UNIDO’s Procurement Activities

Michael Dethlefsen
Chief
Procurement Services Division
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The Mandate of UNIDO: Inclusive and Sustainable Industrial Development (ISID)

Advancing Economic Competitiveness
- Advancing economic and industrial growth

Creating Shared Prosperity
- Advancing poverty eradication and inclusiveness

Safeguarding the Environment
- Advancing environmentally sustainable growth

Management Priority for 2016
- Promoting Green Industry and a Circular Economy
UNIDO’s Environment Portfolio in 2016

Total Budget of Ongoing Projects by Thematic Priority

- GC3 Safeguarding the Environment: $703,688,283
- GC1 Creating Shared Prosperity
- GC2 Advancing Economic Competitiveness
- Others
UNIDO’s Department of Environment: Circular Economy

UNIDO promotes a model of industrial development that is **inclusive and sustainable**.

The Department of Environment helps transform industries into contributors to the circular economy by:

- Reducing or eliminating the production of pollution or waste.
- Re-using resources or ensuring their safe re-absorption by the environment.

A circular economy is restorative and regenerative by design.

**Components of a Circular Economy**

- **Cleaner production** with less resource use.
- **Green products** – no hazardous substances, long life, easy to recycle.
- **Separate waste, reuse resources**.
- **Collect at end-of-life**.
- **Extending lifetime through better service**.
UNIDO Environment Branch:
Green Industry Initiative

Global Policy and Deployment Frameworks
Green Industry Platform, RECPnet, CTCN, PAGE

- Pollution Prevention
- Pollution Abatement
- Resource Management

- Resource Efficient and Cleaner Production (RECP)
- Persistent Organic Pollutants (POPs) Management
- Transfer of Environmentally Sound Technologies (TEST)
- Large Marine Ecosystems (LME) Management
- Industrial Water Productivity
- Biotech Applications in Industry
- Chemicals Management
- Waste Management
UNIDO’s Montreal Protocol Programme: Partner in Promoting Climate Change Mitigation

UNIDO is an implementing agency of the Climate and Clean Air Coalition (CCAC). UNIDO has already submitted proposals focusing on the elimination of HFCs for the consideration of the working group. One proposal (retail sector) has been approved:

- Phase-out ODS
- Avoid high-GWP alternatives; and
- Provide energy savings in the range 13-18%

Projects have also been approved by the Global Environment Facility (GEF) to promote energy efficiency in the Room Air Conditioning (RAC) manufacturing and servicing sectors (fishery/food processing), transitioning away from HCFCs and leapfrogging HFCs.

UNIDO is constantly investigating best alternatives in the refrigeration sector, while partnering with the private sector → natural refrigerants.

Potential partnership with bilateral partners.
Looking Ahead: HFC Phase-Out

Growing concern: rapidly multiplying air conditioning and refrigeration installations especially in developing countries → rapid growth in the volume of HFCs being used, since they are not controlled in these countries. (GWP is 2,000-4,000 times the GWP of CO2).

As an Implementing Agency of the Montreal Protocol, UNIDO has an important role in assisting developing countries to comply with the phase-out targets of the Montreal Protocol.

In order to do so, UNIDO helps to develop, implement and manage investment projects that deal directly with the conversion of industrial sectors as well as institutional strengthening activities.

UNIDO has extensive experience and technical expertise in the conversion of sectors that use HFCs.

UNIDO’s Montreal Protocol Programme:
Countries Assisted
Distribution of UNIDO Montreal Protocol Projects

Notes: Analysis based on a sample of 190 Multilateral Fund (MLF) supported projects representing the larger projects from a total project portfolio of 1,008 MLF projects; the sample represents 66 per cent of the MLF funds received.
Global Environment Facility: UNIDO as Implementing Agency

UNIDO provides assistance in the following areas:

- Resource-efficient and low-carbon industrial production;
- Clean energy access for productive use;
- Cleaner production, chemical management and promoting of green industries; and
- Capacity-building for the implementation of multilateral environmental agreements

Focus areas:
- Climate Change Mitigation (IEE and RE)
- Climate Change Adaptation (Resilient Value Chains and Industries)
- Persistent Organic Pollutants (POPs)
- Sound Chemicals Management (Mercury, e-waste)
- Ozone Depleting Substances (ODS)
- International Waters (IW)
### UNIDO as GEF Agency (cont’d)

**UNIDO-GEF Portfolio:**

<table>
<thead>
<tr>
<th>GEF Focal Area</th>
<th>Approved GEF Project Grants $US (project and preparatory)</th>
<th>Co-financing $US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals (POPs, ODS, Hg)</td>
<td>223 M</td>
<td>697 M</td>
</tr>
<tr>
<td>Climate Change Mitigation (RE/EE)</td>
<td>209 M</td>
<td>1,388 M</td>
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<tr>
<td>Climate Change Adaptation</td>
<td>7 M</td>
<td>22 M</td>
</tr>
<tr>
<td>International Waters</td>
<td>5 M</td>
<td>220 M</td>
</tr>
<tr>
<td>Multi-focal Area</td>
<td>42 M</td>
<td>120 M</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>466 M</strong></td>
<td><strong>2,447 M</strong></td>
</tr>
</tbody>
</table>

Figures provided as of February 2015; * Includes GEF-3, GEF-4, GEF-5 and GEF-6
Climate and Technology Centre & Network (CTCN): Consortium
CTCN Mandate, Services and Structure

**Mandate**
CTCN mission is “Stimulating technology cooperation and enhance the development and transfer of technologies to developing country Parties at their request”

**Services**
1. Technical assistance to developing countries
2. Knowledge sharing and training
3. Fostering collaboration on climate technologies (including linking climate technology projects with financing opportunity”)

**Structure**
CTCN hosted by UNEP in collaboration with UNIDO and supported by partner institutions with expertise in climate technologies
Climate Technology Centre & Network (CTCN): National Designated Entities (NDEs)

111 NDEs have been selected by their countries (as of 19 March 2015)
CTCN Services: Technical Assistance

Progression of CTCN Requests for Technical Assistance

- 7. Response plans being implemented and contracted
- 6. Response plans being designed
- 5. Requests deemed eligible and prioritised
- 4. Requests deemed eligible but not prioritized
- 3. Requests inactive
- 2. Requests not deemed eligible
- 1. Requests being screened
Private Financing Advisory Network (PFAN)

Multilateral public-private partnership that nurtures low carbon, climate resilient projects by bridging the gap between investors and clean energy entrepreneurs and project developers

Advice and Guidance
• financial structuring
• sourcing of equity and debt
• business growth
• strategy, preparation and presentation of business plans

Matching Projects with Investors
• selected projects introduced to investors financing forums
• direct introduction to network investors and other potential investment sources

63 Projects Closed
• USD 680 million raised
• 2.3 m tonnes CO2e reduction pa
• High level of financial leverage for donors: 1 / 80
• 297 projects in the pipeline
• representing USD 6.9 billion of investments
Most Frequently Procured Goods

- Ozone depleting substance replacement and phase-out equipment (in the refrigeration, solvents, aerosols and foam manufacturing sector);
- Equipment for the replacement of methyl bromide measuring, checking & testing instruments;
- Laboratory, calibration and testing equipment;
- Agricultural produce and materials;
- Equipment for textile apparel & leather production;
- Wood and timber products;
- Vocational toolkits;
- Chemicals;
- Hydrogen production and storage;
- Agricultural & food processing machinery and equipment;
- IT HW & SW equipment and supplies;
- Building and construction materials and supplies;
- Renewable and rural energy systems and infrastructure
- Motor vehicles, parts, accessories;
- Leather and leather products, footwear;
- Office furniture and accessories;
- Engines, turbines and similar machinery and equipment (hydroelectric, others)
- Security and safety equipment;
- Wind mills and motors;
- Solar energy systems and related equipment;
- Pumps; compressors, valves, etc.;
- Air conditioning equipment, controls and machinery;
- Water treatment systems, equipment and machinery;
- Ventilation systems and equipment;
- Mining, quarrying and construction machinery and equipment;
- Recycling and waste management systems, equipment and machinery;
- Design, publication and training materials;
- Telecommunications equipment;
- Fishing testing equipment;
- Metrology equipment;
Most Frequently Procured Services

- Phase-out ozone depletion in refrigeration, foam, aerosols and solvents sector (ODS, POPS)
- Phase-out of methyl bromide
- Trade promotion and technology information exchange
- Standardization and laboratory accreditation
- Energy Policy and management (electricity and alternative systems)
- Advisory services for environmental protection
- Water management services
- Training
- Engineering design, research and development;
- Agro related services (textile, leather, fisheries, food...)
- Revolving credit support facilities;
- Office leases, maintenance and repair services;
- Construction works and site management;
- Technical assistance and advisory services;
- Air conditioning work and maintenance;
- Environmental engineering and science;
- Thematic mapping and evaluation services;
- Trade and business related services;
- Maintenance and repair services;
- Design, publication and advertising services;
- Telecommunication services

- Financial advisory services and insurance;
- Freight, transportation, storage and logistics services;
- Audit and accounting services;
- Laboratory testing and calibration services;
- Translation services;
Most Frequently Procured Services

- Electrical /mechanical installation works;
- Consulting/advisory services on environmentally sound technology and practices;
- Technology assessments and information exchanges;
- Repair and maintenance services;
- Consulting/advisory services on agriculture produce;
- Consulting/advisory services related to renewable energy and environmental systems and infrastructures;
- Technology conversion, retrofit and rehabilitation projects;
- Energy policy and management;
- Environmental management related advice and consulting services;
- Consulting/advisory services related to environmental protection;
- Waste disposal related advice and services;
- Cleaner technology promotion services;
- Water pollution related services;
- Industrial surveys and consulting services;
- Management advice and consultancy services;
- Training and development services;
- Consulting/advisory services related to nanotechnology;
- Security services;
- Catering services;
- Conference services;
- Business seminars and conferences;
- Professional & vocational training and workshops;
- IT SW and internet related services.
Top Ten Goods/Services Procured by UNIDO in 2013-2015

Top Ten Goods/Services Bought by UNIDO From 2013-2015 (EUR)
Top Goods and Services Procured From Hungary

Goods
• General furniture
• Office furniture
• Finishing materials and products
• Industrial refrigerators

Services
• Venues for meetings
• Facility maintenance and repair services
• Infrastructure maintenance and repair services
• Writing and translation
• Banquet and catering services
• Management support services
eProcurement Workflow

**(Shopping Cart)**
- Records of previous procurements in SRM should allow easier planning of costs and list of items to create Shopping Cart ("what to buy").

**Bidding (RFx Event)**
- For procurements > €5,000
- Created from details of Shopping Cart; Bidding process ("how to buy").

**Evaluation (RFx Event)**
- To the extent possible, to be carried out within the RFx Event;
- Clarification notes, responses, etc interactive with all potential bidders;
- Based on system input, reports on comparison and evaluation (vendor comparisons) are generated out of system and can be exported to excel.

**Purchase Order Approval**
- Fast Track (up to €5,000): SAP SRM automatically generates Purchase Order (PO) from the Shopping Cart;
- Data from RFx Event will be used to populate PO in PDF flexi-field format. Some of the fields will be editable while the majority will be standard.

**Award**
- Procurement case submitted to UNIDO Procurement Committee for recommendation and Managing Director, PSM, for approval.

**Contract/Purchase Order Management (TO BE)**
- For procurements €200,000:
- System supported creation of Contract/PO documents;
- System generated reports on deliverables, reports, outstanding payments;
- Planned freight forwarding services LTA to reduce shipment costs and allow for monitoring and tracking of shipments;
- TC cargo insurance LTA to insure all equipment transportation world-wide to final project site;
- System embedded goods/service receipt, invoice receipt and payment;
- Electronic banking services LTA (covering approximately 60 developing countries);
- Contract terms and conditions toolbox;
- Deliverable monitoring.
UNIDO’s eProcurement Portal

Please visit: https://procurement.unido.org/.

Welcome to UNIDO Procurement Portal

Registered bidders can access the Tender Details by clicking on the “Bidder Access” link.
If you are not a registered bidder, please register now by clicking on the “Request Bidder Account” link.
If you are a registered bidder and have forgotten your password, you may request for a new password by clicking the “forgotten Password” link.

For information on how to access the e-portal, please view A Bidder’s Guide to the Procurement e-portal.
## UNIDO’s eProcurement Portal: Procurement Notices

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
<th>Date and Time</th>
<th>Type</th>
<th>Reference Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training of the accreditation assessors of the Nigeria National Accreditation Service (NINAS) in Nigeria</td>
<td>NIGERIA</td>
<td>13.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001652</td>
</tr>
<tr>
<td>Development and Implementation of a Concept for Modern Thematic Gardens</td>
<td>The Kingdom of Morocco</td>
<td>13.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001647</td>
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<tr>
<td>Establishment of a National Solar Thermal Roadmap</td>
<td>Malaysia</td>
<td>13.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
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<tr>
<td>Provision of Services Related to Fisheries Resource Assessment and Management</td>
<td>South Sudan</td>
<td>13.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001595</td>
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<tr>
<td>ODS alternatives survey in Nicaragua</td>
<td>Nicaragua</td>
<td>16.05.2016 08:00:00 CET</td>
<td>Request for Quotation</td>
<td>7000001649</td>
</tr>
<tr>
<td>PROVISION OF EVENT MANAGEMENT SERVICES FOR UNIDO PROJECT</td>
<td>Egypt</td>
<td>16.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001593</td>
</tr>
<tr>
<td>RAC Training Equipment for DPR Korea</td>
<td>Democratic People's Republic of Korea</td>
<td>17.05.2016 08:00:00 CET</td>
<td>Request for Quotation</td>
<td>7000001664</td>
</tr>
<tr>
<td>Supply of Food Drying Equipment</td>
<td>Republic of Armenia</td>
<td>17.05.2016 17:00:00 CET</td>
<td>Inv. to Bid (1 env)</td>
<td>7000001648</td>
</tr>
<tr>
<td>Recovery, recycling and refrigeration tools/equipment.</td>
<td>Niger</td>
<td>17.05.2016 17:00:00 CET</td>
<td>Inv. to Bid (1 env)</td>
<td>7000001634</td>
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<td>Provision of Services for the Implementation of coffee quality improvement activities in Dollo Mena, Bale Zone, Oromia Region</td>
<td>The Federal Democratic Republic of Ethiopia</td>
<td>18.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001651</td>
</tr>
<tr>
<td>Provision of Services for the Implementation of coffee quality improvement activities in Aletawondo Woreda, Sidama Zone, SNPP Regio</td>
<td>The Federal Democratic Republic of Ethiopia</td>
<td>18.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001653</td>
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<tr>
<td>Consultancy Services related to Multimedia and Conference Systems Projects Projects in the Vienna International Centre (VIC) on a call-off</td>
<td>Austria</td>
<td>19.05.2016 16:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001646</td>
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<tr>
<td>Development and Implementation of an Eco Quartier concert</td>
<td>The Kingdom of Morocco</td>
<td>19.05.2016 17:00:00 CET</td>
<td>RFP (1 env)</td>
<td>7000001657</td>
</tr>
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</table>
UNIDO’s eProcurement Portal: Bidder Registration

1. Click on “Request Bidder Account”

2. The bidder registration form will pop up. Fill out all information and submit.
ERP Supported Communications with Bidders
Average Procurement Timelines

Example: Integrated Food Security Project in Kassala State, Sudan

Shopping Cart review and approval =>
RFx Event publication (3 days)

Bidding period (18 days)

7 offers received and evaluated (5 days)

Lowest cost, technically acceptable offer
=> € 21,500 awarded to
Earthmoving Services Limited, Great Britain

Acceptance of offer => Approval and signing of Purchase Order(3 days)

Purchase Order approval => Confirmation approval (34 days)

Total time from requirement to PO confirmation: 63 days
Forms of Collaboration with UNIDO

Partnerships:

Which Type of Organization should Companies Normally Adopt?

Sub-Contracting or Consortia

What are UNIDO’s Rules on Collaborations With Local Business Partners?

Please refer to the Instructions to Bidders section in the RFx Event, requiring bidders to specify in their Offers:

the names and qualifications (including description of activities, number of personnel employed, references to the clients and completed projects) of the proposed sub-contractor(s) and/or equipment manufacturers, if any, and the extent and nature of such sub-contracting and/or equipment
Sub-Contracting

Most common form of collaboration among companies dealing with UNIDO:

- UNIDO concludes contract with one company ("the Contractor")
- Contractor concludes individual contracts with sub-contractors

- Sub-contractors need to be indicated in the Technical Bid which will become part of the Contract under consideration;
- In case of non-performance, UNIDO only deals with the Contractor, not with sub-contractors.
Consortia

In principle, permitted by UNIDO – and due to the complexity of procurement cases increasingly applied.

Requirements:

- Bidders need to provide written declaration indicating:
  - members of consortium
  - nomination of the leading company with whom contract would be signed
  - purpose of establishment of a consortium
  - depending on the ‘form’ of a consortium attach all ‘legal’ documents

- Once declaration has been received and accepted, separate bids by individual member(s) of the consortium are not permitted and may be disregarded.
Procurement and Innovative Solutions

- Procurement at the right price;
- Balance customer requirements with market readiness and value for money;
- Open competition: Once size fits it all?
- Beware of over-specified requirements;
- Limit your terms and conditions to risks relevant to the type of procurement concerned [time of delivery, warranty, SLA, etc];
- Adapt, as far as you can, to vendor conditions;
- Adapt, as far as possible, to market-ready products and services;
- You get the right prices only when customers and providers understand each other;
- Right size customer versus right size provider;
- How important is it for the provider to have you as a customer?
- Long term relationship;
- Cultural affinities;
- Seasonal trends;
- Economic cycles.