

# Procurement Tips and Tendencies

## Tender Process



Copenhagen, 13 November 2018

Sharon Y. Cornelius

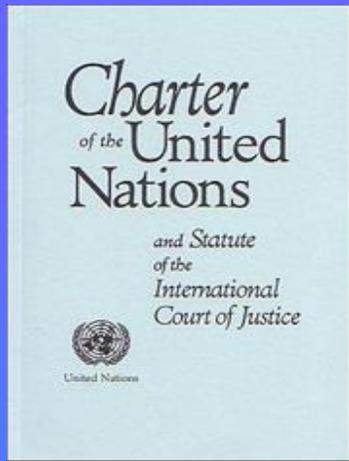
Chief Procurement Officer, UNGSC



## Tender process - Overview

1. Framework of policies and procedures
2. Principles of UN procurement
3. Different types of solicitations
4. Advertising & Request for Expression of Interest
5. Identification of vendors and List of invitees
6. Solicitation Documents
7. Solicitation, Evaluation and Award
8. Contractual instruments and Dispute Resolution

# Framework of policies and procedures governing the UN Procurement process



**United Nations**

**Financial Regulations and Rules  
of the United Nations**

Secretary-General's bulletin



United Nations



Nations Unies

**United Nations Procurement Manual**

**These documents are available to the public via the internet!**



# Principles of UN Procurement

## Financial Regulation 5.12

The following general principles shall be given 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.



## Regulations and Rules

### Financial Regulation 5.13

Tenders for equipment, supplies and other requirements shall be invited by advertisement ...

### Financial Rule 105.14

Procurement contracts shall be awarded on the basis of effective competition, and to this end the competitive process shall include:

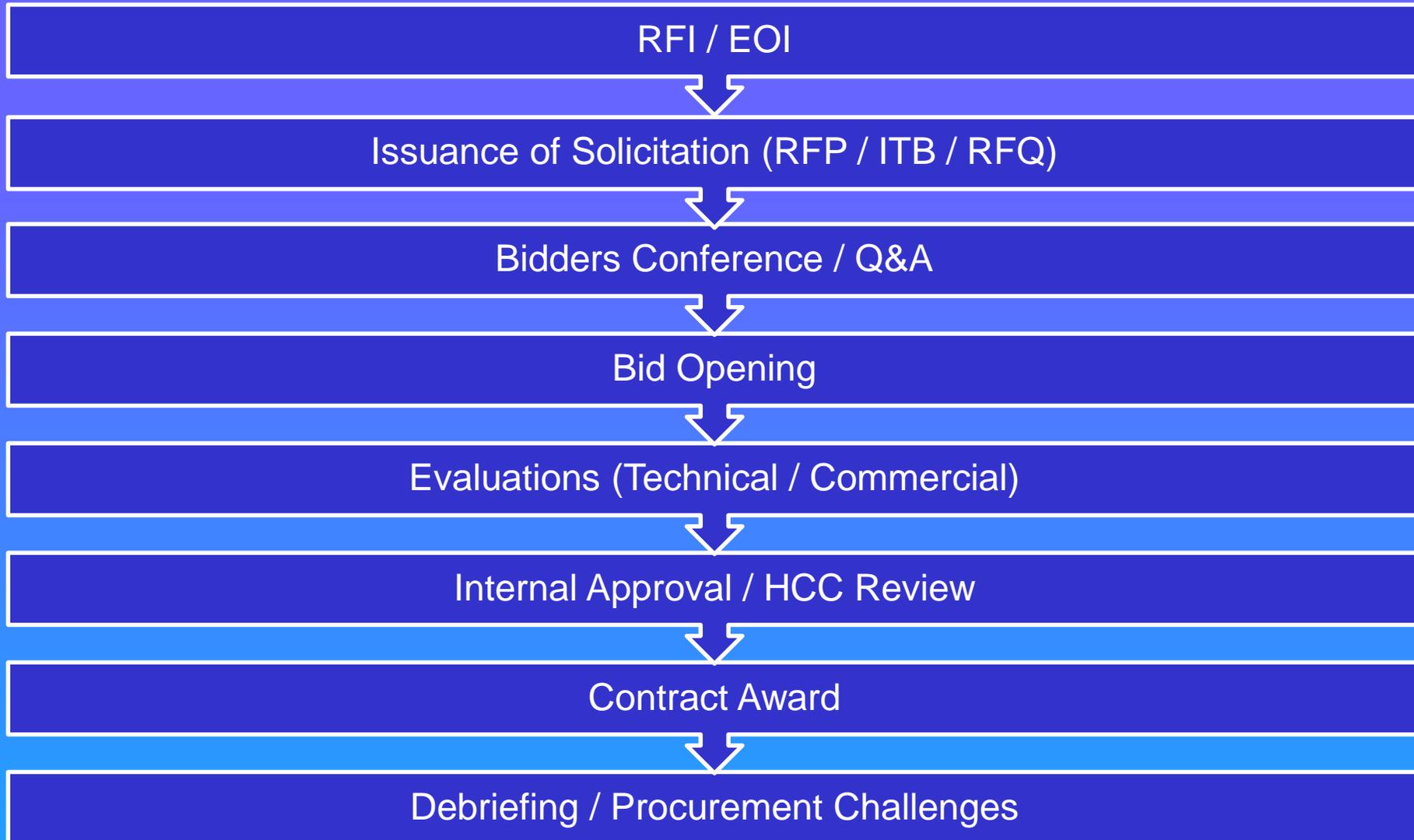
- Formal methods of solicitations (i.e. ITB or RFP) on the basis of advertisement or direct solicitation of invited suppliers, or
- Informal methods of solicitations (i.e. RFQ)



## Source Selection Plan (SSP)

- An internal and collective document prepared by the Procurement Case Officer in coordination with the Requisitioner and Contract Management;
- Describes critical components of the acquisition process;
  - Description of the requirement (SOW/SOR);
  - Solicitation method;
  - Evaluation Teams (Technical and Commercial);
  - Evaluation criteria and reasonable minimum criteria;
  - Weighting;
  - Rating and scoring system
  - Risk factors;
  - Timelines
- The Source Selection Plan (SSP) is developed, approved and signed **BEFORE** the tender documents are issued.

# Typical Tender Process





## Expression of Interest

- Advertising required for all formal solicitations (ITB, RFP) with est. value > \$ 40,000 but not for informal solicitations (RFQ)
- Advertising generally means the announcement of the tender solicitation through the posting of a Request for Expression of Interest (REOI) on UN/PD's website ([www.un.org/depts/ptd](http://www.un.org/depts/ptd)) and / or the UNGM ([www.ungm.org](http://www.ungm.org))
- Prospective Vendors who respond to REOI, and who are deemed qualified upon completion of an objective evaluation of their submission, will receive the final tender solicitation document in addition to Vendors on in UNGM Centralized vendor database



## Different types of Solicitations

- **RFQ** Request for Quotation
- **ITB** Invitation to Bid
- **RFP** Request for Proposal



## Solicitation Documents

- Cover Letter – closing date and general instructions
- Annexes:
  - Scope of Work/Statement of Requirements
  - Terms and Conditions to Submit a Proposal
  - Acknowledgement Letter
  - Evaluation Criteria and Special Instructions
  - United Nations General Conditions of Contract
  - Bid Bond Form
  - Performance Bond Form
  - Draft contract



## Bid Bond / Performance Bond

- **Bid Bond** - A bid bond is a security from a Supplier securing the withdrawal or modification of a Submission after the deadline for submission of such documents
- **Performance Bond** - A written instrument issued by a bank or insurance company or similar entity, in favour of the UN, to secure the Vendor's performance of a contract.

## Identification of Suppliers and preparation of List of Invitees



- Advertising – qualified vendors who responded to the Request for EOI on UNGM and UNPD Website
- Market research: Internet & trade publications and journals
- From UNGM (United Nations Global Marketplace) Centralized vendor database
- Information exchange with other UN Agencies

Selection from vendor database based on commodity codes (UNSPSC) provided by vendor in the registration process!



## Solicitation Process

- Return Acknowledgement Letter to indicate participation or reasons why not
- Closing date for clarifications (Q & A)
- Pre-bidder conference/Site Visit (mandatory/optional)
- Make sure to follow all instructions and respond to all questions in the requested formats
- RFP – proposal must be submitted in two separate sealed envelopes: Technical Proposal and Financial Proposal
- **Supplier's administrative errors will cause rejection of the proposal – make sure to submit the response on time!**



## Evaluation and Award

- Public Bid Opening
- Tender evaluation to be done by the Evaluation Committee based on the pre-determined criteria
- ITB – After the completion of the technical evaluation, award is recommended to the lowest acceptable bid.
- RFP – After the completion of the technical evaluation, financial evaluation will **ONLY** be carried out for technically compliant proposals
- RFP - Recommend award of contract to the proposal with the highest combined / weighted scores from the technical and financial evaluations



## Evaluation and Award (cont'd)

- Contract awards exceeding US \$ 1,000,000 require review by the Headquarters Committees on Contract (HCC)
- Award may be split up between multiple proposals
- After obtaining approval, successful bidder is notified
- Contract negotiation (optional)
- Signing of the contract
- Posting on UNPD/Mission's website
- Notification to unsuccessful bidders
- Award can be made only to vendors who have completed registration process!



# Debriefings

- UNPD offers UN Vendors who participated in high value solicitations (more than USD 200,000), an opportunity to obtain additional information on their unsuccessful proposals or bids.
- Objective is for the supplier to better understand strengths and weaknesses of the proposal, as a collaborative learning opportunity for unsuccessful bidders and for the UN to exchange additional information.
- Please refer to <https://www.un.org/Depts/ptd/complaints/debriefing-and-procurement-challenges-faq>



## Award Review Board

- **Award Review Board** – a pilot scheme which provides an opportunity to unsuccessful bidders who have participated in a high value competitive procurement process, whereby they may file a procurement challenge on a *post award basis*, against a contract awarded by the United Nations.



**Questions?**



**Thank you!**