



UN Procurement Process and Procedures

Overview

November 2011

Agenda for Today



1. Introductions and Objectives
2. Definitions and General Principles
3. UN Procurement Process

Objectives



1. To obtain a good understanding of the UN procurement principle
2. To obtain a good understanding of the UN procurement process and procedures
3. Establish a solid foundation for reviewing procurement cases

What is procurement?





Procurement - Definition

Procurement is the overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration & management through the end of a services' contract or the useful life of an asset.





General Principles

- Financial Regulation 5.12:

Procurement functions include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works.

General Principles



- Financial Regulation 5.12:

The following general principles shall be give due consideration when exercising the procurement functions of the United Nations:

- a) Best value for money
- b) Fairness, integrity and transparency
- c) Effective international competition
- d) The interest of the United Nations

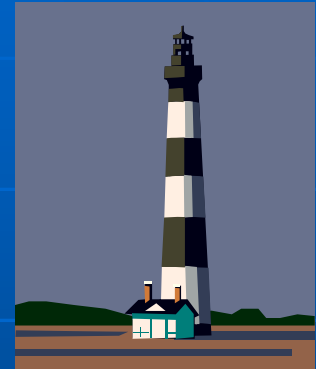
Procurement Manual



What is the function of the Procurement Manual?

The Procurement Manual is:

- intended to provide guidance on procurement policies and procedures
- applicable to all staff members involved in the various stages of procurement actions
- applicable to all UN offices and locations.
- available on-line – living document



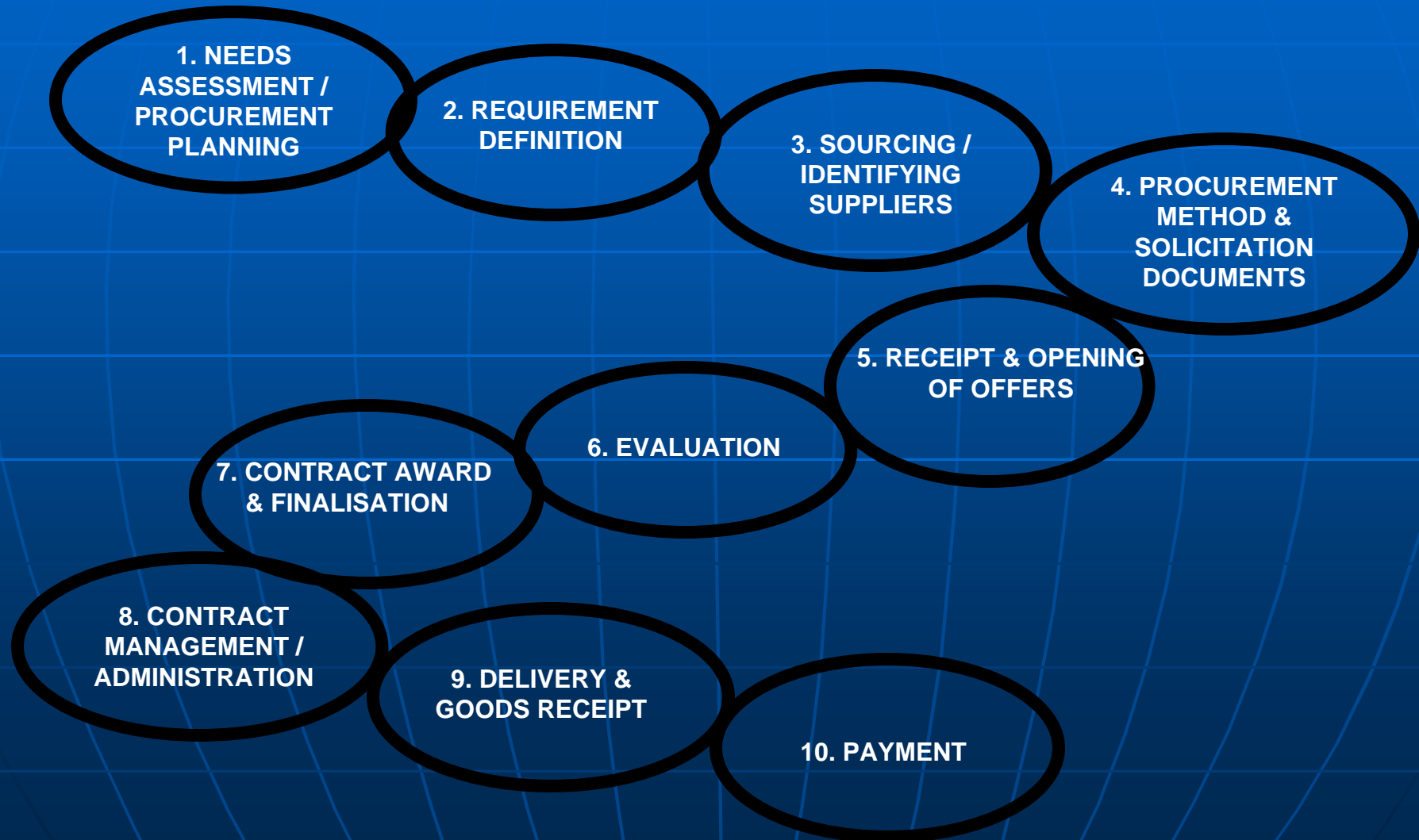
Note: all staff members of the UN are required to comply with the provisions of the Manual.

Segregation of duties



- Requisitioners, (e.g., the budget holders), are responsible for identifying the needs and developing generic specifications to fulfill such needs
- Procurement Officers are responsible for the purchase, rental or sale of products, services, or other requirements on behalf of the Organization
- Why do we need segregation of responsibilities?

Procurement Process



Acquisition Planning



1. Why acquisition planning? What are the benefits?
2. Who is responsible for acquisition planning?
3. What is involved in acquisition planning?
4. When should acquisition planning start?





Specifications

1. Why are specifications so important?

2. What are good specifications?

- ✓ Generic Specifications
- ✓ Functional / Performance oriented
- ✗ Brand names / vendor names
- ✗ Features which are unique to the products of a particular company
- ✗ Unnecessarily restrictive specifications
- ✗ Tailored specifications



Sourcing



Sourcing = Identification of potential suppliers

1. What are the different ways of sourcing?
2. When need for advertising?
3. Minimum period for advertising?
4. Minimum number of vendors?



Solicitation methods



Monetary value		
< US\$ 4,000	\$ 4,000 - 40,000	> US\$ 40,000
Low value procurement	RFQ	ITB or RFP
	Informal	Formal
	No Advertising	Advertising required



ITB or RFP

■ Invitation To Bid (ITB):

- Typically used for formal competitive bidding for Goods
- Written technical specifications (pass/fail criteria)
- Public Bid Opening (One-envelope procedure)
- Price is the basis for awarding the contract

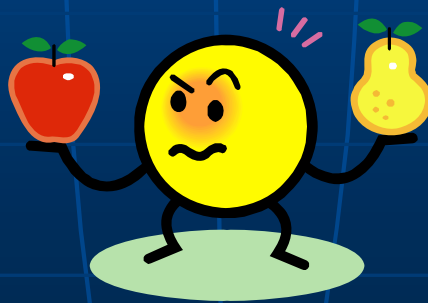
■ Request For Proposal (RFP):

- Typically used for formal competitive bidding for Services
- TOR : description of the scope and details of services
- Two separate envelopes (financial and technical offer)
- Highest overall score is criteria for contract award



Evaluation

1. When to develop evaluation criteria?
2. Who is responsible for developing evaluation criteria?
3. Should evaluation criteria be stated in solicitation documents?
4. What are the different evaluation methods?





Local Procurement Authority (LPA)

- Missions / OAHs can request “Local Procurement Authority” (LPA) for intended transactions of value higher than their delegated procurement authority
- LPA is also required for “special” requirements (e.g. Generators, ICT hardware / software, vehicles, medical equipment) regardless of the value



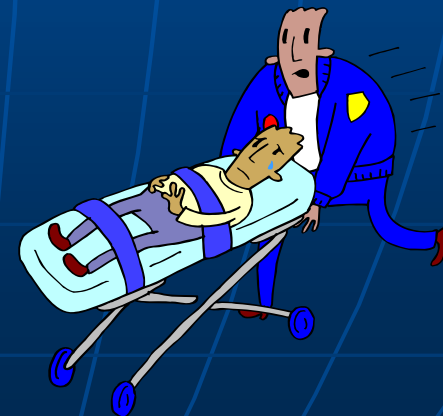
Local Procurement Authority

- Requesting an LPA means that the Mission/OAH believes it has the capability, resources and expertise available to perform the solicitation exercise, as per the FRR and established procurement procedures.
- All requests are to be forwarded to the Office of the Director, PD with an information copy to the ASG/OMS/DPKO; Director, PD is the ONLY approving authority for LPA's.

Exigency situations



Exigency is defined as “an exceptional compelling and emergent need, not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately”.





Ex Post Facto (EPF) Cases

Two types of cases requiring presentation:

☞ *EPF cases require a justification memo and an LCC presentation regardless of the value*

a) Fully EPF cases: A procurement action... in which deliverables have already been fully provided prior to submission to LCC/HCC

b) Partially EPF cases: A procurement action ... in which deliverables have been commenced and provided in part prior to the advice of the LCC/HCC or approval