

# TENDER PROCESS

## **United Nations Procurement Division**

Name Yvette Khoury

Team Leader of the Engineering and Infrastructure Team

Date February 2020

# Tender Process - Overview



Framework of Policies and Procedures



Principles of UN Procurement



Invited by Advertisement



Methods of Solicitations



Solicitation Process



Solicitation Documents



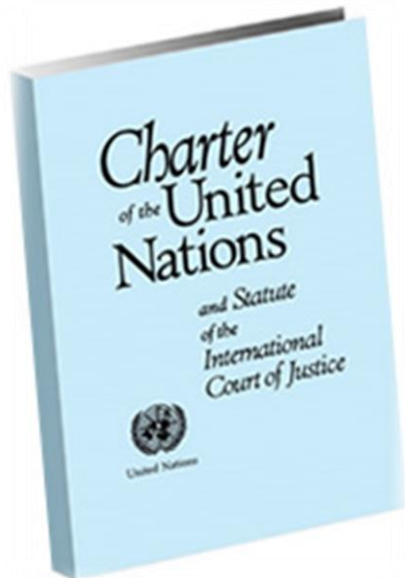
Evaluation and Award



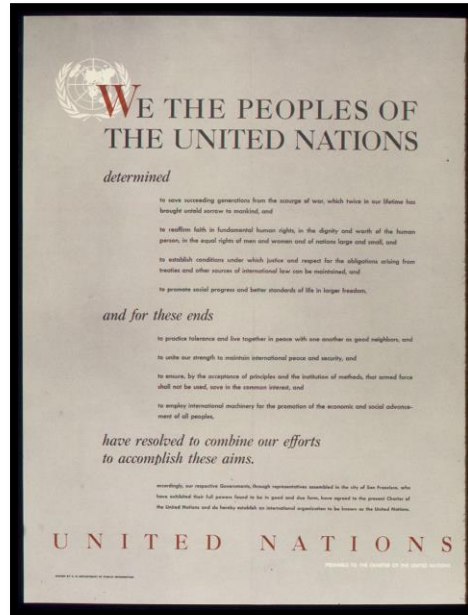
Contractual Instruments and Dispute Resolution



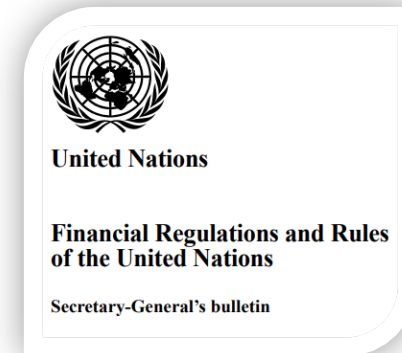
# Framework of Policies and Procedures



The Charter of the United Nations (also known as the UN Charter) of 1945 is the foundational treaty of the United Nations

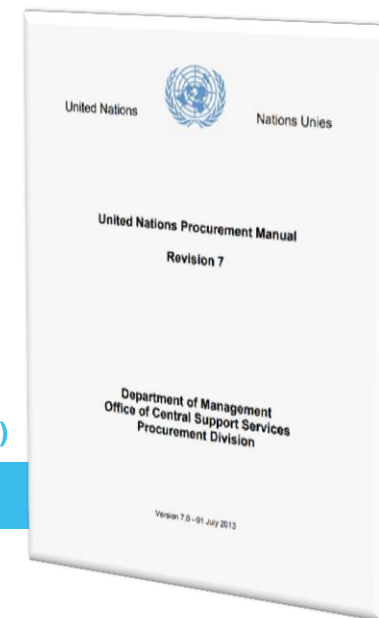


Version 7 (1 July 2013)



ST/SGB/2003/7 (9 May 2003)

<https://www.unsystem.org/content/united-nations-financial-rules-and-regulations>



# Principles of UN Procurement

as guided by the UN Financial Rules of Regulations



## 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.

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.

**Best value for money:** “...achieved by considering all factors, such as relevant costs and benefits, risks and resources”... “...Optimization of whole -life costs and quality needed to meet the user’s requirements, while taking into consideration potential risk factors and resources available...”  
“...Its goal is to achieve maximum benefit for the Organisation. Accordingly, price alone is not necessarily determinative of Best Value for Money...”

**FACT:** In general for the evaluation of Request for Proposals, the relative weights given to the commercial and technical criteria are 40% to 60%.

### Effective international competition:

“...In practice, this normally means that Procurement staff should make every effort to achieve as wide a geographical distribution in procurement as possible and practicable...”

**FACT:** Valid Contract with suppliers from over 130 nations.

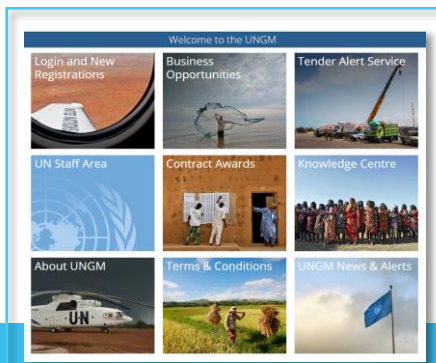
# Principles of UN Procurement

Invited by Advertisement



## Financial Regulation 5.13

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



**Expression of Interest:** Advertising required for all formal solicitations (ITB, RFP) with est. value > \$ 50,000 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

**Market Research:** Internet & trade publications and journals; Information exchange with other UN Agencies; Selection from vendor database based on commodity codes (UNSPSC) provided by vendor in the registration process.

**FACT: Today there are over active 989 EOIs published on UNGM.**

# Principles of UN Procurement

## Methods of Solicitations



### Financial Rule 105.14

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

### Formal methods of solicitations (FR 105.15)

*“An **Invitation to Bid (ITB)** shall be used for the **procurement of goods [and simple services] with standard and clear specifications...**” “...qualified bidder whose bid substantially conforms to the requirements set forth in the Solicitation Documents and is evaluated to be the one with the **lowest cost to the United Nations.**”*

*“A **Request for Proposals (RFP)** shall be used for procurement of goods, services or works that cannot be quantitatively or qualitatively expressed in sufficient detail to allow for use of an ITB...”*

### Informal Methods of Solicitations (FR 105.16)

- LVA < USD 10,000

- A Request for Quotation (RFQ) shall be used for the procurement of goods, services or works with standard and clear specifications and a total estimated value above USD 10,000 and up to USD 50,000.

# Typical Tender Process

RFI / EOI



Issuance of Solicitation (RFP / ITB / RFQ)



Bidders Conference / Q&A



Bid Opening



Evaluations (Technical / Commercial)



Internal Approval / HCC Review



Contract Award



Debriefing / Procurement Challenges

# Solicitation Process

## Source Selection Plan (SSP)



The Source Selection Plan (SSP) describes critical components of the Sourcing process and provides justification for Sourcing decisions in order to achieve Best Value for Money.

The SSP is developed, approved and signed **BEFORE** the tender documents are issued

a. Description of the requirement (including operational circumstances, timeline, etc.);

b. Solicitation Method (RFQ, RFP, ITB) and justification thereof;

c. Sourcing method (identification of Suppliers, particular attention should be given to attract vendors from developing countries and from countries with economies in transition) and details thereof of the UN Common Codification System (UNCCS);

d. Contractual instrument to be used;

e. Evaluation Team(s) responsible for commercial and technical evaluation;

f. Evaluation Criteria and reasonable minimum criteria;

g. Weighting (i.e., the relative importance of each of the Evaluation Criteria);

h. Market conditions;

i. Planning and procurement activity schedule;

j. Rating and scoring system;

k. Required level of expertise and Requisitioner resource capacity;

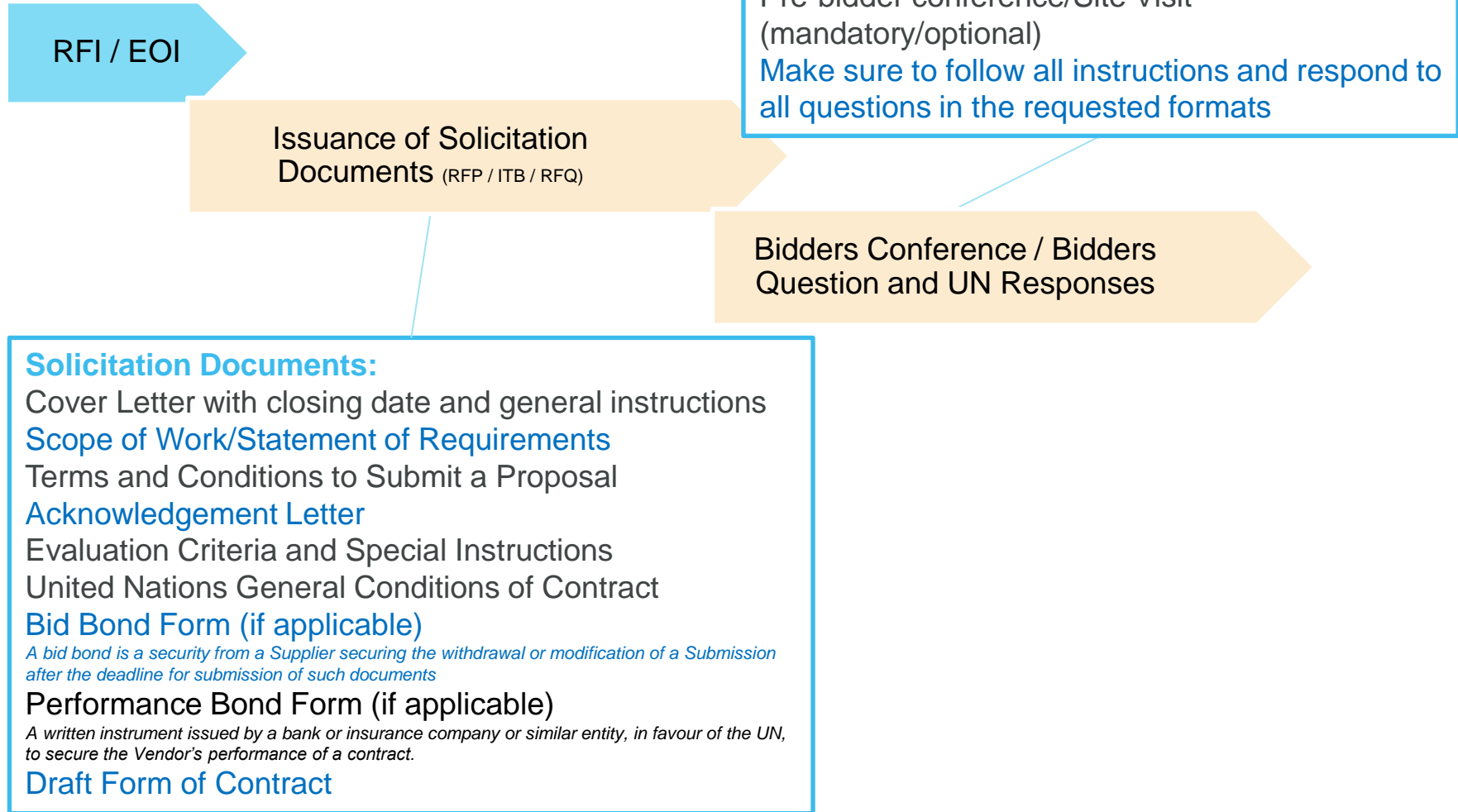
l. Risk factors that should be assessed during the evaluation and potential remedies;

m. Any relevant information with regard to the forthcoming contract management capacity and expertise, staff training, equipment maintenance, after sale service, disposal, etc



# Solicitation Process

Typical Process



# Solicitation Process

Two Separate Sealed Envelopes for RFPs : Technical Proposal and Financial Proposal

**For RFPs proposal must be submitted in two separate sealed envelopes: Technical Proposal and Financial Proposal**

**Technical Proposal (IN ITS OWN PACKAGE)**



**Financial Proposal. (IN ITS OWN ENVELOPE)**



**NO FINANCIAL PROPOSAL, QUOTES OR ANY OTHER RELATED FINANCIAL INFORMATION SHOULD APPEAR IN THE TECHNICAL PROPOSAL.**

**Bidder's administrative errors will cause rejection of the proposal – make sure to submit the response on time!**

# Solicitation Process

## Bid Evaluation

Bid Opening

Evaluations (Technical / Commercial)

Internal Approval / HCC Review

Contract Award

### Public Bid Opening

**Tender Evaluation** is completed by the Evaluation Committee based on the pre-determined criteria found in the Source Selection Plan (SSP).

**For ITBs** :After the completion of the technical evaluation, **award is recommended to the lowest acceptable bid.**

**For RFPs** – After the completion of the technical evaluation, **financial evaluation will ONLY be carried out for technically compliant proposals**

**Recommend award of contract to the proposal with the highest combined / weighted scores from the technical and financial evaluations**

# Solicitation Process

Award

**Contract awards exceeding USD 1,000,000 require review by the Headquarters Committees on Contract (HCC)**

**Award may be split up between multiple proposals**

**After obtaining approval, the successful Bidder is notified**

**Contract Negotiation (optional)**

**Signing of the contract**

**Posting on UNPD website**

**Notification to unsuccessful bidders**

**Award can be made only to vendors who have completed registration process!**

# Solicitation Process

## Debriefings and Award Review Board

**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>

The **Award Review Board** 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.



