partnerships with IFRC and/or ICRC normally follow IFRC/ICRC asset disposal procedures.

Chapter 5 : Fleet Management

Table of Contents

5.1 What is covered in this chapter?	180
5.2 Definition of fleet	180
5.2.1 Types of vehicles	180
5.2.2 Types of generators	181
5.3 Defining fleet needs	181
5.3.1 Vehicles.....	181
5.3.2 Power supply	184
5.3.3 Fleet options and modalities	187
5.3.4 Different types of fleet sourcing solutions	187
5.3.4.1 BRC own fleet	187
5.3.4.2 Commercial rentals	188
5.3.4.3 IFRC vehicle rental programme.....	188
5.3.4.4 Using another National Society's vehicles.....	190
5.3.4.5 Choosing the best vehicle ownership solution	190
5.4 Resourcing for fleet management (budget, procurement, HR)	192
5.4.1 Budgeting for fleet	192
5.4.2 Procuring fleet: process, selection criteria, delivery	193
5.4.3 HR resources for fleet	194
5.5 Vehicle usage	195
5.5.1 Vehicle registration process.....	195
5.5.2 Insurance	196
5.5.3 Tracking vehicle and generator use.....	197
5.5.3.1 Vehicle logbooks	197
5.5.3.2 Generator and handling equipment logbooks.....	197
5.5.4 Safety and security	197
5.5.4.1 General vehicle safety.....	197
5.5.4.2 Using generators safely	198
5.5.4.3 ICRC Convoy procedures	200
5.5.5 BRC driving procedure	200
5.5.6 IFRC driver rules and regulations.....	201
5.5.7 BRC safety training pathway	202
5.5.8 Planning for usage	202
5.5.8.1 Requesting a vehicle and cost recharge.....	202
5.5.8.2 Fleet productivity: utilisation and performance	203

5.6 Managing fleet.....	204
5.6.1 Sourcing fuel and maintenance services (in-house or outsourcing).....	204
5.6.1.1 Sourcing fuel	204
5.6.1.2 Sourcing maintenance services	206
5.6.2 Vehicle and driver schedules, generator running hours	206
5.6.2.1. Vehicles and driver schedules.....	206
5.6.2.2 Generator running hours	207
5.6.3 Daily checks on vehicles and generators.....	207
5.6.3.1 Daily checks on vehicles	207
5.6.3.2 Daily inspections on generators	208
5.6.4 Following fuel consumption.....	209
5.6.4.1 Taking stock of fuel	209
5.6.4.2 Monitoring fuel consumption	209
5.6.5 Maintenance planning and tracking	210
5.6.5.1 The importance of preventative maintenance.....	210
5.6.5.2 Planned maintenance	211
5.6.5.3 Service schedule	211
5.6.5.4 Unplanned maintenance.....	211
5.6.6 Incident reporting	212
5.6.7 Reporting on fleet	212
5.7 Project closure: fleet disposal options	213
5.7.1. Handover, disposal, sale, donation	213
5.7.2 Vehicle disposal checklist.....	214
5.8 Fleet audit trail	214
5.9 BRC Domestic fleet management systems and procedures.....	215

5.1 What is covered in this chapter?

Definitions
Building a fleet strategy
Fleet sourcing: procurement, rental
Fleet management (incl. safety & incident management)
Fleet disposal
Fleet documentation
BRC driving procedure

5.2 Definition of fleet

In this chapter, 'fleet' will be used as a generic term for any piece of equipment fitted with an engine, including vehicles, motorcycles and power generators.

5.2.1 Types of vehicles

This chapter will cover the use of passenger vehicles and cargo vehicles equipped with engines, as well as utility vehicles.

Light fleet	All vehicles weighing up to 3.5 tonnes, including passenger cars, pick-up trucks, small trucks, minibuses up to 16-seaters
Passenger vehicles	Buses with over 16-passenger capacity
Heavy duty trucks	Cargo trucks weighing over 3.5 tonnes
Construction and mechanical handling equipment	Including tractors, forklifts, diggers
Motorcycles	Two-wheeled or three-wheeled motorised vehicles

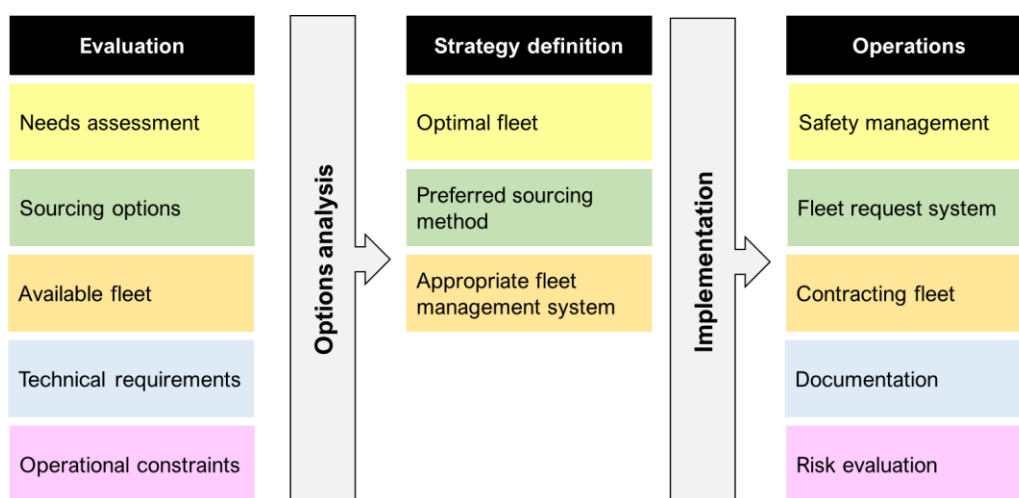
5.2.2 Types of generators

Where power is not available through a publicly maintained network, generators may be necessary as a temporary or permanent source of power. A variety of generators are available, which can make the selection process complicated.

A generator is generally composed of an electrical generator (the alternator) and an engine (or prime mover), in a single piece of equipment.

For more details on types of generators and how to use them, see Section 5.3.2.

5.3 Defining fleet needs



* This includes security context and regulations that may apply (import options, labour law, etc)

5.3.1 Vehicles

The number and type of vehicles should always be aligned to the operational needs and conditions, including security, terrain, and team movement patterns. Operational fleet decisions must be compliant with IFRC safety and security guidelines (as stated in the IFRC Fleet Manual), with any deviation requiring approval from UKO.

The vehicles selected must comply with Federation standards, unless approval for the use of non-standard vehicles has been obtained from UKO.

When selecting vehicles, consideration should be given to the following factors:

VEHICLE SELECTION CRITERIA		
Local terrain and topography	Local driver capacity (automatic or manual driving, 4x4 driving, left or right-hand drive)	Local and national service/maintenance and the availability of spare parts
State of road and traffic infrastructure		
Need for specific equipment, such as in-vehicle communications equipment, a tow-bar or winching equipment, or use of the vehicle as ambulance	Distance to be travelled and estimated usage (frequency, payload, etc)	Local rules and regulations, including emission regulations (not all IFRC-standard vehicles meet current emission levels for all countries)
Import and export regulations	Compatibility with existing fleet composition	
		climate, including seasonal change

The IFRC [standard product catalogue](#) contains full technical specifications of Federation-standard vehicles.

The key point for organising fleet is knowing what the needs are for the programmes in the country office (including any sub-delegations) and for general operations. It is the role of logistics to analyse these needs and then optimise the fleet, defining the optimal vehicle fleet requirements. This, combined with the national regulations (i.e. load limits for trucks) and the limitations of the surrounding area (i.e. infrastructure) will provide the necessary information to choose the most effective set-up of fleet.

Defining the number and type of vehicles depends on the volume of the workload and the material or number of passengers to be transported, as well as the distance and terrain covered. Each type of vehicle has its own specifications regarding load, type of goods and passenger capacity.

The below table will help define the type of equipment needed in operations. To help calculate the number required of each type of vehicle, see Annex 9.01, vehicle set-up evaluation in the [ICRC fleet management manual](#).

Consider	Criteria	Decisions
Type of terrain	Town/country/topography Paved/dirt roads Seasonality Warehouse Construction site	Cars, high-range 4x4, low-range 4x4, engine power Specifications of vehicles Tyres, sand plates, motorbikes, etc Forklift Digger
Transport capacity	Bridge and road weight restrictions Local/international distribution Transport of passengers/cargo (see Section 5.4.6)	Light trucks Trucks Bus
Radius of operation	Vehicle fuel capacity and reliability Number and type of vehicles Typical and exceptional journey durations Fuel quality and quantity in area of operation	Refuelling options, linked to typical and exceptional journeys (mileage and duration) Fuel sourcing strategy Storage on site
Availability of electricity	Power for all operations Security	Generators vs. city power

Each department has its own needs in terms of type and number of vehicles to add to the fleet list. For example:

- Administration may require cars for errands or official visits
- Protection teams may need light 4x4 vehicles for field visits and transfers
- Construction and warehousing teams may need pick-ups for equipment
- Teams in charge of distribution (usually called relief team) will need trucks

Combining and analysing these needs into a summary table will help constitute the fleet (in number and type), in a way that meets the needs of each team and minimises the cost of operation. The vehicle pool system (see Section 5.4.8.1) should be considered, as it maximises vehicle utilisation through avoiding the taking of vehicles without justification.

	Team 1	Team 2	Team 3	Team 4	Team 5	Total
Vehicle type 1						
Vehicle type 2						
Vehicle type 3						
Vehicle type 4						
Total						

5.3.2 Power supply

Generators must be set up and maintained by qualified staff – a mechanic or a head driver. Support is always available from locally available staff from other PNS, IFRC or ICRC or from UKO-based logisticians.

Specialist skills are required to manage generators. Staff involved in plant management processes must be trained electricians or experienced logisticians.

Generators usually produce single-phase electricity, which is used when the loads are mainly lighting and heating, and for small electric motors. A single-phase supply connected to an AC electric motor will not produce a rotating magnetic field, so single-phase motors require additional circuits for start-up and are unusual for power ratings above 10kW. All generators used in BRC operations are single-phase. Seek specialist advice for the operation of three-phase generators.

The output of a generator is measured in KvA (kilovolt-ampere) and volts. They can be air or water-cooled and can be soundproofed (silent) or not. Generators are either petrol or diesel-powered.

The BRC uses hybrid generators when deploying their Logistics or MSM Emergency Response Unit teams (see chapter 8 for details on the ERUs). These provide standard power generation and simultaneously charge a set of batteries, which can be used to provide power once the generator is turned off. The batteries' power demand must therefore be included in the load calculations. Details of the generator specifications as well as a user manual are available from the international logistics team upon request, and provided to the ERU teams when they deploy.

It is important to match the power generated to your electrical needs as closely as possible: if the load is too high, the generator will stop and be damaged. But when the generator is supplying less than 40–50 per cent of its power capacity, fuel consumption increases, the lubricant deteriorates more quickly, and the engine's life cycle is reduced.

Without any power demand to it, a generator will typically already be using 25–30 per cent of its rated power.

To maximise the generator potential, the largest electrical motor should be started on its own and further appliances should be switched on thereafter.

Scenario		Impact on generator set
A	Power demand is less than 40–50% of the maximum rated power	Fuel consumption increases. Generator life cycle is reduced. Lubricant deteriorates more quickly.
B	Power demand is between 60–80% of maximum rated power	Optimal use of the generator.
C	Power demand is more than 80% of the maximum rated power	Fuel consumption increases (but less than in Scenario A).
D	Power demand is more than 100% of the maximum rated power	Generator stops. Generator life cycle is reduced.

It is a good idea to have batteries as part of an electricity provision setups, so that they can be charged while the generator is turned on. Critical appliances (communication systems, fridges, alarm and/or security systems) can then work in case neither city power nor the generator can supply power. If the generator is used to charge batteries, make sure their rated kVA is calculated into the total power requirements.

Current technology means it is not feasible to rely completely on solar power; at best it may be considered as back-up to supplement generators and battery banks, which can be charged with solar power using solar panels.

To calculate your power supply needs and to choose the right generator, use the below indicative table. The generator size (in kVA) must be equal to or greater than the total consumption of all appliances. The higher starting requirement must be taken into account when calculating the generator size.

Appliance	Rated power (watts)	Rated kVA (To operate appliance)	Rated kVA (To start appliance)
Air conditioner (evaporative model)	275–1,000	0.34–1.25	1.36–5
Air conditioner (reverse cycle)	200–2,500	0.25–3.13	1–12.5
Clothes dryer	2,400	3	3.00
Coffee percolator	550	0.69	0.69
Deep freezer	500	0.63	2.52
Dishwasher	1,000–3,000	1.25–3.75	1.25–3.75
Domestic water pumps	275–1,000	0.34–1.25	1.36–5
Exhaust fan	40	0.05	0.20
Floor polisher	350	0.44	1.76
Hair dryer	1,500	1.88	1.88
Hot water service	2,500–3,000	3.13–3.75	3.13–3.75
Iron	800–1,500	1–1.88	1–1.88
Kettle or jug	1,600–3,000	2–3.75	2–3.75
Laptop	60	0.4–0.6	0.5
Lights	25–200	0.03–0.25	0.03–0.25
Microwave	1,500	1.88	1.88
Oven	4,000–8,000	5–10	5–10
Printer	30–50	0.2	0.2
Projector	300	0.28	0.33
Radio	60	0.08	0.08
Radiator	1,000–2,500	1.25–3.13	1.15–3.13
Refrigerator	300	0.38	1.52
Sewing machine	60	0.08	0.32
Space heater	2,000	2–5	2.50
Television	75–200	0.09–0.25	0.09–0.25
Toaster	250–1,250	0.3–1.56	0.3–1.56

Washing machine	500–3,000	0.63–3.75	2.52–15
Welder (140A)	5,000	6.25	8

Consider	Criteria	Decisions
Electrical load	Total load calculations Power (kVA) Local voltage and frequency	Reduce requirements? Alternate generators? (consider whether budget can cover duplicate setup)
Expected usage	Permanent/back-up system Consider requirement for UPS by way of back-up Starting system (manual/electric/automatic)	Alternate generators if constant power supply needed Establish running hours with regular breaks (consider if budget can cover duplicate setup)
Make, brand, Place of manufacture	Local availability and quality of relevant fuel and parts Local maintenance capacity	Budget for fuel and spare parts
Geographical area of use	Altitude Temperature and weather conditions Exhaust emission regulations Cooling system (air/water)	Improve electrical safety at location Isolate generator appropriately (consider budget availability)
Place of use	Indoors/outdoors Ventilation Protection from elements Noise and disruption Type (portable/fixed/on trailer) Safety	Budget for generator shelter or noise reduction system Require inspection of terrain Security requirements How to earth it effectively?
Price	Budget, set-up costs, maintenance costs	Within budget / out of budget

Selecting fleet/power supply setup

- Think about how you will use the fleet and how much power you need
- Decision factors for fleet: type of terrain, capacity required, radius of operation
- Decision factors for generators: load, expected uses, place of use, brand
- Calculate your estimated power requirements carefully
- Consider local constraints, but strive for standardisation (see IFRC standard product catalogue)

5.3.3 Fleet options and modalities

The RCRC's aim regarding fleet management is to standardise fleet as much as possible, allowing for easier tracking, resource-sharing and maintenance management. It also allows different parts of the Movement to benefit from competitive pricing from manufacturers.

Vehicles outside the list of standard fleet should only be purchased after approval from a centralised fleet management team (usually HQ logistics, IFRC or ICRC).

The **IFRC standard product catalogue** and VRP programme include the list of standard vehicles.

Fleet to be used in field operations should always be procured centrally and through the existing agreements with manufacturers.

Where fleet is being procured locally and only for city use, the following criteria should be adhered to as much as possible:

Make	Well-known European or Japanese make, well represented in country of operation
Category	City car (Peugeot 208, Toyota Corolla or equivalent), not necessarily a station wagon
Engine power	Maximum 100 hp or 75 kw
On-board security	Alarm/immobiliser, antilock braking system (ABS), electronics stability control and air bag if available
Fuel	Diesel or petrol (check regulations, availability and consider the environmental impact)
Pollution control	Optimum, but at least as per local regulation
Transmission	Two-wheel drive, preferably automatic – unless road conditions in the city require four-wheel drive
Colour	Preferably white, and a light colour if not available – should not clash with Movement visibility
Budget	Equivalent to the cost of standard vehicles
Maintenance	Access to local maintenance without HQ support

Standardisation and compliance to environmental regulations should also be applied to the choice of generators. In general, ensure that the brand is well-established, that fuel type matches local fuel availability and that spare parts and maintenance are widely available.

5.3.4 Different types of fleet sourcing solutions

5.3.4.1 BRC own fleet

In this option, the BRC purchases the vehicles and uses them for its operations.

The decision of what vehicles and how many to buy will be based on operational needs and the procurement must be controlled and managed through UKO. Such vehicles would be

purchased and imported under the HNS and the BRC would donate the vehicles to them once the BRC-supported programme ends.

This option would usually only be considered when:

- It represents better value for money than other options, such as using the IFRC's VRP system
- Vehicles are required for more than two years
- There is assurance that the donation does not place an unnecessary burden on the HNS in terms of maintenance and cost.

In these cases, the BRC usually covers all the costs associated with the vehicles, including maintenance, drivers' charges including per diems, local insurance, registration and fuel.

The maintenance of BRC-purchased vehicles outside the UK is done following the IFRC maintenance guidelines, unless it is agreed that the vehicle is managed under the HNS' fleet management procedures..

5.3.4.2 Commercial rentals

Renting vehicles or outsourcing their maintenance can be a requirement for an operation either temporarily (during a short-term surge in activity) or as a long-term solution (where ownership is not an option).

If renting vehicles, the applicable procurement procedure should be followed. The selected rental company must be reputable and offer value for money. See section 1.6 for more details.

5.3.4.3 IFRC vehicle rental programme

For step-by-step guidance on sourcing vehicles through the VRP, refer to the [VRP service request management/business process document](#).

5.3.4.3.1 The Vehicle rental programme

The International Federation's vehicle rental programme (VRP) was established in 1997 to ensure a cost-effective use of vehicles and fleet resources. Revised in 2004, it continues to be an effective means of providing vehicles to International Federation and National Society operations. The programme is run as a not-for-profit service within the International Federation; monthly vehicle rental charges are calculated to cover the vehicles and the operating costs of the VRP.

Depending on the estimated period of vehicles' requirement, it may be cheaper or more straightforward to rent them through the VRP, but a full cost comparison should be done before a decision is made. Cost comparison must cover the cost of the vehicle, shipping, registration, insurance and local insurance, maintenance and PSR of 6.5 per cent.

The overall aim of the VRP is to provide good-quality vehicles as quickly as possible, and with maximum bulk discount. It also enhances standardisation, centralises control and minimises costs, through end-of-lease sale. Vehicles on this programme are managed through the fleet base in Dubai and remain the property of the IFRC. All leases must be organised through the IFRC.

The vehicle rental programme is managed through the global fleet base in Dubai, but a lot of the fleet management team's responsibilities are delegated regionally and implemented through regional fleet coordinators in the Operational Logistics procurement and Supply Chain

The VRP agreement is materialised through a vehicle request form, which must be signed off by the BRC country manager and submitted to the global logistics services (GLS) team in Dubai.

Management units (OLPSCM, also known as Regional Logistics Units).

The requesting programme's lead (programme manager, country manager or ops manager) is responsible for authorising the VRP contract with the IFRC fleet base in Dubai, on the recommendation of logistics based on the review of the above options.

Note: Monthly VRP invoices are processed through UKO.

5.3.4.3.2 Global fleet base vs regional units: roles and responsibilities

VRP SYSTEM – ROLES & RESPONSIBILITIES	
Global fleet unit (Dubai)	Regional fleet coordinators (in OLPSCMs)
Overall VRP management (operational and financial)	Implementation and maintenance of IFRC standards at a regional level
Maintaining the VRP business plan	
Procurement hub for vehicles and vehicle-related items	Advise on the implementation of preventative maintenance and repairs to maximise lifespan and usage of regional fleet
Managing all incoming requests for dispatch and allocation of new and used vehicles	Coordinate movement of fleet across the region
Supporting disposal of VRP vehicles	Supporting planning of transportation needs in the region
Preparing vehicles for deployment (technical assessment and repairs)	Implementing standard asset disposal procedures
	Ensuring proper maintenance of fleet wave database and analysing data
	Reporting on regional fleet usage to global fleet base
	Maintaining regional fleet files
	Advise and train on fleet sizing, fleet management and VRP
	Managing regional IFRC fleet

5.2.4.3.3 VRP rental costs

To encourage forward planning, cost incentives have been built into the VRP. Rental rates are based on a sliding scale, in which longer rentals benefit from cost savings (i.e. a sliding scale, based on the duration of the contract).

Model	Five-year average monthly cost (CHF)	12-month average monthly cost (CHF)
Toyota Land Cruiser HZJ78	720	830
Toyota Land Cruiser pick-up double cabin HZJ79	671	775
Toyota Land Cruiser pick-up single cabin HZJ79	650	750
Toyota Land Cruiser SWB HZJ76	736	850

Toyota Land Cruiser Prado LJ150	696	800
Toyota Corolla ZZE142	635	TBC
Toyota Hiace minibus LH202	621	715
Nissan Navara pick-up double cabin	546	630

These rates are indicative and may change – quotes can be requested from the Global Fleet team when considering renting vehicles through the VRP. The latest version of the [rate sheet](#) is dated from 2016.

An additional 6.5 per cent programme support recovery cost must be added to the total cost of the contract with the VRP, as well as delivery and return shipping costs (including any applicable import duties).

VRP SYSTEM – COST STRUCTURE	
Included in VRP rental rate	Not included in VRP rental rate
Global third-party liability insurance cover (up to CHF 10 million)	Telecom equipment ordered by the operation
Full vehicle damage insurance (including a replacement vehicle)	Additional equipment: snow chains, spare part kits, roof rack
Vehicle replaced at the end of its lifetime	All charges linked to the delivery of a vehicle: shipping, in-country transport, customs duties, taxes for import, port and warehouse charges, etc
Fleet management support	All in-country charges: registration, vehicle insurance, local third-party liability insurance, etc
Accident insurance for driver and passengers	All operating costs, including fuel, maintenance and repairs
Specialist driver training (depending on context and availability of funding)	All charges linked to the return of the vehicle to a VRP stock centre or secondary destination (as requested by global fleet base): customs duties and taxes for re-export, cost to deregister the vehicle in-country, transportation, port and warehouse charges, etc
Access to a web-based fleet management system	Any costs for additional repairs resulting from the loss of or improper documentation relating to a vehicle's maintenance history
	Any costs for additional repairs at the end of the rental period, for damage considered beyond the normal wear and tear.

5.3.4.4 Using another National Society's vehicles

Most National Societies use a mileage rate that they charge for the use of their vehicles by Partner National Societies. Alternatively, they may charge a monthly fee or let PNS use their vehicles and only charge them the cost of fuel.

Mileage rates and what they include often differ, and it is recommended to clarify what is covered (fuel, driver costs, maintenance, etc), and how the amounts to be recharged will be calculated.

5.3.4.5 Choosing the best vehicle ownership solution

	Benefits for BRC	Risks for BRC
BRC owned vehicles	Vehicles belong to BRC	BRC must source the vehicles and ship to operation where required
	At the end of a project, these can be disposed and realise residual value	Some governments force international organisations to donate vehicles to their governments at the end of a project
	BRC is free to donate these vehicles to any partner of choice after the end of a project or five years	Vehicle must be managed as an asset (including depreciation)
		BRC must spend large sum to buy the vehicles outright
		If mission is cancelled or discontinued at short notice, BRC is stuck with these vehicles
		It is difficult to increase/reduce fleet size at short notice, but surge option plans can be built in
		Donor constraints on expenditure
IFRC's Vehicle Rental Programme	Monthly vehicles rental cost is known, so easy for budgeting purposes	Solution includes shipping the vehicle into operation area and shipping out after the end of the lease, which can delay the availability of the vehicle to the operation
	Access to standard IFRC vehicles	After five years, vehicle still belongs to IFRC and BRC cannot donate it to partners
	Scalability of fleet	Can be expensive in the short term, considering shipping costs into and out of operational area.
	Vehicles comprehensively insured at global level by IFRC	IFRC will charge a programme support recovery fee
	IFRC will replace vehicles after 150,000km or five years, whichever comes first (in-country costs associated to vehicle change will need to be covered by the requesting PNS, but all other costs covered by GLS)	
	IFRC will provide fleet management support, including cost tracking and driver training	
	No cost of disposal	
Local vehicle rental	Locally available and no importation costs or delays	Rental rates can be very high
	Easy to scale up or down	There may be a maximum mileage under the rental scheme
	Easy to arrange at short notice	Locally available vehicles may not be of a good standard
	Supports the local market	Local maintenance practices may not be safe
	Budgeting is easier when rates (including maintenance and service) are fixed	The right vehicles are not always locally available
	No need to have own maintenance facilities or resources	Renting vehicles from questionable business people could result in bad reputation by association. Consult international sanctions lists before entering a lease agreement.
Using other NS's vehicles	Vehicles are readily available and easy to scale down	Not always easy to scale up (they might not have enough vehicles)
	Gives support to movement partner	Only possible with small requirements
		Vehicles are not always of a good standard
		BRC can only use what the partner has excess of or does not require

Ownership Options

- Own fleet: Large investment but good control over quality and maintenance. Possibility of selling or donating
- Rented fleet: Light investment and flexible ownership model (can adjust to activity level), but less control and high costs over extended period
- IFRC vehicle rental programme (VRP): High-quality service and easy for budgeting, but a risk that availability is impacted by shipping delays
- Using vehicles from other NS: Support to NS, but difficult to scale up. Only useful for smaller, stable needs

5.4 Resourcing for fleet management (budget, procurement, HR)

5.4.1 Budgeting for fleet

Fleet management budgets should include the full costs associated with running fleet, including:

- Cost of vehicle acquisition (buying, rental costs)
- Cost of fuel, service and maintenance
- Shipping costs associated with the acquisition or return of vehicle (including import tax, if applicable)
- Disposal costs (at the end of the programme)
- Insurance costs
- Registration and licensing costs
- Drivers' costs (include per diems for field trips)
- Other staff costs associated with managing the fleet (e.g. dispatchers, mechanics)
- Costs of additional equipment associated with the fleet, including vehicle radios, first aid kits, fire extinguishers, alarm systems and tracking systems

Fleet management typically includes fixed costs and running costs:

BUDGETING FOR FLEET - COSTS

Fixed costs: One-off costs to make fleet available to the operation	Running costs: recurring costs to maintain availability of fleet for use
Vehicle / generator	Driver costs
Import costs (if applicable)	Maintenance
In-country registration cost	Spare parts
End-of-life sale income	Fuel
	Insurance
	Depreciation
	Parking fees and tolls
	Revision costs and renewal of roadworthiness certificate (where applicable)

When budgeting for fleet, both cost types must be included in the budget (preferably separately), and expenses against each must be tracked, reported and analysed in monthly reports.

Data for the **logistics monthly reports** should be provided by finance, but the logistics or fleet unit are responsible for checking the reported expenses against approved purchases, maintenance orders or fuel requests.

It is helpful to consult with HQ offices or the HNS regarding information about fixed costs, as they will have data from past operations. In some cases, standard fixed costs will apply (especially where fleet is procured against centrally managed framework agreements), and average running costs can be supplied (for insurance or depreciation, for example). Data should be as accurate as possible, so the HNS will usually be the most reliable source of information.

For vehicles supplied via the IFRC VRP scheme, monthly reports are required to be submitted to the IFRC fleet base (usually via their 'FleetWave' system) – the required data forms part of the VRP contract.

5.4.2 Procuring fleet: process, selection criteria, delivery ([Anchor link for procuring for transport - sourcing transport services](#))

In general, it is recommended to use existing framework agreements to purchase vehicles (FWAs can be held globally by the ICRC or IFRC, or locally by the Host National Society) as this allows centralised purchasing and management, and economies of scale.

Where there are no FWAs in place, the procurement of fleet will generally be done through a tender process, due to the high value of the acquisitions.

Refer to the procurement chapter for details on the tender process (Sections 1.6.1.3 and 1.6.3).

Fleet-specific considerations when tendering for vehicles:

TENDERING FOR VEHICLES

Ensure that a registered Movement partner in country (IFRC/HNS) agrees to be the buyer and legal owner of the vehicles, and include them in the tender process

The committee on contract should include representatives from the legal buyers (IFRC/HNS) and the funding partners.

Technical experts and end users should be represented on the Coc too (ask UKO logistics coordinators if necessary)

The tender response document must specify the origin of the vehicles, their year of manufacture, current mileage, service history and warranty details (if purchasing second-hand)

Specify in the tender document whether the purchasing organisation is exempted from paying import taxes and duties

The tender response document should include a breakdown of costs: vehicle, options, import fees and registration fees

Specifications* must be developed per RCRC standards, preferably with input from expected users and logistics experts. It is strongly recommended to consult BRC UKO team. Specifications must be as detailed as possible.

Submissions to the tender must include an ownership certificate from the current owner of the vehicles.

**For specifications, see 5.2.3*

Options to avoid, if possible:

- Electronic systems that are too sophisticated
- Automatic transmission is to be considered only if there are competency restrictions with manual transmission
- Specifications with risk of adverse perceptions, such as tinted windows or leather seats
- Non-compliant with local and national emission regulations

Buying second-hand vehicles is not permitted by all donors – check with your programme team which procurement rules apply under the funding used.

5.4.3 HR resources for fleet

The staff required to run the operational fleet depends on the size of the fleet, the number of daily vehicle movements and the operational context of the project.

RESOURCING FOR FLEET – HR

Fleet size	Nb of vehicles	Recommended HR structure
Small	1 - 5	Admin delegate with senior driver
Medium	6 - 29	Fleet manager and vehicle dispatcher
Large	> 30	Fleet delegate with full team

The operation should align budgets to activity levels to determine the fleet department's resourcing structure. The following are roles to consider in a fleet team:

- Vehicle drivers
- Dispatchers
- Fleet supervisors (or head driver)
- Fleet managers
- Fleet assistants
- Radio room staff
- Mechanics

Standard role descriptions, with detailed competency and tier requirements, are available from the UK-based Logs team.

Resourcing for Fleet

- Consider fixed and running costs when budgeting for fleet
- Monitor fleet costs with support from finance department
- Use Movement framework agreements where possible, and otherwise run tenders
- BRC is unlikely to be able to own vehicles outside of UK, so consult with IFRC or HNS to agree terms of procurement and ownership
- Ensure HR resources are aligned with the size of fleet

5.5 Vehicle usage

5.5.1 Vehicle registration process

All vehicles must be registered in their country of operation, in compliance with local law.

Vehicles (and larger generators) must be registered and insured before they can be considered operational. The registration process depends on the circumstances in which the vehicle arrives in the operation:

- The vehicle is imported new, with no previous registration records
- The vehicle comes with export plates from the country of dispatch (which may or may not be the country of origin). Export plates usually have limited validity
- The vehicle is still fully registered in the country of dispatch
- The vehicle is already deregistered in the country of dispatch
- The vehicle is registered in a third country

Import procedures must usually be completed and the vehicle must be customs cleared before it can be registered. In addition to the customs clearance certificate, the below documents will be required:

- Invoice
- Packing list
- Certificate of origin
- Vehicle gift certificate (if applicable)

Only a partner with legal status in the country of operation can register a vehicle in their name. Therefore, vehicles used in an operation will usually be registered under the name of the IFRC or the HNS, unless collaborating PNSs have legal status in the country of operation.

Note: Generators and handling equipment do not usually require registration but this can vary between countries.

5.5.2 Insurance

Only a partner with legal status in country of operation can subscribe to an insurance policy. Therefore, vehicles used in an operation will usually be insured under the name of the IFRC or the HNS, unless collaborating PNSs have legal status in the country of operation.

Vehicles rented through the VRP (see Section 5.2.4.3) will be included in the IFRC global insurance policy, but additional insurance policies must be subscribed to locally, as applicable (these are usually third-party, theft and accident).

The IFRC can provide subsidiary third-party insurance for all VRP and operation-owned vehicles, including PNS-owned vehicles that are registered through an IFRC operation and comply with Federation requirements (see below). The IFRC can also provide self-insurance provision (SIP) to cover repairs and replacement costs in case of accidents, though this is only available to VRP-leased vehicles. Claims raised under the SIP policy must be reported within one month of an accident.

Refer to the **VRP agreement** for more details on insurance claims and payable excesses.

A Federation operation may register vehicles for insurance on behalf of a PNS under the following conditions:

- A fixed asset registration form is submitted and IFRC operation obtains approval from global fleet base
- The PNS signs an integration agreement with the operation
- The PNS agrees to respect the IFRC's standard operating procedure, as laid out in the IFRC fleet manual
- All PNS drivers are tested and sign the operation's driving rules and regulations
- Only drivers with a valid authorisation issued by the head of the IFRC operation may drive the vehicles

Vehicles owned by a PNS and registered under the IFRC are subsequently covered by all IFRC insurance policies.

In order to register the vehicle in the name of the IFRC, the PNS must present the vehicle to the IFRC with a gift certificate and commercial invoice, certificate of origin and packing list. If the PNS intends to export the vehicle at a later date, this should be agreed in writing at the time of registration.

In order for the Federation-contracted insurance policies to apply, insured vehicles must be driven by RCM staff with a driver's authorisation form.

5.5.3 Tracking vehicle and generator use

For accountability and safety purposes, the use of fleet in an operation must be monitored. It is recommended that regular training is conducted, with refresher training for fleet users and spot checks on the correct use of logbooks.

5.5.3.1 Vehicle logbooks

Every vehicle operated by the BRC, including rented vehicles, must have an allocated **vehicle logbook** to monitor the use of the vehicle, refuelling and maintenance.

Every movement of the vehicle must be captured in the logbook, which is an auditable document.

Where cargo is transported, reference must be made on the logbook to the waybill associated with the load transported

Every entry in the logbook must be signed by the driver (for refuelling), the passenger (for trips) or the fleet manager (for maintenance services).

Where vehicle costs are charged to specific cost codes or programmes, these must be recorded in the logbook, with the passenger or cargo details.

5.5.3.2 Generator and handling equipment logbooks

The use of generators and other handling equipment such as forklifts must also be monitored and auditable. Running hours must be captured in a logbook. Details to be included in the generator and handling equipment logbook include:

- Every period of usage (running hours) – signed off by the user in charge
- Refuelling – signed off by the person in charge
- Maintenance services – signed off by the fleet manager or mechanic (as applicable)

The generator (or equipment) handbook must be controlled by the logistics lead at regular, pre-agreed intervals. The logistics lead should sign or initial pages after each regular check.

Generators and handling equipment should normally be allocated to a specific cost code or programme. Where that is not the case, details of the recharge must be indicated on the logbook.

5.5.4 Safety and security

5.5.4.1 General vehicle safety

Fleet procedures and road safety policies are in place to ensure maximum security for drivers, passengers, and vehicles, and must be adhered to.

All vehicles must be mechanically sound and roadworthy. Fuel, tyres (including the spare), water, coolant, brake fluid, steering fluid and oil levels must be checked regularly. Refuelling should be optimised so that a vehicle's tank is always at least half full.

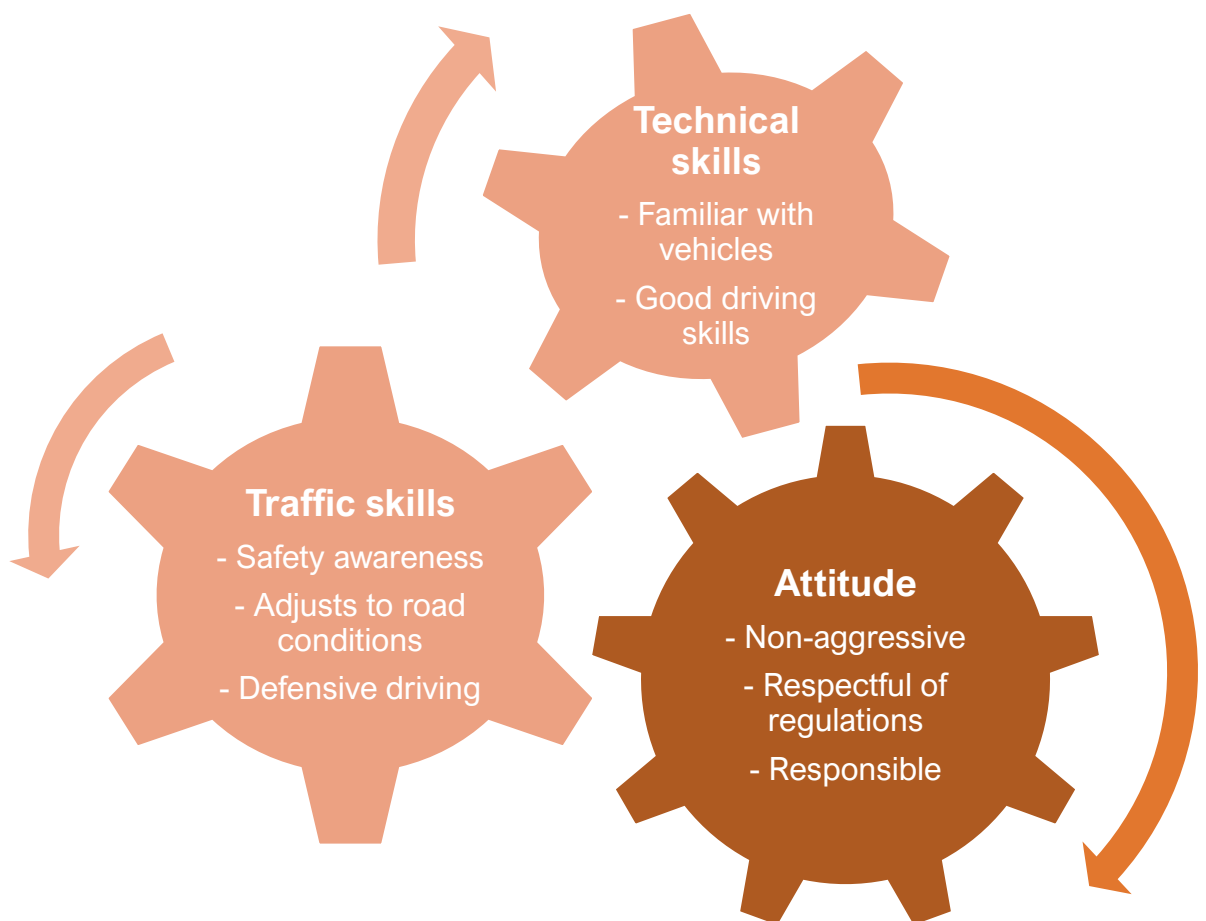
Around 50% of the incidents in humanitarian organisations concerning safety and security are related to the use of a vehicle.

Accidents, carjacking, vehicle and fuel theft are the most common incidents.

Depending on context, all vehicles should be equipped with communication equipment, emergency repair materials (spare tyres, jump leads, vehicle jacks), passenger safety equipment (safety belt, drinking water), accident preparedness equipment (first aid kit, fire extinguisher, list of contact numbers). All vehicles must be equipped with Red Cross markings, including emblem and no weapons sign.

As per Section 4.6.6, inspection and maintenance must be planned, conducted, and documented, in order to ensure that vehicles and generators are safe and efficient.

The driver of a vehicle is responsible for checking the condition of their vehicle and all necessary equipment in the vehicle, while the facilities manager is responsible for checking the condition of generators.



Aspects of a good driver

5.5.4.2 Using generators safely

Where generators are used as back-up power or a primary power supply system, the below recommendations will ensure safe usage of the units:

Generator sheds (see the example design below) are recommended to limit access to the generator and protect humans and animals. It also ensures that only one person oversees the maintenance of the generator.



1. Distance between the top of generator and the ceiling is a minimum of 1.5 metres to ensure good ventilation and access for maintenance. Around one metre is required around the generators and between two generators
2. Well-secured area with a lockable gate, blocked from weeds growing in but sufficiently open to let gas escape
3. Enough openings in the structure to allow good ventilation, both at the bottom and the top
4. Sufficient space for the storage of oil, funnels etc. Fuel should not be stored in the generator room/shed.
5. Exhaust outside the structure, protected from rain and a straight pipe without sharp angles
6. Firefighting equipment – an ABC-type fire extinguisher and a bucket of sand with a shovel as a minimum

GENERATOR SAFETY - BASICS

SETUP

Ensure the ground (or preferably the concrete foundation) is strong enough to hold the weight of the generator.

Elevate the generator by 10–20cm above the ground to prevent it from flooding.

In very hot conditions, generators might overheat. A running schedule should be used to allow the generator to cool down. Do not open the doors of the generators while it is running, as this disables the cooling function.

USAGE

Do not daisy chain extension cables, as they will melt.

Do not overload the generator by connecting too many appliances at the same time. See appliances' kVa rates table in 5.2.2.

Make sure a grounding pin is properly installed to the generator, and that all the cables and appliances have a connection with grounding.

For the semi-permanent installation of generators, a qualified electrician should be hired to connect the generator to the internal electric network. Connecting appliances directly to the generator in emergency settings should be done using the generator's manual.

Raising the generator on a wooden structure (pallets, for instance) may help reduce the vibrations in the generator set, thus increasing the generator's working life and dampening the sound of the engine.

5.5.4.3 ICRC Convoy procedures

When operating in the field, the ICRC and other Movement partner often travel in convoys. Because of the nature of ICRC operations, unarmed and in conflict situations, humanitarian personnel often travel in a group of vehicles, for protection purposes. The head of delegation decides in what situations this is necessary.

The aim of the **ICRC Convoy Procedure document** is to provide guidelines to staff organising or joining convoys. The list of responsibilities is designed to help conveyors and drivers in the field, before, during and after a convoy.

5.5.5 BRC driving procedure

The British Red Cross has a '**Driving in the British Red Cross**' policy that must be adhered to when driving a BRC vehicle in the UK.

When driving a BRC vehicle outside the UK, the agency with security lead (the IFRC, ICRC or HNS) provides driver regulations. It is the responsibility of every BRC delegate to enquire about applicable driver regulations when joining a Red Cross operation.

The driving policy should cover the use of vehicles for private use, eligibility criteria to drive, health and safety management and contact people, instructions on how to request for vehicles and guidance on reporting the use of vehicles.

When delegates use vehicles for their personal use, they must follow the local fleet management system in place in terms of requesting the vehicles, recording their use of the vehicle and following the security guidelines in place

Provided that they have passed the driving test and hold an official driving license, delegates may be allowed to use vehicles for personal use. However, rules applying to the personal use of vehicles will vary depending on the context of the operation, and advice should be sought from the IFRC or the HNS.

In some operations, the personal use of fuel will be recharged to delegates.



Logbooks must be kept up to date for personal as well as professional use.

5.5.6 IFRC driver rules and regulations

All personnel deployed within the IFRC must read and sign a copy of the operation's **driver rules and regulations form** before they are authorised to drive a Federation vehicle.

The form sets out both country-specific rules and standard operating procedure for the use of Federation vehicles. A signed copy of the form will be kept in the staff member's personnel file.

The default position on IFRC and other RC missions is that delegates are not allowed to drive themselves, unless the country-specific driver rules and regulations allow it. Medical evacuations and security situations are treated as exceptions to that position.

The standard **driver rules and regulations form** must be adjusted to reflect country-specific conditions. The head of operation for a Federation operation, the head of project for a PNS operation or the secretary general for a National Society operation determines the country-specific rules concerning vehicle use (for example, conditions for and limitations on delegate driving, mission order procedures, country-specific security regulations, etc).

The fleet manager or delegated authority must ensure that all vehicle users are aware of Federation procedures and country-specific rules, as well as local driving regulations and conditions.

All drivers, including delegates, must have a valid **driver authorisation form**, signed by the head of operation and the fleet manager, before they are permitted to drive a Federation vehicle. The authorisation must specify the types of vehicles permitted and any limitations on their use.

Driver authorisations granted to delegates should specify the precise conditions under which the delegate is authorised to drive a Federation vehicle. In order that that local drivers are adequately informed of their obligations and responsibilities, both the driver authorisation and driver rules and regulations forms should be translated into the local language(s), as well as the operating language of the operation. Drivers should sign the version that is appropriate to their language.

All drivers, including delegates, must undertake a test of driving ability in their country of station or deployment.

The test will be conducted by the organisation with security lead (IFRC, ICRC or HNS). Upon completion of the test, a **driving test report** must be issued and added to their file. Where the driving test report expresses concerns over the ability to drive in the relevant context and conditions, the ability to drive cannot be granted, but a training course can be recommended.

Note: Passengers are restricted to National Society personnel (volunteers and staff), IFRC and ICRC staff. Members of UN agencies and other NGOs are permitted as passengers, as long as travel is within the scope of the Movement's activities. Transporting other passengers or cargo is not allowed, except with previous authorisation from the IFRC country representative or staff in charge of managing local security (for example, programme manager, ops lead, etc).

5.5.7 BRC safety training pathway

Refer to Section 2.12.4.

5.5.8 Planning for usage

A well-sized fleet should aim for maximum usage, with minimum "idle" time and maximum availability for requests, with minimum service interruption or "down-time".

5.5.8.1 Requesting a vehicle and cost recharge

To ensure vehicles are consistently available and sufficient for an operation's needs, with a minimum number of vehicles underused, a request system that is as simple as possible and as complex as necessary will be helpful.

There are multiple ways in which users can request vehicles:

REQUESTING VEHICLES - SYSTEMS		
VEHICLE WHITEBOARD	VEHICLE REQUEST FORM	CARGO TRANSPORT REQUEST FORM
Used on a daily basis, listing all available vehicles. Requestors write their name and department on the whiteboard, with trip details (destination, departure time, number of passengers, estimated duration). Vehicle requests should ideally be recorded at the end of the week for the next week, with an agreed level of flexibility for unforeseen circumstances	Submitted to the fleet manager or dispatcher within an agreed timeframe before the vehicle is needed	For the transportation of goods within an authorised area. If the transport request is to locations outside of the authorised area, it should be accompanied by a mission order

These methods are applicable to cases where vehicles are needed for local movements on a single day. Longer trips outside of the operating area or multiple-day trips must typically be

approved through a **field trip form** or **mission order**, which requires sign-off from line manager, fleet manager and potentially the security manager (depending on context).

Vehicles are usually managed as a pool by the logistics department. Other departments can request to use vehicles, usually on a daily basis, and their usage can be recharged to the requestor through the pool management system.

Logistics usually have budget to cover fleet maintenance costs, but unusual maintenance services can be charged to requesting departments as applicable.

Vehicles can also be fully allocated to a specific budget, with all costs related to them, including driver, fuel, maintenance and insurance, charged to that budget.

5.5.8.2 Fleet productivity: utilisation and performance

In order to review the size of the fleet, monitor usage and report on fleet performance, it is recommended to track productivity in different dimensions.

Fleet performance can be measured looking at:

- **Utilisation:** resource used (number of vehicles used over period) divided by the available resource (total number of vehicles available over the period). Expressed as a percentage

$$\frac{\text{number of vehicles used over the period}}{\text{total number of vehicles available over the period}} = \text{fleet utilisation \%}$$

- **Performance:** actual tonnage (or passengers) moved divided by total tonnage (or passenger space) available in a period. Express as a percentage

$$\frac{\text{tons transported over the period}}{\text{total tons transport availability over the period}} = \text{fleet performance \%}$$

Vehicles' performance can be measured looking at:

- **Utilisation:** number of days/hours used divided by the total number of days/hours in a period. Expressed as a percentage.

$$\frac{\text{number of days or hours the vehicle has been used over the period}}{\text{total number of hours or days in the period}} = \text{vehicle utilisation \%}$$

- **Performance:** number of days available for used/total number of days in a period. Express as a percentage.

$$\frac{\text{number of days in the period the vehicle has been available}}{\text{total number of days in the period}} = \text{vehicle performance \%}$$

Where the vehicle's performance is <80%, the vehicle is not performing well enough and should either be replaced or given a revision.

- Downtime: days that a given vehicle is not available for operations, due to planned or unplanned maintenance (ideally the split between planned and unplanned should be detailed)

Where no logistics staff are available, country representatives/delegates should seek support from HNS, IFRC or UKO logistics coordinators to compile the fleet performance data.

For more details on reporting for fleet, see Section 5.6.6.

Fleet Usage

- Vehicles must be registered in country and insured
- Agree terms of ownership with HNS or IFRC, as it is unlikely that a PNS can register and insure vehicles in their own name
- Use vehicle logbooks to monitor the usage of fleet and generators
- Stay safe. 50 per cent of security incidents in humanitarian operations occur on the roads
- Install generators safely
- Organise vehicle convoys where relevant, and ensure convoy procedure is understood and respected
- Have a robust planning and monitoring system in place

5.6 Managing fleet

5.6.1 Sourcing fuel and maintenance services (in-house or outsourcing)

5.6.1.1 Sourcing fuel

The way fuel is purchased for operations will vary widely. In certain contexts, it is widely available through standard commercial services such as filling stations, but in other contexts it is less widely available and is distributed through local traders and networks.

5.6.1.1.1 Procurement of fuel

Like any other commodity or service, fuel must be purchased following the applicable procurement, fraud and corruption and counter-terrorism policies. However, due to the importance of fuel to the success of the operation, it usually requires more control than the procurement of other items or services after it is purchased. Both the quantity and the quality of the available fuel must be monitored closely.

Where possible, at least one contract should be in place to ensure the supply of fuel – multiple contracts will mitigate the risk of shortage.

The contract(s) should detail the expected quality of the fuel provided, and supplied fuel should be checked regularly against agreed quality standards (by an independent laboratory if necessary).

Where contracted suppliers cannot supply fuel, alternative options can be explored, in which case the purchase must follow the applicable procurement policy. For example, where a supplier has been contracted but is facing a one-week shortage, the fuel for that week must be purchased through the applicable procurement process, determined by the cost of the estimated total amount required for the week.

Fuel suppliers' performance must be closely managed, and periodic contract reviews are recommended due to the criticality of fuel availability.

5.6.1.1.2 Fuel purchasing cards

In urban contexts, fuel purchasing cards are widely available. These cards are usually connected to an online platform, through which the fleet manager can track consumption.

Fuel cards can be pre- or post-paid, and they allow drivers to refill vehicles without having to request cash. Fuel refills must still be recorded in the logbook, and receipts must be kept for traceability and reconciliation purposes.

5.6.1.1.3 Fuel purchase vouchers

Where filling stations cannot provide purchasing cards, the IFRC recommends the use of **fuel purchase vouchers**.

Each vehicle should have a purchase voucher booklet in which drivers can record fuel purchases. Each voucher must have a unique number, which should be recorded by the fleet manager.

The fuel purchase vouchers must be signed by the driver, the filling station attendant and the fleet manager, with copies kept by all parties.

At the end of the month (or of a pre-defined period), the filling station can issue an invoice against all fuel purchase vouchers in the period. The fleet manager must then reconcile the vouchers against his own records (including the vehicle logbooks).

5.6.1.1.4 Fuel deliveries to point of use

In other contexts, fuel may need to be delivered periodically to one or several operating sites.

In this case, the delivery site must ensure that storage facilities are available to safely stock and issue fuel (an isolated, locked storage area only for fuel, equipped with fire extinguishers and sandbags, permanently staffed and with ideally only one staff member issuing and reporting on fuel distribution, and proper fuel issuing equipment).

Having the right refuelling system, with **fuel vouchers** and proper approval scheme in place under the supervision of the fleet manager, is critical in this context, to ensure consistent consumption control (see Section 5.6.3).

Where fuel is delivered directly from a supplier, they should provide a set of documents including certificate of quality, certificate of origin (especially if fuel is imported) and delivery note.

Fuel should be sampled and tested, ideally on site. Fuel testing does not require sophisticated equipment; a used fuel filter and a tube of Kolor Kut water finding paste are often enough to detect dirty or water-cut fuel. Kolor Kut paste should be smeared on a dipping stick, which is then plunged into the fuel container for two seconds. If the colour of the paste changes, the fuel contains water. Other brands of water-finding paste work in similar ways.

5.6.1.2 Sourcing maintenance services

Depending on the context of the operation, maintenance services can be provided in different ways. Each presents advantages and risks:

Sourcing	Details	Advantages	Risks
Own capacity and facilities	The NS operating the vehicles employs personnel dedicated to the maintenance of the operation's vehicles and runs facilities to manage the maintenance needs of all vehicles.	Strict quality control of service and parts. Ease of access and ability to prioritise.	Requires the procurement of parts. Difficult to scale up and down when activity increases or decreases.
Another organisation's capacity and facilities	The HNS, IFRC, ICRC or another humanitarian actor employ personnel dedicated to the maintenance of the operation's vehicles and facilities to service them. An agreement is in place to access these services	Quality control standards on servicing and parts provided. No direct staff management. Services usually provided at advantageous rates	Capacity of the organisation providing the service may be overwhelmed. Needs alternative plan in case the organisation closes their branch down.
Outsourced commercial services	A licensed local business specialises in vehicle maintenance and runs their own facilities, with access to spare parts	Commercial supplier/customer relationship. No need to plan for internal resources (apart from budget). Stable supply of labour and parts.	No visibility of quality control, in particular with spare parts. No control of service lead time (unless contractually agreed).

Where maintenance services are outsourced, they should be sourced through the appropriate procurement process. Ideally, a contract or framework agreement should be in place with at least one service provider, detailing a service level agreement and performance management principles.

Beyond the standard selection criteria, the following additional criteria should be considered when selecting a vehicle maintenance service provider:

- Facilities inspection
- Reference checking with other organisations
- Cashflow analysis. Can the service provider procure the necessary parts upfront, or will they require advance payment when new parts are needed?
- Evaluation of the service provider's parts supplier base. Are all parts used genuine?

5.6.2 Vehicle and driver schedules, generator running hours

5.6.2.1. Vehicles and driver schedules

Office hours drivers must work in accordance with local legislation regarding working hours and length of duty. Drivers should ideally be assigned to a single vehicle, to ensure traceability and accountability of resources.

In locations where no personal or public means of transportation are available, a duty driver system can be implemented to provide transport services outside of working hours, within a designated area. This ensures that delegates have means of transportation outside working hours.

Duty drivers should remain on standby for designated shifts in evenings and at weekends. IFRC recommends:

- Minimum of four drivers available (each covering a six-hour shift, for 24-hour availability – consider security procedure for evacuation in specific contexts)
- Minimum of one vehicle available for each duty driver
- Means of communication must be available for the duty vehicle/driver (either a VHF handset or mobile phone, depending on local phone coverage).

Duty driver allocation should be based on a rotation system and in line with local labour law. This typically means that drivers should not be on duty for more than 24 hours and should be allowed a rest day after a shift before they resume normal working hours.

Drivers on standby duty should accrue time off in lieu (TOIL) or another form of time off, to compensate for the standby shift. Decisions on implementing and running a standby driver duty rotation sits with the head of operation but managing and communicating the rota with the delegates is the responsibility of the fleet manager.

Driver shifts during normal working hours should be planned in line with local legislation, so drivers do not accrue TOIL but only regular leave.

5.6.2.2 Generator running hours

Just as logbooks track usage of vehicles, a generator's running hours must be monitored, to ensure regular maintenance and follow-up regarding consumption.

A **generator logbook** should be available for each generator in use, tracking the number of hours it is used, maintenance services and refuelling (time, date and litres).

In operations that rely on generators to provide more than 50% of the electricity requirements, it is recommended that the use of generators is alternated either with batteries (which can be charged by the generator when in use) or with spare generators, to limit wear and tear, allow for rest periods and guarantee back-up in case of servicing or breakdown.

5.6.3 Daily checks on vehicles and generators

5.6.3.1 Daily checks on vehicles

With all vehicles, it is usually the responsibility of the driver to carry out the necessary checks. Ideally, a **daily inspection checklist** should be available for the driver to fill out, but verbal follow-up or a note on the vehicle logbook can be sufficient in smaller operations.

The minimum daily inspection should be based on the FLOWER technique:

F	Fuel Fuel level must be checked
L	Lights All Lights to be checked
O	Oil Check oil level when engine is still cold and vehicle is parked on a flat surface
W	Water Check the coolant level and top it up with coolant or water if level is low. Do not mix anti-freezes. Check the screen wash reservoir
E	Electrics Check the battery is safe and secured in its place
R	Rubber Check tyre pressure (finding the recommended pressure either in the vehicle manual or on the frame of the driver's door), uneven wear, side wall damage and tread depth (check the tread indicator on the tyres)

A more comprehensive vehicle inspection includes:	
☐ Fuel level	☐ Windscreen washers and wipers
☐ Oil level	☐ Battery acid level
☐ Tyre pressure	☐ Mirrors
☐ Tyre defects	☐ Steering
☐ Brakes	☐ Security of body
☐ Hoses – for sign of wear	☐ Security of load
☐ Lights, <u>indicators</u> and reflectors	
☐ Horn	

5.6.3.2 Daily inspections on generators

Like vehicles, generators should be inspected daily and any defects should be flagged as early as possible.

Daily generator checks (before starting the engine):

- ☐ Running hours from the previous day have been logged
- ☐ Generator is clean
- ☐ Fuel tank is at least 50 per cent full
- ☐ Look for any fuel leaks
- ☐ Check fuel cap is screwed on
- ☐ Check engine oil level
- ☐ Check engine oil condition
- ☐ Look for any radiator leaks
- ☐ Check radiator coolant level
- ☐ If the generator charges batteries, check they are well connected, that the charger works and the battery water level
- ☐ Look for leaks underneath the generator
- ☐ Check the exhaust system is not obstructed
- ☐ Check that the auto-start works
- ☐ Check all tools and equipment (including first aid kit) are present and in good condition

5.6.4 Following fuel consumption

5.6.4.1 Taking stock of fuel

It can be challenging to accurately calibrate a dipstick, but it can be estimated by calculation and experts are usually available locally to support.

As the volume of fuel fluctuates depending on ambient temperature, the use of metric tons (MT) is recommended as the unit of measure for ordering, receiving and taking stock of fuel (fuel issued can be recorded in litres but quantities should be included in metric tons for stock taking).

To avoid discrepancies, use a calibrated, non-metallic dipstick.

For fuel stock takes, a **temperature correction of fuel volume calculation table** exists to advise how to adjust the fuel quantity according to temperature.

Where the fuel is managed by the organisation at the operation's level, fuel stock reconciliation must be made across fuel requests, vehicle logbooks, fuel deliveries and by a physical count. Where fuel is purchased directly from filling stations, no stock take is required, but invoices must be reconciled against logbooks and receipts.

5.6.4.2 Monitoring fuel consumption

A variety of tools is available to monitor fuel consumption:

- Where fuel cards are in use, reports can be provided by the supplier
- Fuel request vouchers
- Logbooks

- FleetWave system (where available)

To calculate fuel consumption, use the below formulas:

For vehicles:

$$\text{consumption} = \frac{\text{litres consumed}}{\text{distance covered (km)}} \times 100 = \text{XXX litres per 100 km}$$

For generators:

$$\text{consumption} = \frac{\text{litres consumed}}{\text{hours operated}} = \text{XXX litres per hour}$$

Generally accepted consumption rates are as below:

Type	Engine	Standard consumption	Variation tolerance
Motorbike	Four-stroke	4l/100km	+/- 5%
Motorbike	Two-stroke	5l/100km	+/- 5%
Car	Petrol	10l/100km	+/- 20%
Car	Diesel	7.5l/100km	+/- 10%
Light 4x4	Diesel	12l/100km	+/- 10%
Heavy 4x4	Diesel	14l/100km	+/- 20%
4x4 truck	Diesel	30l/100km	+/- 10%
Truck	Diesel	37l/100km	+/- 20%
Generator	5KVA	2l/hour	<i>Generator consumption largely depends on load</i>
Generator	15KVA	4l/hour	
Generator	30KVA	7l/hour	
Generator	60KVA	14l/hour	

Variations beyond the above tolerance should be double-checked and investigated if confirmed, with possible follow-up actions including the further testing of fuel quality, the checking of vehicles for leakages or investigation into the possible theft of fuel.

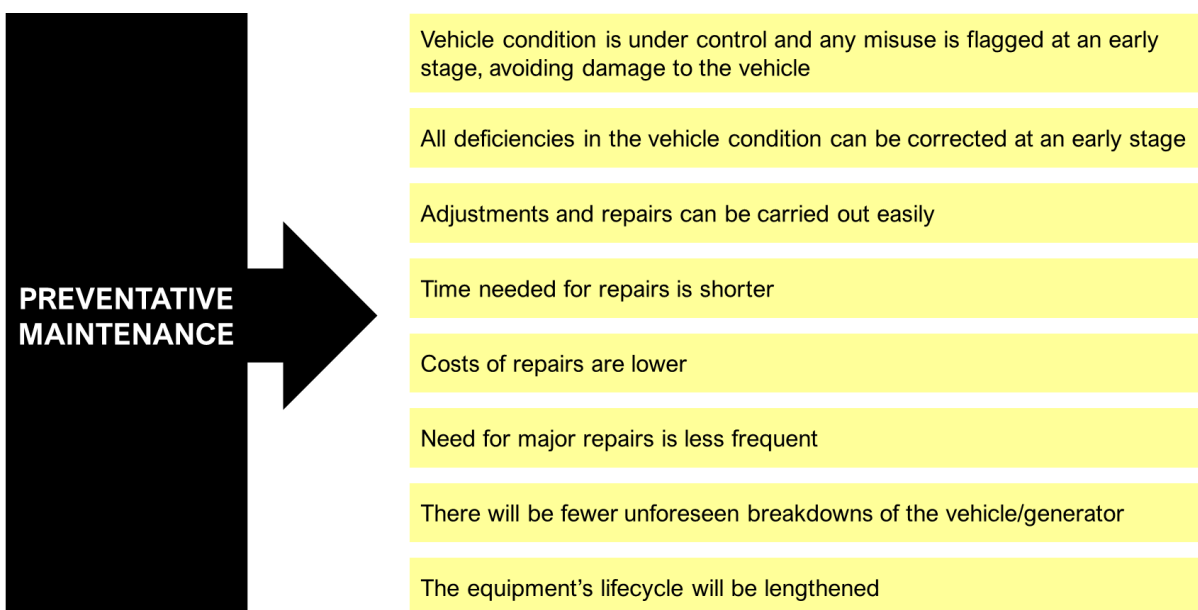
UKO-based logistics coordinators or regional fleet managers can support the analysis of variances if needed.

5.6.5 Maintenance planning and tracking

Ensuring the proper maintenance of fleet reduces the risk of accidents, and of damage or loss of goods handled by logistics and delays to the delivery of items.

5.6.5.1 The importance of preventative maintenance

Preventative maintenance encompasses all actions taken to prevent vehicle failure. Regular maintenance where vehicle and generator parts are lubricated, adjusted, tightened or otherwise checked will prevent most of the common mechanical failures. Preventative maintenance guarantees staff safety, while also saving time and money.



5.6.5.2 Planned maintenance

The fleet delegate or manager must ensure that all vehicles and equipment are maintained and serviced according to instructions in their user manuals.

All vehicles should carry and maintain up-to-date records of maintenance, including a maintenance schedule. Drivers or other users of fleet must inform the fleet manager of planned maintenance on the equipment they are responsible for.

The IFRC fleet management system allows the tracking of maintenance history and planning. Where FleetWave is not in use, this information can be kept in the vehicle file or on a vehicle follow-up spreadsheet.

5.6.5.3 Service schedule

Below is an indicative table of recommended maintenance milestones. Local regulations may require a stricter maintenance schedule and it is not uncommon for governments to require maintenance records to be kept on file for a number of years.

Light vehicles	Every 5,000km (10,000km maximum) or 18 months
Heavy goods vehicles	Every 15,000km or 18 months
Motorcycles	Every 10,000km or 12 months
Handling equipment	Every 250 hours
Generators	Maintenance (including oil and filter change) every 100 hours

Engine oil should be replaced every 10,000km, depending on the quality of lubricants in use.

5.6.5.4 Unplanned maintenance

Planned maintenance should ensure that unplanned maintenance is required as rarely as possible. However, where a malfunction is reported by a driver or other vehicle user, usually following usage or a daily check, unplanned maintenance may sometimes be required immediately, leaving the vehicle unavailable for the duration of the service.

Defects or malfunctions should be reported through a **maintenance request form**, signed off by the requestor, the fleet manager and the budget holder (usually the logistics delegate or programme manager) and logged in the vehicle file or on a follow-up spreadsheet.

The logistics or fleet management department will process the maintenance request and charge the incurred costs appropriately.

Where workshop facilities are available, some of the maintenance work can be done internally, while other may have to be done through external facilities.

Where no logistics staff is available, country representatives/delegates should seek support from HNS/IFRC or UKO logistics coordinators to advise on maintenance requests and cost recharges.

5.6.6 Incident reporting

All incidents involving BRC staff must be reported – refer to the [BRC incident reporting procedure](#) for further information.

Where delegates are seconded into another organisation such as the IFRC or the ICRC, or where they are working under another organisation such as a HNS, this organisation's incident reporting procedure must be followed in parallel to that of the BRC.

5.6.7 Reporting on fleet

Managing and reporting on fleet performance is an important component of operations management. Where it is in use, FleetWave can produce monthly performance reports, but this requires disciplined submission of source data. For more information about using FleetWave, contact the UKO-based logistics team or the global logistics services team in Dubai.

For information on calculating basic fleet performance, see Sections 5.5.5.2 and 5.6.3.2.

Other important indicators of fleet performance may include:

- Environmental impact measurement
- Total cost of ownership
- Benchmarking against other fleet options (VRP, rentals, etc)

The Fleet Forum (<https://knowledge.fleetforum.org/>) has developed performance-measuring tools that cover these indicators, among others. The group has also proposed a **fleet management reporting format**, which supports monthly data collection and analysis.

Fleet performance can be reported as part of the **logistics monthly report**, or separately where the fleet size is more than 30 vehicles and where a fleet manager oversees a dedicated fleet department or team.

Fleet Management

- Define an appropriate sourcing and purchasing plan for fuel and maintenance services
- Plan drivers' schedules and generator management
- Run periodic checks of vehicles and generators
- Monitor fuel consumption closely
- Plan and track vehicle and generator maintenance
- Arrange preventative maintenance where possible
- Report all incidents through the appropriate mechanism

5.7 Project closure: fleet disposal options

5.7.1. Handover, disposal, sale, donation

For details on the asset disposal process, refer to Section 4.8.

VRP-owned vehicles may only be disposed of following approval and instruction from the regional fleet coordinator or IFRC fleet base. When the vehicle's disposal has been approved, the IFRC fleet management team will provide an **asset disposal form**.

Additional requirements when disposing of vehicles may include:

- Donor requirements, including the approval to dispose of the vehicle, generator or handling equipment
- All radio equipment and visibility items (stickers, paintings and other markings) must be removed from the vehicle prior to its disposal
- License plates must be removed from the vehicle, and its buyer or receiver must source new plates by following the registration process
- No vehicle may be sold to military, paramilitary or state-affiliated organisations
- The disposal of vehicles by sale, donation or scrapping is usually strictly controlled by local authorities, and the procedures to follow will vary depending on the importation status of the vehicle (see Section 5.5.2 for more details).
- A **vehicle handover form** and a certificate of de-registration must be completed, in addition to a transferral or cancellation of the insurance policy (and a **donation certificate** where applicable).
- All documentation relating to the donation or sale of the vehicle must be kept in its file.

Vehicles that have reached their end of life in IFRC criteria should not be sold or donated to a National Society.

Type of vehicle	Distance to end of life	Age to end of life
Light vehicles	More than 125,000km	5 years
Heavy goods vehicles	More than 300,000km	No age limit

5.7.2 Vehicle disposal checklist

Where the vehicles are donated, the donation process detailed in Section 4.7.2 should be followed.

Where the asset disposal form suggests the sale of vehicles, **step-by-step guidelines for the sale of vehicles by competitive bidding** should be followed, using the templates provided for **publication of the invitation to bid**, for the **provision of bids** and for the **contract of sale** and **bill of sale**.

Fleet Disposal and Project Closure

- When sourcing fleet, consider options for the vehicles' disposal
- Refer to Section 4.8 for more details on asset disposal
- Vehicles can be sold, auctioned or donated when no longer required in an operation
- Strict rules apply to vehicle sales and auctions

5.8 Fleet audit trail

To be kept in the vehicle file		Vehicle purchased through HQ	Vehicle purchased locally
Requesting/delivering	Copy of the requisition	X	X
	Offers received from suppliers		X
	Selection table		X
	Counter-terrorism and due diligence checks of suppliers, as required	X	X
	Approval from UKO logistics coordinator	X	X
	Copy of invoice	X	X
	Copy of GRN	X	X
	Proof of insurance	X	X
Import/export	Copies of import documents	X	X
	Copies of export documents	X	X
Registration plates	Registration request	X	X
	Owner's certificate		X
Insurance	Copy of insurance request	X	X

To be kept in the vehicle file		Vehicle purchased through HQ	Vehicle purchased locally
	Copy of local insurance contract	X	X
	Copies of correspondence with global insurer		X
Accident/theft	Incident report	X	X
	Correspondence with local insurer	X	X
	Copy of official accident report (including police report, where relevant)	X	X
Maintenance and servicing	Maintenance and servicing requests	X	X
	Maintenance and servicing reports	X	X
Disposal	Copy of approval to donate/dispose	X	X
	When sold, copy of valuation document and sale announcement	X	X
	Purchase offers received	X	X
	Bill of sale	X	X
	Copy of tax duty receipt	X	X
	Copy of signed donation certificate or vehicle handover forms	X	X
	Copy of transfer out of country (if applicable)	X	X
Management info	Index card with basic information on vehicle: assigned vehicle ID number, registration number, key number, make, model, specification, etc	X	X
	Copies of FleetWave or other fleet monitoring reports (as applicable)	X	X
	Copies of previous logbooks (replaced when full)	X	X

Beyond the vehicle files, the below documents must be kept in the fleet files:

- Copies of all mission orders
- Copies of fuel procurement contracts or purchase receipts
- Drivers' files, containing driving licenses, training records, driver authorisation forms, signed rules and regulations forms, disciplinary procedure records.

5.9 BRC Domestic fleet management systems and procedures

All the processes detailed above relate to the management of BRC's international fleet.

For policies applicable to vehicles in use in the UK, refer to the page on RedRoom dedicated to fleet management (type "information about our vehicles" in Redroom's search bar).

The British Red Cross also has a maintenance of British Red Cross vehicles policy that applies to BRC vehicles being driven in the UK.

Chapter 6:

BRC's Globally Pre-Positioned Stocks

Contents

6.1 What is covered in this chapter?	21818
6.2 BRC's global stock pre-positioning	21818
6.2.1 The IFRC's OLPSCM offer and system	21818
6.2.2 BRC stocks in IFRC's OLPSCMs	218
6.2.3 BRC stock ownership, strategy and review	220
6.3 Stock management principles.....	222
6.3.1 Stock management with the IFRC	222
6.3.2 BRC management of stocks.....	222
6.3.3 Requesting for stocks from the OLPSCMs	223
6.3.3.1 Pledging stocks.....	223
6.3.3.2 Selling stocks	224
6.3.4 Replenishing stocks in the OLPSCMs.....	224

This chapter gives an overview of the management of the BRC's pre-positioned stocks. For more detailed explanations, the OLPSCM standard operating procedures can be requested from the logistics team in UKO.

6.1 What is covered in this chapter?

IFRC global warehouse hubs

BRC globally pre-positioned stock strategy

BRC globally pre-positioned stocks: sourcing, tracking, dispatching, replenishing

BRC stock sales and pledges

6.2 BRC's global stock pre-positioning

6.2.1 The IFRC's OLPSCM offer and system

The IFRC manages warehouses globally to pre-position emergency response stocks in all regions of the world (see Section 2.2.7). The IFRC's stock pre-positioning strategy takes several variables into consideration, including turnover (see Section 6.2.2 for more details on this) and usage.

The stocks pre-positioned in the IFRC's global warehouses are held through various mechanisms:

- Federation-owned stocks (FOS): items belonging to IFRC, stored in IFRC-managed warehouses
- Vendor-consignment inventory (VCI): items owned by suppliers but stored in IFRC-managed warehouse
- Supplier-reserved stocks (SRS): items stored at suppliers' facilities, reserved for IFRC purchases
- Partner National Societies' stocks (PNS): items owned by PNS, stored in IFRC-managed warehouses.

Through the **global logistics service** (GLS) agreement, IFRC offer to hold stock for other National Societies in those warehouses. Each warehouse is managed by the OLPSCM and operates following their own standard operating procedure. Copies of each OLPSCM's standard operating procedure are available to stock-holding PNSs upon request.

This stock is owned by the PNS but managed by the IFRC staff in the region. The GLS defines the terms and conditions of this relationship; there are costs associated with the storage, handling and shipping of PNS-owned stocks. In return, the IFRC offer stock management services, such as stock rotation, quality control at reception, consignment preparation and freight services. The OLPSCMs share monthly stock reports and annual stocktake reports with stock-holding PNSs and participate in their stock strategy upon request.

6.2.2 BRC stocks in IFRC's OLPSCMs

The BRC hold stock in four of the IFRC's regional warehouses, corresponding to the areas of focus defined in the BRC international strategy and to the countries where the BRC maintains ongoing partnerships:

Warehouse location	Region
--------------------	--------

Harare, Zimbabwe	East and Southern Africa
Panama City, Panama	Americas and OSBs
Kuala Lumpur, Malaysia	Asia
Dubai, UAE	MENA-MED

The variety of items BRC pre-positions in each warehouse varies, but they are mostly non-food items (NFIs) and follow the IFRC standard product catalogue specifications. The mix of items in stock in each location varies based on regional context, overall stock targets and BRC budgetary constraints, on the IFRC's access to stocks in the region and on stock-holding PNSs and the resources available to manage stocks.

The type and quantity of items that the BRC pre-positions in each location is agreed with the emergencies team and the regional teams on an annual basis through the stock strategy review process (6.2.3). The list of items in stock at the time of writing is as below (pending review) – note that it may change as strategic and operational priorities evolve:

Item Description	IFRC item code (see online catalogue for details on varieties)	Kuala Lumpur	Dubai	Harare	Panama City
Blanket (cotton)	HSHEBLANCLT1	X			
Blanket (high thermal)	HSHEBLANPHT1				
Blanket (low thermal)	HSHEBLANPLT1				X
Blanket (medium thermal)	HSHEBLANPMT1	X	X	X	
Body bag	WSANBODBUSH				
Plastic bucket	HCONBUCKP14		X		X
Chlorine tablets	WASDCHLA0002T				
Cleaning kit	KRELCLEA01				
Hygiene kit	KADMLIFE08F	X	X		X
Jerry can (10L)	XLABBOTL10PT	X	X		X
Jerry can (20L)	HCONJCANP20			X	
Kitchen Set A	KRELCOOSETA	X	X		X
Mosquito net (large)	HSHEMNETRL	X	X	X	X
Plastic sleeping mat	HSHEMATTPLA1		X		
Shelter toolkit	KRELSHEK01	X			
Solar lamp	EELELAPOFAM1				
Tarpaulins	HSHETARPW406	X	X	X	X
Tent (family)	HSHETENTF16C	X			
Tent (multipurpose)	HSHETENTM45				
Tent (warehouse, Rubb Hall)	HSHETENTW2RS	X	X		X
WatSan Kit 5	KWATNEACK05				

Note: Items that BRC does not have in stock anywhere have been included in the list as they may be available from pre-positioned stocks owned by other PNSs or by the IFRC.

The quantities held in stock in each location are agreed on an annual basis, with suggestions made by the logistics officer for global emergencies, based on several variables:

Variable	Rationale
Annual stock turnover	Rate at which stock is issued and replaced. This should be more than one, or the set stock target is too high and stock will sit in warehouses for too long before it is used, running the risk of becoming damaged or obsolete.
The IFRC's stock strategy and access to other forms of ownership (VCI, SRS, FOS) and other PNS's stock strategies where possible	The BRC will try to bridge gaps between the IFRC's global stock strategy and other partners' ability to pre-position stocks.
Replenishment lead times	The quantities held in stock will depend on lead times to source more of the same: if the lead time is longer than the time it takes for stocks to be depleted, then stock levels will be higher. If the market is able to supply replenishment items quickly, then small quantities can be held in stock.
Historical demand for stock	Items in higher demand will be stocked in larger quantities

6.2.3 BRC stock ownership, strategy and review

The stock that BRC pre-positions in IFRC's OLPSCM Units belongs to the BRC's emergencies team and is managed by the international logistics team. The logistics officer (Emergencies) has direct relationships with the warehouse team in each OLPSCM and regular meetings are held between BRC and IFRC staff to report on stock status and stock movements. Based on information reviewed between both parties, BRC's logistics team regularly reports directly to the International directorate on performance against stock targets, through the weekly logistics status report and the international directorate's quarterly reports (international dashboard report).

Every year, the logistics team suggests reviews to the BRC's stock offer in view of the data (6.2.2). The emergencies team is free to accept or refuse the proposed changes, based on their understanding of BRC's future responses and on regional priorities.

It is important to understand the segregation between ownership and management of stock: logistics must seek approval from emergencies every time a stock movement is considered. For more details on budgeting for pre-positioned stock, see Section 6.3.2.

In 2020, the BRC's current stock strategy and targets were as below:

Item Description	KL	Dubai	Panama	Zim
Blanket Cotton	10,000			
Blanket Light Thermal			1,500	
Blanket Medium Thermal	20,000	15,000		3,500
Plastic Bucket		3,000	2,500	
Family Tent	500			
Hygiene Kit	2,000	1,000	750	
Jerry Can 10L	8,000	4,000	1,500	
Jerry Can 20L				3,500
Kitchen Set A	6,000	3,000	750	
Kitchen Set B	-			
Mosquito Net- Large	11,000	5,000	1,500	3,000
Plastic Mat (sleeping mat)		13,000		
Shelter toolkit	4,000			
Tarps	25,000	6,000	1,500	3,500
WH tent	2	1	1	
Watsan Kit 5		-		
Rapid Latrines		-		
BBowl & ptrap				
Squat plates		-		

Note: The logistics team share the updated stock levels with the entire international directorate on a weekly basis in the [logistics status report](#). Current stock levels and latest stock movements are listed on the first pages of the report.

Note: Where the OLPSCM's storage capacity becomes insufficient, there is an option to store items in one of the UN Humanitarian Response Depot (UNHRD) warehouses. [UNHRD](#) maintains a network of strategically located hubs for pre-positioning relief items and humanitarian support equipment. It can provide storage free of charge in Ghana, Italy, UAE, Malaysia, Spain and Panama. It is also possible to source certain items from the UNHRD network. For more details, liaise with the UK-based logistics team.



6.3 Stock management principles

6.3.1 Stock management with the IFRC

Each OLPSCM charges a monthly fee to the BRC for holding and managing pre-positioned stocks. Additionally, stock movements initiated by the BRC are charged through pre-agreed **logistics services requests** (LSR), which provide an indication of the cost of moving the stock, allow the logistics lead (LOGE or LogCo) to raise a PO against the estimated costs and eventually pay the IFRC's invoice. It should be noted that real costs can be far from the quoted costs, not least because VAT is not included in Agresso POs. A variance of more than 10 per cent between a PO and an invoice will require additional approvals in Agresso.

Annual storage costs are budgeted in the BRC's logistics team budget, and logistics issue an annual PO for those services to each OLPSCM, against which monthly invoices sent to SSC are reconciled. This process is managed through the logistics team and SSC, with support from the international Finance team. All costs related to the storage of pre-positioned stocks are charged to the logistics budget.

Note: Invoices for storage fees and services agreed through LSRs are sent from Geneva, usually with a delay of a month or two. For more details on this, see Section 6.3.2.

In exchange for the costs charged to the BRC, IFRC provide storage space and manage the storing, rotating, shipping, receiving and quality assurance of BRC stocks. They also send monthly and year-end stock reports. In addition, BRC logistics visit two OLPSCMs each year and conduct a stock and warehouse audit. Reports are available from the logistics team. In 2019, Panama and Harare were audited. In 2020, visits to Kuala Lumpur and Dubai were cancelled and postponed sine die. The audit consists of a spot check on stocks and a standard warehouse audit, focusing on the storage conditions and systems in place in the OLPSCM. It includes a review of the procurement processes followed by the OLPSCM team for replenishments they have handled on behalf of the BRC in the previous year. A template exists for the OLPSM warehouses audit, adapted from guidance that can be found in Sections 2.6.2, 2.6.12 and 2.9.3.

Note: Some of the OLPSCM warehouses (including Kuala Lumpur and Dubai) offer quality assurance services and have facilities to perform quality tests on specific items delivered to their warehouse. This needs to be arranged and comes at a cost – for more details, contact the logistics officer (global emergencies) in the UKO logistics team.

6.3.2 BRC management of stocks

BRC manage the pre-positioned stocks with the operational support of the IFRC. Within the logistics team, the LOGE is tasked with managing the stocks that are pre-positioned at the OLPSCMs.

The management of pre-positioned stocks by logistics is described in the **RLU standard operating procedure**, while the financial management is done in collaboration with logistics' finance business partner. The financial aspects of managing those stocks are captured in the **balance sheet guidance document**.

In case of any questions, contact the LOGE in the international logistics team.

6.3.3 Requesting for stocks from the OLPSCMs

There are various ways of accessing the BRC's pre-positioned stocks. Agreements and standard operating procedures are in place to cover both issuing mechanisms.

6.3.3.1 Pledging stocks

When a disaster occurs, the IFRC usually issues a mobilisation table (a 'mob table'). The mob table is designed to list all in-kind requirements to fulfil the IFRC's emergency plan of action (EPoA) and emergency appeal (EA) and is issued to Partner National Societies who can choose to pledge items against the listed needs.

In this case, the pledge must be agreed with Emergencies and with the regional team (usually the disaster management coordinator) during an emergency task force (ETF) meeting. Ultimately, the decision to pledge stocks against a mob table lies with the operational lead (this would be the head of region or the global response manager, depending on the context of the emergency). The logistics officer must be informed ahead of the ETF so they can provide the relevant logistics coordinator with sufficient stock information to share in the ETF. This information will include, but may not be limited to:

- List of items in stock and quantities
- Indicative cost of items and shipping costs to deliver them to the operation
- Indicative delivery lead time to country of response for all items
- Indicative replenishment lead time for all items

It is an ETF-made decision to pledge any of the available items to the IFRC-led response. When stocks are pledged, they are essentially donated to the IFRC. All costs associated with the stock and its movement will be charged to the budget codes, as advised by the operational lead nominated in the ETF. It is worth noting that pledges can be made against BRC pre-positioned stocks in the OLPSCMs but other items can also be pledged, in which case the UK-based logistics team will source the pledged items through a procurement process. The decision to pledge items beyond those in stock is made based on cost, lead time and the specific needs of the operation (where they are not fulfilled by standard items).

Following the decision to pledge, the logistics officer and/or the logistics coordinator manage the release of the pledged stocks from the relevant OLPSCM into the operation, initially through an RFA (see the [RFA guidance note](#)). It is important that this is done with the input of the logistics officer for the following reasons:

- The logistics officer holds the relationship with the OLPSCM.
- The logistics officer maintains records of pre-positioned stocks together with logistics' business partner and is best placed to know the cost of stocks and how to allocate them in the stock balance sheet.
- The logistics officer will be tasked with the replenishment of the stock in the OLPSCM. To avoid any loss of information or time, it is preferable that they are the lead on any stock movements in or out of the OLPSCM.

6.3.3.2 Selling stocks

Any Movement partner can request stocks from the OLPSCMs. External organisations can also access Red Cross stocks through the IFRC, who will contact the most appropriate stock owner to arrange the terms of the donation/sale.

In this case, they would reach out to the OLPSCM teams, who would determine which stock is most appropriate (for information about different stock sources in the OLPSCMs, see Section 6.2.1). They may then contact the best-placed stock owner to ask to buy some of their stocks.

When the request comes to the BRC, it will be sent to the logistics officer, who will seek approval from the emergencies team (usually the global response manager, as owner of the pre-positioned stocks). If approval is granted, the logistics officer will get back to the OLPSCM with the details of the cost of the items, and the OLPSCM will issue a purchase order for the items.

After confirmation that the stocks have left the OLPSCM is received (a signed waybill), the logistics officer commences the replenishment process, using a **REP form** (see Section 6.3.4).

Note: For more information on the stock balance sheet, see the **balance sheet guidance note**.

Note: It is also possible for the BRC to access other PNS's stocks (through pledges or purchases), or indeed Federation stocks through the mechanism that applies to all other NS: a request must be placed to the IFRC via the logistics officer (global emergencies), detailing items, quantities and country of delivery. In this case, stocks will be sold to the BRC.

6.3.4 Replenishing stocks in the OLPSCMs

After stock items are released from an OLPSCM warehouse, they need to be replaced by new stock – this is called replenishment. If the agreed stock target is lower than what was previously in stock, the items that were released will not be replaced.

Ideally the stock should be replaced like-for-like (in terms of quality and quantity, with specifications matching the standard product catalogue), but there may be a decision to postpone or adjust the replenishment for one or more of the below reasons:

- Minimum order quantity: some suppliers only accept orders above an agreed quantity.
- Procurement optimisation: where other stock movements are planned or being arranged, the logistics officer will compile all quantities before placing the replenishment order.
- Specification reviews: specialised items may require a review of specifications before the BRC decides to replenish them into the stocks.

To replenish stocks, the logistics officer will raise a REP form and have it signed off by logistics, emergencies and finance. For more details about the REP process, refer to the OLPSCM standard operating procedure (contact the BRC international logistics team).

The process to follow is slightly different when a new item needs to be added to the pre-positioned stocks. This must be done through a request for action (RFA) which must be approved by logistics (the head of logistics or senior logistics manager, depending on the amount), budget holder and finance business partner.

The logistics officer will manage the order and arrange freight to the relevant OLPSCM, using the shipping instructions shared by the OLPSCM. The logistics officer will communicate order details with the OLPSCM, so they are informed ahead of the delivery.

The logistics officer provides updates on ongoing replenishments in the logistics status report on a weekly basis.

For more detailed step-by-step guidance, refer to the OLPSCM standard operating procedures.

Chapter 7: The Emergency Response Units

Contents

7.1 What is covered in this chapter?	227
7.2 What are the ERUs?	227
7.2.1 General overview of the ERU system	227
7.2.2 Different types of ERUs.....	228
7.2.3 BRC ERUs.....	230
7.2.3.1 The Logistics ERUs	230
7.2.3.2 The MSM20 ERU	231
7.3 ERU Human resources, ERU equipment and financial responsibilities.....	231
7.3.1 ERU Human resources.....	231
7.3.1.1 Recruiting an ERU	232
7.3.1.2 Training ERU personnel.....	233
7.3.1.3 Maintaining an active roster	234
7.3.2 ERU equipment.....	234
7.3.3 Financial commitments	235
7.4 Deploying an ERU.....	237
7.4.1 IFRC process – the Surge alert system.....	237
7.4.2 BRC internal process	237
7.4.2.1 Deployment	238
7.4.2.2 Monitoring the deployment	240
7.4.2.3 ERU delegates' appraisal.....	240
7.4.3 ERU Evaluation.....	240
7.5 Replenishing the ERU kits.....	241

7.1 What is covered in this chapter?

IFRC Global tools: Emergency Response Units
BRC and the Emergency Response Units
Maintaining an Emergency Response Unit
Deploying an Emergency Response Unit
Replenishing an Emergency Response Unit kit

7.2 What are the ERUs?

7.2.1 General overview of the ERU system

Emergency Response Units (ERUs) were created in 1994 as part of the global IFRC disaster response system, to be used in large emergency response operations, when global assistance is needed and the Federation's delegations and the affected National Society cannot respond alone. ERUs provide specific services where local capacity is insufficient to cope and are deployed to complement the work of a National Society; by providing specific technical services, they enable the NS to focus on their strategic approach to the emergency response.

An ERU is a team of trained technical specialists deployed at short notice and a pre-packed set of standardised equipment to support the delivery of their objectives. They are designed to be self-sufficient for one month and can operate for up to four months, with the possibility of extending further if required. The ERUs are vital in the IFRC's disaster response system. When the term is used within the Movement, it covers both the team of specialists and the kit they deploy with. However, an ERU deployment can also mean a single delegate with a laptop and a satellite phone.

There are different types of ERUs, and one or more of them can be called to the same disaster, depending on the specific needs in the affected region. They are called upon after initial assessment of the post-disaster needs.

National Societies can choose whether they want to hold an ERU; if they do, they are free to choose which type of ERU they wish to maintain. When a NS commits to maintaining an ERU, this usually means that they will maintain standard equipment and a roster of on-call specialists (who they will recruit, train, develop and commit to periods of availability). Exceptionally some NS maintain a roster of personnel and will only deploy them into another NS's ERU (so they do not own a complete ERU).

When an ERU is deployed, it is expected that the deploying NS can cover the funding of the team and its kit for four months. ERU personnel can only deploy for four weeks at a time, and when the fourth rotation of personnel leaves the operation, a handover plan must be in place to plan for the next stage of the operation.

The need for assistance may continue beyond an ERU's four-month operational period. If so, the service can be managed by the IFRC's ongoing operation, the host National Society, the local government or other organisations.

7.2.2 Different types of ERUs

There are ten different types of ERU (see the below table). NS listed below can be supported by other NS with trained personnel and can share resources but should be considered as leads in case of deployments.

ERU type	Purpose	Team size	NS capacity
Logistics ERU	To manage the arrival of large amounts of goods either flown in by air or trucked and shipped in, the clearance of these goods, their storage and subsequent distribution. The unit is also responsible for the reporting on these items (it tracks all incoming goods according to a 'mobilisation table' and pipeline documents) and fleet management. In addition, the unit supports the clearance of other ERUs, which often arrive with heavy equipment, and a large part of the logistics ERU mandate revolves around capacity building. The logistics ERU does not provide procurement services to other ERUs, PNSs or the HNS. Optional additions to standard kit (available upon request, though not held by all NS): four-wheel drive, forklift.	4–6	British RC Swiss RC Danish RC Finnish RC Spanish RC
IT and Telecommunications ERU	To establish local communication networks and links, to help ensure the smooth flow of information in the operation. Furthermore, to assist the host National Society with its communication systems.	2–3	American RC Austrian RC Danish RC New Zealand RC Spanish RC
WatSan Module 15	To provide treatment and distribution of up to 225,000 litres of water a day for a population of 15,000 people, with a storage capacity of 200,000 litres a day. This unit can also provide basic sanitation and hygiene promotion for up to 5,000 people. The module is designed to respond to scattered populations. It is flexible and can deploy as several stand-alone units for up to five different locations. Integrated in this M15 is the distribution and capacity for the transport of treated water to dispersed populations, with a capacity of up to 75,000 litres a day and the option to set up different storage and distribution points.	4–8	Austrian RC French RC German RC Spanish RC
WatSan Module 40	To provide treatment and distribution of water for larger populations. The unit can treat up to 600,000 litres a day for a population of up to 40,000 people. As with the M15 unit, the M40 has an integrated distribution capacity for the transport of treated water to dispersed populations.	4–8	Austrian RC French RC German RC Swedish RC
Mass Sanitation Module 20	To provide basic sanitation facilities (latrines, vector control and solid waste disposal) for up to 20,000 people, to initiate	4–6	Austrian RC

ERU type	Purpose	Team size	NS capacity
	hygiene promotion programmes and to provide dead body management services. Optional additions to standard kit (available upon request although not held by all NS): flat-pack latrines, diggers.		British RC German RC Spanish RC Swedish RC
Referral Hospital ERU	First-level field hospital, providing referral-level multi-disciplinary care to a population of up to 250,000 people. The inpatient capacity ranges from 75–150 beds, providing surgery, limited traumatology, anaesthesia, internal medicine gynaecology, obstetrics and paediatrics. It consists of one or two operating theatres, a delivery room, inpatient wards and treatment areas, X-ray and a laboratory. It also provides an outpatient department and an emergency room to ensure the treatment of casualties. The unit needs to be self-sufficient, and therefore includes supporting modules such as administration, IT and telecom, water and power supply, staff accommodation and vehicles.	15–20	Finnish RC German RC Norwegian RC
Rapid Deployment Hospital	A specifically modified, lighter version of the Referral Hospital ERU, which can deploy within 48 hours of alert and offers medical and surgical interventions, such as triage, first aid and medevac. It also has limited medical/surgical care, including an outpatient department. It can function for up to ten days, pending the arrival of a more complete hospital or a Basic Healthcare ERU. It can also be used as mobile clinic if required at a later phase of operation.	8–10	Canadian RC German RC Finnish RC Norwegian RC
Basic Healthcare ERU	To provide immediate basic curative, preventive and community healthcare for up to 30,000 beneficiaries, using a modular approach adjusting to local needs and according to WHO basic protocols. The unit deploys with the Interagency Emergency Health Kit. The unit can deliver basic outpatient clinic services, maternal-child health (including uncomplicated deliveries), community health outreach, immunisation and nutritional surveillance. It does not function as a hospital but has 10–20 overnight bed-capacity for observation. This ERU also requires the availability of local health staff and interpreters to support services and should have the agreement of the local health authorities for the ERU expatriate (doctors/nurses) to provide healthcare.	5–8	Canadian RC German RC Finnish RC Norwegian RC French RC Japanese RC
Relief ERU	To support the host National Society to undertake relief assessments, targeted beneficiary selection and to assist in the set-up of food and NFI distribution, as well as compile	4–6	American RC Benelux RC Danish RC

ERU type	Purpose	Team size	NS capacity
	relief distribution statistics. This ERU can also assist in the setting up of camps and works closely with the Logistics ERU. The Relief ERU can set up cash-based responses to the emergency, in which case the collaboration with logistics is strengthened.		Finnish RC French RC Spanish RC
Base Camp ERU	To provide RCRC staff engaged in emergency operations with appropriate living and working conditions. The Base Camp ERU offers tented accommodation (conditioned for hot and cold climates), toilets, hot showers, recreational facilities, a kitchen, offices, administrative, IT/communication and coordination facilities, in locations where these are not available for RCRC staff.	varies	Danish RC Italian RC

7.2.3 BRC ERUs

The BRC has chosen to maintain two Logistics ERUs and one MSM ERU. The kit required for those three teams is stored at the international warehouse in Bulwick, Northamptonshire. For more information about the warehouse, see the [Bulwick international warehouse standard operating procedure](#).

7.2.3.1 The Logistics ERUs

BRC stores enough kit and personnel to deploy two simultaneous Logistics ERUs. See above table for a detailed description of the objectives of the Logistics ERU.

The standard kit content designed by IFRC is available from the IFRC [standard product catalogue](#) (code ULOGLOGI). In agreement with the IFRC, however, the BRC has made some additions and modifications to the standard list (see above for details of optional additions to MSM and Logistics ERU kit).

For a detailed content list of the BRC's ERU kit, contact the UKO logistics team.

Logistics ERU teams are made up of:

- A team leader
- A warehouse and transport delegate
- An airops delegate
- One or two supply chain administration delegates

Detailed [role descriptions](#) for each of the above roles are available in the annex.

Previous deployments of the Logistics ERUs include:

- Dominica in 2017
- Greece, Vanuatu and Liberia in 2015
- The Philippines in 2014
- Chad in 2013

For more information on deployments, contact the logistics team.

The National Societies that maintain a Logistics ERU have created a technical working group to share experiences and challenges, under the sponsorship of the IFRC. The group meets once a year for a two-day conference, gathering representatives of the Swiss, Danish, Finnish,

Spanish and British Red Cross, as well as the ICRC and IFRC. The agenda and minutes of the TWG meetings can be shared upon request.

For more details about management of the Logistics ERU, see the [ERU standard operating procedure](#) developed by the logistics team.

7.2.3.2 The MSM20 ERU

The BRC stores enough kit and personnel to deploy one Mass Sanitation Management ERU. See the above table for a detailed description of the objectives of the MSM20 ERU.

The standard kit content designed by IFRC is available from the IFRC [standard product catalogue](#) (code UWATMMSCOMP). In agreement with the IFRC, however, the BRC has made some additions and modifications to the standard list. To see a detailed content list of the BRC's ERU kit, please contact the UKO logistics team.

MSM ERU teams are made up of:

- A team leader
- A sanitation engineer
- A hygiene promoter
- One or two specialist support delegates

Detailed [role descriptions](#) for each of the above roles are available in the annex.

Previous deployments of the MSM ERUs include:

- Mozambique in 2019
- Uganda in 2017
- Bangladesh (Cox's Bazaar) in 2017
- Greece in 2015
- Nepal in 2015
- Mozambique in 2013

7.3 ERU Human resources, ERU equipment and financial responsibilities

7.3.1 ERU Human resources

When a NS chooses to hold an ERU of any type, they commit to having specialist personnel available to deploy within 24 to 48 hours at any time. This commitment implies that they will recruit, train, and roster a pool of specialists large enough to support four rotations of the ERU they hold.

For example, if a NS holds a Relief ERU, they must have a pool of at least 16 to 24 delegates ready to deploy, as each one-month rotation will need a team of four to six specialists. If a NS holds a Referral Hospital ERU, this can mean up to 80 delegates. This is why joint deployments are commonplace for some ERUs, and some NS support ERU-holding PNS by training and maintaining a pool of delegates to complete the resources of the lead NS.

For example, the Macedonian RC does not maintain a Basic Healthcare ERU, but they do train staff to join deployments led by the Canadian, German, Finnish, Norwegian, French or Japanese RC as needed. The British Red Cross previously deployed health practitioners in support of the Finnish Health ERUs deployed in Bangladesh.

7.3.1.1 Recruiting an ERU

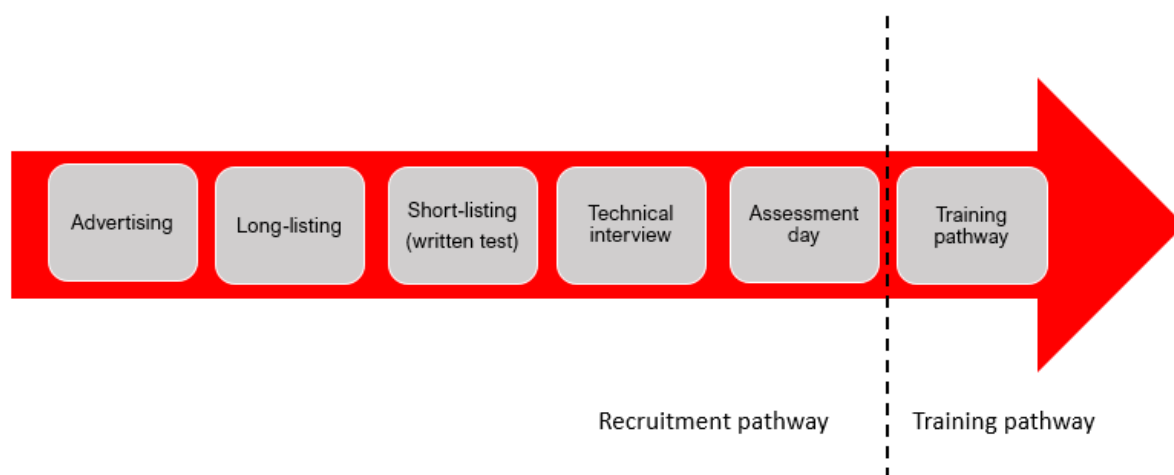
Recruiting ERU personnel is different from hiring staff, as ERU delegates will not be employed by the recruiting NS unless they are already a staff member. Instead, they will be trained and asked to volunteer for periods of time where they can be on standby for deployment within 24 to 48 hours after the ERU is called for by the surge desk at the IFRC.

ERU delegates only join the staff of a NS when they deploy, and they are usually not paid salaries until then, although they can be paid retainers for the time they are on call. When deployed, the deploying NS seconds the ERU delegates to the IFRC.

Recruiting for an ERU is also challenging because a successful recruitment relies on finding a rare mix of skills and experience:

- Adequate technical skills including being adaptable to an emergency context
- Relevant international experience
- Adequate soft skills or core competencies, including working effectively as a team, but also independently enough to deal with split deployments (for example, where the team may be spread across several locations).
- Availability to complete a long training pathway (usually several weeks long, spread over an entire year)
- Ability to remain on call for several months per year, and to deploy at short notice for one month at a time

Recruiting for an ERU is usually done jointly between a technical ERU manager and HR colleagues. In BRC, this is a member of the logistics team (usually the logistics manager), a member from the ESTA team and the international rosters and registers coordinator in HR. It requires careful planning and constant communication with internal stakeholders. Typically, the recruitment of ERU roster delegates takes several months and is split as below:



The recruitment for ERU members is separated into two different stages: recruitment and training. It is important to note that candidates are only considered ERU members after they successfully “pass” the training pathway, which consists of both classroom training and simulation exercises.

Once recruited, ERU members are made “deployment-ready” by:

- Having their personal details pre-recorded in the HR department's systems: contact details, bank details, health records and criminal records (where applicable).
- Regular check-ins with HR, especially during the months when they are on standby.
- Maintaining updated records of their professional experience.

The National Society sponsoring an ERU covers salaries, benefits, insurance and travel costs of personnel during training and operations. It is also responsible for putting the team together, as well as making sure it has the necessary skills and experience. Each member must adhere to the International Federation's code of conduct.

BRC maintains two Logistics ERUs and one MSM ERU, which means that the minimum size of the ERU pools should be 16 to 24 logisticians and 16 to 24 MSM delegates.

7.3.1.2 Training ERU personnel

Once the recruitment phase is completed, the training pathway begins. In BRC, training is a two or three-phase process.



IMPACT and Foundation can either be delivered together or separately. In between each of these formal, face-to-face training phases, independent, at-home training modules must also be completed.

For more detailed information, see the latest version of the BRC ERU candidate guide, which is attached to the advertisement for ERU membership and sent to all applicants to help them understand the recruitment process.

The requirement is currently for all candidates to follow the training pathway in person, but this may change in the future with the use of remote/online training.



7.3.1.3 Maintaining an active roster

Once candidates enter the ERU, they are added to a roster. Each ERU technical manager engages differently with their respective rosters through the international rosters and registers coordinator in the HR team. Regular touchpoints are:

- Request for availability. The MSM ERU manager goes to the pool of members once a year, while the Logistics ERU manager asks for availability on the 15th of each month for M+2 (for example, on 15 January, roster members are asked to come forward to be on standby on 1 March).
- Updating the roster members' details: CV, medical and criminal records (as applicable), to ensure they are deployment-ready during the months they have offered to be on standby.
- Sharing training opportunities, from within the BRC, from the IFRC or the wider humanitarian community, that can be useful to develop roster members' competencies. These are sent by the international rosters and registers coordinator, upon request of the ERU manager.
- Refresher conferences and masterclasses. At least once a year, the MSM and logistics communities get together (separately) for either a refresher course, a conference or a masterclass. These events are organised by the ERU managers and their L&D business partner.
- Inviting roster members to facilitate trainings or share their deployment experience. Roster members can be invited to participate in parts of the ERU pathway, particularly to share their deployment experiences or support simulation exercises.
- Quarterly calls with roster members, with follow-up newsletter sent to all members.

At any of the above touchpoints, it is important to reconsider the roster members' competencies, and to capture any changes on the roster. Members' competencies should be registered on a mapping matrix, maintained by the ERU manager and the international rosters and registers coordinator. The current matrix can be requested from the Logs team.

Note: Members can request to be put on hold, or they can be put on hold by decision of the ERU technical managers, based on lack of competencies or commitment. In order to become active again, they must usually complete all or part of the ERU training pathway or attend a refresher conference.

7.3.2 ERU equipment

When a NS offers to sponsor an ERU, they commit to having a team of experts on standby for rapid deployment, as well as a standard, specialised kit ready to support the team in fulfilling their mission. For more details about the content of the ERU kits, see Sections 7.2.3.1 and 6.2.3.2.

The sponsoring NS agrees to procure, store and maintain the kit, and to participate in the development of the standard kit composition as relevant, through feeding back on the appropriateness of kit following deployments.

At the BRC, the content of both ERU kits are procured mostly through framework agreements, by the LOGE and with the approval of the global response manager. After a kit has been deployed, its replenishment must be approved by the global response manager, as well as any changes to the kit proposed following kit feedback (see Section 7.5). The items received are kitted into modules (the MSM kit has 38 modules in total, split into eight families, while the logistics ERU has 14 modules, split into seven families) and stored at the international warehouse in Bulwick.

Some of the kits' contents, such as vehicles and cold-weather-specific equipment, is common to both ERUs – these are called the 'shared modules' and can be deployed with either ERU kit. These items are tracked separately to the kit lists, in a "shared modules" list.

The warehouse officer is responsible for ensuring the safety and maintenance of the entire ERU equipment. This includes vehicles, generators, all electric appliances, and safety equipment such as fire extinguishers.

The value of the ERU kits is managed as an investment, where BRC funds the purchases until the kit is charged to an emergency operation. Until then, the value of the kit sits on a balance sheet that captures additions, write-offs and disposals to the kit while it is in stock. For more details on this procedure, refer to the [ERU kit standard operating procedure](#) and the [balance sheet guidance note](#) held by the logistics team.

7.3.3 Financial commitments

All the costs associated with maintaining an ERU's preparedness outside of a response operation are covered by the sponsoring NS. This includes storage costs and maintenance costs for the kit, but also retainers for on-call delegates and training costs. The storage and maintenance costs are budgeted for by the logistics team, and funds become part of the logistics framework, while retainer costs fall under the HR budget and training costs under the L&D budget.

When the decision is made to deploy one of the BRC's ERUs, the cost of deployment is covered by the BRC, as a pledge to the IFRC-led operation. The decision to apply later for back-funding from the IFRC appeal is made depending on funds available from the BRC.

During the deployment, operational costs can be charged to the IFRC, while running costs must be covered by the BRC.

- Operational costs: costs related to any activity listed on the IFRC appeal. For example, where the appeal includes construction of latrines, all costs associated with their construction (materials, manpower, etc) will be covered by the funds raised against the IFRC appeal.
- Running costs: costs related to having the MSM ERU deployed into the operation. For example, the cost of food and accommodation for the ERU delegates.

The below table lists the most common types of expenditure of an ERU deployment and indicates whether they are operational costs, running costs or something else:

What	Operational	Running	Something else
Warehouse rental (storage of relief items or kit)	X		

Storage space rental for delegates' personal equipment		X	
Custom clearance of relief items	X		
Custom clearance of ERU kit		X	
Printer cartridges for office		X	
Transport of shelter materials	X		
Driver for ERU staff		X	
Water tanks for operational response	X		
Water tanks for delegates' use		X	
Warehouse security staff	X		
Translator for field work	X		
Translator accompanying delegate to local health facility		X	
Vehicle for transporting ERU staff		X	
Hotel for head of logistics visiting from BRC UK office			Restricted appeal funds
Mobile phone delegates		X	
Volunteer costs	X		
Desks for ERU		X	
Flipchart for training	X		
Safe		X	
Photocopier		X	
Vehicle for transporting volunteers	X		
Laundry for team leader			Per diem
Breakfast for delegates			Per diem
Accommodation for delegates		X	

In summary, the breakdown of costs is usually as below:

Phase	Associated costs	Costs covered by	Comments
Preparedness	Procurement Storage Maintenance Insurance	BRC logistics	
	Delegate costs (retainers, health checks, etc)	BRC HR	
	Training	BRC L&D	
Decision to deploy	Shipping costs Travel costs Salaries Per diem	Dedicated BRC project code	Can be recharged to IFRC appeal (ad hoc and with prior approval from IFRC)
Deployment	Operational costs	IFRC appeal	
	Running costs (including per diem)	Dedicated BRC project code	
Return	Shipping back to UK or other storage location Inspection costs	Dedicated BRC project code	ERU equipment is not supposed to be shipped back to the UK

Evaluation	Post-deployment evaluation	Dedicated BRC project code	Evaluation can be commissioned or done with internal resources
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7.4 Deploying an ERU

7.4.1 IFRC process – the Surge alert system

Following a NS request for surge capacity support, alerts will be generated from the surge capacity desk in Geneva, as per the activation procedure, which depends on the category of emergency (local, regional or global). Alerts are sent out to the rapid response personnel registered with the surge desk, and to the surge focal points within PNS (in BRC, this includes members of staff from HR, logistics and emergencies).

On-call roster members will be expected to answer the alert within 24 to 48 hours in order to be able to respond to the need without any delays.

Alerts follow previous standard operating procedures with Information, Alert, Stand down and Deployment messages:

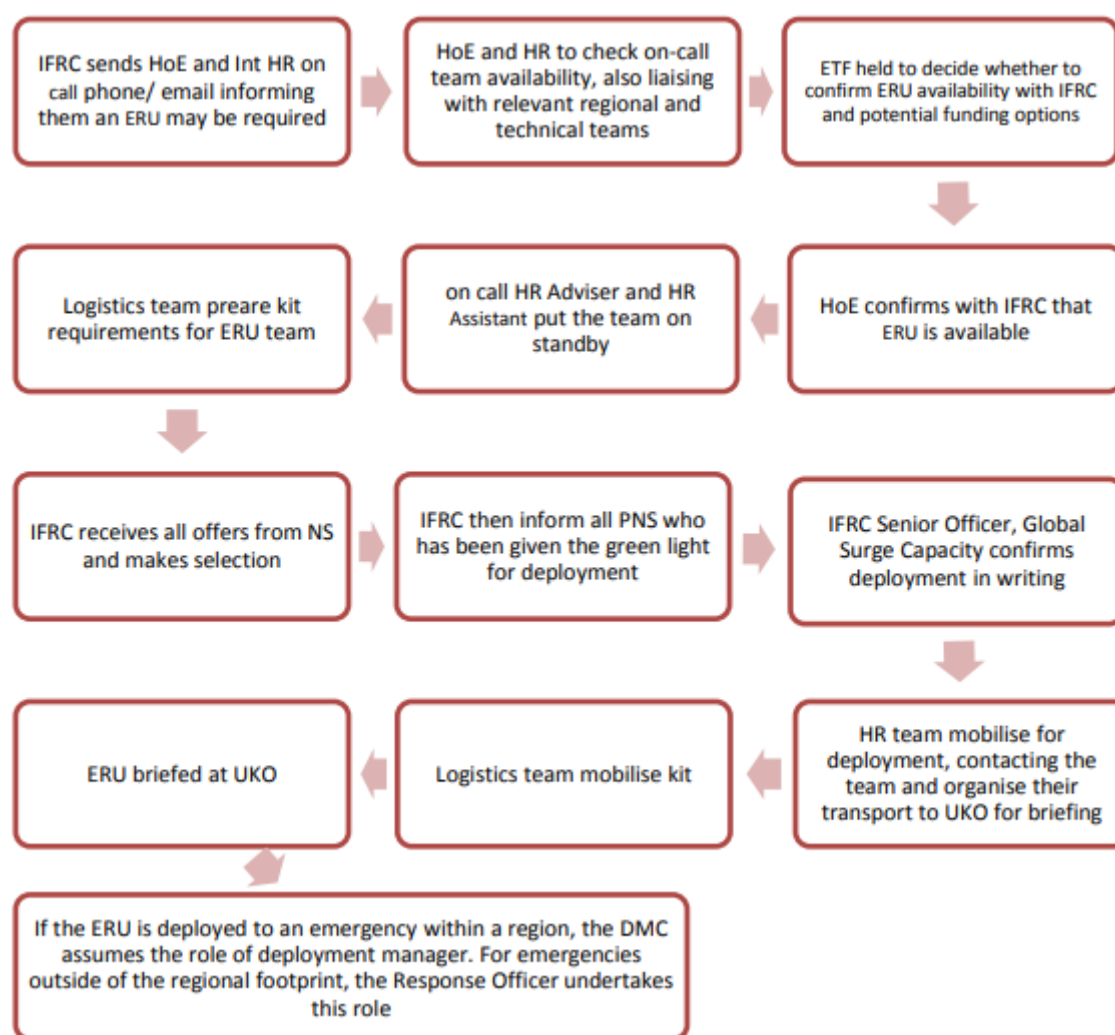
Type of alert	Meaning
(I) Information	System members receive information of an event that may require surge support. No response is necessary, but surge personnel to do the pre-checking for possible deployment.
(A) Alert	Sent to all active participants that meet the basic required profile and surge focal points in PNSs. An immediate reply with details of availability is required.
(D) Deploy	Members receive an, alert indicating who is deploying. Alert contains name, profile and NS.
(S) Stand down	Deployment request has been cancelled.

A terms of reference (ToR) for the deployment should be provided with the alert message, containing the deployment requirements in terms of both the kit and personnel.

For more details on the IFRC's internal ERU (and other emergency response personnel) deployment procedures, see the [compiled surge standard operating procedures](#) available from the IFRC surge desk.

7.4.2 BRC internal process

In parallel to the IFRC process, the BRC will follow its own internal procedures as outlined in the [DMSOPs](#). The response lead ensures all decisions are logged and documented through the standard ETF/SAT records. Below is a summarised version of the BRC process for deploying an ERU:



7.4.2.1 Deployment

Before the decision is made to deploy the ERU, logistics provide the ETF with preliminary information on:

- Availability of ERU roster to deploy and deployment timeline.
- Availability of kit to deploy, estimated deployment cost and timeline.
- Status of BRC globally pre-positioned stocks, including costs and shipping timeline.
- After the decision to deploy is made, the below tasks must be completed per the allocated responsibilities.

If the ETF decides to deploy a BRC ERU, based on the input of logistics but also other teams' such as security, finance and regional teams, the decision must also be made on the deployment location, including any suggestions to have a split deployment (with the ERU team split into different locations). This decision can be reviewed during the deployment, based on operational realities.

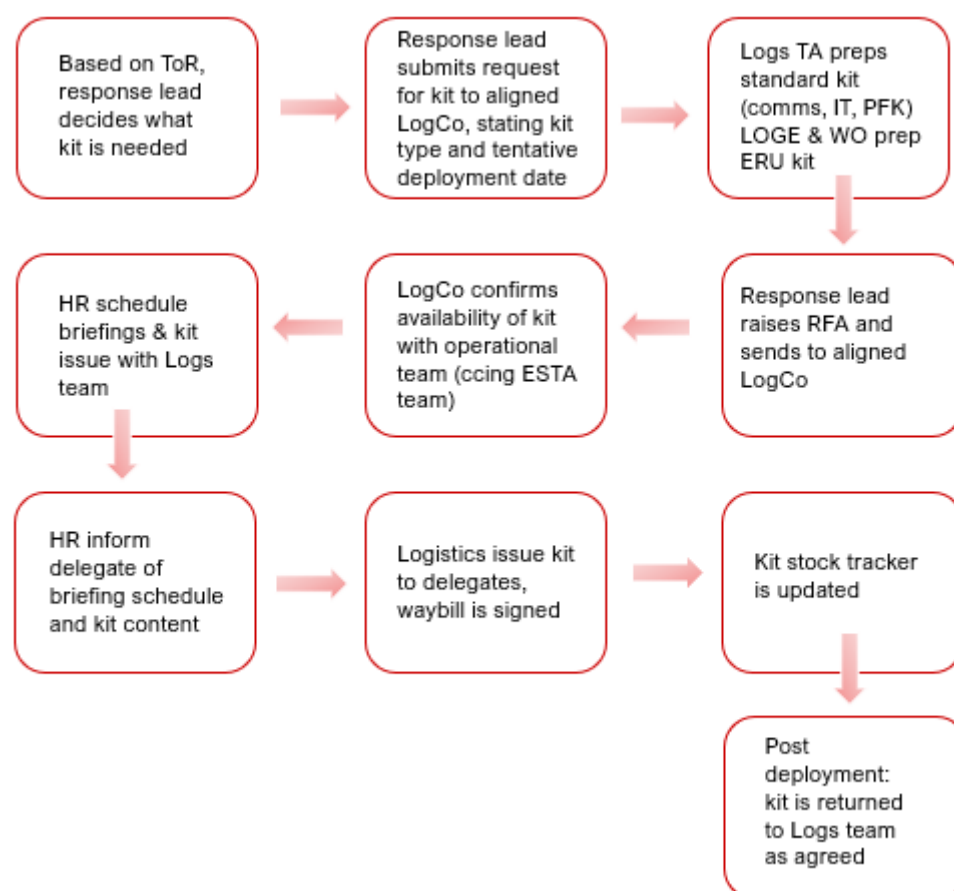
The below actions need to be completed:

Tasks relating to personnel deployment	Responsibility
Arrange briefing schedule	HR
Arrange mission float (maximum of \$5,000)	Response lead

Collate operations briefing pack	Response lead
Notification of per diem allowance and advance	HR
Pre-deployment checks: insurance, medical	HR
Arrange flights and visa	HR
Request necessary kit, including workwear	Response lead
Issue kit to delegates	Logistics
Hand over mission float and related forms to delegates	International finance
Issue visibility items to delegates	HR
Notify in-country team (IFRC/ICRC) of itinerary	HR
Write-off value of kit deployed from the balance sheet and charge it to the relevant project code	International finance

Note: A 'briefing pack' is available from PIMS under *Start>Teams>International HR>Key Info>ERU & FACT>Briefing pack*. Reach out to international HR if you cannot access the documents through PIMS; they can share the briefing and debriefing templates upon request.

Note: The kits are split into modules, designed around the various functions of the ERU. The ERU technical managers can advise which modules to deploy, based on the initial assessment received from the IFRC. For more details on logistics' responsibility and internal procedure to deploy an ERU, read the [ERU kit standard operating procedure](#) and/or request the ERU step-by-step process flowchart.



7.4.2.2 Monitoring the deployment

The ERU deployment can last between one and four months, with a new team sent out to take over from the previous one every four weeks. The operational lead and the response lead have overall responsibility for managing the deployment. However, logistics are involved each time a new team is sent out and are responsible for the below points:

	Logistics ERU deployment	MSM ERU deployment
Kit issued to outbound team (IT and/or comms)	X	X
Kit received from returning team (IT and/or comms)	X	X
Collecting feedback from returning teams on the ERU kit (through the kit feedback form)	X	X
Attending briefings, as scheduled by HR	X	optional
Attending debriefings, as scheduled by HR	X	optional
Analysing and monitoring the ERU's performance	X	

For more details on reporting requirements, read the IFRC standard reporting requirements for ERU deployments and refer to the annexed templates within the **IFRC ERU standard operating procedures** (2012).

7.4.2.3 ERU delegates' appraisal

ERU managers are also involved in the appraisal process of all BRC delegates returning from an ERU deployment. The team leader appraises the ERU team members (the FACT delegate appraises the ERU team leader) using the **IFRC surge standard appraisal form**, which is shared with IFRC surge desk, BRC HR and the roster manager.

Each ERU delegate must complete two separate end-of-mission reports. The first one is operational, and the second is focused on HR aspects of the deployment. This latter report is confidential and only shared with BRC HR. The operational report can be shared within BRC and with IFRC when relevant.

Another feedback form, specific to the BRC, must be filled out by ERU delegates and shared with the ERU manager: the **360-degree feedback form**. This is an internal BRC document that is not shared with the IFRC, encouraging delegates to reflect on their teammates and to analyse team dynamics during their deployment. It is good practice to complete thorough debriefs with ERU delegates, both operational and personal (returning delegates might share the need for further development, for example).

7.4.3 ERU Evaluation

When the ERU intervention finishes (this can be after a full four-rotation deployment or fewer rotations, depending on the operational needs), it is good practice to request for an independent evaluation. Ideally a partner organisation should lead on the evaluation and present results to both the BRC and the IFRC, and also to the relevant technical working groups to address suggested improvements.

Terms of reference for the evaluation should be drafted by the technical roster manager (logistics or MSM) with the operational lead and response lead, capturing points fed back by delegates through their end-of-mission reports and situation reports shared during

deployment. The evaluation should include a “satisfaction survey”, to understand how others involved in the response (other ERUs, PNS, the IFRC coordination structure, the HNS and, where relevant, beneficiaries of support directly provided by the ERU) benefitted from its deployment. Standard Logistics ERU evaluation terms of reference are being developed by the Logistics ERU technical working group.

It is important to take the cost of evaluation into consideration when developing the budget for the response.

7.5 Replenishing the ERU kits

The LOGE, together with the warehouse officer, updates the stock records with the stock movements related to the ERU deployment, capturing which modules have been deployed on the kit list and on the stock report.

The ERU equipment is not usually expected to be returned to the deploying NS. Instead, the kit is usually handed over to the HNS, following appropriate evaluations and a handover plan. Kit returns must be discussed and agreed with logistics. The procedure to agree kit returns is detailed in the [ERU standard operating procedure](#).

Before getting started on the replenishment of the kit, the LOGE should make sure that:

- The Emergencies team have agreed to the replenishment.
- All kit feedback has been considered and changes to the kit contents, if any, have been agreed.
- Note: No items should normally be returned from an ERU deployment, but this can be agreed between the deployed team, the response lead and the logistics team on a case-by-case basis.

A [REP form](#) must be filled out and signed off by emergencies, logistics and finance before the replenishment of the kit begins. See the [ERU kit standard operating procedure](#) for more details.

Note: Items that are added to the kit must be purchased through an [RFA](#). Only the replenishment of deployed items can be triggered through a [REP form](#).

The LOGE then puts a procurement plan together, indicating for each item:

- How it will be sourced (small purchase, framework agreement, RFQ, etc)
- An estimation of its value
- An estimation of the delivery timeline

The procurement plan is stored on PIMS and available from the LOGE upon request. As the replenishment is ongoing, the LOGE updates the directorate via the logistics status report, sent out every Friday afternoon, which captures the progress of replenishment.

Delivery of the different modules of the kit is organised by the LOGE and the warehouse officer. For delivery instructions, see the [Bulwick warehouse SOP](#).

As items and modules are replenished, the LOGE liaises with international finance to ensure the new kit's value is captured correctly on the balance sheet. See the [balance sheet guidance note](#) for more details.

The replenishment of ERU kits should ideally take a maximum of 15 weeks from the moment the technical owner validates the replenishment. However, supplier lead times vary, and some

modules are more challenging to source than others. The LOGE should provide weekly updates on replenishment progress through the logistics status report.

Acronym buster

AML	Anti-Money Laundering
AWB	AirWay Bill
BAFO	Best And Final Offer
BOL	Bill of Lading
CBA	Comparative Bid Analysis
CBI	Cash Based Intervention
CBM	Cubic meter
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHF	Swiss Francs
CMR	<i>Convention relative au contrat de transport international de marchandises par route</i>
COC	Committee on Contract
COC	Certificate of Completion
CPT	Corporate Procurement Team
CTF	Counter-Terrorism Financing
CTN	Commodity Tracking Number
CTP	Cash Transfer Programme
CVA	Cash and Voucher Assistance
DG	Dangerous Goods
DMSOP	Disaster Management Standard Operating Procedure
EA	Emergency Appeal
ED	Executive Director
ELT	Executive Leadership Team
EOI	Expression of Interest
EPoA	Emergency Plan of Action
ERU	Emergency Response Unit
ETF	Emergency TaskForce
FA/FWA	Framework Agreement
FACT	Field Assessment and Coordination Team
FDA	Food and Drugs Administration
FEFO	First Expired First Out
FIFO	First In First Out
FMV	Fair Market Value
FOS	Federation-Owned Stocks
FSP	Financial Services Provider
GAD	Grant Agreement Document
GDP	Good Distribution Practices
GLS	Global Logistics Services
GRN	Goods Received Note
HAWB	House AirWay Bill
HEAT	Hostile Environment Awareness Training
HNS	Host National Society
HNS	Host National Society
HOE	Head of Emergencies
HOL	Head of Logistics
HQ	HeadQuarters

IA	Integration Agreement
IAPG	InterAgency Procurement Group
IATA	International Air Transport Association
ICC	International Chamber of Commerce
ICRC	International Committee of the Red Cross
IFRC	International Federation of Red Cross and Red Crescent Societies
IMT	International Management Team
INCOTERM	International Commercial Terms
IQM	International Quality Methodology
IT	Information Technology
KvA	Kilo volt Ampere
KYC	Know Your Customer
LOGE	Logistics Officer for Global Emergencies
LSR	Logistics Service Request
MAG	Market Analysis Guidelines
MAWB	Master AirWay Bill
MCDA	Military and Civil Defence Assets
MoU	Memorandum of Understanding
MPB	Major Programme Board
MSDS	Material Safety Data Sheet
MSM	Mass Sanitation Module
MSU	Mobile Storage Unit
MT	Metric tons
NFI	Non-Food Item
NS	National Society
OLPSCM	Operational Logistics Procurement and Supply Chain Management
OTIF	On Time In Full
P2P	Purchase to Pay
PMN	Pledge Management Note
PNS	Partner National Society
PO	Purchase Order
QA	Quality Assurance
RACI	Responsible, Accountable, Consulted, Informed matrix
RAM	Rapid Assessment of Markets
RCM	Red Cross Movement
RCRC	Red Cross Red Crescent
REP	Replenishment form
RFA	Request For Action
RFI	Request For Information
RFP	Request For Proposal
RFQ	Request For Quotations
RLU	Regional Logistics Unit
SAT	Society Action Team
SDN	Service Delivery Note
SMCC	Strengthening Movement Collaboration and Cooperation
SOP	Standard Operating Procedure
SPC	Standard Product Catalogue
SRS	Supplier Reserved Stocks
SSC	Shared Services Centre
T&C	Terms and Conditions

TBC	To Be Confirmed
TOR	Terms Of Reference
UKO	BRC headquarters in London - UK Office
UN	United Nations
UPS	Uninterrupted Power Supply
VCI	Vendor Controlled Inventory
VFM	Value For Money
VRP	Vehicle Rental Programme
WFP	World Food Programme
WHO	World Health Organization