



Checklist for Logistics Planning

The aspects of logistics planning that should be considered during the various stages of the procurement process (planning, requirement definition, sourcing, and evaluation) are detailed below:

- 1) Understanding the operational context of the required product, and, if possible, assist in developing specifications suitable to local conditions.
- 2) Evaluating the procurement activity and the time and financial resources available in order to determine urgency of the requirement. Urgency may determine location of the purchase and thereby also the mode of transport.
- 3) Determining the type of sourcing. Goods may be purchased locally/regionally or internationally, or through established LTAs. Goods may also already be available in a warehouse, as surplus stock from another project. Goods may even be borrowed from a sister organisation, or be available as a donation in kind. Goods may also have been pre-positioned as part of an emergency stockpile policy, either globally, regionally or on a local level.

These options should be considered when determining whether to purchase, and how and where to purchase, the required product, in order to meet end-user's needs in a timely and cost efficient manner.

- 4) Determining which markets are best positioned to respond to the end-user's delivery requirements by evaluating total delivered costs as well as lead times, in addition to conformity with technical criteria, for example, tractors from one region are not necessarily the most suitable for another region, even though they may be very competitive and reasonably priced.
- 5) Reviewing the delivery and transport requirements, as well as the budget, and ensuring that they are complete and realistic.
- 6) Determining and comparing total lead time, including logistics activities. Different logistics corridors incur different costs, but also have an impact on total lead times. One route may, for example, be cheaper but experiences many difficulties and delays in clearing transit goods. An alternate route may cut transport time. In some source countries, for example, export processing may take longer, or ports may experience much congestion. Total supply chain lead times should be taken into account.
- 7) Determining the most cost effective means of contracting transport, i.e. from the Supplier included in the purchase order, or contracted to independent freight

forwarder. Some organisations also allow transportation with their own resources (e.g. transportation of goods in project vehicles by project personnel).

- 8) Tendering for freight services, if determined under aspect number 6 listed above, and checking availability and competitiveness of an LTA for freight services. For large consignments where more favourable rates can possibly be obtained, spot tenders are advisable.
- 9) Insuring a consignment in accordance with the policy of the organisation (see 'insurance during transportation' below).
- 10) Ensuring that shipping documents received from the Supplier and freight forwarder are complete and accurate and that the consignee has received their set (see 'shipping documents' below).
- 11) Ensuring that necessary arrangements are in place to clear cargo on arrival.
Depending upon the procedures in the country, the consignee could be responsible for custom clearance of the goods, however, customs clearance is part of the procurement procedure, and thus the responsibility of procurement officers. Arrange for acceptance of goods on arrival by the receiving unit and ensure that claims are initiated within the time frame stipulated in the cargo insurance to secure the interests of the organisation in the case of missing or damaged cargo.
- 12) Obtaining acknowledgement from consignee that the shipment has been received in good order. Throughout this process, the Requisitioner and/or end-user should be kept informed of expected and actual delivery dates in order for them to account for it in their local planning.