Procurement Manual

Procurement Practice Group
Revision 4, 1 September 2010

UNOPS

Preface

Revision 4 of the Procurement Manual is made to ensure that it is aligned with the UNOPS Financial Regulations and Rules (FRR) promulgated in 2009 (see OD3).

Note – The words he/his/him when used in this manual shall be interpreted as referring to both the feminine and masculine.

Comments and questions

It is envisaged that the Procurement Manual will be updated regularly, to ensure that it remains relevant to UNOPS business and up to date with best practices in public procurement. If you have comments or suggestions for improvement, please contact the Procurement Practice Group (PPG), UNOPS HQ, through email: procurement@unops.org.

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1 Procurement policy

UNOPS, in its management of public funds, is expected to comply with regulations, rules and public procurement principles. UNOPS' clients expect the highest level of fairness, transparency, integrity, economy and effectiveness for all procurement activities. Indeed UNOPS services must be delivered with a high level of professionalism which justifies UNOPS involvement and adds value to all stakeholders.

This chapter points out the principles of UNOPS procurement. It outlines the applicable policies and procedures and also explains the responsibility and accountability of those involved in the procurement process, in relation to the overall procurement principles.

1.1 Regulatory framework and procedures

The procurement regulatory framework for UNOPS is set forth in the UNOPS Financial Regulations and Rules. The aim of the Procurement Manual is to establish the UNOPS procurement procedures as well as provide instructions and further guidance for carrying out the procurement activities effectively and efficiently in compliance with UNOPS Financial Regulations and Rules and other applicable normative documents.

UNOPS personnel involved in carrying out procurement activities must ensure compliance with all relevant policies and procedures outlined in a number of relevant documents, which, in the case of inconsistency or ambiguity between them, shall prevail in the following order:

- Article 100 of the Charter of the United Nations
- Staff Regulations and Rules of the United Nations
- UNOPS Financial Regulations and Rules (FRR)
- UNOPS Organizational Directives (OD)
- UNOPS Procurement Manual

In the case of conflict between the UNOPS Procurement Manual and other UNOPS Administrative Instructions the matter of conflict shall be referred to UNOPS General Counsel for resolution.

In accordance with Financial Regulation 18.04, UNOPS procurement activities can be carried out according to procedures other than those set forth in UNOPS FRR and other applicable normative documents only when this is clearly stated in the project agreement.

1.2 Superseding effect

The Procurement Manual (Revision 4) supersedes all previous revisions and annuls the Administrative Instruction AI/GSC/2008/01 – Procurement Policies.

1.3 Procurement overview

1.3.1 Definition of procurement

Procurement is a process, which is defined in UNOPS Financial Regulation 1.02 (OD3) as the acquisition of property, plant and/or equipment, goods, works or services through purchase, hire, lease, rental or exchange from any source other than United Nations system organizations. Actions undertaken to carry out procurement are defined as **procurement activities**, which include all actions from planning and forecasting, identification of needs, sourcing and solicitation of offers, evaluation of offers, review and award of contracts, contracting and all phases of contract administration until delivery of the goods, the end of a contract, or the useful life of an asset.

Procurement is one aspect of the supply chain management, and the difference between the two terms can be summarized as follows:

- Supply Chain is concerned with the 'end to end processes' of all goods, services and information flows from 'Suppliers Supplier' to 'Customers Customer'. Supply Chain is driven by Strategy, Customer and Market Demand.

- Procurement is a 'sub set' of supply chain. Procurement is about ensuring the goods or services get to the customer at the right time, price, quality, quantity, and place.

The forms, protocols, or conditions that regulate the conduct of procurement activities are defined as **procurement modalities**.

A specified series of procurement activities, which have to be executed in the same manner in order to obtain the same result under the same circumstances, is thereby defined as **procurement procedures**.

The scope of procurement is limited to commercial activities, and does not include inter-agency agreements, grants and public private sector partnerships, which are subject to other financial regulations and rules.

Selection and administration of individual contractors remain in the human resources domain but review and award of Individual Contractor Agreements (ICA) follow the procedures set forth in this manual. The ICA Policy (OD21) may be consulted for further details regarding selection and administration of individual contractors.

1.4 Procurement principles

The guiding principles of public procurement are based on the concept of stewardship. The term "stewardship" generally refers to the careful and responsible management of something entrusted to one's care. Public sector organizations are the stewards of public funds which have been provided in trust by peoples to fulfil specific purposes, e.g. provision of essential social services, humanitarian relief, peace-building and peace-keeping, rehabilitation and development of economies, etc. A significant proportion of these funds are spent through procurement processes, for which there are many stakeholders, whether as taxpayers, suppliers or beneficiaries. These stakeholders need to be assured that the funds are being utilized correctly and for the benefit of interest groups. Thus, there is a special demand on the entrusted organization in terms of achieving value for money, ethics, efficiency as well as transparency and accountability. It is these expectations that form the basis of public procurement principles.

UNOPS, in its management of public funds, is expected to comply with all public procurement principles and its services must be delivered with a high level of professionalism which justifies its involvement and adds value to the client.

UNOPS Financial Regulation 18.02 requires that the following general principles must receive due consideration when undertaking the procurement activities:

a) Best value for money;
b) Fairness, integrity and transparency;
c) Effective competition; and
d) The best interests of UNOPS and its clients.

By applying these principles in the procurement process, UNOPS ensures effective and purposeful implementation of its activities by avoiding wastage of resources, producing the most appropriate solutions at all times, and addressing the needs of the organization and its clients.

Outline of each principle and expectations towards those involved in the procurement process in relation to the procurement principles are provided below.

1.4.1 Best value for money

UNOPS Financial Regulation 1.02 defines 'best value for money' as the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria. Application of the 'best value for money' principle in the procurement process, means selection of the offer which presents the optimum combination of factors such as appropriate quality, service, life-cycle costs and other parameters to best meet the defined needs.

The above statement is not necessarily the same as selecting the lowest initial price option, but rather represents the best return on the investments, taking into consideration the evaluation criteria specified in the solicitation documents. It requires an integrated assessment of technical, commercial, organizational, and pricing factors in light of their relative importance. Social, environmental, and strategic objectives defined in the legal agreement with the client must also be taken into account.

The principle of best value for money is applied throughout the procurement process in order to attract the offer that most effectively meets the stated requirements of the end user.

In order to obtain best value for money, one should:

1) maximize competition

2) simplify the tender process while minimizing financial risk factors for UNOPS

3) carefully establish the evaluation criteria (in order to select the offer with the highest expectation to meet clients' needs, in accordance with the evaluation parameters set in the tender documents)

4) consider all costs (including those other than the direct ones; e.g. life cycle costs, maintenance costs, sustainable procurement considerations (see Chapter 1.10)

5) ensure impartial and comprehensive evaluation of offers in a timely manner, and

6) ensure selection of the contractor whose offer has the highest degree of realism and whose performance is expected to best meet the specified requirements at the lowest overall expense to the organization.

1.4.2 Fairness, integrity, and transparency

To achieve best value for money the procurement process must guard against collusion and be conducted on the basis of clear and appropriate regulations, rules and procedures that are applied consistently to all potential suppliers. The manner in which the procurement process is carried out must give all internal and external stakeholders of the organization the assurance that the process is fair.

In order to give assurance of fair process, the organization and its personnel must first of all maintain fairness while carrying out the procurement process. Dictionaries provide a very broad definition for the term 'fairness'. The most relevant one for the purposes of its definition in the context of public procurement would be "free from favouritism, self-interest, or preference in judgment". To better understand 'fairness' one can use the definition of its synonyms, which are: just, equitable, impartial, unprejudiced, unbiased, objective, dispassionate. *Just* stresses conformity with what is legally or ethically right or proper. *Equitable* implies justice dictated by reason, conscience, and a natural sense of what is fair. *Impartial* emphasizes lack of favouritism. *Unprejudiced* means without preconceived opinions or judgments. *Unbiased* implies absence of a preference or partiality. *Objective* implies detachment that permits impersonal observation and judgment. *Dispassionate* means free from or unaffected by strong emotions.

Another important principle necessary to guarantee best value for money is 'integrity'. This relates to soundness of moral character, having sense of honesty and truthfulness in regard to the motivations for personal and organizational behaviour, adherence to commonly accepted moral and ethical principles, impartiality and incorruptibility, and avoiding any behaviour that may be construed as 'sharp practice'.

The assurance of a fair process can be given to all interested parties through transparency, which is defined in Financial Regulation 1.02 as the process by which reliable, timely information about existing conditions, decisions and actions relating to UNOPS activities is made accessible, visible and understandable. Transparency means the unimpeded visibility and openness in all transactions. It ensures that all information on procurement policies, procedures, opportunities and processes are clearly defined and made known simultaneously to all interested parties.

A transparent system has clear rules and mechanisms to ensure compliance with those rules (unbiased specifications, objective evaluation criteria, standard solicitation documents, equal information to all parties, confidentiality of offers, etc.). Records are open, as appropriate, to inspection by auditors, unsuccessful suppliers can be briefed on the strengths and weaknesses of their own offers, contract information is disclosed publicly, etc.

Transparency ensures that any deviations from fair and equal treatment are detected very early in the process, and makes such deviations less likely to occur. It thus protects the integrity of the process and the interest of the organization.

1.4.3 Effective competition

Effective competition is best explained as a situation in which at least three independent contractors acting on their own (not in collusion) effectively compete for the same business opportunity and submit a responsive bid. UNOPS fosters effective competition in all procurement processes as a means of ensuring fairness, integrity, transparency and achieving best value for money. Such competition is often referred to as the heart of public procurement.

Financial Rule 118.03 states that UNOPS procurement contracts shall be awarded on the basis of effective competition and to that end the competitive process should include:

(a) Acquisition planning for identifying appropriate procurement strategy and methodology;

(b) Market research for identifying potential suppliers;

(c) Competition on as wide a geographic basis as is practicable and suited to market circumstances (every effort must be made to ensure competition and not to place restrictions on supplier eligibility unless explicitly mentioned in the legal agreement with the client. Neither must UNOPS accept procurement awards to pre-selected suppliers or countries unless approved by the funding source in accordance with Organizational Directive - Engagement Acceptance Policy (OD4).; and

(d) Consideration of prudent commercial practices.

It should be noted that effective competition has to do with "right time, right quality, and right prices", meaning:

- adequate notification must be given to the entire supplier community to ensure that there is sufficient time to participate in the procurement processes,
- no restriction to limit competition through over-specification (e.g. inclusion of unjustified or unrealistic requirements in specifications and/or terms of reference), or under-specification (e.g. omission of essential information in the specifications and/or terms of reference).
- economy of scale through selection of relevant procurement strategies to take advantage of grouping of quantities, volume effect, etc. in order to ensure price effectiveness and reduction of administrative costs.

1.4.4 Interest of UNOPS and its clients

The definition of this principle is derived from the ultimate objective of the procurement, which is to add value to the organization and its clients in fulfilling their goals and objectives. Undertaking procurement in the interest of UNOPS and its clients means carrying out procurement activities in the manner that best enables UNOPS and its clients to reach the general and specific objectives of the project agreements in compliance with applicable procurement procedures.

To a large extent the other three principles underpin this overarching principle, but the latter also includes concepts such as maintaining the highest image and reputation of the organization, not giving the impression of impropriety, and promoting the public good as specified in the Charter of the United Nations in every aspect of UNOPS procurement activities.

1.4.5 Potential conflicts among the principles

While in unison, these principles provide a common framework underlying UNOPS procurement, individual principles may conflict in some situations, requiring professional and management experience, and judgment to achieve the correct balance of the situation. Some examples are provided below:

- Notifying potential bidders of the existence of an open tender might be perceived to contravene the principle of fairness (as only a selected number of bidders are notified); however this is likely to achieve effective competition.
- Deciding not to disclose contract information in countries where lack of security is a major concern, i.e. where UNOPS suppliers or contractors could be the target of terrorists, might be seen as going against the principle of transparency; however such decision is in the interest of UNOPS and its clients.

1.5 Procurement authority

In accordance with the FRR, The Executive Director (ED) has delegated the function of Executive Chief Procurement Officer (ECPO) to the Deputy Executive Director (DED) who exercises overall corporate oversight in respect of all UNOPS procurement. The ECPO has the authority to award and sign contracts on behalf of the organization and such authority is hereby defined as the Procurement Authority (PA).

Pursuant to FRR 117.01(c), the Executive Director has established a Headquarters Contracts and Property Committee (HQCPC) to provide advice to the Executive Chief Procurement Officer. At decentralized offices Local Contracts and Property Committees (LCPC) can be established by the ECPO, to advise the relevant Regional Director, following review and recommendation by HQCPC. LCPC review can take place in lieu of

that by the HQCPC with regard to cases that fall within the LCPC's monetary threshold. For procedures regarding contracts and property committee reviews, please consult Chapter 7 of this Procurement Manual.

Additional information on principles governing the delegation of authority and accountability as well as division of responsibilities between headquarters and regional structures and corporate decision-making can be found in OD15.

1.5.1 Delegation of authority

The FRR defines 'Delegation of Authority' as the written statement of conditions, procedures, and terms that a delegate must follow in executing a delegated task. UNOPS personnel who are in possession of a delegation of authority to perform authorized actions within specified monetary values and time frames are called authorized personnel. A delegate is a person in possession of a valid delegation of authority issued by authorized personnel.

The ECPO may delegate the Procurement Authority (PA) to a number of individuals. The individuals who have been delegated the authority to conduct specific procurement transactions and award resulting contracts on the basis of certain conditions and depending on the value of the procurement activity become accountable for the actions and potentially liable for errors and misconduct when exercising such delegated authority.

The PA is delegated by the ECPO to individuals and not to functions. Therefore, the individuals in acting capacity (e.g. Officer-in-Charge – OIC) must be granted proper delegation of authority in order to be able to exercise this authority until the official incumbent resumes his function.

1.5.2 Levels of delegated authority

The levels of delegated authority for different types of procurement activities in UNOPS are summarized in the below table.

Table 1: Levels of delegated authority

Activity	Level 1	Level 2	Level 3	Level 4
Following Procurement Rules:	**USD**	**USD**	**USD**	**USD**
Approve short lists, requests for EOI, pre-qualification and solicitation documents (including amendments thereof)	250,000*	500,000*	Unlimited*	Unlimited*
- Award[1] contracts on the basis of the use of formal methods of solicitation - Award contracts further to pre-selection by the funding source (please consult the Administrative Instruction on Engagement Acceptance for particular situations such as pre-selection being carried out using the procurement rules of a non-United Nations organization and pre-selection taking place after endorsement of the project document).	50,000	250,000*	500,000	1,000,000
- Award call-off orders. - Award call-off order amendments.	50,000	250,000	500,000	1,000,000
- Award contracts through exception to the use of formal methods of solicitation. - Award contracts amendments except call off order amendments.	50,000[2]	50,000	250,000	250,000
Sign awarded contracts, awarded LTAs, awarded call-off orders, and awarded amendments.	Unlimited	Unlimited	Unlimited	Unlimited
Sign contracts pursuant to no objection from International Financial Institutions (e.g. World Bank) when no separate UNOPS Contracts Committee review has taken place (see 7.2 Review and recommendation to PA).	None	None	Unlimited	Unlimited
Exceptions to Procurement Rules:	**USD**	**USD**	**USD**	**USD**
Approve retroactive/post-facto cases	None	None / 50,000**	250,000	250,000

** Regional Directors or Deputy Regional Directors in charge of regions with no Local Contracts and Property Committee are the ONLY persons authorized to approve retroactive/post-facto cases for amounts of up to USD 50,000.

[1] Award is the process by which the PA authorizes issuance of contracts, LTAs, call-off orders, or amendments thereof, to suppliers. The request for award shall be submitted to the relevant level PA (i.e. the PA with the appropriate level of delegated authority) for his review and award of contract. Contract committee review shall take place if applicable. If the submitting unit foresees that there may be an increase in the total contract amount due to an increase in the quantities required (e.g. additional goods for POs, variation orders for construction contracts etc.), the submitting unit is allowed to request the award of the base contract amount plus a margin (e.g. 10%). If the award is approved, the submitting unit may issue the contract for the base amount and then issue amendments/variation orders up to the limits of the approved margin. The foregoing applies only where there is a change in quantities of items that have been approved with the original award and there is no change in unit price. Where new items are being introduced or there is a change in price, limitations specified in ([2]) below apply.

For a contract or series of contracts, including amendments thereof, awarded to the same supplier for the same project or purpose (see definitions below), the cumulative amount is to be considered when determining the PA. Amendments and series of amendments are, for review and award purposes, considered in the same way as exceptions to the use of formal methods of solicitation.

“Same project” means same ATLAS project.

“Same purpose” is when award(s) of a contract or series of contracts including amendments thereof to the same supplier result from a single solicitation process. Therefore, amounts of any contract or series of contracts, purchase orders, call-off orders or amendments resulting from the same solicitation process are for the same purpose regardless of the project(s) (or of the business unit(s)) and must be accumulated for the purpose of determining the relevant PA.

Linking the purpose to the outcome of a given solicitation exercise is meant to ensure that multiple contracts will not be issued against a given solicitation without proper control, as this could result in potential financial risks for UNOPS (e.g. lack of effective competition due to prices remaining unchanged despite increased volume). Example: a business unit issues an invitation to bid for a certain product worth USD 220,000. The regional director awards the contract. One month later a different business unit decides to issue a contract worth USD 40,000 with the same vendor for the same product using the outcome of the same solicitation exercise. Even though the contract is issued against a different project by a different business unit, it is issued for the same purpose, and therefore the aggregate amount must be taken into account to determine review and award modalities for the last contract. In this example, the aggregate amount is USD 260,000 and award of the contract of USD 40,000 will require contracts and property committees review.

See also Chapter 7.2.2, Scope of review by the contracts and property committees.

[2] Awards of contracts through exception to the use of formal methods of solicitation and awards of contracts amendments, except call off order amendments, by level 1 PA must be reviewed quarterly by Procurement Practice Advisors to ensure that procurement principles have been observed and sound procurement process has been followed. The Procurement Practice Advisors will provide quarterly to the Director, PPG a summary of the cases awarded by the level 1 PAs including recommendations to improve the process for future cases.

Important considerations:

- All LTAs, with the exception of valid LTAs which have been established by other United Nations Organizations, must be awarded by the ECPO as they are established further to a given solicitation exercise, meaning that call off orders wil be issued for the same purpose. Considering that any business unit can issue call-off orders against established LTAs, there is a risk that the aggregate amount of call-off orders for the same purpose may exceed the threshold for contracts and property committees review and the corresponding DOA level for award of contracts.

- The DOA values in Table 1 are:
    - up to but not including the amounts indicated for each level.
    - exclusive of taxes and duties.

- Pre-clearance:
  - The exercise of any authority that is marked with an asterisk (*) in Table 1 requires the prior written pre-clearance of the request by a Procurement Practice Advisor (hereinafter referred to as "Procurement Advisor"). Procurement Advisors, as defined in Organizational Directive – UNOPS Global Structure (OD15), are designated by the Procurement Practice Lead and empowered to represent the practice as strategic business partners for regions and/or other practices. Current lists of Procurement Advisors are maintained on the Procurement Practice Group intranet page and are accessible to all UNOPS personnel.

  - No pre-clearance is required for values below USD 50,000. If the Procurement Advisor is also the PA or the submitting officer, no separate pre-clearance is required.

  - In cases where the PA is not a Procurement Advisor, the PA cannot authorize, sign or approve those procurement activities that require pre clearance before such pre-clearance is provided.

  - Whenever the Procurement Advisor rejects a pre clearance request for award of contracts, and the PA is of the opinion that award should be granted, the PA shall request contracts and property committee review and obtain approval for contract award from the relevant PA.

  - For procurement activities other than award of contracts, whenever the Procurement Advisor refuses to provide pre-clearance and the PA is of the opinion that approval should be provided, the PA shall consult with the Director, PPG, who will make the final pre-clearance decision.

  - Pre-clearance of the following documents is required:
    - Shortlists, requests for EOI, pre-qualification and solicitation documents (including amendments thereof).
    - CPC submissions.
    - Submissions below CPC threshold and equal to or over USD 50,000 for award of contracts by the PA.

- For level 4, the granting of DOA of USD 1,000,000 to award contracts (including contracts further to pre selection by the funding source) further to the use of formal methods of solicitation , as well as to award call-off orders and call-off order amendments requires prior ECPO approval further to review by HQCPC.

- By virtue of UNOPS' status as part of the United Nations, UNOPS is exempted from paying taxes and duties (for more details please see Chapters 5.1.1.1 (9), Letter of invitation; 6.1.3, Financial criteria and 9.2.6. Incoterms).

1.5.3 Sub-delegation of authority

As per UNOPS FRR, the Executive Chief Procurement Officer (this functional role is currently assigned to the Deputy Executive Director) may authorize personnel with delegated authority to approve sub-delegations.

Only authorized personnel are allowed to sub-delegate procurement authority to individuals (such as Operations Centre Directors, Project Centre Managers, Cluster Managers, Project Managers (PM), Chief Technical Advisors (CTA) or managers reporting directly to them (for HQ Directors having a DOA) as per the levels indicated in Table 1.

Sub-delegations can only be issued to UNOPS staff members, except if due cause exists and specifically authorized by the ED or DED. Sub-delegation of authority shall be issued in writing, to the individual and shall expire on the date of separation from UNOPS or assignment to another position, whichever is earlier. Sub-delegation is to the individual (not the function), and can therefore not be automatically used by Officers-in-Charge. Sub-delegation of authority implies responsibility for selection of the delegate, oversight and responsibility over activities performed by him.

Individuals with delegated authority are responsible for establishing a system for monitoring sub-delegations. Further, they are accountable for continuously informing the Legal Practice Group (LPG) of sub-delegations by copying LPG on the written sub-delegation of authority.

Procurement Authority that has already been sub-delegated to an individual cannot be further sub-delegated unless the individual has been specifically authorized in writing by the ECPO to do so.

1.5.4 Responsibilities of the Procurement Authority

The Procurement Authority (PA) is expected to exercise duties and responsibilities with utmost care, efficiency, impartiality and integrity. Prior to any commitment being made, the PA has to ensure that:

1) The procurement activity strictly complies with all UNOPS FRR, procurement procedures, organizational directives, and administrative instructions or with the procurement procedures of UNOPS' clients or funding sources (when such procedures have been agreed to by UNOPS through signature of the legal agreement between UNOPS and the client) as well as specific procedures agreed to by UNOPS in such documents,

2) Sufficient funds are available for the commitment,

3) Based on the information available at the time and documented in the procurement file, the procurement activity is in the best interest of UNOPS,

4) All activities undertaken are reported as per the reporting requirements set-up to monitor the use of the Delegation of Authority.

1.5.5 Authorizations of the Procurement Authority

The Procurement Authority (PA) is authorized to perform the duties and responsibilities listed in Table 1 above, for all projects assigned to the business unit (or undertaken by one business unit on behalf of another business unit of UNOPS).

To uphold the principle of segregation of duties (see Chapter 1.7, Segregation of duties), the PA may not award contracts or purchase orders or amendments thereto in instances where he has been directly involved in the carrying out of the procurement process. In such cases, all contract documents, purchase orders, or amendments thereto, must be referred upwards to the next level of Procurement Authority for award. Notwithstanding the above, the PA may exercise the remaining delegated authorities (e.g. approve short lists, sign solicitation documents, etc. see Table 1 above) in instances where he has undertaken the procurement process. Further segregation should always be applied if feasible, see Chapter 1.7 below.

In carrying out the responsibilities under a delegation, the PA is encouraged to consult, where appropriate, with the Director, Procurement Practice Group (PPG), on complex cases and where risk management advice may be required.

1.6 Accountability

All UNOPS personnel are accountable to the Executive Director for the regularity of actions undertaken by them in the course of official duties (ref. FRR Section (C) Accountability and Responsibility; see OD3). UNOPS personnel involved in any action that is contrary to the FRR, or to organizational directives, administrative instructions, or policies may be held personally responsible and financially liable for the consequences of such action (Financial Rule 103.2).

When UNOPS, through its operations and projects, is using public funds in the procurement process, due care must be taken to ensure funds are utilized only for the intended use. Individuals holding a Delegation of Authority must be particularly careful to ensure actions undertaken by themselves or persons under their supervision, are in compliance with the FRR, organizational directives, administrative instructions or other policies applicable to UNOPS.

1.7 Segregation of duties

Segregation of duties is an important basic principle of internal control and must be observed in all UNOPS procurement processes.

The respective procuring entity within UNOPS should be organized according to an administrative structure based on the segregation of responsibilities for the various steps of the procurement process.

Typically, such a structure separates the functions of the requisitioner, the buyer and the payer, in order to provide appropriate organizational checks and balances, but also to permit specialization.

These various phases of the procurement process should be carried out by separate individuals:

1) formulation of the procurement requirement/request, including certification of availability of funds
2) processing of the request
3) solicitation of offers from suppliers
4) receipt of offers
5) opening of offers
6) evaluation of offers and identification of the winning offer
7) review and recommendation for award
8) award of purchase contract
9) disbursement of funds

As a minimum, three individuals must be involved in carrying out the procurement process. Under no circumstance shall one person be responsible for all of the above mentioned functions. The functions of the buyer and the payer shall always be completely separated, and carried out by separate individuals. The receipt function shall not be undertaken by the payer.

For some procuring units it might not be possible to establish a complete separation of all the functions mentioned above, for example in very small offices. Any deviation must be properly documented on file. In such cases, as a minimum, a segregation of the functions mentioned must be established, by ensuring that even though carried out by the same individual, the individual is performing the tasks in the capacity of various functions. Nevertheless, the separation between the buyer and the payer, and the receiver and the payer can never be waived. In addition, the bid opening panel must include at least one person who is not on the evaluation team, save in a business unit where it is documented that less than three people (excluding finance staff) were available to fulfil these functions.

Each office must establish internal procedures approved by the procurement authority.

1.8 Procurement ethics

Ethics is the discipline relating to right and wrong, moral duty and obligation, moral principles and values, and to moral character. Most procurement related principles, such as fairness, integrity, transparency and accountability are based on ethics.

Given that UNOPS undertakes procurement using public funds entrusted to the organization by a funding source or beneficiary, it is imperative that all activities conform to the highest standards of ethical conduct. Every business unit of the organization as well as all individuals acting on behalf of UNOPS must observe the highest standards of ethics throughout the procurement process.

Corruption and fraud in the operations of international organizations depletes funds intended for the accomplishment of defined goals. Corruption and fraud can undermine the effective functioning of international organizations and jeopardize their existence. Fraud also has a multiplier effect on diminishing GDP of a country by the illegal transfer and misappropriation of funds more often designated for lower income individuals.

All procurement personnel shall maintain an unimpeachable standard of integrity in all business relationships, both inside and outside UNOPS. Ethical conduct shall apply in all dealings with UNOPS clients, donors, Governments, partners and the general public. Procurement personnel shall never use their authority or office for personal gain and will seek to uphold and enhance the standing of UNOPS.

Professional standards of ethical conduct of UNOPS personnel are stated in Articles 100 and 101 of the Charter of the United Nations, in the Standards of Conduct for the International Civil Service, in the Staff Regulations and Rules, as well as in the FRR. Further, each individual staff member through the Oath of Office agrees to “regulate the personal conduct with the interest of the United Nations only in view”.

All individuals are responsible for the regularity of actions taken by them in the course of their official duties, and any staff member that takes action contrary to the FRR or the Staff Regulations and Rules of the United Nations may be held personally responsible and financially liable for the consequences of such action.

Although individual contractors do not have the status of United Nations officials, while working on UNOPS-related business, individual contractors shall comply with the standards of conduct required of United Nations civil servants (see Organizational Directive No. 21 Individual Contractor Agreement (ICA) Policy).

Ethical conduct is an ongoing process of self-regulation and reflection at every stage of the procurement process. It is not possible to specify in writing everything that UNOPS personnel need to know regarding what is allowed and what is prohibited. Law is governed by rules, whereas ethics is based on the subjective appreciation of what is right and what is wrong. Therefore, UNOPS personnel must seek to be guided as much by the spirit of the law, or other written requirement, as by the letter of the law. Public procurement personnel must be guided by what the rule is intended to accomplish.

UNOPS has adopted a policy on financial declaration and disclosure of interest applicable to certain categories of UNOPS personnel, with specific requirements of declaration for personnel involved in procurement actions. See: Organizational Directive No. 23 Financial Declaration and Disclosure of Interest Statements (OD23).

The standard of conduct for all personnel involved in procurement actions includes, but is not limited to:

1) Personnel shall not allow any supplier(s) to have access to information on a particular acquisition, before such information is available to the business community at large,

2) Personnel shall not intentionally use unnecessarily restrictive or "tailored" specifications, terms of reference or statements of work that can discourage competition,

3) Personnel shall not solicit or accept, directly or indirectly any promise of future employment from anyone who has sought or is seeking to obtain UNOPS business,

4) Personnel shall not have a financial interest in any supplier(s) responding to a UNOPS bidding exercise and are prohibited from any involvement in the procurement action if they do,

5) Personnel shall not disclose proprietary and source selection information, directly or indirectly, to any person other than a person authorized to receive such information.

UNOPS has issued an Administrative Instruction (ref: AI/OEC/2008/06) on "Post Employment Restrictions" which is aligned with the Secretary-General's bulletin of ST/SGB/2006/15, outlining post employment restrictions on UNOPS staff involved in the procurement process after separation.

Charter of the United Nations, Articles 100 and 101
Standards of Conduct for the International Civil Service
United Nations Staff Regulations and Rules
Organizational Directive No. 23 Financial Declaration and Disclosure of Interest Statements (OD23)

1.8.1 Ethics in dealing with suppliers

UNOPS shall seek to treat all suppliers in a fair and equitable manner in line with the principle of fairness, integrity and transparency in the procurement process.

Nothing should prevent suppliers from competing for UNOPS business on a fair, equitable and transparent basis. Therefore, personnel involved in procurement activities are responsible for protecting the integrity of the procurement process and maintaining fairness in UNOPS' treatment of all suppliers.

All UNOPS personnel, and others, involved in the procurement process on behalf of the organization must ensure that they abide by the following standards of conduct:

1) During the pre-solicitation phase, no one must allow suppliers access to specific, privileged information on a particular acquisition before such information is available to the business community at large;

2) During the solicitation phase, all suppliers must receive identical information. Any clarifications to the solicitation documents must be provided at approximately the same time, in writing, to all suppliers (see Chapter 5.3.1, Queries from suppliers, pre-bid conference and pre-site inspection);

3) Specifications should be linked to function and to performance as much as possible. Conformance specifications must only be used when necessary. They must not include conditions limiting competition (e.g. branding unless required for standardization purposes; see Chapter 4.4 on Exceptions to the use of formal methods of solicitation), nor be unnecessarily restrictive, as this may discourage competition;

4) Individuals having a personal or financial interest in a supplier responding to a solicitation are prohibited from any involvement in the procurement process;

5) During the evaluation, the evaluation criteria specified in the solicitation documents must be applied in the same manner for each evaluated offer. Under no circumstances shall new evaluation criteria not mentioned in the solicitation documents be introduced during the evaluation process.

A conflict of interest occurs when UNOPS personnel's private interests, such as outside professional relationships or personal financial assets, interfere or appear to interfere with the proper performance of his or her professional functions or obligations as a UNOPS official. Within the procurement environment, a conflict of interest may arise in connection with such private interests as personal investments and assets, political or other outside activities and affiliations while in the service of UNOPS, employment after retirement from UNOPS service or the receipt of a gift that may place UNOPS personnel in a position of obligation. A conflict of interest also includes the use of UNOPS assets, including human, financial and material assets, or the use of UNOPS office or knowledge gained from official functions for private gain or to prejudice the position of someone UNOPS personnel does not favour. A conflict of interest may also arise in situations where UNOPS personnel is seen to benefit, directly or indirectly, or allow a third party, including family, friends or someone they favour, to benefit from UNOPS personnel's decisions.

If any UNOPS personnel believe that he may have a conflict of interest, he shall promptly and fully disclose the conflict to the UNOPS Ethics Officer and shall refrain from participating in any way in the matter to which the potential conflict relates, until the conflict has been resolved satisfactorily by the Ethics Officer. In some cases, it may be determined that, after full disclosure to those concerned, UNOPS' interests are best served by participation of the individual, despite the conflict.

For directions on UNOPS Policy to Address Fraud, please also refer to Organizational Directive No. 10 (OD 10).

Voluntary declaration of potential conflict of interest form

1.8.2 Gifts and Hospitality

UNOPS has adopted a zero tolerance policy on gifts and therefore, it is of overriding importance that procurement personnel should not be placed in a position where their actions may constitute or could be reasonably perceived as reflecting favourable treatment of an individual or entity by accepting offers of gifts, hospitality or other similar favours. Personnel should at all time behave in a way that upholds the values, integrity and good reputation of UNOPS and that never gives the impression of impropriety.

Because of UNOPS' zero tolerance policy on acceptance of gifts and hospitality, procurement or other personnel involved in any aspect of procurement are prohibited from accepting any gift including drinks, meals, tickets, hospitality, transportation, or any other form of benefits, even if it is in connection with an official working visit, from any person who would not have made the gift or provided hospitality if the personnel had not been working for UNOPS regardless of the value and of whether the outside source is or is not soliciting business with UNOPS.

Exceptions to this rule are invitations to lunches, dinners, receptions, etc. from governments, funding sources, or other United Nations Organizations that may be accepted when such invitations are part of UNOPS personnel's official functions.

All items received from vendors, even of nominal value, shall be returned to the vendor except where this is not economical for UNOPS in which case items shall be disposed off through a lottery or auctioned or raffled publicly and the proceeds of sale /raffle donated.

Each business unit must develop procedures for handling gifts and make them available to their personnel. Such procedures should cover the following aspects such as:

1) Appointing a focal point, not involved in procurement activities (e.g. an administrative personnel), to whom the gifts should be handed over
2) Providing instructions to the appointed focal point on how to return gifts and what to do with low value gifts (i.e. how to record them, etc.)
3) Defining how low value gifts will be distributed and how the proceeds of sale will be dealt with
4) Informing personnel at reception what to do when gifts are handed over to them
5) Any other aspects that may be relevant in the local context

1.8.3 Ethical behaviour of suppliers and supplier suspension

The "United Nations Supplier Code of Conduct" promulgated by the United Nations Procurement Division in May 2007 is fully endorsed by UNOPS. UNOPS expects that all suppliers who wish to do business with UNOPS will embrace this code of conduct given that it originates from the core values outlined in the United Nations Charter which binds all nations.

http://www.United Nations.org/Depts/ptd/pdf/conduct_english.pdf
http://www.United Nations.org/Depts/ptd/pdf/conduct_french.pdf
http://www.United Nations.org/Depts/ptd/pdf/conduct_spanish.pdf
http://www.United Nations.org/Depts/ptd/pdf/conduct_arabic.pdf

UNOPS shall communicate to suppliers during the registration phase, in the bidding documents and in the contract documents that all UNOPS suppliers shall adhere to the highest ethical standards, both during the bidding process and throughout the execution of a contract.

The extreme case of unethical behaviour is when suppliers engage in corrupt practices. The list of definitions set forth below indicates the most common types of corrupt practices among suppliers:

1) **Bribery:** The act of unduly offering, giving, receiving or soliciting anything of value to influence the process of procuring goods , services or works;

2) **Extortion or Coercion:** The act of attempting to influence the process of procuring goods, services or works or executing contracts by means of threats of injury to person, property or reputation;

3) **Fraud:** The misrepresentation of information or facts for the purpose of influencing the process of procuring goods, services or works executing the contracts, to the detriment of UNOPS or other participants;

4) **Collusion:** The agreement between bidders designed to result in bids at artificial prices that are not competitive.

UNOPS shall:

1) Reject a proposal to award a contract if the Director, PPG determines that a supplier recommended for award has engaged in corrupt practices in conducting business with UNOPS;

2) Declare a supplier ineligible, either indefinitely or for a stated period of time, to become a UNOPS registered supplier if the Director, PPG at any time determines that the supplier has engaged in corrupt practices in competing for or in executing a UNOPS contract;

3) Cancel or terminate a contract if the Director, PPG determines that a supplier has engaged in corrupt practices in competing for or in executing a UNOPS contract.

All determinations by Director PPG pursuant to paragraphs 1) to 3) above shall be made following consultation with the General Counsel. All UNOPS personnel who have reasonable grounds to suspect that a supplier has engaged in corrupt practices shall promptly share that information with the Internal Audit and Investigations Group (IAIG).

UNOPS may:

1) Require a UNOPS supplier to allow UNOPS, or any person that UNOPS may designate, to inspect or carry out audits of the supplier's accounting records and financial statements in connection with the contract;

2) Refer the issue to the national authorities where the supplier is legally registered as a business entity, after seeking legal advice.

Supplier suspension or removal:
In order to ensure that UNOPS conducts business with suppliers who adhere to the highest ethical standards, reviews are undertaken for all potential suppliers prior to registration and their performance is monitored thereafter. UNOPS compiles suspended supplier lists periodically, detailing suppliers that have been suspended/removed from the UNOPS database.

A Vendor Review Committee (VRC) established at headquarters serves as a review board for complaints from potential vendors whose application for registration with UNOPS has been rejected. Further, the VRC evaluates and recommends the suspension, removal or reinstatement of registered vendors from the UNOPS database.

Criteria for suspension or removal from UNOPS database:
The Director, PPG (after consultation with the General Counsel) may suspend/remove a supplier from UNOPS supplier database for a specific period of time or remove the supplier indefinitely:

1) If the Director, PPG, determines, based on documented evidence, that the supplier has failed to adhere to the terms and conditions of a contract with UNOPS such as:

   (a) failure to perform in accordance with the terms and conditions of one or more contracts;
   (b) the supplier is believed to have engaged in criminal activity (e.g., fraud);
   (c) abusive, unethical or unprofessional conduct, including corrupt practices and submission of false information;
   (d) genuine concern about the supplier's ability to satisfactorily perform contractual obligations, such as filing for bankruptcy, or the company is in or has recently been in receivership;
   (e) any documented or compelling proof of misconduct, which can negatively affect the interests of UNOPS and which would reasonably impair the supplier's ability to perform a contract;

2) Upon receipt of a notification by a Member State, or other authoritative source that a supplier has been charged with committing fraud or a criminal offence in that country;

3) If a criminal conviction or civil judgment has been issued against a supplier indicating a lack of business integrity or business honesty; and

4) If the supplier fails to comply with the 'Mandatory condition of doing business with UNOPS' – as stated below:

   Mandatory requirement for doing business with UNOPS:
   As a condition of doing business with UNOPS it is necessary that suppliers, their subsidiaries, agents, intermediaries and principals cooperate with the Office of Internal Oversight Services (OIOS) of the United Nations, UNOPS Internal Audit and Investigations Group (IAIG) as well as with other investigations authorized by the ED and with the UNOPS Ethics Officer (during preliminary reviews in line with UNOPS whistle blower policy) as and when required. Such cooperation shall include, but not be limited to, the following: access to all employees, representatives, agents and assignees of the supplier; as well as production of all documents requested, including financial records. Failure to fully cooperate with investigations will be considered sufficient grounds to allow UNOPS to repudiate and terminate the contract, and to debar and remove the supplier from UNOPS's list of registered suppliers.

Notification of decision to suspend or remove a supplier:
Upon determination by the Director, PPG to remove or suspend a supplier from the UNOPS supplier database, the Director, PPG shall notify the supplier in writing accordingly. The notice shall advise the supplier of UNOPS' decision to suspend for a specific period of time, or remove indefinitely the supplier from the supplier database and specify the reasons for the decision. In addition, the notice shall inform the supplier that it may request a review of the decision by the Director, PPG, if so wished. It must list the corrective action, if any, to be taken by the supplier in order to be considered for requalification. The notice shall be sent by mail (return receipt must be requested) or facsimile. The return receipt or "confirmation of transmission" copy shall be kept in the supplier file, as proof of delivery. The supplier is entitled to a maximum period of 30 days following receipt thereof, to request review of UNOPS' decision.

If the said supplier is currently in a contractual relationship with UNOPS, the relevant procurement personnel shall be duly notified thereof, and shall pursue alternative solutions and, in coordination with the LPG, shall ensure that the interests of the organization are duly protected during and through the conclusion of such relationship.

Requalification of suspended/removed suppliers:
Suppliers suspended or removed from the UNOPS supplier database may re-apply for registration by submitting documented or demonstrable evidence of corrective actions taken to remedy the issue(s) that led to the suspension or removal from the UNOPS supplier database.

Any supplier removed from the supplier database shall not be eligible to re-apply for registration until six months after receipt of written UNOPS notification of removal or suspension.

Suppliers suspended or removed by other United Nations or public international entities:
It is UNOPS policy to accept the suspended vendor list of other United Nations agencies or public international entities provided that the policy and practice of suspension of suppliers of these United Nations agencies or public international entities are consistent with UNOPS' policy and practice. This shall be determined by the Director, PPG.

List of suspended suppliers:
The Director, PPG shall ensure that the names of individuals or entities barred due to their inclusion in the United Nations "1267 list" and the names of suppliers otherwise suspended by UNOPS and other United Nations agencies or public international entities (as per paragraph above) are reflected on the Intranet and in ATLAS.

Procurement personnel shall not register any of the suppliers who are included in the suspended supplier lists in UNOPS database or enter into any new contractual relationships with these suppliers.

United Nations 1267 Terrorist list:
Security Council resolution 1267, has established a sanctions regime to cover individuals and entities associated with Al-Qaida and/or the Taliban. UNOPS fully adheres to this policy.

Suspended Vendors

1.8.4 Environmental considerations and social responsibility

Suppliers have the obligation to comply with the UNOPS General Conditions, which contain specific provisions on mines, child labour, sexual exploitation, and the fundamental rights of workers. Since UNOPS General Conditions form an integral part of every contract between UNOPS and a supplier, the latter by signing the contract with UNOPS, confirms that he adheres to the provisions in them. Moreover, the United Nations is committed to doing business only with those suppliers sharing its values of respect for fundamental human rights, social justice, human dignity, and respect for the equal rights of men and women, enshrined in the Charter of the United Nations.

This demand for ethical behaviour applies to all suppliers providing goods, services or works to the United Nations around the world. Suppliers have the duty to respect key obligations on child labour, mines, sexual exploitation, health and safety, working conditions, freedom of association, environment, non-discrimination, human rights, and anti-corruption measures. Suppliers should immediately make it known to UNOPS should they themselves suspect that any suppliers who are supplying them inputs to their processes may be contravening what is stated in this chapter.

Finally, UNOPS supports the United Nations Global Compact (UNGC), and its principles and strongly encourages suppliers to do so. The UNGC is a voluntary international corporate citizenship network launched to support the participation of both the private sector and other social actors to advance responsible corporate citizenship, universal social and environmental principles to meet the challenges of globalisation.

The UNGC asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption, known as the 10 principles of the UNGC.

(a) Human Rights
Principle 1. business should support and respect the protection of internationally proclaimed human rights; and
Principle 2. make sure that they are not complicit in human rights abuses.

(b) Labour
Principle 3. businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4. the elimination of all forms of forced and compulsory labour;
Principle 5. the effective abolition of child labour; and
Principle 6. the elimination of discrimination in respect of employment and occupation.

(c) Environment
Principle 7. businesses should support a precautionary approach to environmental challenges;
Principle 8. undertake initiatives to promote greater environmental responsibility; and
Principle 9. encourage the development and diffusion of environmentally friendly technologies.

(d) Anti-corruption
Principle 10. business should work against all forms of corruption, including extortion and bribery.

More information can be found on www.unglobalcompact.org.

In order for environmental and social responsibility aspects to have an impact on the selection of UNOPS suppliers, these aspects need to be designed into the requirement definition of the product to be purchased or quantitatively defined and stated in the solicitation documents as mandatory requirement to the suppliers.

1.9 Sustainable procurement

1.9.1 Sustainable procurement policy

Sustainable procurement (SP) is the integration of sustainable development principles into the procurement practice. It implies taking social and environmental considerations into account, along with traditional economic aspects, when buying products and services.

Sustainable procurement (SP) can be defined as the practice of integrating requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs.

The SP concept maintains that government bodies, the public sector and the United Nations have an opportunity - through their significant purchasing power - to leverage markets to produce more sustainable goods and services. This market influence can be used strategically to signal the market to further advance sustainability issues and in particular to promote United Nations organizations' mandate, policies and priorities on sustainability.

United Nations organizations can address a wide range of policy objectives through procurement, including: protection of labour rights, mitigation of adverse environmental impacts, poverty eradication, support for local development, the achievement of Millennium Development Goals and several others.
Properly applied, SP can be used as a mechanism to further the economic, social and environmental development of recipient countries and/or regions and help producers - especially in the developing world - to become more efficient and competitive in regional and international markets.

SP is also an issue of internal coherence with United Nations initiatives such as the Global Compact or the United Nations Supplier Code of Conduct (see Chapter 1.8.4 on Environmental consideration and social responsibility).

In light of the above, UNOPS recognizes that a more sustainable and resource efficient management of operations will not only be beneficial for the environment, for society and for financial efficiency, but will enhance UNOPS ability to support its partners' objectives.

Environment and SP will play a substantial role in UNOPS' forthcoming procurement policy; to this end UNOPS intends to adopt a Sustainable Procurement Policy.

1.9.2 Sustainability and procurement principles

Sustainable procurement is consistent with United Nations and UNOPS' general procurement principles, especially those of best value for money and best interest of UNOPS and its clients:

a) *Best value for money* – meaning selection of the offer which presents the optimum combination of factors such as appropriate quality, life-cycle costs and other parameters. Environmental and social considerations can be considered among these parameters. Furthermore, reduced energy and resource consumption throughout the life-cycle results in greater efficiencies and long-term cost savings.

b) *Fairness, integrity and transparency* - the respect of these principles is guaranteed through the incorporation of sustainability criteria at the early stages of the procurement process. Reduced reputational risk also preserves UNOPS and its clients' public image of integrity and responsibility.

c) *Effective competition* – this concept underlies SP. To uphold effective competition, SP must be implemented progressively and in full respect of the right of access to the United Nations market for suppliers from developing countries and countries with economies in transition.

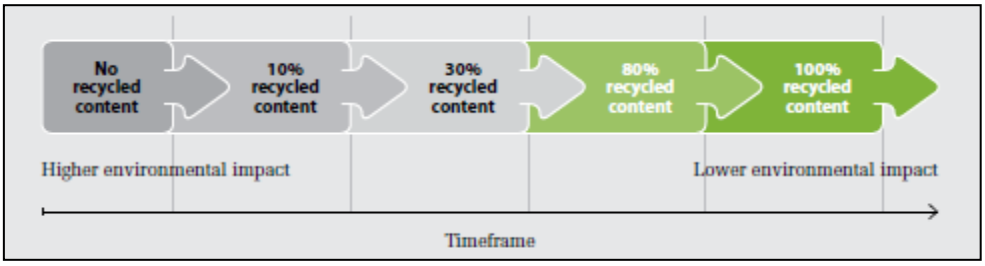
d) *The best interests of UNOPS and its clients* – SP is clearly in the best interest of United Nations organizations, as it supports the alignment of procurement to their mandate and to their specific project objectives while ensuring economy and efficiency are achieved. It also helps reduce reputational risks resulting from adverse publicity which would have a negative impact on UNOPS reputation and image.

1.9.3 Sustainable procurement implementation

The identification of adverse social and environmental impacts of products and services is a challenging task. Moreover, each procurement solution and market are different. The optimal approach to SP implementation is the creation of a team involving – as a minimum – the procurement officer, the requisitioner, and a sustainability expert from within or outside the agency.

UNOPS draft policy advocates a strategy to effectively achieve sustainable procurement by incremental steps. This means that the product purchased doesn't have to be the one with best sustainability impact, but an improvement on the product last procured. Over a relatively short period of time products procured will improve their sustainability performance and the practice of sustainable procurement will become the norm rather than exception.

This process is well exemplified by the "green product continuum". The graph below shows an example of green continuum applied to office paper. It shows how environmental performance can be progressively improved, and with it the level of SP expertise within the organization:



Recommended environmental specifications with different levels of ambition exist for a number of common product categories and can be used to progress throughout the continuum:
United Nations Sustainable Procurement Guidelines.

For other product or service categories, it is recommended to seek the advice of sustainable procurement or sustainability experts (sustainability@unops.org).

1.9.4 The sustainable procurement cycle

By integrating sustainability considerations into the HQ/Regional procurement planning it is possible to identify priority areas to guide the UNOPS approach to sustainable procurement at organizational level. This prioritisation must be based on key spend areas, strategic priorities, and on identifying product groups that offer the best opportunities in terms of market response, risk and volume.

The sustainability outcome of the procurement process can be enhanced by taking into account social and environmental impacts – alongside with traditional economic and efficiency considerations – at various stages of the procurement cycle, namely:

1) Early inclusion of SP at *project level procurement planning* phase is crucial to ensure fairness, transparency and efficiency. During the procurement planning phase, a number of interventions are possible to embed sustainability considerations:
   - re-considering needs
   - a contract title that conveys the relevance of sustainability in the tender
   - a sustainability risk assessment
   - a market analysis to assess the maturity of the sustainable products and services market

2) *Requirement definition* is based on the requisition, and guided by the outcome of the considerations outlined above. It is important that the drafting of sustainability requirements is done in a way that does not hinder competition. Possible techniques for drafting sustainable requirements are:
   - Prefer performance or functional requirements rather than conformance specifications
   - Refer to international standards
   - Use criteria from eco-labels and social labels
   - Specify more sustainable production and process methods

3) *Sourcing* responsible suppliers is an important step in ensuring that the sustainability risk is minimized.
   - Encourage potential suppliers to sign up to the Global Compact and bring to their attention the United Nations Supplier Code of Conduct
   - Pre-qualify suppliers with good sustainability records
   - Ensure suppliers have the necessary technical capacity, i.e. previous experiences, environmental management systems, etc.

4) Sustainability criteria can also be used in the *solicitation and evaluation phase* to identify the offer that presents the best combination of quality and price and sustainable performance.
   - Specify and use quantifiable sustainability criteria together with other evaluation criteria
   - Specify that alternative offers with more sustainable options will be accepted
   - Consider life-cycle-costs and recycling costs in the financial evaluation
   - Background-check potential suppliers (for qualification purposes) for their record of social and environmental responsibility

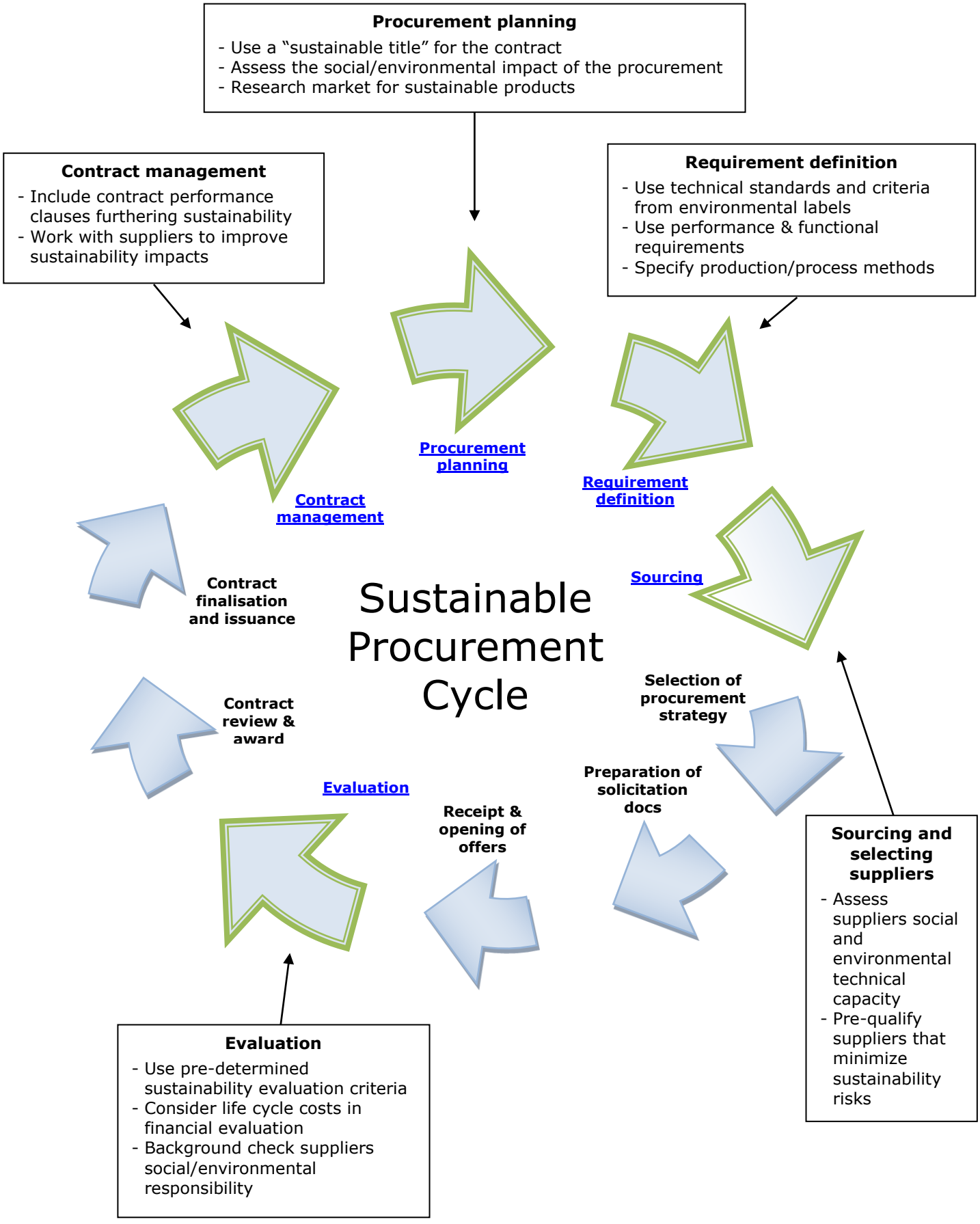
5) Previous authorisation from legal officers from LPG, include special *terms and conditions* that mandate to perform the contract in a more socially or environmentally sound way

It is intended that sustainable procurement practices will be implemented progressively, in full respect of the right of access to the United Nations market for suppliers from developing countries and countries with economies in transition, and always acting in support of the proper implementation of UNOPS procurement rules and principles.

However, for UNOPS own needs (administrative procurement) sustainable procurement considerations and practices must be incorporated.

Information on environmental considerations and sustainable procurement guidance can be found on the sustainable procurement page on the intranet, as well as the UNGM sustainable procurement knowledge centre (wwww.ungm.org).

This graph highlights opportunities for including sustainability into the procurement cycle; the arrows provide hyperlinks to relevant pages on UNOPS intranet.



1.10 Documentation of the procurement process

In line with the procurement principles of transparency and accountability, and in order to facilitate internal and external audits of UNOPS operations, every step in the procurement process shall be documented and kept on file (hard copy or electronic).

A standard filing system, as well as a numbering system to enable tracking of files, must be established in every business unit in order to create an audit trail and to facilitate the management of the procurement activities.

A procurement file must be opened by procurement personnel. Procurement files are to be kept for seven years after the completion of the last transaction of a procurement activity. Please refer to Organizational Directive No. 12: Records Retention Policy for further instructions.

Typically, procurement files would include, if relevant, the following information/documentation, in original and signed by the appropriate parties, when applicable:

- Requisition
- Requirement definition (notes, correspondence, communication with requisitioner, justification if brand name is used etc.)
- Sourcing information including justification of procurement method and type of competition
- Signed short list
- Signed solicitation document, including attachments such as specifications/Terms of Reference (TOR)/Statement of Works (SOW)/Bills of Quantities (BOQ) and proof of issuance (copies of cover letters, copies of emails, fax receipts, etc.)
- Amendments to solicitation documents (including PA approval of amendments), and any other clarifications and correspondence with suppliers
- Designation of bid opening panel and evaluation team by the head of the business unit
- Copy of bid receipt report
- Bid opening report
- All offers received (technical and financial)
- Copies of any bid security received from the supplier (the originals to be kept in the safe)
- Evaluation report
- Minutes of clarifications (if any) and relevant communication with supplier
- Request for award, or submission to contracts and property committee
- Minutes of the contracts and property committee
- Original contract/PO
- Copies of any advance payment guarantee or performance security received from the supplier (the originals to be kept in the safe)
- Bid protests
- Correspondence with contractor
- Notes from meetings, phone calls etc.
- Amendments to contracts/POs
- Any required progress reports and/or other proof of delivery of milestones as provided for in the contract
- Proof of receipt of goods
- Receipt and inspection report
- Acceptance report from requisitioner/end user
- Certificate of substantial completion
- Certificate of final completion
- Insurance claims
- Proof of payment
- Supplier evaluation report

The establishment of proper routines for documentation of the procurement process is the responsibility of the Directors/Managers/Heads of business units where procurement is undertaken.

A sample of a filing structure for tender, contract, and finance files is given below:

Template – Filing in procurement

Filing of procurement files must be based on the various procurement steps involved in the procurement cycle. These steps might differ depending on the procurement rules being followed (e.g. UNOPS versus World Bank).

2 Procurement planning and needs assessment

Procurement planning is the process of assessing and projecting the procurement needs of the organization, programme or project in order to determine its procurement strategy. Developing a strategic approach to procurement through appropriate and timely procurement planning is a key element for successful acquisition of goods, services and civil works necessary for punctual implementation of projects/operations.

Procurement planning may enable the identification of areas where proactive measures can be taken. It can be the basis for identifying areas in which to invest in training, pre-positioning of procurement personnel, identification of relevant procurement strategies aiming at reducing transaction costs, taking advantage of volume effect and reducing lead times. Additionally, statistics generated from procurement planning can show the frequency of purchase for any given item, thus underpinning strategic decisions such as establishing Long Term Agreements or other blanket purchase mechanisms, pre-qualifying suppliers, etc.

Procurement planning in UNOPS encompasses four levels of planning:

1) Corporate procurement planning
2) HQ Business Units/Regional procurement planning
3) Operations Centre (OC)/Project Centre (PC)/Cluster level procurement planning
4) Project level procurement planning: Planning of specific procurement activities

The four levels of procurement planning are closely linked. Planning of individual procurement activities at the project level generates information required for the OC/PC/Cluster level planning, which in turn will generate information for HQ business units/regional procurement planning that will allow corporate procurement planning.

Needs assessment, cost estimation and requirement definition are the first steps in the procurement process, and are essential components in the planning of a specific procurement activity.

Procurement planning enables more deliberate and integrated strategic decision making, concerning all procurement activities. Moreover, procurement planning can be used as an excellent opportunity to identify potential consolidation of procurement activities to achieve economies of scale and to give the organization an overview of the magnitude of the procurement activity.

When used as a management tool, procurement plans can identify periods of time in which a large percentage of procurement actions are required. This information can assist in planning and distribution of workload between the business units. Similarly, once procurement plans are defined, they constitute the basis for monitoring progress in the contracting or acquisition of required inputs, allowing managers to assess the expected delivery dates and the financial requirements related to each procurement process in the plan.

Even though procurement planning is complex, and emergency work and last-minute operations will always occur, the advantages listed above make it clear that, if successfully implemented as a management tool, the benefits of procurement planning outweigh the disadvantages. Thus, procurement planning is a mandatory requirement for all UNOPS operational business units for procurement activities of a value exceeding USD 50,000.

2.1 Corporate procurement planning

A corporate procurement plan is an overall projection of an organization's procurement needs for a defined period in the future.

In an effort to strengthen UNOPS' overall procurement capacity and contribute to the accomplishment of UNOPS objectives of providing effective operational management services, UNOPS shall operate with annual or shorter semi-annual (i.e. six-month) procurement plans.

Through corporate procurement planning, special attention can be focussed on the specific support each business unit will need from corporate services, thus enabling an introduction of innovative procurement support services that would otherwise be virtually impossible to introduce if only given a short lead-time to respond to the needs of the business units.

PPG at headquarters is responsible for the corporate procurement planning process and will issue instructions to the business units regarding the submission of annual or semi-annual procurement plans. Further, PPG will initiate and facilitate the corporate procurement planning by establishment of questionnaires and forms to be filled in and submitted by the business units. Regional offices are responsible for collecting the requested information from their business units.

Needs Assessment Questionnaire

The procurement plan is always based on estimates of procurement activities to be carried out in the next six to twelve months. Some procurement needs cannot be anticipated, and the plans can therefore never be entirely accurate. However, a procurement plan based on estimates is better than no procurement plan whatsoever, and heads of business units are asked to provide whatever information they have access to at the time of reporting.

Based upon the input from the business units, Director PPG shall be responsible for compiling the UNOPS annual or semi-annual procurement plan, analyze the data provided, and take the appropriate action as described above.

2.2 HQ/Regional procurement planning

It is good procurement practice to conduct regular procurement planning sessions involving all project and procurement personnel in all regional and HQ business units. The respective HQ Directors are responsible for providing the requested information in respect of their units.

The result of the HQ/regional procurement planning will generate the information required for the corporate procurement plan.

Information required to establish HQ /regional procurement plans originates from project procurement plans.

HQ /regional procurement planning shall be the responsibility of the respective HQ Directors and Regional Directors.

2.3 OC/PC/Cluster procurement planning

The respective OC Director, PC Manager and Cluster Manager is responsible for analyzing the procurement needs of the projects under his/her OC/PC/Cluster, and presenting a procurement plan defining the procurement needs, suggesting the procurement methods, and stipulating the timing of the procurement in the OC/PC/Cluster. Procurement plans at OC/PC/Cluster level should result in both project and administrative savings through:

- consolidation of administrative needs for the various projects (IT services, IT consumables, travel services, advertising services, etc.)
- consolidation of needs from different projects.

The OC/PC/Cluster level procurement planning will generate information for the regional procurement plans.

2.4 Project level procurement planning: planning of procurement activities

Project level procurement planning should start already during the pre-engagement acceptance stage, in order to be able to include any specific requirements resulting from the procurement planning analysis in the project agreement with the client (e.g. pre-selection of suppliers, special situations requiring deviations from the UNOPS standard procurement procedures, such as shorter solicitation periods or an application to use emergency procurement procedures etc.).

Procurement planning at the individual procurement activity level is the process of assessing the identified procurement requirement, determining the ultimate goal of the procurement activity, and establishing a timeline and a strategy for achievement of the goal, taking account of requirements under UNOPS rules regarding minimum advertisement periods and the time needed to conduct evaluation, review and award activities. In other words, planning of a procurement activity requires beginning with the end in mind, and defining how to approach every step of the procurement process in order to achieve the required result, on time, and as cost effectively as possible.

Planning the procurement process ahead increases the chances of successfully conducting every required step of the process in the best possible manner by allowing sufficient time to execute each step of the process according to the defined procedures and good procurement practice.

In order to alert the supplier community of forthcoming procurement requirements and to uphold the basic procurement principles, it is mandatory that all project procurement plans be uploaded on UNOPS website. PPG at headquarters will coordinate this activity by contacting the various business units every six months.

In the end, procurement planning leads to:

1) better requirements definition, increasing the probability of receiving strong offers, thus, facilitating the evaluation process, leading to appropriate products fulfilling the needs of the client, and easier contract management,

2) improved sourcing, ensuring appropriate qualifications of suppliers, and an adequate number of suppliers, thus increasing competition, potentially leading to stronger offers at lower prices,

3) less waste of resources on last minute actions,

4) less repetitive, labour intensive procurement activities, due to the early assessment and use of LTAs, joint procurement initiatives with other business units or United Nations organizations, etc.

5) reduction of delays and lead times due to the ability to perform in advance and proactively conduct a number of procurement tasks,

6) reduced transaction costs through consolidation of procurement actions

7) better planning and monitoring of procurement activities

Procurement Plan Template

The Procurement Process Checklist can facilitate procurement planning of a procurement activity. It is also recommended at the planning stage to take into account logistical considerations (see Chapter 9, Logistics and procurement, which provides an overview of logistics aspects to be considered upfront, in particular for procurement of goods and equipment).

Procurement Process Checklist

2.5 Requirement definition

Requirement definition is a systematic approach aimed at defining the procurement requirements, and stating them in the product specification.

Requirement definition is the first step in the implementation of a procurement activity, and an integrated step in its planning. However, often requirement definitions is done in parallel with the sourcing and market research in order to let information from the market research influence the requirement definition. Requirement definition and market research are also known as pre-solicitation activities.

2.5.1 Receipt of requisitions

A UNOPS procurement activity usually begins with a requisition for the purchase of a particular product.

The requisition can come from end users to a UNOPS project office, from UNOPS project personnel to regional business units, or from field personnel to corporate or regional procurement support personnel.

The requisition must include a complete description of what should be purchased, documentation that funds are available, as well as justification of the purchase with reference to the project agreement with the client (or administrative budget, in the case of internal UNOPS procurement). In the case of a requisition in respect of construction works, due consideration should be given to the advisability of maintaining a contingency fund of at least 10 percent to cover potential construction cost overruns.

A requisition must at a minimum include:

1) a detailed description of goods, works or services sought
2) confirmation of funds availability
3) quantity to be procured
4) required delivery date or start up/completion date
5) delivery location or location of works/services to be performed
6) estimated price, and
7) any additional information (e.g. standardization, preferred method of shipment, etc.)

Requisition form – template

2.5.2 Defining requirements

Defining the requirements is a systematic approach aimed at clearly defining the need to be covered by the product to be procured. The requirements are defined based on the requisition (see Chapter 2.5.1, Receipt of requisitions).

The requisitioner is responsible for defining the requirements, however, the procurement individual responsible for the process in question shall evaluate the requirements received from the former, and identify any issues that do not seem appropriate from a procurement point of view (e.g. branding without justification, over specification, unrealistic delivery dates, restricted competition, etc.). The procurement individual responsible for the process and the requisitioner shall then jointly finalize the requirement definition. The procurement personnel, where necessary, shall advise the requisitioner of the need to design environmental and social responsibility aspects, together with sustainability considerations, into the requirement definition of the product to be purchased or quantitatively defined and stated in the solicitation documents as mandatory requirement to the suppliers (see Chapters 1.9, Sustainable procurement, and 1.8.4, Environmental considerations and social responsibility).

It is the responsibility of procurement personnel to ensure that the finalized requirements comply with UNOPS FRRs, as well as good practice for requirement specification. The procurement individual should advise the requisitioner on alternative specifications when feasible for increased competition.

2.5.2.1 The purpose of requirement definition

The general purpose of all requirement definition is to identify the precise needs of the requisitioner, and to search for the best solution to meet those needs. The needs must be described in the requirement definition in a way that will facilitate the procurement process.

Clear definition of requirements is crucial in every procurement activity. First of all, the requirement definition forms the basis for the solicitation, and sets the goals of the procurement action. The requirement definition informs the potential suppliers of the requirements the offered product must have in order to fulfil the needs of UNOPS.

Secondly, the requirement definition forms the basis of the evaluation of offers when determining which offer provides the best overall solution to UNOPS. A clear requirement definition will avoid ambiguous decisions at the time of evaluating offers. Technical as well as other requirements (financial, commercial, legal, corporate, environmental, etc.) are set out in the solicitation documents and no parameters other than those specified in these documents ex ante can be considered during the evaluation.

Finally, the requirement definition forms a critical part of the contract, and becomes important when administering the contract to ensure the timely performance of the supplier.

The definition of requirements has a lasting effect throughout the entire procurement process – from solicitation, through evaluation and award of contract, to completion of the activity and evaluation of suppliers.

2.5.2.2 Characteristics of well defined requirements

In order to define requirements, there should be an analysis of the product (goods/services/works) to be procured and its functions, performance requirements, characteristics, objectives, and/or expected output (depending on the nature of the product). Information on the products available in the market should be gathered.

All requirement definitions must specify the exact needs without over-specification. Over-specification may increase prices and/or decrease the number of offers, because it leads to offers for more advanced products than the ones needed. On the other hand, under-specification will lead to offers for products that do not meet

the defined needs. Thus, it is essential for the cost-effectiveness of the use of funds that the requirements define the exact needs.

If environmental and social responsibility aspects (e.g. environmentally friendly production methods) are to be considered in the evaluation, they must be included in the requirement definition.

Requirements must be generic and defined with the aim of opening up competition, thus, no specific brands (unless for standardisation purposes) or other unnecessary restrictions can be requested. However, if brand names are used to define functional, performance and/or conformance requirements they must only be used to define the required product standard. Further, brand names must never be used without also specifying the minimum requirements that are considered essential. Finally, the specification must clearly invite offers of equivalent products, i.e. products meeting similar functional, performance and/or technical standards. In the event that, due to a need for standardisation, the requirement specifies a particular brand, the rationale for this should be briefly stated in the solicitation document in order to avoid creating a negative perception in the supplier community of any bias on the part of UNOPS.

All requirements, which are to be a determining factor in the evaluation of offers must be considered at this stage, since they must be clearly stated in the solicitation documents.

2.5.2.3 Types of requirement specifications

The requirements are specified in either:

1) Technical Specifications,
2) Terms of Reference (TOR), or
3) Statement of Works (SOW)/Bill of Quantities (BOQ)/drawings and design.

The various types of documents defining the requirements for a product, are described in more detail below.

1) **Technical Specifications** are used for the procurement of goods.
   Specification is the description of what the purchaser wants to buy and consequently what the supplier is required to provide. Specifications can be simple or complex depending on the need.

   The specification forms part of the invitation to bid, request for proposal, or request for quotation.

   Three types of defining needs (or a combination of the three) can be included in the specification:

   i) functional specifications, defining what the goods are required to do
   ii) performance specifications, defining the output of the goods
   iii) conformance specifications, defining the physical characteristics and dimensions of the goods

   For further information about specifications, and guidance on how to write them, please refer to the 'Technical specifications for goods' Guideline.

   Guidelines: Specifications for goods

2) **Terms of Reference (TOR)** are mainly used for contracting of services. TOR define the work required of a supplier to provide the solicited services. However, they can be used for goods and works when the requirement cannot be quantitatively defined.
   The TOR are often the supplier's first and main introduction to the assignment. Clear and unambiguous TOR will force the supplier to prepare clear and detailed proposals, leading to successfully implemented projects and limiting the risks of disputes and claims.

   The TOR usually include information about:

   i) background for requesting the service
   ii) objective of the service and overall impact
   iii) expected output from the service
   iv) activities required to reach this output
   v) inputs required to perform activities
   vi) deliverables
   vii) timing

For further information about Terms of Reference and guidance on how to write them, please refer to the 'Preparation of TOR´ Guideline.

Guideline: Preparation of TOR

3) **Statement of Works (SOW)** provides background and detailed information for construction works. It must provide all general information necessary in order to be able to carry out the works, such as for instance information about location, timeline for execution of the works, information about the construction site, technical requirements, etc.

The SOW must also state the requirements to the supplier, for instance in the form of experience, available equipment, available personnel, and financial capability.

The Statement of Works is usually accompanied by a **Bill of Quantities (BOQ)**, i.e. the list of all main components of the works (buildings, roads, sidewalks, lighting, equipment, etc.). It shall include estimated quantities for each line item (soil movements/excavations, structures, roofing, floors, sanitation, etc.) and information on the way it will be paid (e.g. lump sum or unit price).

Further, **Technical Specifications** describing in detail the specification for each construction item (e.g. type of cement mix, type of iron rods, bricks, etc.) are enclosed with the SOW.

Finally, the SOW can be accompanied by technical **drawings** or **designs** as well as technical specifications for goods to be purchased as part of the works project.

UNOPS personnel are responsible for defining requirements for civil works projects. In offices where no such expertise is available a consulting engineer will usually be contracted by UNOPS, and will assist in the complex task of defining requirements for works projects as well as in the supervision of the implementation of the works.

For guidance on how to write Statement of Works and Bill of Quantities, please refer to the 'Construction of Works' Guideline on UNOPS knowledge centre. Advice can also be obtained from the COP Infrastructure.

UNOPS Knowledge Centre – Construction of Works (not yet available)

4) **Guidelines for specific purchases:**

- Second hand/reconditioned equipment
- Aircraft chartering (see Former Handbook)

3 Sourcing of suppliers

As per Chapter 4, all purchases above USD 250,000 must be carried out via open international competition and advertised in accordance with the procedures established by this Manual. Where open advertisement is not possible, the reasons must be properly explained and documented in the case file. In such cases, procurement may be conducted through limited competition, with ITBs or RFPs distributed only to short-listed suppliers. The short lists may be established based on market research, calls for EOI or pre-qualification.

The sourcing process enables identification of suitable suppliers, and can also provide valuable information about products and specifications, and contribute to the determination of the method of solicitation and type of competition (See Chapter 4, Solicitation methods).

3.1 Market research

Market research is the first step in the sourcing process, particularly if the product or service has not been procured previously. Knowledge about the market is a fundamental step in a successful procurement process.

The following tools are available to assist in the market research:

1) United Nations Global Marketplace (UNGM), www.ungm.org.
2) Advertisement of business opportunity
3) External sources
4) Internal sources
5) Pre-qualification

Market research should not rely solely on one of the above tools. Several of these tools should be applied before deciding the method of solicitation and type of competition.

It is important that the result of the market research is documented in the procurement case file and made corporately available through registering of suppliers in corporate rosters (e.g. UNGM).

3.1.1 United Nations Global Marketplace (UNGM)

The United Nations Global Marketplace, UNGM, is the procurement portal of the United Nations System. It brings together United Nations procurement staff and the supplier community. The UNGM acts as a single window, through which potential suppliers may register with the United Nations Agencies including UNOPS using the UNGM as their supplier roster.

All UNOPS personnel may register as UNOPS users and have access to the UNGM database of potential vendors registered with United Nations Agencies. UNGM offers updated data on companies including contact details, financial information, export volume, previous United Nations experience and registered products/services.

All supplier information from firms expressing a specific interest in doing business with UNOPS when registering with UNGM, are reviewed for completeness and relevance by the Procurement Practice Group (PPG). Suppliers applying to be registered with UNOPS on the UNGM procurement portal must meet a number of mandatory eligibility criteria.

However, it still remains the responsibility of the buyer to conduct a proper background check and analysis of the supplier suitability for specific procurement opportunities.

Furthermore, the UNGM facilitates the interchange of information within the United Nations system: Tools on sustainable procurement, United Nations procurement training and certifications and other procurement professionalization information are made available to all United Nations staff through the knowledge centre on www.ungm.org.

The UNGM also enables suppliers to keep abreast of upcoming tender notices, as well as receiving tender notices per email by subscribing to the tender alert service. Tender notices posted on UNGM are thus emailed on a daily basis to subscribers ensuring improved dissemination of tender notices advertised on UNGM.

UNGM Quick Guide

3.1.2 Advertisement of business opportunity

Advertisement refers:

(a) For open formal methods of solicitation: to the advertisement of the procurement opportunity; or
(b) For limited formal methods of solicitation, either the dissemination of upcoming solicitation information through a request for Expression of Interest (EOI) or notice of pre-qualification in appropriate media.

A request for EOI is often used prior to a limited formal method of solicitation, where the EOIs received provide input to the establishment of a short list. Pre-qualifications are used for more complex procurement activities (see Chapter 3.1.5, Pre-qualification).

In an open formal method of solicitation, on the other hand, there will be no short list selection, thus, all suppliers wishing to submit bids and participate in the competition, are invited to do so.

Requests for expressions of interest or open tenders must be posted on the UNOPS website, and on UNDB on-line (which is a free of charge service).

Advertisement of business opportunity should be done for all purchases above USD 250,000. When this is not possible, the reasons must be properly explained and documented in the case file and be made available to the relevant procurement authority when requesting contract award approval.

Tender notices posted on the UNOPS intranet are automatically captured and transferred to UNGM, ensuring a better visibility of UNOPS procurement needs.

3.1.2.1 Request for Expression of Interest (EOI)

The request for EOI is a notice which provides general information on the requirements for goods, works, or services of upcoming solicitations. Suppliers are requested to express interest before a fixed deadline by submitting detailed information demonstrating experience and qualifications in provision of the relevant goods/services/works. The information provided by interested suppliers is assessed, and suppliers will be considered for inclusion on the short list of companies to be invited to submit detailed offers/proposals.

A request for EOI is a cost-effective method to search for and identify suitable suppliers. However, it requires allocation of additional time to conduct the sourcing process, as suppliers must have sufficient time to respond to the call for EOI. Depending on the complexity and nature of the goods/services/works to be procured, ideally a minimum of two weeks should be provided for responses. When shorter deadlines are specified, the reasons must be properly explained and documented in the case file and be made available to the relevant procurement authority when requesting contract award approval.

In order to support UNOPS' principles of transparency, fair competition and integrity of the sourcing process, and when an open competitive process is not feasible, it is a requirement to undertake a request for EOI for all upcoming solicitations above USD 250,000. However, when there are valid reasons that prevent a request for EOI from being issued, such reasons must be properly explained, documented in the case file and included in the request for contract award approval submitted eventually to the relevant procurement authority.

The request for EOI shall be advertised on the UNOPS website and UNDB on line, and in any other media required by the funding source and specified in the project agreement with the client. In addition, it should be advertised or distributed in a manner that according to the nature and complexity of the required product would lead to the most beneficial responses, e.g. announcement on local radio, advertisement on websites of other organizations or clients, in local newspapers or specialized magazines.

Request for expression of interest (EOI)
Request for expression of interest (UNDB)

3.1.2.2 Advertisements in the case of open competitive processes

For advertisements in the case of open competitive process please refer to Chapter 4.3.1.

3.1.3 External sources

The following external sources are valuable sources of information in the search for potential suppliers:

1) Internet references such as Kompass (available through www.ungm.org), the DACON (Data on Consultants – maintained jointly by the World Bank and other Regional Development Banks), regional trade directories and country and product specific directories

   Please consult the list of recommended internet references on the UNOPS intranet

2) Other United Nations organizations/lead agencies specialized in the procurement of goods or services within a particular field (e.g. UNHCR for refugee supplies, UNICEF for vaccines, WHO for medical products, etc.)

3) Commercial/specialized journals and magazines

4) Chambers of commerce, United Nations missions, Trade Delegations, Embassies

5) Beneficiary governments, end users, clients, funding source

6) Business seminars, supplier catalogues, professional journals, trade publications, etc.

3.1.4 Internal sources

The following internal sources can also be a good starting point in the search for potential suppliers:

1) Established rosters (e.g. local rosters, product specific rosters, UNGM)
2) Former contracts
3) Previous short lists within same field
4) Consultation with colleagues
5) Communities of Practice: Procurement, Human Resources, Legal, Project Management, Finance, Mine Action, Infrastructure, Environment, Business Development, Funds Supervision

3.1.5 Pre-qualification

Pre-qualification is a formal method of assessing suppliers against pre-determined criteria and only suppliers who meet established criteria are invited to tender.

The process ensures that solicitation documents are extended only to suppliers with adequate capabilities and resources. Adequate time must be allowed for potential suppliers to prepare responsive applications. The period between the notice of invitation to pre-qualification and the deadline for submission of applications should be no less than three weeks unless valid justification can be provided for shorter periods.

Notices for pre-qualification must be uploaded on the UNOPS website and on UNDB on-line (which is a free of charge service).

Compared to the other market research tools, pre-qualification is a formal process where supplier appraisal and background checks are done prior to issuing the solicitation documents. If pre-qualification is done for a specific procurement activity, all suppliers submitting applications and meeting the pre-qualification criteria shall be invited to tender. Pre-qualification does not preordain a contract.

Pre-qualification is recommended when:

1) complex or specialized goods or services (e.g. civil engineering or mine clearance services or equipment) are being procured

2) a particular type of good or service is procured on a regular basis and for which establishment of LTAs would not be an adequate procurement strategy (e.g. not resulting in competitive prices)

3) high degree of risk is involved in the procurement (e.g. security and safety equipment and services)

4) the high costs of preparing detailed bids could discourage competition (such as custom-designed equipment, design and build projects or specialised services)

5) the importance of the goods or services for the project is high (e.g. late delivery or the delivery of a wrong product or service would have costly implications)

Pre-qualification may help reduce the risk of contract failure. In cases where there are many qualified and eligible suppliers, pre-qualifications may reduce procurement costs because they reduce the need for

constant market research and supplier appraisal in order to identify suppliers. On the other hand, pre-qualification is a costly and complex exercise which requires specific skills and a good understanding of financial parameters. A careful assessment of the advantages and disadvantages of conducting a pre-qualification must therefore be undertaken in view of the costs involved.

The pre-qualification should be valid for maximum two years. Once this period has elapsed a new pre-qualification exercise should be conducted or updates on pre-qualification criteria should be sought from already pre-qualified suppliers.

Pre-qualification - Guideline
Notice for pre-qualification
Model Invitation for Pre-qualification for works
Advertising on UNDB

3.2 Principles for supplier selection for short list

When a market research has been undertaken, an unduly long list of potential suppliers might have been prepared. Often there is a need to limit the number of suppliers to be invited (short-listed) to tender.

The objective of establishing a short list of invited suppliers is to ensure cost effective competition between qualified suppliers.

The following principles shall be used for the selection of suppliers for the short list:

1) Entities included on the short list should to the extent possible represent a fair share of potential markets and equitable geographic distribution. Due consideration is to be given to the inclusion of suppliers from developing countries and new emerging markets. The UNCTAD definition of developing countries shall be used for this purpose (www.unctad.org).

2) For repetitive requirements, the short list should be updated each time to consider potential new actors in the market and allow potential new suppliers to participate.

3) If a pre-qualification process has been undertaken for a specific procurement activity, all suppliers meeting the pre-qualification criteria shall be short-listed.

4) There is no obligation for UNOPS to invite all companies having expressed interest through a request for EOI. Likewise, there is no obligation for UNOPS to limit the short list to the companies having expressed interest.

5) Save as provided in the next paragraph, (i) for procurement activities with estimated value of USD 50,000 or more but less than USD 250,000, a minimum of three entities should be short-listed; and (ii) for procurement activities with estimated value of USD 250,000 or more a minimum of six entities should be short-listed. However, more than these minimum numbers of entities should be short-listed if required to achieve competition.

   In the event that there is only a limited number of suppliers in the market (oligopoly market conditions) and the procurement personnel has not been able to identify the minimum required number of invitees to be included in the short list despite adequate market research, this must be clearly documented and explained to the procurement authority when requesting approval of the short list and, eventually, when requesting approval of contract award. When no such condition exists, short lists must include the minimum required number of invitees otherwise the resulting award will be considered based on the exception to the use of formal methods of solicitation.

6) If suppliers must meet specific eligibility requirements for the procurement activity in question (e.g. specific product requirements such as ISO certification/quality standards, representation of supplier in the recipient country and/or client specific requirements as per the project agreement with the client) only suppliers that meet these requirements should be selected for the short list.

7) As a general rule, the supplier's technical and financial capacity should be comparable to the estimated value of the contract and the nature of the requested needs.

8) The capacity of the suppliers must be taken into account. In particular, if multiple tenders are undertaken simultaneously or a possibility exists of awarding multiple contracts to the same

suppliers within the timeframe required for execution of the contracts, this must be taken into account.

9) The assessment criteria mentioned in 'Guideline for pre-qualification' (see above) may be applicable also in a more informal assessment of suppliers for short-listing.

10) Suppliers under United Nations embargo or otherwise sanctioned by the United Nations and World Bank must not be short-listed, (see Chapter 1.8.3, paragraph: "Notification of decision to suspend or remove a supplier" for more details).

The establishment of a short list requires a preliminary assessment of the suppliers in order to determine their suitability for the procurement to be undertaken. All short-listed suppliers must show the potential of being a successful bidder.

However, unless a pre-qualification exercise is conducted, a detailed supplier appraisal and background check is not done for each supplier at this stage, but rather during bid evaluation. This qualification process is either done for all bidders before opening of the financial offer or only for the selected bidder(s) after opening of the financial offer(s) (the latter is called post qualification).

3.3 Approval of short list

When entities to be invited have been selected, the short list template must be completed including, if applicable, a proper justification as to why less than the minimum number of entities were short-listed, and duly signed by the appropriate Procurement Authority (See Chapter 1.5, Procurement authority) before solicitation documents can be issued.

If the project agreement with the client requires a no-objection to the short list from the client, the end user or the funding source, this must be obtained prior to issuance of the solicitation documents.

The short list must be duly completed and pre-cleared by a Procurement Advisor before it is signed by the PA. Source of supplier identification must be indicated.

Short list – Template

3.4 Vendor management

In order to maximize economy and efficiency, UNOPS shall continually strive to identify new technically and financially sound suppliers. In particular, UNOPS shall actively work to increase its sources of supply from developing countries, and from rapidly growing emerging markets. The UNCTAD definition of developing countries (see www.unctad. org) should be used for this purpose.

In order to enhance the efficiency and transparency of UNOPS procurement actions, a roster of potential suppliers may be kept by procurement personnel in order to facilitate the identification of qualified suppliers to be invited to compete. Both UNGM (see Chapter 3.1.1, United Nations Global Marketplace) and local databases can be used to capture data on local and corporate suppliers. Continual efforts shall be made to broaden the supplier rosters by identifying new suppliers of goods ,services or works of interest to UNOPS.

UNGM has implemented local vendor rosters functionality that allows UNOPS business units to maintain rosters of local suppliers. UNOPS business units are able to exercise complete autonomy over their own local vendor rosters by adding local vendors in UNGM, accept or reject supplier applications and maintain their rosters, save for the obligation to respect supplier eligibility criteria specified by UNOPS for UNGM registration of vendors. The functionality enables the bulk up-loading of existing rosters. For further information on how to use this functionality, please contact the UNGM Team at registry@ungm.org who will be able to provide training and instructions on how to use the local vendor rosters.

To promote economical and efficient procurement, the performance of existing suppliers should be evaluated on an ongoing basis. Please refer to Chapter 10.1.3, Evaluation of supplier performance, for further guidance on supplier evaluation.

Data should be recorded locally by UNOPS business units, and non-performers should be flagged, subject to clearance by the PA, in a corporate UNOPS information system to be established.

See also Chapter 1.8.3, Ethical behaviour of suppliers and supplier suspension, regarding the role of the Vendor Review Committee (VRC).

Guideline - Vendor sourcing

4 Solicitation methods

The choice of solicitation method is influenced by a number of factors, such as market conditions, complexity of the requirement, monetary value of the procurement, donor conditions and whether goods, works, or services are procured. Location and urgency may also have an effect on the choice of solicitation method, and the procedures applied.

Defining the solicitation method entails selecting the most suitable supply method in the given situation.

1) It should be determined whether to conduct a competitive tender process or whether the needs are met through the use of an existing Long Term Agreement (LTA) including UNWEBBUY, redeployment of assets, or supply ex stock from UNOPS sources.

   A justification should be recorded explaining the chosen strategy, (e.g. why an LTA is not used, or why existing assets currently owned by UNOPS cannot be redeployed, etc.).

2) If the need for a competitive tender process is established, a procurement method (i.e. the method of soliciting offers) must be selected depending on complexity and estimated value of the requirement. The various procurement methods are described below.

3) Finally, the type of competition must be selected. UNOPS regards open international competition as the preferred type. However, in circumstances where it is determined that open international competition is not feasible (see Chapter 4.3.1, Open International Competition), depending on the nature and complexity of the procurement activity, UNOPS may use any of the competitive methods described below. It is essential to ensure that the selected type of competition is both economic and efficient and results in UNOPS obtaining 'best value for money' (see Chapter 1.4.1).

4.1 Selection of solicitation method

Depending on the complexity and nature of the requirement and the value of the goods/works/services to be procured, the following procurement methods shall be used:

1) Competitive shopping
2) Request for Quotation
3) Invitation to Bid
4) Request for Proposal

4.1.1 Shopping (requirement below USD 2,500)

Shopping is not a formal method of solicitation. It is a method based on the comparison of prices obtained from potential suppliers, received orally or in writing. Prices taken orally must be written down carefully, dated and kept in the file. A written note justifying the selection of suppliers as well as the price should be included in the file. It is an appropriate method for the procurement of readily available off-the shelf goods or standard specification commodities valued at less than USD 2,500, or simple works or services valued at less than USD 2,500.

Contracts are awarded to the supplier offering the best value for money, based on service, quality and pricing considerations.

If the PA believes that there are risks associated with this approach, he should document the risks and, if indeed the risks are deemed serious, then a procedure for mitigating the risks should be adopted. The proposed procedure must be reviewed and approved by the Director, Procurement Practice Group (PPG), or his designate, before being adopted and kept on record.

Guideline - Shopping

4.1.2 Request for Quotation (RFQ - requirement below USD 50,000)

A Request for Quotation (RFQ) is not a formal method of solicitation. It is a solicitation process used for low value procurement where the requirement is clear and specific and can also be used when following emergency procurement procedures further to ECPO approval pursuant to Chapter 11, Emergency procurement. Additional suppliers can be added at any stage in the solicitation process. At least three firms must be invited to quote (unless valid reasons exist for inviting a lesser number of firms) and a deadline for receiving quotations must be specified; however the PA may at his discretion accept quotations received

after the deadline. Reasons for discretion must be recorded. In the event that less than three companies are invited, valid reasons must be provided in writing and kept in the procurement file. Offers must be received in writing (email, fax, etc.). There is no need for a formal bid opening nor for suppliers to send their offer to the dedicated fax/email or in a sealed envelope. Procurement personnel may receive the offers directly; however, a separation of duties is highly desirable if resources permit.

Contracts are awarded according to the 'lowest priced, most technically acceptable offer' evaluation methodology (see Chapter 6, Evaluation).

If the PA believes that there are risks associated with this approach, he should document the risks, and, if indeed the risks are deemed serious, then a procedure for mitigating the risks should be adopted. The proposed procedure must be reviewed and approved by the Director, Procurement Practice Group (PPG) or his designate, before being adopted and kept on record.

4.1.3 Invitation to Bid (ITB - requirement equal or above USD 50,000)

An Invitation to Bid (ITB) is a formal method of solicitation. It is used for procurement of goods, services or works with standard and firm specifications that can be expressed qualitatively and quantitatively. An ITB is only required for procurement above USD 50,000 but can also be used for low value procurement (below USD 50,000) if requirements are complex.

All ITBs require an absolute receipt deadline and offers can only be received by personnel not involved in the procurement process (see Chapter 1.7, Segregation of duties).

ITBs can be based on either the one-envelope (for the majority of the cases) or the two-envelope system.

A one-envelope ITB defines minimum requirements or a range of acceptable requirements. Evaluation is done by verifying that an offer is compliant in all aspects. Contracts are awarded on the basis of the 'lowest priced substantially compliant offer' evaluation methodology, including delivery terms, and any other requirements stated in the ITB.

When a two-envelope ITB is used suppliers are requested to submit their technical and financial offers separately in two sealed envelopes. The financial bids are then to be opened in a separate bid opening session after the completion of the technical evaluation. The financial bids should, preferably, be opened by the same committee which opened the technical bid. Once the financial bids are opened, the financial opening committee must prepare the financial bid opening report.

The purpose of the two-envelope system is to ensure that the technical evaluation can be undertaken focusing solely on the contents of the technical bids without bias from the financial aspects of the offer. The two-envelope system is most often used if compliance is determined according to a points system (see Chapter 6.3.2, Lowest priced substantially compliant offer evaluation methodology).

In order to ensure fairness and transparency, it is extremely important that all criteria to be considered in the evaluation are clearly defined in the solicitation documents.

Please refer to Chapters 5 and 6 for instructions on solicitation documents and establishment of evaluation criteria.

4.1.4 Request for Proposal (RFP - requirement above USD 50,000)

A Request for Proposal (RFP) is a formal method of solicitation. It is used for procurement of services, works and goods when requirements cannot be quantitatively and qualitatively expressed in the specifications at the time when the solicitation is issued (e.g. consulting or similar services, purchase of complex goods where requirements may be met in a variety of ways). An RFP is only required for procurement above USD 50,000 but can also be used for low value procurement (below USD 50,000) if requirements are not clear and specific.

An RFP requests a technical proposal offering a solution to the requirements specified in the solicitation document, as well as a separate financial proposal indicating all costs associated with carrying out the technical proposal.

The RFP requires suppliers to submit the technical and financial proposals sealed separately (two-envelope system). The financial proposals are opened in a separate opening session after the completion of the technical evaluation. The financial proposals should, preferably, be opened by the same committee which

opened the technical proposal. Once the financial proposals are opened, the financial opening committee must prepare the financial proposal opening report.

The purpose of the two-envelope system is to ensure that the technical evaluation can be undertaken focusing solely on the contents of the technical proposals without bias from the financial aspects of the proposals. Thereafter, an evaluation comparing all factors, both technical and financial, is carried out.

Proposals are evaluated, ranked and awarded according to the cumulative analysis evaluation methodology, defining best value as the best overall benefit when considering both technical and financial factors.

The evaluation criteria are established in the RFP by identifying the technical and price evaluation factors, stressing the key areas of importance that will be considered in the source selection. The ratio between technical and price factors may differ from one RFP to another. In most RFPs, technical quality is weighted more heavily than price considerations. The weightings need to be considered on a case by case basis to achieve the appropriate balance; however the weight for the technical proposal must never be less than the weight for the financial proposal. The right balance between the various evaluation criteria must be established before the RFP is issued, and expressly stated in the solicitation documents: the lesser the complexity of the requirements, the higher the financial weight.

In order to ensure fairness and transparency, it is extremely important that the method of evaluation and the evaluation criteria are clearly defined in the RFP documents.

Table 2 below gives an overview of the various methods of solicitation used for different requirement characteristics, the corresponding method of evaluation, and the mode of submission (one-envelope or two-envelope system).

Table 2: Methods of solicitation and evaluation, and modes of submission

Requirement	Solicitation document	Evaluation method	One/two-envelope system
Requirements below USD 50,000, where the requirement is clear and specific	RFQ or Shopping (below USD 2,500)	Lowest priced most technically acceptable	No requirement for sealed offers
Goods, services, works, with standard or firm specifications which can be expressed qualitatively and quantitatively	ITB	Lowest priced substantially compliant. Compliance defined as substantially compliant/not compliant for all issues.	One envelope
		Lowest priced substantially compliant. A point system with a minimum threshold defining compliance.	Two-envelope
Goods, services, works, with requirements that cannot be quantitatively and qualitatively expressed	RFP	Cumulative analysis. Best value (technical and financial) and most responsive offer.	Two-envelope

4.2 Long Term Agreements (LTAs)

A Long Term Agreement (LTA) as defined by the UNOPS Financial Regulations and Rules is a written document signed with a contractor, issued following a competitive procurement process, which allows UNOPS to order specified goods or services at a fixed price, on agreed terms and conditions, for a definite period for time but with no legal obligation to order any minimum or maximum quantity.

A competitive selection process is whereby potential contractors compete by offering their best practicable combination of price, quality, and service. In the case of LTAs, when there are less than three known sources of supply, competitive procurement process is achieved by assessing the competitiveness of the price through benchmarking with market survey prices, previous purchase prices, etc.

LTAs are typically valid for a period of one to three years, cover a product frequently requested, and define the terms of supply for that product (e.g. pricing, delivery terms, ordering method, etc.). LTAs often provide that they may be extended for a further period of up to 24 additional months, subject to satisfactory supplier performance and continued requirement of the goods and services covered following indications that the prices offered are within the current market range (for instance, cost of IT equipment may drop with time and it might not be in the best interest of the organization to extend such an agreement).

LTAs are entered into on a non exclusive basis and are not a mandatory source of purchase, however all procurement personnel must keep abreast of existing LTAs, and assess whether or not they can be used for a specific procurement activity, as they may represent the most cost efficient method of procurement.

UNOPS has established a number of Long Term Agreements. An overview of existing LTAs, together with separate instructions and user guides on how to use them, can be found on the Intranet (LTA page). Particular care must be taken to comply with the requirements of the Instructions for each LTA, since the basis for establishment of LTAs can vary.

In order to ensure effective competition, it is recommended whenever feasible to establish multiple LTAs for the same goods or services with several suppliers and put these suppliers in competition through secondary bidding. For more details on secondary bidding procedures please refer to Chapter 5.1.2.5, Solicitation of offers against LTAs.

4.2.1 The objective of establishing LTAs

The establishment of LTAs is done in order to ensure a reliable source of supply for goods and services at the lowest possible price. This method is a cost efficient way for UNOPS to procure goods and services requested on a regular basis, since the competitive tender process is only carried out once, and the order process is streamlined. This leads to reduced transaction costs. Orders can be placed directly against the Long Term Agreement, and products can be purchased at a set price and quality.

Further, an LTA is a useful method of providing immediate stock availability, for instance during emergencies, since stock availability may be specified as one of the conditions in the agreement between UNOPS and the supplier.

Finally, LTAs enable UNOPS to fully leverage its market position taking advantage of its size, procurement volume and geographical presence in order to obtain best value for money. LTAs can be established at corporate, regional and OC/PC level.

4.2.2 Establishment of a new LTA

The possible need for an LTA should be considered during the procurement planning stage. If a business unit within UNOPS experiences or foresees a repetitive need for standard services or products, or requires emergency supplies, it may consider establishing an LTA (local or international) with a supplier.

Prior to any formalized arrangement, and in order to select the supplier offering the most appropriate product at the most competitive price, a procurement process must be undertaken (by UNOPS or based on a process undertaken by another United Nations organization that already has established an LTA with the supplier). PPG should be informed about all upcoming LTAs, and contacted to provide assistance in setting up the agreement if necessary, or set up the agreement upon request of a business unit if a global need is identified.

The establishment of all LTAs must be reviewed by HQCPC (see 7.2.2, Scope of review by the contracts and property committees) and approved by the ECPO with the exception of valid LTAs which have been established by other United Nations Organizations (see Chapter 4.4, Exceptions to the use of formal methods of solicitation and Chapter 4.2.4, Use of LTAs of other United Nations organizations).

As indicated earlier, LTAs are typically valid for a period of one to three years, and depending on the nature of the goods or services to be purchased under the LTA, a price adjustment after one year might be required (such condition has to be specified upfront in the solicitation document and included in the LTA).

The following approval procedure applies to LTAs requiring annual price adjustment:

- If the LTA has been established and approved by the ECPO subsequent to review and recommendation by HQ contracts and property committee, and if the price increase exceeds 5%, HQ contracts and property committee review and ECPO approval is required;

- For price increases less than 5%, the increase must be approved by the Head of the business unit through signing of a note to the file submitted by the procurement personnel;

- In all cases, i.e. whether the increase exceeds or is less than 5%, the justification for approving the price increase must be documented and kept on file for audit trail purposes.

All LTAs must be accompanied by instructions describing the use and applicability of the LTA. Examples of LTA instructions can be found on the procurement practice intranet page (click here).

4.2.3 Use of existing LTAs

If an LTA exists for the type of goods or service required in a specific case, orders can be placed against the agreements without further competitive bidding (see Chapter 5.1.2.5, Solicitation of offers against LTAs). The LTA with each supplier can be used only for ordering the goods or services specified in that LTA. If other goods or services are required from that supplier then normal procurement procedures must be followed.

An order against an existing LTA is called a call-off-order. Since an LTA provides an established and approved framework for provision of goods and services to UNOPS, no tender process or award of contract is required when placing a call-off order against an LTA. The call-off order must, however, be approved by the PA whose level of delegated authority covers the value of the order (See Chapter 1.5.2, Levels of delegated authority as well as Chapter 8.4.1.2, Call-off orders).

UNOPS may choose to establish multiple LTAs with different suppliers for the same product/service, in order to ensure steady supply or offer a broader range of supply options.

. In instances of multiple LTAs being available to satisfy UNOPS needs, the criteria for selecting a specific LTA for the issuance of call-off-orders shall be documented in the procurement file. Director, PPG shall have authority to issue Administrative Instructions or Instructions on the use/applicability of specific LTAs.

Finally, an LTA can be used to provide a benchmark when procuring comparable goods and services on a competitive or exceptions basis. The benchmarking can be done in order to:

1) assist in determining product specifications
2) establish quality criteria
3) compare prices

4.2.4 Use of LTAs of other United Nations organizations

Subject to written permission by the respective organization, UNOPS encourages the use of suitable LTAs established by other United Nations organizations. This arrangement forms an example of co-operation with other organizations of the United Nations system, pursuant to Financial Rule 118.02 (c).

If UNOPS is satisfied that the LTA has been approved according to the procedures established in the respective United Nations organization, a separate contracts and property committee review of the LTA shall not be required. However, the PA is responsible to obtain evidence that the LTA has been formally established by the other United Nations Organization (for instance, such evidence could be in the form of a signed copy of the United Nations agency LTA).

The use of UNOPS LTAs by other United Nations organizations requires prior approval by the Director, PPG.

LTAs of other United Nations organizations are available to UNOPS staff from www.ungm.org. After login, UNOPS staff can access LTA details under Notices > LTAs.

UNWEBBUY LTAs are not to be shared as they form a key revenue generation tool necessary to underpin and sustain UNOPS existence given that no funding is received from the General Assembly. Sharing of UNWEBBUY LTAs requires special approval of the Director PPG.

4.3 Selecting the type of competition

In addition to selecting the solicitation method to be used (described above), selecting the type of competition for a procurement activity is an important step. Depending on the value of the procurement, the market conditions as well as UNOPS knowledge of the market, various types of competition may be used.

4.3.1 Open international competition and open national/regional competition

Open international or national/regional competition is the default method of competition as it best satisfies the principles of Best Value for Money, Transparency and Effective Competition.

The purpose of open international or national/regional competition is to provide all potential suppliers with adequate and timely notification of UNOPS' requirements and equal access and fair opportunity to compete for contracts for required goods, works, or services.

National/regional tenders are typically conducted in the following cases:

(a) When works are scattered geographically or spread over time, and the work would therefore typically not be of interest to international companies;
(b) When goods are available locally at prices below the global market price;
(c) When services are related to the national context (e.g. advertising services in national newspapers);
(d) If knowledge of the local/national system is a requirement;
(e) If required by the client and specified in the respective project agreement; or
(f) Other reasons acceptable to the Procurement Authority approving the solicitation document.

It is, however, essential to ensure competitiveness of the process. Thus, national/regional competition must only be used if there are enough suppliers of the goods/services/works in the area to ensure competition. Further, one must be aware of the risk of cartels being formed (i.e. suppliers uniting for common profit) defeating the purpose of competition.

Open international or national/regional, competition is the fastest and most transparent mode of conducting a competitive tender process. Therefore, business units must opt for open rather than limited competition (see 4.3.2 below) unless a valid reason exists for limited tendering. Valid reasons include:

(a) The project agreement requires the use of limited tenders;
(b) An open tender will have negative security implications;
(c) The subject/matter of the tender is otherwise sensitive and cannot be advertised,
(d) It is desirable to issue a tender using the two envelope system, and the business unit estimates that the tender will result in too many bids to allow an efficient evaluation process
(e) Pre-qualification has been identified as the most suitable procurement strategy and a pre-qualification exercise was undertaken
(f) Conditions are met for national/regional competition (see above)
(g) Other reasons acceptable to the Procurement Authority approving the solication document

Prior written permission must be obtained from the Procurement Authority for the use of limited competition. This must be provided at time of short list approval (by filling the corresponding field in the short list template). In all other cases, ITBs and RFPs must be publically advertised.

For further information on advertisement of open tenders, please refer to Chapter 3, Sourcing of suppliers.

Advertisements in the case of open competition:
The procurement opportunity should be advertised on the UNOPS website and through UNDB on-line, and on any website/media specified as mandatory in the project agreement (e.g. DgMarket, etc.). In addition, it should be advertised or distributed in a manner that, according to the nature and circumstances of the required product, would lead to the most beneficial responses, e.g. announcement on local radio, advertisement on websites of other organizations or clients, in local newspapers or specialized magazines.

When using an open tender, no short list is established.

Advertisements for open competitive bidding may result in:

- more extensive evaluation processes, due to the large number of offers received, however, the benefits of a broader competition often outweigh the additional burden of an increased number of

offer reviews, and after preliminary evaluation of all offers, the evaluation committee may decide to limit the detailed evaluation to the first four to five lowest bids (unless a two envelope system is used).

- lower response rate if advertisement is done in media not well known to the supplier community (e.g. UNOPS website and UNDB online website for local procurement of works, etc.). In such cases it is good practice to notify all known potential suppliers of the existence of the advertisement having being issued. When doing so, all potential bidders must be notified at the same time and information regarding the notification (how the notified suppliers were identified, when suppliers were issued the notification, how the suppliers were notified, etc.) must be kept in the case file.

The above considerations must be taken into account when opting for open competitive bidding.

Notice for open tender
Advertisement on UNDB on-line

4.3.2 Limited international competition and limited national/regional competition

In the event that an open international or national/regional competition cannot be held as described in 4.3.1 above, a limited international or national/regional competition may be pursued.

Limited international competition allows participation in the solicitation of only selected suppliers.

Limited international competition is restricted to a short list of suppliers selected in a non-discriminatory manner from rosters, pre-qualifications, expressions of interest, market research, etc. (see Chapter 3, Sourcing of suppliers).

This type of competition must not be used unless a valid reason exists as specified under Chapter 4.3.1 above.

UNOPS shall foster the development of local markets. Provided that an open international or national/regional competition cannot be held in accordance with Chapter 4.3.1 above, procurement requirements can be satisfactorily met within a local context or are unlikely to be met outside the local context (e.g. provision of advertising services in national newspapers, etc.), a limited national/regional formal solicitation may be undertaken. Well qualified international suppliers expressing interest in a national/regional tender shall, however, not be automatically excluded from participating in the tender on the same terms as national/regional suppliers. National/regional competition must be limited to a selected number of national/regional suppliers.

4.4 Exceptions to the use of formal methods of solicitation

4.4.1 Exceptions

In accordance with Financial Rule 118.05(a), the Executive Chief Procurement Officer or authorized personnel may determine, for a particular procurement activity, that using formal methods of solicitation is not in the best interest of UNOPS and its clients when:

1) The value of the procurement is below a specified monetary threshold established for formal methods of solicitation,
   - As defined in Financial Rule 118.04 (OD3), formal methods of solicitation are: Invitation to Bid (ITB) and Request for Proposal (RFP), for requirements above USD 50,000 (except for emergency procurement).
   - For requirements below the threshold of USD 50,000, informal method of solicitation may be used, i.e.: Shopping for requirements below USD 2,500 and Request for Quotation (RFQ) for requirements not exceeding USD 50,000.

2) There is no competitive marketplace for the requirement, such as where a monopoly exists; where prices are fixed by legislation or government regulation; or where the requirement involves a proprietary product or service,
   - Prices or rates are fixed by legislation or government bodies, e.g. in cases of state monopoly or tariffs. In order to justify fixed prices or rates, the name of the regulatory body or law that controls rates or established prices must be indicated in each request for award and, if available, a current price/rate schedule be provided.

- Proprietary product or service refers to situations where only one source can reasonably meet the needs of UNOPS, in situations where:
  - proprietary items subject to legal restrictions (i.e. patents and copyrights) are to be procured,
  - matters involving national defence or national security rendering single-source procurement the most appropriate method of procurement,
  - the goods or construction works are available from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods or construction works and no reasonable alternative or substitute exists.

Justification required: explanation of why other potential sources do not exist and reasonableness of costs (e.g. comparison with previous purchase prices).

3) There has been a previous determination with regard to an identical procurement activity, or there is a need to standardize the requirement following recent procurement activity.
   - Previous determination means that what needs to be purchased is determined by a previous purchase, .e.g. there is no other choice but to obtain the goods or services from the entity that was contracted for the previous purchase (e.g. a piece of equipment was previously purchased and components that can only be obtained from the manufacturer now needs to be replaced; complex services were purchased from a vendor and additional services requiring specific knowledge related to previous assignment now need to be purchased. Only the vendor who performed the initial services can realistically provide the additional services).
   - Standardization shall be acceptable when identical goods, equipment or technology have recently been purchased from a supplier or contractor, and it is determined that a quantity of additional supplies must be procured, or because of the need for compatibility with existing goods, equipment or technology or works. The effectiveness of the original procurement in meeting the needs of UNOPS or its client, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternatives to the goods in question shall always be taken into account and justified.
   - It should be noted, however, that branding is not necessarily a justification for exceptions. A competitive process should be undertaken if multiple sources of supply exist.

   Justification required: explanation of the previous determination or as to why standardization is required and reasonableness of costs (e.g. comparison with previous purchase prices, comparison with prices of equipment from other suppliers equivalent in performance, etc.)

4) The proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to Financial Rule 118.02 (c):
   - The Executive Director may in appropriate cases, authorize cooperation with a United Nations agency in respect of procurement activities. Reliance on another United Nations agency's procurement decision under Financial Rule 118.05 (a) (iv) applies to a situation where a United Nations agency has awarded a contract to an entity, and UNOPS chooses to rely on that decision to award its own contract. The primary distinction between this situation and pre-selection is the absence of instructions by the funding source for the former; in other words, the voluntary nature of the reliance by UNOPS on the other United Nations agency's procurement decision.

   Justification required: Evidence that the other United Nations Organization has awarded a contract to an entity and the same prices and conditions are being extended by the contracted entity to UNOPS.

   If the proposed procurement contract is a call-off order against other UN organization's LTA, no further independent contract review or internal request for award is required. However, the call-off order must be signed by the relevant procurement authority (see Chapter 1.5, Procurement authority).

   When UNOPS is relying on another United Nations agency's procurement decision in order to issue a contract (other than a call-off order against an LTA) and if nothing is stipulated in the project agreement to that effect, internal request for award or contracts and property committee review is required depending on the value of the proposed procurement contract.

5) Offers for identical requirements have been obtained competitively within a reasonable period and the prices and conditions offered by the proposed contractor remain competitive:
   - The reasonable period in relation to the use of a previous formal method of solicitation should be limited to six months, unless otherwise justified considering the specific market.

- For goods where the price fluctuates rapidly (raw material, petroleum products, some IT equipment, etc.) the competitiveness of the price must always be properly justified.
- For works, 12 months should be considered "a reasonable period" for the purpose of interpretation of this clause. Longer periods cannot be considered unless proper justification is provided.

Justification required: detailed summary of the use of a previous formal method of solicitation and its outcome, reasonableness of costs and prevalent market rates in the area.

6) A formal solicitation has not produced satisfactory results within a reasonable prior period:

The "prior period" refers to the period having elapsed since the closing date for submissions under the previous competitive process which did not yield satisfactory results. The length of the "reasonable prior period" for the applicability of this exception ground will vary depending on the nature and type of goods, services or works, the market conditions, the likelihood of attracting new suppliers if a retender was to be conducted, security and working conditions in the region to which the goods/services are to be supplied, and any other factor influencing the decision.

- In relying on this clause, the Procurement Authority (PA) must ensure that market research was done and be fully satisfied that a retender will not yield satisfactory results; and must ensure that all facts are placed on record in the justification note.
- PA should note that under no circumstances must "reasonable prior period" for the application of this exception ground exceed six months from the closing date for submissions under the previous competitive process which did not yield satisfactory results.

Justification required: detailed summary of the previous competitive bidding process and its outcome, reasonableness of costs and prevalent market rates in the area.

7) The proposed procurement contract is for the purchase or lease of real property:
- Selection of location is based on security considerations.

Justification required: reasonableness of costs (e.g. through contacting companies specialised in commercial real estate services), confirmation of potential for MOSS compliance, clearance from UNDSS, etc.; evidence of market research into available premises, justification for choosing these premises as opposed to other premises that might be available.

It should be noted that legally "lease" does not include the right to occupy hotel rooms, as such a right would be called a "licence". However, in consideration of valid reasons such as security, the interpretation of "lease" is extended to include the right to occupy hotel rooms too, as various cases and circumstances on the ground pointed out that it is unrealistic to expect hotels to take part in a formal tender process.

8) There is a genuine exigency for the requirement,
- The exigencies of service must be beyond the control of UNOPS i.e. emergency situations or force majeure, or other compelling circumstances which are not due to lack of planning or slow administrative process within UNOPS.

Justification required: explanation as to how exceptions to the use of formal method of solicitation will meet the schedule and of the adverse impact the UNOPS operation would suffer if the delivery schedule were modified to permit the use of formal methods of solicitation, confirmation of reasonableness of costs through comparing prices with previous purchase prices, etc. justification for selecting this particular supplier as opposed to any other

This ground cannot be invoked where the exigency is due to a lack of planning or slow administrative process within UNOPS.

9) The proposed procurement contract relates to obtaining services that cannot be evaluated objectively:
- Services of specific individuals not available through personnel contracts including for instance:
  - service contract entered into with a company due to availability of a specific expert working in the company
  - contract with the purpose of research, experiment, study or development leading to the procurement of a prototype, except where the contract includes the production of goods in quantities sufficient to establish their commercial viability or to recover research and development costs.

- Services of specific company to obtain, for example, cutting-edge technology or other new methodologies and as such, there is no possibility of reliable comparison.

Justification required: explanation as to why this specific individual or company is the most suitable to carry out the services and reasonableness of costs.

10) The Executive Chief Procurement Officer otherwise determines that a formal solicitation will not give satisfactory results.
    - The Executive Chief Procurement Officer has delegated the authority to the relevant PA to determine that a formal solicitation will not give satisfactory results and when, in the judgment of UNOPS, engaging in tendering process will not be in the interest of UNOPS, e.g. in the following cases:
        - commodities in scarce supply can be immediately procured at prices which are not likely to be maintained;
        - extension of scope of works, services or goods requested in an original contract, made through an amendment in order to ensure continuity in work. Justification for continuity of work required, i.e. explanation as to why a new solicitation would not give satisfactory results and confirmation of reasonableness of prices (e.g. comparison with previous bids, etc.).

The reasons provided above for invoking each of the exceptions grounds under the Financial rule 118.05(a) are not exhaustive and may include any other reason as determined by the ECPO or authorized personnel.

In accordance with Financial Rule 118.05(c), when a decision is made pursuant to Financial Rule 118.05(a), the Executive Chief Procurement Officer or authorized personnel may record the reasons in writing and may then award a procurement contract, either on the basis of an informal method of solicitation or on the basis of directly negotiated contract, to a qualified contactor whose offer substantially complies with the requirements at an acceptable price.

4.4.2 Pre-selection

UNOPS FRR allow for the pre-selection of contractors or implementing partners by the funding source (Rule 118.02 (e): "*Pursuant to the project agreement and subject to review by a contracts and property committee(s), where necessary in accordance with these Financial Regulations and Rules, the Executive Chief Procurement Officer may authorize the issuance of contracts in reliance on the prior selection of a contractor or implementing partner by the funding source*").

Pre-selection of a contractor or implementing partner by the funding source must be "pursuant to the project agreement". This means that the implementing partner or contractor must be carrying out activities which are expressly allowed, intended and are in line with accountability requirements in accordance with the project agreement. This does not mean that the pre-selected contractor must be mentioned by name in the project agreement.

More detailed instructions on pre-selection can be found in UNOPS Administrative Instruction on Engagement Acceptance.

Thresholds for review and award of contracts with pre-selected suppliers follow the thresholds and delegation of authority for award of contracts resulting from the use of formal methods of solicitation.

Special care has to be taken in the event or circumstances whereby pre-selection is carried out using the procurement rules of a non-United Nations organization, and the pre-selection took place after endorsement of the project document. For further details please consult the administrative instruction on Engagement Acceptance.

In the case where numerous contractors are pre-selected in the project document, the funding source should highlight which one must be used for each activity at the time of it being initiated through a formal written instruction. In the event the funding source does not want to do so, then a formal solicitation must be undertaken inviting the pre-selected contractors to bid. When it is possible to verify the technical capability of the pre-selected contractors before the solicitation process (for example, civil contract for which Class A companies are recommended), then the 'short list' of pre-selected contractors may be established.

The PA must be satisfied as to the reasonableness of costs of a pre-selected contractor; save in the case where the funding source has already indicated the amount to be paid.

5 Solicitation process

After the requirements have been defined in a complete, clear and unambiguous manner (See Chapter 2, Procurement planning and needs assessment), the sourcing has been undertaken (See Chapter 3, Sourcing of suppliers), and the solicitation method has been selected (See Chapter 4, Solicitation method), the next step in the procurement process is the solicitation of offers.

The method used to communicate a procurement requirement and request an offer from potential suppliers is referred to as the solicitation process. Depending upon the type of procurement (goods, services, works), the complexity or nature of a requirement, whether ECPO has given authorisation to use Emergency Procurement Procedures under Chapter 11, and the value of the commodity to be procured, a Request for Quotation (RFQ), an Invitation to Bid (ITB) or a Request for Proposal (RFP) may be used.

The solicitation process is divided into the following four steps:

1) Preparation of solicitation documents
2) Approval and issuance of solicitation documents
3) Tender period
4) Submission, receipt, and opening of offers

The four steps in the solicitation process are described below.

5.1 Preparation of solicitation documents

UNOPS standard documents must be used when soliciting offers from suppliers following a formal method of solicitation (ITB/RFP).

The standard documents are templates, which contain UNOPS' mandatory terms and conditions customized to fit the specific procurement process being undertaken. The templates are to be completed with the specific details applicable to each solicitation.

No changes in the standard paragraphs of the solicitation documents, including the annexes, can be made without prior clearance by a Procurement Advisor, Procurement Practice Group (PPG). Care must be taken not to include any requirements or conditions in the documents that contradict the UNOPS General Conditions of Contract (GCC), or the standard text of any of the documents.

5.1.1 Contents of the solicitation documents

Solicitations are written documents consisting of the following components:

1) Letter of invitation and instruction to bidders
2) Definition of requirements (specifications/TOR/SOW etc.)
3) Contractual information
4) Offer submission forms

While the details and complexity of solicitation documents may vary according to the nature and value of the requirements, each solicitation must contain all data and appropriate provisions that are necessary for bidders to understand UNOPS' needs and to prepare a suitable offer. Thus, the solicitation documents must include all information concerning specific procurement activity and be as concise as possible.

It is crucial that all relevant data concerning the requirements and demands to the suppliers is presented at this stage, and included in the solicitation documents, as no additional requirements may be introduced after the solicitation process has been completed.

Below is a presentation of what type of information the various components of the solicitation documents should include. The information is either already included in the UNOPS standard templates, or to be filled in before issuance of the solicitation documents.

5.1.1.1 Letter of invitation

1) An **invitation to offer,** including reference to the specific procurement activity (title and tracking number), and a list of supporting documents issued.

2) **Deadline for submission** of offers. The date, time and place for submission must be clearly stated, together with the location, date and time for the opening of offers (if public).

(a) The deadline for submission should allow the supplier a sufficient number of days in order to prepare and submit an offer. The following number of days (excluding the issue date but including the closing date) are recommended as solicitation times:

RFQ: 10 calendar days
ITB: 20 calendar days
RFP: 30 calendar days

(b) If, in the opinion of the PA, due cause exists, a shorter solicitation period could be used. However, whenever less than the recommended number of days is approved, the procurement personnel must justify the decision in a Note to the file, provide reasons and indicate why he believes that competition is achieved despite the shortened solicitation time and also confirm the availability of the members of the evaluation team immediately after the end of the solicitation period.

Below are examples of justification for shorter deadlines:

- Nature of the items procured: In the case of raw material such as bitumen, gravel, petrol and oil derivatives, metal products, etc. as well as ex-stock goods or non complex services (e.g. advertising services), spot prices prevail on the market and allowing longer solicitation times is unlikely to result in better prices or higher response rate. Conversely, for complex works or services, longer bidding times than the minimum required in the table should be considered.

- Destination: Logistical requirements are minimum or non-existent. Allowing additional time for suppliers to submit a competitive freight offer is not justified. However, if the delivery destination is an inland destination with difficult logistics conditions (especially in cases of international shipments), longer solicitation times should be considered.

Above provided examples are not exhaustive. Shorter deadlines may be justified by any other reason deemed acceptable by the Procurement Authority approving the solicitation document.

For the purpose of clarifications in regard to the term 'urgency', it should be noted that urgent needs exclude requirements that are due to bad planning by UNOPS.

3) **Instructions for preparation and submission** in order to convey all relevant instructions governing the preparation and submission of offers.

The instruction must include a list of documents required to form a complete offer, as well as notice to suppliers that offers may be rejected unless compliant. A compliant offer is one that conforms substantially to all the terms, conditions and specifications included in the solicitation documents.

Further, the instructions should always include:

a) mode of submission (electronic, hand-delivered, mail, fax),
b) address/fax number/email, and
c) instructions on how the offers should be packaged (e.g. sealed, number of copies, two-envelope system etc.)

4) **Description** of the procurement activity should include all information necessary to prepare a responsive and meaningful offer:

a) the context of the procurement activity.
b) the intended purpose of the procurement activity.

5) **Pre-bid conference and site visit.**
Information about the location, date and time of any pre-bid conference or site-visits to be conducted in relation to the tender must be communicated to the suppliers within the solicitation documents.

6) **Currency of offer and payment**, and statement on **exchange rate** used for evaluation purposes. The instructions shall indicate that the prices of the offer may be quoted in any freely and fully convertible currency, unless otherwise specified in the project agreement with the client. Further, the instructions must state that the contract will be issued in the currency of the offer, and the payment will be effected in the currency of the contract.

   For purposes of comparing prices of offers received, UNOPS shall convert prices to a single currency using the United Nations operational rate of exchange applicable on the deadline date for receipt of offers.

7) **Language**. The solicitation documents as well as the offers should be prepared in English, French, or Spanish. The language will be selected by UNOPS.

   The contract signed with the selected supplier must be written in the language selected for the solicitation documents, and this language shall be the one that governs the contractual relations between UNOPS and the supplier.

   Translation of the solicitation documents into a local language may be desirable. However, all contractual documents are to be written in English, French or Spanish, in order to facilitate procurement review and audit. The original version (English/French/Spanish) is to govern in the case of inconsistency between the documents.

8) **Instructions on offer validity,** requesting the suppliers to keep their offers valid for a specific number of days, (typically a period of 60 or 90 days, but less if the price of the procured product fluctuates rapidly, e.g. raw materials, petroleum products, etc.) allowing time for evaluation of offers, and award of contract.

9) The **method of evaluation and the evaluation criteria** (including relative weight of each major criterion and how it will be applied) shall be clearly specified in the solicitation documents, and not de parted from later on in the evaluation process. The evaluation must be carried out pursuant to the criteria specified.

   For procurement of works, bids that are outside a defined range of the UNOPS estimated price (commonly referred to as the Engineers Estimate) should be rejected, provided that this condition is specified in the solicitation document. Such a provision may be appropriate if the business unit believes on reasonable grounds that there is a risk of inexperienced contractors bidding unrealistically low and then being unable to perform satisfactorily. Before including any such provision, proper consideration should be given to the extent to which the Engineers Estimate can be relied on in the local context and whether a similar result can be achieved through adding a requirement that contractors must meet certain prior experience or turnover criteria.

   The various methods of evaluation are described in Chapter 6 of this manual. This chapter should be consulted before drafting the solicitation documents in order to determine the appropriate evaluation criteria.

   Due to its status as part of the United Nations, UNOPS must not take into account taxes and duties for the purpose of bid evaluation; therefore DDP (Delivered Duty Paid) Incoterm must not be used in solicitation documents for goods (see Chapters 6.1.3 and 9.2.6 for more details). Similarly DEQ (Delivered Ex Quay) can only be used when it is clearly specified that the duties payable upon import of the goods must not be included in the bidder's price as this Incoterm allows the possibility of including such costs. Exceptions to this rule must be approved by the General Counsel.

   Eligibility and qualification criteria for the selection of private sector partners must be in accordance with the "Guidelines on Cooperation between the United Nations and the Business Sector" issued by the United Nations Secretary General.

10) **Discrepancies and errors in the price component**.
   The solicitation documents must define how discrepancies and errors in the price component will be handled. Please refer to Chapter 6.6, Modification of offers, for further guidance.

11) **Payment terms**. The solicitation documents must specify the payment terms. The payment terms are usually **Net 30 days** upon receipt of invoice as well as receipt and acceptance of goods or services or upon receipt of required shipping documentation, depending on the Incoterm used (see

Chapter 9.2.6, Incoterms). No advance payments should be made, except when deemed regular practice in the industry and only in accordance with UNOPS' policy on advance payments. Progress payments are common practice for services and works (See Chapter 8.1.2, Policy on advance payments, for instructions on UNOPS payment policy). If the price of the commodities is likely to fluctuate over time (e.g. petroleum products, metal products, etc.) and it is UNOPS' intention to issue a contract based on a price formula, such as Platt index (www.platts.com), LME (www.lme.co.uk), etc. the price formula must be clearly specified in the solicitation documents. In the case of construction works, it may be appropriate in some cases to include a price adjustment mechanism in the contract; any such provision must define how the price adjustment will be triggered by fluctuations in various defined indices and be subject to an overall ceiling and the wording of the mechanism must be approved by a legal officer before being included in the solicitation document.

12) **Modifications**. The solicitation documents must stipulate that any additional information, clarification, correction of errors or modifications of bidding documents will be distributed to all suppliers prior to the deadline for receipt in order to enable suppliers to take appropriate actions.

Similarly, all suppliers must also be informed of the right to modify or make corrections to bids or proposals, provided that any such modification or corrections are received by UNOPS in writing prior to the time specified for submission of offers.

13) **Reservations to UNOPS' contract terms**. The solicitation documents must state that bidders must submit any reservations to UNOPS's standard contract terms together with their bids, and that failure to submit such reservations will be deemed by UNOPS as acceptance of all said contract terms.

14) Information about **bid/proposal security** and **bid/proposal security form**, if applicable. Bid/ proposal securities can be requested by UNOPS to mitigate the following bidder's related risks:

- withdrawal or modification of a bid or proposal after the bid receipt deadline;
- failure to sign the contract;
- failure to provide the required security for the performance under the contract after a bid or proposal has been accepted;
- failure to comply with any other conditions precedent to signing the contract specified in the solicitation documents.

It should be noted that bid securities are documents that can be cashed and as such extra care must be taken when handling and filing the original documents. It is mandatory to keep such documents in a safe place as ultimately they will be returned to the bidder (unless UNOPS decides to encash them). It is the responsibility of the procurement personnel to hand-over original bid securities to the finance personnel of the business unit. Finance personnel are required to:

- Keep the documents in a safe place; and
- Keep track of the validity of the documents through a registry system; and
- Notify the procurement personnel of the date of expiry of the bid securities, at least two weeks before they expire.

The purpose of a bid/proposal security is to discourage frivolous and irresponsible offers which have negative impact on the procurement process in terms of additional cost for re-tendering and evaluation, and possible delays in implementation.

It is recommended to use bid/proposal securities when the following circumstances prevail:

- High value of goods, works or services to be purchased;
- Urgency of the request, e.g. goods have to be in the country or works to be constructed before the rainy season;
- Emergency (life and death situation);
- Price of raw material is increasing (i.e. risks that suppliers withdraw their bid is higher);
- Lengthy procedures (contract cannot be placed within a relatively short time);
- High risk that bidders withdraw their offers due to the market conditions and unstable situation in the country (e.g. local works);
- Donor imposed conditions require use of bid/proposal securities.

The value of a bid/proposal security must be calculated as to represent the costs of evaluating offers and re-tendering. A bid/proposal security must always be stated as a specific lump sum rather than as a percentage of the bid amount. Normally, an amount corresponding to USD 10,000, 20,000 or 50,000 is recommended depending on how complex and costly the solicitation process is. It is important, however, not to set the amount so high as to discourage bidders to participate in the tender process as securities represent a cost to bidders.

The format as provided in UNOPS solicitation documents must be used when UNOPS procurement rules are being followed.

Banks but also other third parties, such as Financial institutions or Insurance companies can provide securities. However, approval by the Regional Finance Officer must be sought prior to accepting security documents issued by third parties other than banks.

Securities are normally issued in the form of a bank guarantee. However, Demand Drafts, Cashier's Cheques or Irrevocable Cheques certified by a bank can be accepted in lieu of guarantees.

In the event of suppliers submitting the security in the form of a cashier's or certified cheque or demand draft in favour of UNOPS, such documents shall be accompanied by a signed statement by the issuing bank on its letterhead indicating the validity period and confirming irrevocability of the cheque or the demand draft.

Banks issuing securities must be acceptable to the UNOPS Comptroller or his designates, in particular they have to be banks certified by the Central Bank of the country to operate as commercial bank.

A security must always be unconditional (i.e. it can be called directly without having to prove non-performance) and be irrevocable.

It is good practice when conducting bid evaluation that the bid evaluation team checks the authenticity of the bid/proposal securities provided by bidders by contacting directly the issuing bank. When the issuing bank is unable to confirm that the bid/proposal security has been issued by them, the chairperson of the bid evaluation team must immediately notify the Procurement Practice Lead, so that adequate actions can be taken against the bidder.

Bid security – Template

15) **Information about performance security and advance payment guarantee**. Performance securities can be requested by UNOPS from the selected supplier in order to mitigate the risks of supplier non-performance and breach of contractual obligations (such as delivery of all equipment, services rendered, and works completed as per the contract) whereas a guarantee for advance payment can be requested by UNOPS from the supplier when the supplier requests an advance payment to cover its mobilization costs (typically in case of contracts for works or services). If a performance security or an advance payment guarantee is requested at the time of contract signature, the solicitation document must specify the requirements, including the deadline for provision of the security/guarantee.

It is recommended to use performance securities when the following circumstances prevail:

- High value of goods, works or services to be purchased
- Urgency of the request, e.g. goods have to be in the country or works to be constructed before the rainy season,
- Emergency (life and death situation)
- Price of raw material is increasing (i.e. risks that suppliers withdraw their bid is higher)
- Previous unsatisfactory experience with selected supplier
- New contractor unknown to UNOPS
- Big difference between the lowest price and the second lowest price
- Large variety of products to be covered under the contract (risk of failure to deliver)
- Delicate products (high risk of damage during handling)
- Donor imposed conditions require use of performance securities

Performance securities and advance payment guarantees are documents that can be cashed and, as such, extra care must be taken when handling and storing original documents. Original securities must be stored in a safe place (e.g. the finance safe) as ultimately they will be returned to the supplier (unless UNOPS decides to encash them). Furthermore, track of the validity of the documents must be kept through a registry system and procurement personnel must be notified of the date of expiry of the performance securities and advance payment guarantees, at least two weeks before they expire.

The value of the performance security may vary, depending on the nature, risk and magnitude of the works, services or goods to be provided under the contract. It is, however, recommended that the performance security equals at least five percent of the total contract amount.

The value of the advance payment guarantee must cover the full amount of the advance payment.

The format for performance security and advance payment guarantee as provided in UNOPS solicitation documents must be used when UNOPS procurement rules are being followed.

Banks but also other third parties, such as Financial institutions or Insurance companies can provide securities and guarantees. However, approval by Regional Finance Officer must be sought prior to accepting documents issued by third parties other than banks.

Securities and guarantees are normally issued in the form of a bank guarantee. However, Demand Drafts, Cashier's Cheques or Irrevocable Cheques certified by a bank can be accepted in lieu of bank guarantees.

In the event of suppliers submitting the security or advance payment guarantee in the form of a cashier's or certified cheque or demand draft in favour of UNOPS, such documents shall be accompanied by a signed statement by the issuing bank on its letterhead indicating the validity period and confirming irrevocability of the cheque or the demand draft.

The Regional Finance Officer must carefully review the bank guarantee for advance payment and ensure that it is genuine and enforceable (by contacting the issuing bank and obtaining the required confirmation) and the format is as required before any advance is made to the contractor in view of the associated financial risks for UNOPS.

It is also mandatory before issuing a contract that the Contract Officer checks the authenticity of the performance security provided by the vendor by contacting directly the issuing bank. When the issuing bank is not able to confirm that the performance security has been issued by them, the Contract Officer must immediately notify the Procurement Practice Lead, so that adequate actions can be taken against the vendor.

Banks issuing securities and guarantees must be acceptable to the UNOPS Comptroller or his designates; in particular, they have to be banks certified by the Central Bank of the country to operate as commercial bank.

A security or guarantee must always be unconditional (i.e. it can be called directly without having to prove non-performance) and be irrevocable.

Performance securities and Advance payment guarantees serve different purposes. As such they are not mutually exclusive and they shall be requested as and when required.

UNOPS will request advance payment guarantee when certain situations prevail. See Chapter 8.1.2, Policy on advance payments, for details of circumstances that warrant demand for an advance payment guarantee.

Performance guarantee – Template
Advance payment guarantee – Template

16) **Alternative offers**. Alternative offers are offers that do not comply with the exact requirements of the tender, or which may represent an improvement over the original offer in terms of exceeding the minimum performance parameters of the request, and are proposed by suppliers as an optional way of fulfilling the needs of the end user.

There can be different policies with regard to dealing with alternative offers:

i) Alternative offers are not accepted
ii) Alternative offers can be considered only if they present an alternative to the lowest substantially compliant offer, as long as the offered price does not exceed that of the second lowest one.
iii) Alternative offers are accepted only if they contain more sustainable options. Alternative offers are evaluated simultaneously with other original offers (i.e. offerors are allowed to present more than one technical solution to the requirement, each of which will be individually assessed)

The solicitation document must specify which policy is applicable for the specific tender.

Alternative offers not complying with the mandatory criteria must not be considered.

For the procurement of services undertaken through RFP processes, alternative offers are commonly acceptable.

17) **Split orders.** Information about whether or not partial offers are accepted, and whether split orders will be placed must be included in the solicitation document (see Chapter 6.2).

18) **Contact information** for queries

19) **Other** (e.g. need for samples)

5.1.1.2 Definition of Requirements

1) **Technical specifications, Terms of Reference (TOR), or Statement of Works (SOW) and Bill of Quantities (BOQ).**
A clear and detailed description of the performance expected is important in order to prevent misunderstandings and disagreements with suppliers at the time of contract execution. Ambiguous performance requirements may also lead to increased costs as bidders may have to factor into their bid a contingency or risk buffer reflected in the price.

Depending on the nature of the procurement activity, the requirements are stated in the form of Technical Specifications, TOR, or SOW/B&Q (for guidance on writing requirements, See Chapter 2, Procurement planning and needs assessment).

2) **Delivery date** for goods or **starting/completion dates** for deliveries of services/works in the case firm requirements exist or time are of the essence.

3) When procuring goods, the **destination(s),** and **mode(s) of transport**, shall be included. For services and works, destination shall be specified.

4) **Delivery terms**. Incoterms 2000 shall be used to specify the delivery of goods procured by UNOPS (See Chapter 9, Logistics and procurement).

Procurement personnel may request suppliers to quote supply made under more than one Incoterm (typically FCA and CPT) and then consider whether to contract freight through the supplier or separately depending on what is in the best interest of UNOPS. Please refer to Chapter 9, Logistics and procurement, for restrictions on the use of Incoterms including taxes and duties.

5.1.1.3 Contractual terms

1) A copy of the relevant **UNOPS General Conditions** applicable to the contract must either be included with the solicitation documents, or a reference must be made to the UNOPS General Conditions available on the UNOPS Internet.

The UNOPS General Conditions clarify which conditions the suppliers are expected to accept when signing a contract with UNOPS.

2) Information about any special terms and conditions.

Special terms and conditions are often exceptions to particular contractual requirements related to the specific solicitation. All special terms and conditions contradicting or modifying the General

Conditions must be cleared by legal officers from LPG prior to issuance of the solicitation documents.

Cooperation with the Office of Internal Oversight Services (OIOS) of the United Nations and other investigative bodies: As a condition of doing business with UNOPS it is necessary that suppliers, their subsidiaries, agents, intermediaries and principals cooperate with the Office of Internal Oversight Services (OIOS) of the United Nations, UNOPS Internal Audit and Investigations Group (IAIG) as well as with other investigations authorized by the ED and with the UNOPS Ethics Officer (during preliminary reviews in line with UNOPS whistle blower policy) as and when required. Such cooperation shall include, but not be limited to, the following: access to all employees, representatives, agents and assignees of the supplier; as well as production of all documents requested, including financial records. Failure to fully cooperate with investigations will be considered sufficient grounds to allow UNOPS to repudiate and terminate the contract, and to debar and remove the supplier from UNOPS's list of registered suppliers.

3) For contracting of services and works, a copy of the relevant **UNOPS model contract** (e.g. Contract for Services, Contract for Works, etc.) must always be included with the solicitation documents.

   The standard contract allows suppliers to know the terms and conditions of the specific agreement before submitting an offer, and understand the type of contract they would be expected to sign if selected as a supplier to UNOPS.

4) When purchasing goods, a copy of the relevant **Packing and Shipping Instructions** must be included with the solicitation documents.

   The packing and shipping instructions are of the essence to the supplier when bidding, as they include instructions to the supplier about packaging, marking and numbering of the shipment, notification of shipment, documentation required for custom clearance and payment purposes, and invoicing.

5) **Price and payment.** Information as to whether a contract will be signed based on fixed price/lump-sum or cost reimbursement.

General Conditions of Contract for Professional Services
General Conditions of Contract for Construction Works
General Conditions for Goods
Conditions for Services – for contracts of a value of less than USD 50,000
UNOPS Contract for Services – Template
UNOPS Contract for Small Services – Template
UNOPS Contract for Construction of Works - Template
UNOPS Contract for Small Works – Template
Packing and Shipping Instructions – FCA, FOB
Packing and Shipping Instructions – CPT by Air
Packing and Shipping Instructions – CPT, CFR Surface
Packing and Shipping Instructions – CPT, CFR shipper
Packing and Shipping Instructions – DDU

5.1.1.4 Offer submission forms

The supplier's offer must be signed by a duly authorized signatory, in order for the offer to be legally binding. If the offer does not contain the required signature, and provided that the signature of such authorized representative appears on a letter of transmittal or on another document attached thereto, UNOPS shall assume that the omission was unintentional, and accept the offer. However, the chairperson of the bid evaluation team shall ask the duly authorized signatory to confirm immediately that the said offer is legally binding and get the required signature.

Any unsigned offer submitted without accompanying evidence that the offer is authentic, must be rejected.
A signature evidently executed by someone other than the typed name of the authorized representative on his/her behalf, shall be verified.

Solicitation documents shall contain a standard bid submission form to be signed and returned with the supplier's offer (in the case of ITBs, the signature is an integral part of the standard ITB document itself).

5.1.2 Types of solicitation documents

Definition of the various types of solicitation documents that can be used, and a brief description of their contents:

There are four main types of solicitation documents:

1) Request for Quotation (RFQ)
2) Invitation to Bid for goods (ITB for goods)
3) Invitation to Bid for works (ITB for works)
4) Request for Proposals (RFP)

5.1.2.1 RFQ

A Request for Quotation (RFQ) is not a formal method of solicitation. It is commonly used for low-value procurement and LTA secondary bidding processes. RFQs are commonly used for the competitive purchase of goods, services and works not exceeding USD 50,000, and are suitable when the requirement is specific and clearly defined.

Although use of a form is recommended (See Chapter 5.1.1.1, Letter of invitation), no mandatory form exists, as there are no exact demands as to the contents of the RFQ other than communicating clearly the requirements to all suppliers, as well as the basic quotation conditions. Offers do not need to be sent to the secure fax/email (except for situations described in Chapter 5.1.2.5), and can be received by procurement personnel directly.

If the PA believes that there are risks associated with the approach, he should document the risks and if indeed the risks are deemed serious, then a procedure for mitigating the risks should be adopted. The proposed procedure must be reviewed and approved by the Director, Procurement Practice Group (PPG), or his designate, before being adopted and recorded.

Example of Request for Quotation

5.1.2.2 ITB

An Invitation to Bid (ITB) is a formal solicitation method used for competitive purchases exceeding USD 50,000. An ITB is used when the requirements can be specified quantitatively and qualitatively.

The ITB for goods contains information about the type of goods to be procured. The requirement definition (See Chapter 2, Procurement planning and needs assessment) forms an integral part of an ITB.

An ITB for the construction of works is a solicitation method used for the procurement of works. The requirements for the works are specified in the Statement of Works (SOW), in the Bill of Quantities and/or the Technical specifications, and sometimes also in designs and drawings included in the solicitation material (See Chapter 2, Procurement planning and needs assessment).

An ITB can be used for the procurement of services when the service is simple enough to be specified quantitatively.

ITBs require an absolute deadline for submission of bids, and strict adherence to modes of submission and formats of the bid. One of the ITB templates (ITB for Goods or ITB for Works) must be used when issuing ITBs.

ITB for Goods – Less than USD 1 million - Template
ITB for Goods – More than USD 1 million - Template
ITB for Works – Less than USD 1 million - Template
ITB for Works – More than USD 1 million - Template (to be created)

5.1.2.3 RFP

A Request for Proposal (RFP) is a formal method of solicitation used in competitive procurement of complex goods, design or other works or services where the inputs and/or outputs cannot be quantitatively and qualitatively determined. A request is therefore made for a solution to a defined problem rather than specifying the solution to it.

An RFP is normally used for contracting of services, but may also be used for the procurement of goods and works, if requirements cannot be described in a quantitative and qualitative manner.

In a competitive procurement of services, a set of Terms of Reference (TOR) will usually form an integral part of the RFP describing in detail the services/equipment to be provided, and the expected results.

In order to further assist suppliers in determining the appropriate quality of goods, works or services, UNOPS may choose to include estimates of manpower and other input required in order to reach the expected results. Exceptionally it can be envisaged to include an indication of the available budget; however, the potential drawback is that information about the available budget may lead offerors to align their financial proposals.

Distinct, separately sealed, technical and financial proposals are requested from the suppliers in order to evaluate them separately. The evaluation criteria, including the weighting between the technical and financial proposals, shall be clearly specified in the RFP and not departed from during the evaluation process (See Chapter 6, Evaluation).

RFP – Template *(under revision)*
Guidelines - Preparation of TOR

5.1.2.4 Solicitation of offers in situations of direct contracting

When direct contracting is justified (see Chapter 4.4.1, Exceptions), an offer is requested from only one supplier in accordance with Rule 118.05, (c) of the FRR. Nevertheless the appropriate standard solicitation documents or standard instructions to bidders and General Conditions of Contract must be sent to the supplier in order to ensure inclusion of all details, and awareness of UNOPS' expectations and requirements.

5.1.2.5 Solicitation of offers against LTAs

In the event that the LTA prices are fixed and there is only one LTA covering the required items, the LTA holder must be contacted directly through issuance of an RFQ to submit an offer as per the terms and conditions of the LTA.

In the event that LTA prices are ceiling prices, the various LTAs holders for the required items must all be put in competition though secondary bidding.

Secondary bidding is a solicitation exercise, which is based on already established LTA(s), whereby (1) the suppliers are requested to provide their best and final offer (BAFO) through issuance of an RFQ and (2) the prices cannot exceed the ceiling prices indicated in the LTA for a certain merchandise or service.

Suppliers must be requested through issuance of an RFQ to submit their BAFO. The time of solicitation must be as per the instructions for use developed separately with each LTA. The RFQ must be signed by the relevant PA and specify that the prices cannot exceed the ceiling prices indicated in the LTA.

For LTAs available on UNWEBBUY, there is no need to issue a specific RFQ since specifications and prices are already displayed in the e-catalogues. However quotations must be generated online from each source of supply available from the system and capable of meeting the specifications of the required items.

- If the value of the purchase does not exceed USD 50,000, offers resulting from a secondary bidding exercise do not need to be submitted to a secure email/fax number or sent in a sealed envelope. A note to the file, signed by the relevant PA, justifying the final selection decision should be included in the file.

- If the value of the purchase is over USD 50,000 and the procurement is not done through UNWEBBUY, offers resulting from a secondary bidding exercise shall be handled in confidential manner and therefore sent to a dedicated secure fax line, email address, or sealed envelope. The procedure for receiving and opening of offers as well as evaluating them must follow ITB procedure depending on the value of the solicitation (i.e. ITB for procurement values above USD 50,000 but less than USD 250,000; and ITB for procurement values of USD 250,000 and above). A note to the file signed by the relevant Procurement Authority justifying the final selection decision must be included in the file.

The advantages of secondary bidding include:

1) Guarantee of lowest achievable price in the shortest bidding time possible.
2) Better risk management given that all orders will not all necessarily go to the initially lowest priced LTA holder and UNOPS will be able to avail itself of multiple sources of supply.

3) Cost efficiency and price competitiveness - due to competition among LTA holders and to the fact that freight costs will be taken into account during final evaluation.

5.2 Approval and issuance of solicitation documents

When the solicitation documents are completed, the below mentioned points must be complied with before distributing the documents:

5.2.1 Approval of solicitation documents

The solicitation documents must be pre-cleared by a Procurement Advisor and signed by the appropriate Procurement Authority (PA) (See Chapter 1.5, Procurement authority).

5.2.2 Distribution of solicitation documents

The solicitation documents shall be issued and distributed simultaneously to all suppliers, by mail, courier, fax, or email, or be made available electronically on the internet, with a view to giving all offerors the same opportunity to respond.

In a limited competitive process, where only selected suppliers may participate in the solicitation, the solicitation documents shall solely be made available to the suppliers on the short list. The short list must be pre-cleared by a Procurement Advisor and approved by the PA prior to issuance of solicitation documents.

Under open competition, the solicitation documents must be made available to all interested suppliers upon request. Suppliers may be requested to pay a small fee for the solicitation documents; however, the price associated with the solicitation documents should be a nominal amount to cover such costs as document printing and distribution. (See Chapter 5.2.3 Conditions for the sale of solicitation documents)

If the solicitation documents are issued electronically in a freely editable format (word, excel, etc.), UNOPS must ensure that the solicitation documents include a clause stating that if suppliers modify or alter the provisions of the solicitation documents that must not be altered their offer will be rejected. In addition, the solicitation document must include a clause stating that UNOPS takes no responsibility for effective delivery of the electronic document.

In a local/national competition, the documents can be made available to the suppliers for collection at a UNOPS location during business hours, and the suppliers can be informed accordingly .

A signed copy of the solicitation documents must be kept on file by UNOPS together with documentation on how and to whom it was issued (e.g. fax receipts, copies of emails, courier receipts, etc.) in order to facilitate an audit of the process.

5.2.3 Conditions for the sale of solicitation documents

The purpose of selling solicitation documents is:

- to discourage the submission of frivolous bids, which results in additional transactional costs for UNOPS during the receipt and evaluation process; or
- to cover the cost of UNOPS having to print solicitation documents.

While selling of the solicitation documents is left at the discretion of the business unit, the business unit may only sell the solicitation documents if the following conditions are met:

- receiving frivolous bids is likely to happen and/or printing of solicitation documents is expected to be costly to UNOPS (the latter is not applicable if solicitation documents are available electronically);
- the project agreement does not prevent the sale of solicitation documents;
- the sale of solicitation documents is expected to cover at least the internal transactional costs related to the selling of the documents (the required method of payment should also be taken into account when estimating the transactional costs; e.g. payments by cheque in a local account or by cash is easier to handle than payments to corporate account).

Once it has been decided to sell solicitation documents, the following must be considered:

- the sale price should not be too high so as not to discourage serious bids but not too low to ensure that the intended purpose is achieved. Therefore, the cost of the solicitation documents should typically be comprised between USD 50 and USD 150. Proper justification should be provided by the procurement authority, and kept on file for proper audit trail, should the business unit opt for values outside this range (valid reasons could include: USD 50 is considered to be a too high amount in the beneficiary country, USD 150 is unlikely to cover the cost of printing solicitation documents, etc.);

- Bidders should be allowed to pay in other currencies than USD. The solicitation documents must clearly indicate what the method(s) of payment should be.

In the event that solicitation documents are for sale and are available electronically and that a bid is submitted without prior payment by the bidder, the bidder should be required during bid opening or immediately after bid opening to make the required payment. If the bidder refuses or does not make the payment by the deadline indicated in the request, the bid should not be considered for further evaluation.

The funds generated by the sale of solicitation documents should be credited to:
- the administrative budget of the business unit if the transactional costs are not project costs (i.e. the cost of procurement staff, printing of bidding documents, etc. is paid from the administrative budget);
- the project if the transactional costs are project costs.

5.2.4 Confidentiality of the short list

In the case of a limited competition (See Chapter 4.3.2, Limited international, regional and national competition) where the solicitation documents are only being made available to a short list of selected suppliers, UNOPS shall not disclose the names of any short-listed companies, in order to safeguard the principle of competition that the tender process is aimed at achieving. The number of short-listed companies, may however be disclosed to the suppliers on the short list, in particular for the purchase of services.

5.2.5 Electronic tendering (e-tendering)

The process of inviting offers from suppliers and receiving their responses electronically is often referred to as e-tendering. This method of solicitation can be an effective tool to improve efficiency and effectiveness of the procurement process.

Distribution of solicitation documents may be performed electronically. The guiding principle in such case remains the same: the fair treatment of all suppliers, thus, the invitees must receive the same information at the same time.

If solicitation documents are issued electronically in a limited competitive process, due diligence should be exercised to ensure that the names of short-listed suppliers are not disclosed to the other invitees (e.g. send individual emails to each and every supplier on the list, rather than one message stating email addresses of all the invitees). Alternatively, address the email to yourself and blind copy all invited suppliers. However ensure that the printout of the email showing all email addresses is kept on file for audit purposes.

Where the solicitation documents state that bids/proposals are accepted by email, UNOPS must create a dedicated email address for receipt of offers. The email address must be specified in the solicitation documents, and it must be made clear that only offers sent to the dedicated email address will be accepted. Individual not directly involved in the procurement process, and duly authorized by the UNOPS Head of the relevant business unit must have the sole access (through password protection) to the dedicated email. Bids should be printed after the bid deadline just before they are officially opened to avoid leakage of their contents to unauthorized and unconcerned personnel.

Electronic bids or e-bids are legally binding as long as they are endorsed by the authorized representative of the bidder and are submitted in a file format on which no alteration of their contents is possible or can be made on them e.g. pdf, tiff, jpeg or mtiff files. Therefore, it is not mandatory to submit bids in hard copies unless it is a requirement requested by UNOPS' clients of which need to be clearly stipulated in the project document.

Please also refer to Chapter 5.4.1, Receipt of offers for instructions.

If the solicitation documents do not allow electronic submissions, any submission received by electronic means must be rejected.

The requirement for documentation of the solicitation process – filing – (See Chapter 1.10, Documentation of the procurement process) shall not be interpreted to restrict the use of any electronic means of data interchange, provided the electronic media uphold the procurement principles and allow for adequate audit trail of the procurement process.

5.3 Tender period

The period from the issuance of solicitation documents to the deadline for submitting offers is referred to as the tender period when a formal method of solicitation is used.

5.3.1 Queries from suppliers, pre-bid conference and site inspection

During the tender period, no communication regarding the contents of the solicitation documents or the proposals is permitted between the potential suppliers and UNOPS, except through the methods of handling queries described below.

Queries from suppliers must be handled by correspondence and/or by a pre-bid conference followed by written minutes made available to potential bidders.

Suppliers requiring clarifications to the tender documents must submit their queries in writing to UNOPS. UNOPS will prepare and dispatch written replies to such queries, and make all replies known, together with the text of the queries, to all suppliers at the same time, without referencing the source of the queries.

For technically complex acquisitions, a pre-bid conference between UNOPS and the suppliers could be held in addition to, or instead of, issuance of written clarifications. Such a conference may be in the form of a meeting or a site inspection. When conducting a pre-bid conference or site inspection, the following instructions must be adhered to:

1) A time for the conference and/or site inspection must be stated in the solicitation document, allowing sufficient time for all suppliers to plan attendance of the conference and/or site inspection.

2) Pre-bid conferences or site inspections are not mandatory unless valid reasons exist for making such events mandatory (in which case this must be clearly specified in the tender document). Where such conferences or site inspections are not mandatory non participation of bidders to pre-bid conference or site inspection is not a cause for eventual bid rejection. If participation in the pre-bid conference or site inspection nevertheless is made mandatory, care must be taken to require participation in the pre-bid conference or site inspection in a manner that is non-discriminatory.

3) The representatives who choose to be present during pre-bid conference or site inspection shall bring along reasonable evidence that they represent the potential bidder; e.g. business card, letter of authorization, etc.

4) UNOPS officials will prepare a list of the representatives attending the pre-bid conference or site inspection and obtain their signatures on the same. The list shall also contain the representatives' names and corresponding bidders' names. This list should be signed by all participants indicating date and time.

5) UNOPS personnel in attendance, the observers from the client/donor and the bidder representatives present should be introduced.

6) With regard to submission of bids, supplier representatives should be reminded of important considerations such as the need to:
   - Provide in their bid contact details (in particular name, direct email address and telephone number) of the persons to be contacted during subsequent bid evaluation.
   - Carefully review the tender requirements.
   - Indicate as early as possible if there are requirements (e.g. specifications) in the tender document which do not seem reasonable; so that UNOPS can revert to the client on time and request amendments to be issued, if justified.
   - Always check regularly for amendments to avoid quoting for wrong specifications, wrong quantities, etc., which might result in bids being rejected.
   - UNOPS personnel should also warn participants at pre-bid conferences of errors commonly made by bidders as well as pass on other advice regarding the making of a valid bid.

7) With regard to supplier eligibility, participants should be verbally advised that bids from ineligible or suspended suppliers (see Chapter 1.8.3, Ethical behaviour of suppliers and supplier suspension) will not be considered.

8) Written queries from suppliers may be forwarded to UNOPS prior to the conference or inspection. Responses to the written questions shall be given orally during the conference or inspection.

9) Within a reasonable time after the conference or inspection, UNOPS must send, at the same time, to all suppliers, whether present at the conference/site inspection or not, a full set of the approved

minutes, recording all queries and formal replies. The minutes shall prevail over any oral responses provided during the conference or site inspection. Also, in case of discrepancy between the provisions of the solicitation document and the minutes of the pre-bid conference or site inspection, the latter shall prevail over the former. Therefore, the minutes must be approved by the same PA approving the solicitation document or his OIC. In the case of open bidding the approved minutes must be posted on UNOPS and other websites, if applicable.

10) If, due to geographical considerations, it is necessary to hold pre-bid conferences in more than one location, such meetings shall take place simultaneously (or at least within the same day) and the same information shall be provided to all suppliers. Minutes of the meetings must be shared with all suppliers.

11) If the clarifications given during the meeting alter the requirements, amendment of the submission deadline should be considered, and a formal amendment to the tender document must be issued reflecting the change.

12) Certain types of information, such as for instance UNOPS cost estimates or proprietary data, shall never be released. Requests for such information shall be rejected.

5.3.2 Amendments to solicitation documents

At any time before the deadline for submission of offers, UNOPS may, for any reason, whether on its own initiative or following a request for clarification by a supplier, modify the solicitation documents.

Amendments to solicitation documents must be and approved by the PA and must be made in good time before the deadline for submission of offers in order for suppliers to address changes in their offers. In certain cases amendments will justify an extension of the submission deadline. This should be assessed on a case by case basis. In the cases when a formal method of solicitation is used (cases above USD 50,000) amendments to solicitation documents must be pre-cleared by the Procurement Advisor prior to PA approval.

In order to ensure that all suppliers deal with the same fact base. amendments of solicitation documents containing changes or providing clarifications or additional information, must:

(a) in the case of a limited competition, be sent simultaneously in writing to all invited suppliers, and
(b) in the case of an open competition, be uploaded to the UNOPS web page and communicated by email to all suppliers having purchased the tender documents where a fee was charged.

Substantial changes to the requirements may call for re-tendering.

5.4 Receipt and opening of offers

5.4.1 Receipt of offers

It is the responsibility of suppliers to ensure that the offers are submitted to UNOPS strictly in accordance with the stipulations in the solicitation documents.

If offers by fax and/or email are accepted when formal methods of solicitation are used, a dedicated fax number and email address must be set up, and it must be clearly stipulated in the solicitation documents that offers sent to any other fax or email will be rejected.

When formal methods of solicitation are used, offers must be rejected if:

1) received by any fax or email other than the secure fax/email specified in the solicitation documents, and/or;
2) received at any other location or by any person other than specified in the solicitation documents, and/or;
3) received after the deadline for submission of bids stated in the solicitation documents, and/or;
4) sent via the correct route after having been sent incorrectly.

Please also refer to Chapter 5.4.3.6, Rejection of offers, for further instructions.

A secure fax and email are dedicated ones (i.e. specific fax number or email address) that can only be accessed by designated personnel not directly involved in procurement. This implies that the fax machine must be placed in a locked and secure place to which only designated individuals have access, and that the

email must be password protected, and only individuals designated by the UNOPS Head of the relevant business unit know the password.

If offers are delivered by hand, UNOPS must issue a receipt stating the date and time of delivery.

For procurement value exceeding USD 50,000, an individual not directly concerned with the procurement function, must be appointed to receive all offers. The individual must be named in writing by the UNOPS Head of the relevant business unit and must be explained the importance of confidentiality and integrity of the bid receipt process. All bids or proposals must be stamped with time and date of receipt, registered in an offer receipt report, and placed in a locked container, such as a cabinet or safe, until the opening of offers. Access to the container shall be limited to the personnel not directly concerned with the procurement function and duly authorized by the UNOPS Head of the relevant business unit.

Offer receipt report – Template

When formal methods of solicitation are used offers received by dedicated fax and email must be treated with the same degree of control as offers received by post or delivered personally, in particular individuals directly concerned with the procurement process must not have access to the offers until the time of bid opening .

5.4.2 Unsolicited offers – Limited competition

The concept of unsolicited offers applies only in limited tender processes, i.e. when a number of selected suppliers were short-listed and invited to tender. In the case of open competition, all offers received are considered solicited.

In general, unsolicited offers (i.e. offers from suppliers that UNOPS has not invited) may be accepted as long as:

1) The supplier complies with all the requirements of the solicitation documents (i.e. the deadline for submission of offers, the mode of submission, and all other requirements), and

2) upon the request of UNOPS, the supplier submits a written statement, certifying that he has received the solicitation documents from persons other than UNOPS personnel, recipient government officials, or a United Nations consultant and documenting his relationship with the persons from whom he received the solicitation documents. If the supplier is replacing one of the invitees, the supplier shall in addition document in writing the reasons for the substitution.

If the supplier is replacing one of the invitees, the supplier shall, in addition to above, document in writing the reasons for the substitution.

Acceptance of unsolicited offers is entirely at the discretion of the PA, and only the best interest of UNOPS shall guide the possible acceptance of an unsolicited offer.

If accepted, the unsolicited offer must be evaluated along with the other offers.

If a pre-qualification has been conducted, unsolicited offers must not be accepted.

5.4.3 Opening of offers

The opening of offers must be handled transparently in order to ensure that only valid offers are evaluated and that all suppliers are treated in fair and non-discriminatory manner.

Normally, offers should be opened immediately after the deadline for submission, or shortly thereafter (a few hours). Hence, it is recommended that the address for submission and the one for opening of offers are the same or at least close to each other.

When during the solicitation period the same bidder submitted several offers superseding each other, only the last received offer shall be opened.

As long as opening of offers has not taken place, offers shall be kept by the individual in charge of bid receipt and shall be handled in a confidential manner. Offers shall not be shared with the bid evaluation team or procurement personnel until they have been opened.

5.4.3.1 Bid opening panel

Offers are to be opened by a bid opening panel consisting of personnel designated, in writing, by the PA. At his discretion, the PA may designate personnel to serve permanently in bid opening panels for a particular project/business unit etc.

In order to ensure impartiality of the bid opening process, a bid opening panel must consist of a minimum of two individuals, where at least one individual has no involvement in the subsequent stages of the procurement process.

The bid opening panel shall be provided in advance with a copy of the solicitation documents and subsequent amendments, if any, as well as the offer receipt report. Offers cannot be rejected or invalidated at the time of bid opening. Such a decision can only be taken by the bid evaluation panel. During bid opening meeting, the panel should identify any immediately detected omissions or defects in the offers and record them in the bid opening report.

Handling of offers is in its nature confidential, and it is essential that any information gained in the process be kept confidential.

5.4.3.2 Opening of quotations (RFQ – value less than USD 50,000)

For Quotations, no formal submission, receipt, or opening procedure is required.

If the PA believes that there are risks associated with this approach, he should document the risks and if indeed the risks are deemed serious then a procedure for mitigating them should be adopted. The proposed procedure must be reviewed and approved by the Director, Procurement Practice Group (PPG) or his designate, before being adopted and recorded.

5.4.3.3 Opening of bids (ITB)

If bids have been obtained pursuant to an ITB, and the value of the procurement is expected to amount to USD 250,000 or more, the bids shall be opened publicly at the time and place specified in the ITB and immediate record made thereof.

Only those who have submitted bids may attend the bid opening, however, the bidders may authorize a local agent, embassy or trade commission to represent them. In order to be able to attend bid opening, agents representing bidders must provide reasonable evidence (business cards, letter of authorization, etc.) confirming the name of the bidder(s) they represent.

For ITBs expected to have a value below USD 250,000 (but more than USD 50,000), no public bid opening is required, however a bid opening meeting must nevertheless be convened.

Regardless of whether or not the bid opening is public, a **bid opening report**, available to all bidders, should record the following information for each of the received bids:

1) bidder's name and country
2) currency of bid, total bid price, and basis for quotation (FCA & CPT/DDU etc., if relevant). When a tender comprises several lots, total prices for individual lots must be recorded
3) discounts, if any proposed by the supplier
4) comments on incomplete bids or other matters observed by the bid opening panel
5) the date and time of the opening
6) the names of the UNOPS individuals present
7) the names and signatures of suppliers present or represented
8) the names of any representatives of the client, government or funding source present

Alternative bids, if submitted in compliance with ITB, shall be recorded in the same manner as a normal bid.

The bid opening report template should be used for compiling the bid opening report.

The exchange rate used for the conversion of bids is always the official United Nations exchange rate at the date of the deadline for submission.

The bid opening report must be signed by each member of the bid opening panel, and kept on file for future reference. The report shall be available for viewing by bidders who submitted offers for a period of thirty days from the date of the opening.

No information that is not included in the bid opening report can be given to bidders.

If a two-envelope system is used for an ITB where suppliers are requested to submit their technical and financial offers separately in two sealed envelopes, the submission should be considered equivalent to an RFP submission, and no public opening of technical and financial bids is required (see Chapter 5.4.3.4, Opening of proposals (RFP) and of two-envelope ITBs, below).

Bid opening report

The Bid Evaluation Workbooks (ref. Chapter 6.4.13, Evaluation report) can also be used as bid opening report (please follow the instructions provided).

5.4.3.4 Opening of proposals (RFP) and of two-envelope ITBs

Due to the two-envelope system where financial proposals are not to be opened without the completion of a technical evaluation (See Chapter 6, Evaluation), a public opening of proposals received is not necessary. Thus, in the case of an RFP or a two-envelope ITB, only the technical proposals are opened as a first step of the opening, while the financial proposals are kept sealed by the individual in charge of receiving bids. A separate opening of the financial proposals (preferably by the same bid opening panel which opened the technical proposals) is to be conducted after the completion of the technical evaluation.

The opening of technical proposals is recorded in a report containing the following information:

1. proposer's name and country
2. comments on incomplete proposals or other matters observed by the bid opening panel
3. bid security, if requested
4. the date and time of the opening
5. the names of the UNOPS personnel present

The technical proposal opening report must be signed by each member of the opening panel, and kept on file for future reference. The report shall be available for viewing by bidders who submitted offers for a period of thirty days from the date of the opening.

After the completion of the technical evaluation, and prior to the opening of the the financial proposals, it is not necessary or a requirement to contact bidders to attend the opening session.

The financial proposals corresponding to the technical proposals meeting or exceeding the set threshold are opened in a separate opening session and the financial bid opening report must be signed by each member of the financial bid opening panel, and kept on file.

Once the financial opening of the offer has been completed, the report shall be available for viewing by bidders whose financial bids were opened for a period of thirty days from the date of the opening.

The exchange rate used for the conversion of offers is always the official United Nations exchange rate at the date of the deadline for submission.

Technical Proposal Opening Report-Template
Financial Proposal Opening Report-Template

5.4.3.5 Alternative offers

Alternative offers must be treated as per the procedures defined in the solicitation documents (See Chapter 5.1.1.1, Letter of Invitation).

For the procurement of services, alternative offers are commonly acceptable.

5.4.3.6 Rejection of offers

Invalid bids and proposals must be rejected by the evaluation team. Please refer to Chapter 6, Evaluation, for further information.

UNOPS will not accept offers after the date and time stated as the deadline for submission of offers. Offers received after the designated date and time must be rejected, and returned unopened to the supplier, or shredded, (if a bid secutiy was not requested), and the supplier informed accordingly. If a bid security was requested, the bid must be returned to the supplier unopened. Reasons for rejection of the offer must be given to the bidders so they can comply in the proper manner in future.

The only exception to this rule will apply if the supplier can provide evidence that every measure has been taken to submit the offer in time, but it did not reach UNOPS due to circumstances outside of the supplier's control (e.g. force majeure), **and** the bid opening has not yet taken place.

Even after the bid opening has taken place, UNOPS shall accept late bids if it is evident and without doubt that UNOPS is solely responsible for the delay. In such case, all bidders must be informed of the reason for accepting late bids.

5.4.3.7 Withdrawal of submissions

Withdrawal of submissions by the suppliers can only be accepted if UNOPS is notified in writing prior to the deadline for submission of offers. The withdrawn offer shall be separated from the other bids/proposals prior to bid opening, and shall not be opened.

Withdrawal after the announced deadline for submission of offers shall not be honoured, and in such cases UNOPS shall open and evaluate the offers together with the others. If the supplier has furnished a bid security, UNOPS shall withhold such security until the issue has been resolved. If the offer is selected after an evaluation, legal support must be sought, if required, in order to resolve the matter.

5.4.3.8 Modification of submissions

Suppliers may modify their offers in writing prior to submission deadline. The modification shall be submitted in a sealed envelope, or to the dedicated fax/email, and shall be treated by UNOPS like any other offer. Regarding modifications to offers after bid closure please refer to Chapter 6, Evaluation.

6 Evaluation

Evaluation is the process of assessing and comparing offers in accordance with the evaluation methodology stated in the solicitation documents aimed at determining which offer best complies with the defined evaluation criteria, and thus, represents the best value for UNOPS.

Regardless of how effectively the other steps of the procurement process are conducted, the overall process will not be successful without a correct, objective and fair evaluation process. The evaluation process is critical, since it culminates in a recommendation and a request for an award of a contract.

In general, UNOPS evaluates all offers based on the principle of best value for money. The quotation/bid/proposal that offers the 'best value for money' is the offer, which presents an optimal combination of technical and financial attributes, as per the requirements stipulated in the solicitation documents. Value for money can include non-cost factors such as fitness for purpose, quality, service and support, as well as cost related factors such as price, life-cycle costs, and transaction costs associated with acquiring, using, holding, maintaining, and disposing of the goods or services.

The essential principle to keep in mind throughout the solicitation process is coherence between the evaluation criteria specified in the solicitation documents, and the method of evaluation used in the end to select a supplier. It is therefore crucial to begin the procurement process with the end in mind, in order to include the appropriate evaluation criteria with sufficient detail in the solicitation documents, to ensure that UNOPS achieves best value for money.

Evaluation criteria can under no circumstances be altered during the evaluation process. A change of evaluation criteria during evaluation would jeopardize the transparency of the procurement process and conflict with the principles of fair and equal treatment of suppliers.

6.1 Evaluation criteria

Evaluation criteria are normally divided into the following categories:

1. Formal criteria
2. Technical and qualification criteria
3. Financial criteria

6.1.1 Formal criteria

Offers are checked for their compliance with any formal criteria stated in the solicitation documents. Examples of formal criteria are:

- offers have been properly signed or includes documents indicating that the offer is authentic (any unsigned offer submitted without accompanying evidence that the offer is authentic, shall be rejected). A signature evidently executed by someone other than the typed name of the authorized representative on his/her behalf, shall be verified.
- offers are accompanied by the required securities, if applicable (it is good practice when conducting bid evaluation that the bid evaluation team checks the authenticity of the bid/proposal securities provided by bidders by contacting directly the issuing bank. When the issuing bank is unable to confirm that the bid/proposal security has been issued by them, the chairperson of the bid evaluation team must immediately notify the Director, Procurement Practice Group, so that adequate actions can be taken against the bidder)
- supplier is eligible, e.g. duly registered if pre-registration is a requirement, not suspended by UNOPS, nationality is in accordance with donor requirements if such requirements exist, etc.
- offers are accompanied by the required documentation
- offers are complete, etc. (solicitation documents must clearly state whether partial bids for a given component or lot are accepted)
- offer includes evidence of acceptance of UNOPS General Conditions of Contract

Offers not meeting the formal criteria will be rejected (see below Chapter 6.4.5, Price evaluation, in particular regarding the types of missing information that the bidder must be given the opportunity to provide). It is therefore important to carefully consider the formal criteria before issuing the tender documents as it is undesirable to conduct a solicitation process in which no supplier is likely to meet the formal criteria.

Once the preliminary examination of the offers has been made, technical evaluation and verification of qualification requirements as well as financial evaluation are undertaken.

6.1.2 Technical and qualification criteria

Technical and qualification criteria are derived from the specifications, TOR or SOW, as well as from qualification conditions specified in the tender document. Depending on the nature and complexity of the procurement to be undertaken, technical and qualification criteria may be summarised in a few lines or consist of a long and precise description.

Depending on how clearly the requirements are defined, technical and qualification criteria are developed for evaluation according to compliance/non-compliance or a weighted scoring (see Chapter 6.3, Evaluation methodologies below). When using the weighted scoring methodology technical evaluation criteria are related to the approach and methodology proposed to reach the expected results or solve the identified problem as described in the requirement definition (TOR or SOW).

Technical and qualification criteria consist of requirements to be met by the bidder, such as but not limited to:

- Technical compliance to specifications
- Previous experience in a similar field and with the same or similar type of requirements
- Experience in the region
- Minimum required turn-over
- Minimum requirements regarding value of previous contracts
- Minimum financial profitability and liquidity ratios
- Available capacity and equipment to undertake the assignment
- Availability of after sales services or agents in the country of delivery
- Qualification and experience of proposed personnel
- No adverse reports in the last three years
- Environmental requirements (guidance can be found on the procurement page of the UNOPS intranet)
- Etc.

6.1.3 Financial criteria

Price is an important evaluation criterion but the weight of the price depends on the chosen evaluation methodology (see Chapter 6.3, Evaluation methodologies below). It is important to clearly state in the solicitation documents which price factors will be used for evaluation. Various factors such as freight cost, operational cost, incidental or start-up costs, as well as life cycle costs could be taken into consideration. For services and works a template for breakdown of cost should be provided e.g. in Bill of Quantities for works. In all cases, required breakdown as well as evaluation criteria must be clearly stated in the solicitation documents. For lump-sum construction contracts, Bill of Quantities or cost breakdown is not always required.

Taxes and duties must not be used in relation to solicitation documents and must not be taken into account for the purpose of financial evaluation. Thus, for example, DDP or DEQ Incoterms must not be specified in the solicitation document (unless the solicitation document clearly specifies that taxes and duties are not to be included in the bid price in the case of DEQ Incoterm). However, when requested by the funding source, and provided that the funding source is domestic (i.e. excluding foreign funding sources), UNOPS may be requested to pay to the vendor the costs of the duties payable for the import of the goods or for the services, and therefore may take into account taxes and duties for the purpose of financial evaluation. This can be accepted under the following conditions:

i. The agreement with the client allows for such reimbursement and the funding source has provided UNOPS with funds for the reimbursement of such taxes and duties;
ii. Funds for the services are the relevant government's alone (i.e. no third party donors);
iii. The UNOPS service constitutes a direct service to the government (not to another United Nations client) for procurement only as procurement agent;
iv. Goods are not to be used by UNOPS personnel and are immediately transferred to government on consignment in the country.

It is important to note that to make such a determination would require a very careful review of all engagement documentation to ensure that all such conditions are met. Confirmation that all conditions are met must be issued, in writing, by a Legal Officer, LPG, after submission by the business unit of a note accompanied by supporting documents indicating that the required conditions are met.

Should the conditions be met, it would be appropriate for UNOPS to take duties into account for the purpose of financial evaluation and subsequently to pay duties without being potentially accused of abusing privileges and immunities.

When the goods or services purchased are for UNOPS' own needs (i.e. administrative expenditures such as furniture for an office), taxes and duties must not be taken into account for the purpose of financial evaluation and must not be paid.

6.2 Selection and award

It must be clearly stated in the solicitation documents how contracts will be awarded (e.g. to the lowest priced, most technically acceptable offer, to the lowest priced substantially compliant offer or to the offer scoring highest overall), and which criteria will be applied in the evaluation to determine compliance or technical rating to allocate points

When using a weighted scoring, a breakdown of percentage or points allocated to each overall criterion must be clearly stated in the solicitation documents (e.g. experience xx points, approach and methodology xx points, qualifications and competence of proposed personnel xx points).

If the requirements are divided into components or lots, it is imperative that the solicitation documents state whether the contract will be awarded to the supplier offering the best offer for all components or lots, or whether the contract may be awarded per component or lot.

If split orders (awarding contracts for parts of the items to more than one supplier) are foreseen, UNOPS' right to split the contract between several suppliers should also be specified in the solicitation documents.

When determining whether or not to split the contract, possible savings from purchasing items at a lower price must be compared with the transaction cost to UNOPS of placing several contracts as well as with supply chain, logistical and warranty issues related to the contracts. In general, it is recommended not to split orders unless both (i) the saving is at least USD 2,500, and (ii) the saving represents at least 1% of the contract award. However, the business unit conducting the procurement activity may determine a different threshold based on the local cost considerations.

6.3 Evaluation methodologies

Depending on the chosen mode of solicitation, various evaluation methodologies emphasizing different criteria in the evaluation of the submitted offers will apply.

The evaluation methodologies used for the respective methods of solicitation are as follows:

1) RFQ: Lowest priced, most technically acceptable offer methodology
2) ITB: Lowest priced, substantially compliant offer methodology
3) RFP: Cumulative analysis methodology

The table below gives further details on when to use which evaluation methodology.

Table 3: Evaluation methodologies

Requirement	Solicitation document	Evaluation method	One/two-envelope system
Requirements not exceeding USD 50,000, where the requirement is clear and specific	RFQ or Shopping (for values less than USD 2,500)	Lowest priced most technically acceptable	No requirement for sealed offers
Goods, services or works, with standard or firm specifications which can be expressed qualitatively and quantitatively	ITB	Lowest priced, substantially compliant. Compliance defined as compliant/not compliant for all issues.	One envelope
		Lowest priced, substantially compliant. A point system	Two-envelope

		with a minimum threshold defining compliance.	
Goods, services or works, with requirements that cannot be quantitatively and qualitatively expressed	RFP	Cumulative analysis. Best value (technical and financial) and most responsive offer.	Two-envelope

6.3.1 Lowest priced, most technically acceptable offer methodology (RFQ)

This method of evaluation is used when solicitation is made through a Request for Quotation.

When using this methodology, price serves as the overriding evaluation criterion upon which to award a contract.

However, in order to provide a more flexible method for selecting suppliers for procurement of a relatively low value (not exceeding USD 50,000), the evaluation methodology allows various considerations to be taken into account. The technical advantages offered by a higher priced quotation may in certain cases justify selection of another offer than the lowest priced. Further, the RFQ modality allows selection of the most technically acceptable offer in cases where none of the offers received fully meets the requirement specification (where under an ITB the option would be re-tendering). However it should be borne in mind that this methodology does not permit the selection of a substantially non-compliant proposal if a substantially compliant offer exists.

The selection of a supplier other than the one offering the lowest priced option requires proper justification documented on file and reasons for lowest pricing option not being chosen must be included in the Note to the File signed by the appropriate PA.

6.3.2 Lowest priced, substantially compliant offer methodology (ITB)

This method of evaluation is used for the evaluation of goods and simple works or well defined services, where bids are solicited using an ITB and where:

- requirements are clear
- compliance is easy to determine
- price/cost of substantially compliant offers is the overriding evaluation criterion

Examples are standard goods such as e.g. cars, office equipment, communication equipment, chemicals, simple machinery or raw material, or for the procurement of services and works when the requirements can be quantitatively and qualitatively defined.

The lowest priced compliant offer methodology consists of the following steps:

i. Determining which offers are substantially compliant, and rejecting non compliant offers. Only bids offering goods/works/services meeting or exceeding the requirements in the specifications and the qualification requirements shall be considered substantially compliant.

ii. Choosing the lowest cost offer among the substantially compliant offers.

Normally, a one-envelope system where bidders submit one offer including all technical and financial information is used when applying this method of evaluation. However, a two-envelope system where technical and financial offers are sealed separately may also be used if it is deemed necessary to complete the technical evaluation without knowing the price of the respective offers, typically when compliance is determined by a minimum threshold (point system).

1) Determination of compliance

Compliance in this context refers to whether or not the offer substantially meets the quantitatively and qualitatively defined criteria as per the requirements (specifications/TOR/SOW etc.) and other qualification criteria as stated in the solicitation documents. If the offer complies with all the criteria specified in the solicitation documents, the offer is deemed substantially compliant, and a comparison of prices of all substantially compliant offers can be conducted.

In the case of more complex requirements, the 'lowest priced, substantially compliant offer' methodology is only suitable if compliance of an offer is defined as an offer scoring above a stated threshold of technical points established in the solicitation documents. Thus, to be able to use this method for more complex purchases, a point system must be established prior to the issuance of the solicitation documents, and the

solicitation documents must include information about the evaluation criteria, the point system, and the number of points allocated to the various evaluation criteria. Further, the solicitation documents must establish a threshold of points for compliance. It is also possible to provide for separate thresholds for individual criteria. Offers scoring below the stated threshold in the evaluation, are determined to be substantially non-compliant, and must be eliminated from further evaluation.

A two-envelope system where suppliers are requested to submit their technical and financial offers separately in two sealed envelopes shall be used when a threshold is used to determine compliance. The envelope containing financial information is not to be opened for those offers that do not meet or exceed the threshold (please refer to Chapter 5.4.3.3, Opening of bids, for further information).

2) Selection of the lowest priced, substantially compliant offer

When compliance has been determined, and non-compliant offers have been eliminated from further evaluation, UNOPS must select the lowest priced, substantially compliant offer.

All pricing details requested from the supplier are taken into account to determine the correct price to evaluate upon. Various factors such as the price of the goods combined with the freight cost up to the final destination, and the full life-cycle cost could be taken into account (if specified as evaluation criteria). The item price stated in the offer is not necessarily the price to base the evaluation upon. It must be clearly stated in the solicitation documents which price factors will be considered for the evaluation.

Various price factors to be considered:

Freight:

When including freight in the specifications, evaluation must be made on the total cost, delivered to final destination, taking into consideration the possibility of UNOPS purchasing FOB/FCA and contracting separately for the freight (for more information on Incoterms, please refer to Chapter 9, Logistics and procurement).

In such situations UNOPS must evaluate different scenarios and price combinations; in particular UNOPS must compare CPT prices of bidders with the total FCA prices of bidders plus freight price of freight forwarders.

Life-cycle costs:

The full life-cycle cost of a product typically takes into account costs associated with the purchase and use of the product:

- product cost,
- freight cost,
- operational cost (e.g. electricity, fuel, consumables),
- installation and training cost,
- maintenance cost (e.g. after sales services, repair, spare parts),
- life-time cost of a product,
- disposal cost etc.

3) Selection of the lowest priced, substantially compliant offer for multiple schedules/lots:

Where multiple lots are being tendered in one or more solicitations at the same time and individual bidders are likely to bid for more than one lot/assignment, it is important to establish a link between the respective processes. This can be effected either by grouping all the assignments together in a single tender with multiple lots or by issuing separate tenders, in which case it is essential to state in each individual tender that it is linked to the other tenders (i.e. state in each tender that when determining a supplier's capacity for award of multiple contracts, supplier capability evaluation will take into account awards already made / recommended in the other related tenders). Either way, the tender must address the issue of how UNOPS will award lots where a supplier does not meet all post-qualification criteria (e.g. capacity, turn-over requirements, etc.) for all the lots for which it is lowest priced, substantially compliant. The usual way to do this is to state in the tender that where a supplier bidder does not meet all post-qualification criteria to perform all lots for which it is lowest priced substantially compliant, UNOPS will award each of the affected lots in a manner which achieves the best overall value-for-money combination for UNOPS.

In practice this means that in situations where a bidder has offered the lowest evaluated bid price (i.e. the L1 bidder) for more than one lot in the same tender or group of linked tenders and at the post-qualification stage of the evaluation it is determined that the bidder does not meet some post-qualification requirements for the offered lots (e.g. turn-over requirement, etc.), UNOPS shall proceed as follows:

- A price comparison lot-wise shall be made between the L1 bidder and the second lowest bid price (i.e. the L2 bidders for each lot);
- The price difference between the L1 and L2 offers for each lot is then calculated;
- In order to achieve the highest savings and select the most cost effective combination of multiple offers for the final recommendation of award, the lots where the price differences between the L1 offer and the offer of the L2 bidder are higher are awarded to the L1 bidder until the combination of all lots awarded to the L1 bidder reaches the value that could be awarded to the L1 bidder taking into account the post-qualification requirements as stated in the tender document(s) (e.g. production capacity, turnover, maximum contract value, etc.).

6.3.3 Cumulative analysis methodology (RFP)

Under the cumulative analysis method, a total score is obtained upon the combination of weighted technical and financial attributes of proposals. The bidders' offers are evaluated and points granted based on how well the offers meet the criteria defined in the solicitation documents.

This method of evaluation is used when offers have been solicited on the basis of an RFP, and it is necessary to undertake a more complex evaluation based on a number of variables of differing importance. The method is typically used for the procurement of services, where the relative importance of each evaluation criterion needs to be weighted. It can also be used for the evaluation of offers for complex goods and works requiring the evaluation to be based on a number of criteria other than price in order to ensure best value for money, and where it is difficult to evaluate an offer on the compliant/non-compliant scale only.

The method requires a two-envelope procedure where bidders are requested to submit their technical and financial offers separately in two sealed envelopes. The evaluation of the technical offers shall be completed prior to the opening and evaluation of the financial offers.

The solicitation documents shall state the number of points available for the technical and the financial proposals respectively. The technical proposal is to be evaluated using predefined evaluation criteria. The evaluation criteria are to be defined in the solicitation documents together with information about the number of points assigned to each of these criteria.

Under this method of analysis, price is one of the evaluation criteria. In general, the more complex the assignment, the more significant the end product, and the less comparable the proposals, the less influence price should have on the selection, and the points allocated to the financial proposal would be lower. For tasks of a more straightforward nature, price can play a significant part in the selection process, provided that the other criteria are also met. The total number of points available for the technical proposal is normally higher than the total number of points available for the financial proposal. This way the risk of selecting a non-performing supplier is reduced, and the saving achieved by selecting the lower priced offer is not outweighed by the implications caused by a non-performing supplier. Thus, the financial proposal is typically given between 15 and 50 percent importance.

The financial offer shall be opened only for those offers where the scores in the technical evaluation meet or exceed the stated threshold, usually **60 percent** of the points available for the technical proposal. For those offers where the technical proposal does not reach the minimum specified score, the corresponding financial offer is not eligible for further consideration, and the financial proposal shall be shredded or returned to the bidder unopened, accompanied by a letter notifying the bidder thereof, in line with the instructions of the solicitation documents. The financial proposal must not be shredded or returned to the bidder until award of contract has been provided by the relevant Procurement Authority.

The maximum number of points assigned to the financial proposal is allocated to the lowest priced proposal. All other price proposals receive points in inverse proportion according to the following formula:

$$p = y \times \mu / z$$

where:

p = points for the financial proposal being evaluated
y = maximum number of points for the financial proposal
μ = price of the lowest priced proposal
z = price of the proposal being evaluated

This formula for point allocation is incorporated into the 'Total evaluation of proposals' template.

The proposal obtaining the overall highest score after adding the score of the technical and the financial proposals is the one that offers best value for money.

6.4 Evaluation Process

Upon receipt and opening of offers, the evaluation of offers must be conducted according to the evaluation criteria and method defined during the preparation of the solicitation documents and clearly established in these documents. Under no circumstances can new or revised evaluation criteria be introduced during the evaluation of offers nor can the method of evaluation be changed. This provides the basis for an objective and transparent evaluation process.

The evaluation process comprises the following steps:

- Establishment of evaluation team
- Receipt of opening report
- Preliminary evaluation
- Technical evaluation
- (Post)qualification
- For two-envelope evaluations: completion of technical evaluation report and opening of financial offers
- Financial evaluation
- Clarifications, if required
- Identification of the winning offer
- Evaluation report
- Negotiation, if applicable
- Background check

Evaluation of bids and proposals should be completed before the validity of the offers expires. The procurement personnel must also take into account the additional time required for obtaining approval from the PA and for issuing the contract. Bids or proposals must also be valid at time of contract issuance. In the event that these conditions are unlikely to be met, bidders must be requested to extend the validity of their bid or proposal.

6.4.1 Establishment of evaluation team

In order to conduct a fair and unbiased evaluation of offers, evaluation must be undertaken by a team consisting of at least two members. The actual number of people on the evaluation team will depend on the nature, complexity and value of the procurement activity, but should not normally exceed five.

The purpose of the evaluation team is to verify that the suppliers and their offers satisfy the requirements of the solicitation documents, and to evaluate the offers according to the predefined evaluation criteria.

The evaluation team members shall be appointed, in writing (e.g. through an email), by the PA to provide objective and independent advice based on their knowledge of the specific subject matter. The evaluation team must be chaired by an experienced individual, appointed by the PA. The chairperson appointed to lead the evaluation panel should have at least five years of procurement experience, sound knowledge in acquisition of the requirement in question, and required soft skills to interact efficiently with various stakeholders.

The procurement personnel responsible for carrying out the respective procurement process shall prepare evaluation documents in accordance with the evaluation criteria stated in the solicitation documents, and brief the evaluation team members about their role ensuring their familiarity with the applicable evaluation criteria.

The chairperson must remind the team members that deliberations of the evaluation committee are strictly confidential, and that information about the content of the submissions or the evaluation process is not to be revealed outside the group of evaluation team members. In particular:

- During bid evaluation, access to bids is restricted only to the members of the bid evaluation committee and to observers;
- Correspondence with bidders must not be shared outside the bid evaluation committee.

Finally, team members must be instructed to immediately indicate if they are in a potential conflict of interest situation with any of the suppliers (e.g. owning shares in supplier company, family relationship with suppliers, etc.), in which case they shall ask to be replaced.

In particularly complex procurement processes (e.g. complex specifications, high bid values, complex post-qualification criteria, etc.), external subject matter experts may be contracted to assist in the evaluation process as one of the team members. Any such external subject matter expert contracted by UNOPS shall be considered to be UNOPS personnel for the purpose of determining whether UNOPS has the majority vote in the evaluation team. Please refer to the Individual Contractor Agreement policy.

Representatives from the funding source, the client organization, or national counterparts may be appointed as members of the evaluation team or act as observers. However, UNOPS personnel must always have the majority vote in the evaluation team, unless explicitly stated otherwise in the project agreement with the client or a specific approval of the Executive Director is given.

All observers or participants in the evaluation team who are non-UNOPS personnel must sign confidentiality and no conflict of interest statement prior to the evaluation.

Members of the evaluation team are only those formally appointed by the PA and do not include for example the supervisor of the members.

Confidentiality Affidavit Observers
Confidentiality Affidavit Participants

6.4.2 Material deviation

UNOPS must maintain fairness and transparency and ensure that bids are rejected only and whenever deviation to the requirements is material. However, in order to achieve value for money, it is important not to disqualify bids solely for non-material (minor) deviation(s).

A material deviation is one that:

- would affect in any substantial way the scope, quality, or performance of the goods and related services specified in the contract; or

- would limit in any substantial way, inconsistent with the bidding documents, UNOPS's rights or the bidder's obligations under the contract; or

- if rectified would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

To this end, bid evaluation committee chairpersons must have a clear understanding of what represents a material deviation.

During examination of the offers (preliminary, technical, financial and supplier qualification; see Chapters 6.4.3 to 6.4.6) consistency must be applied when determining whether a deviation is material or not, for the sake of fairness and transparency.

UNOPS bid evaluation chairpersons should identify material deviations during each phase of the bid evaluation process: Preliminary examination, Technical evaluation, Price evaluation, Supplier Qualification, as described in the next sections.

Any other deviation should not be considered as material, i.e. clarifications may be requested by the bid evaluation committee and missing documents (only historical or original versions of those documents that have already been provided, with the exception of those documents that must be supplied in original form by the bid receipt deadline; e.g. bid securities) may be submitted by bidders. When bidders are requested to submit clarifications or missing historical information or documents, it is important to give bidders an acceptable deadline. Once the deadline is past without satisfactory response, the bid evaluation committee must reject the bid.

6.4.3 Preliminary examination

In order to avoid spending further resources on the evaluation of invalid offers, the evaluation team should eliminate offers containing material deviation at an early stage of the evaluation process by performing a preliminary examination of offers against the formal criteria.

The evaluation team should eliminate offers in the following situations:

1) Lack of proper bid securities in terms of change in the wording, amount, validity period. Change in the wording that is consistent with the prescribed format is not a material deviation.

2) Absence of bid form, change in the wording or lack of signature of key portions of the bid form when this is clearly specified in the tender document as a requirement. Change in the wording that is consistent with the prescribed format is not a material deviation.

3) The bidder indicates in the bid that they do not accept important contract conditions, i.e. related to Performance Security, Warranty, Force Majeure Applicable Law, Delivery Schedule, Payment Terms, and Limitation of Liability.

4) Non historical documents required in the solicitation document have not been provided (PS: A non-historical is a document specifically related to the tender and one that the bidder could not be expected to possess before the solicitation document was issued; e.g. a bid security). In the event of a Power of Attorney (POA) being required, not having a valid POA on the date of signing the bid would render the bid substantially non-responsive. If no POA is provided or if the POA adduced is technically defective or invalid, the bid evaluation committee must ascertain if the bidder has in his possession a historical document (i.e. a valid pre-existing POA in his favour) that could be considered to qualify the bid as substantially responsive. If no such document exists or the document produced is fresh, i.e. it is a non-historical document, the bid would become non-responsive.

5) Non eligibility of the bidder or of the origin of the goods or services offered.

6) Financial information is included in the technical proposal when using the two-envelope method.

See Chapter 6.4.2, Material Deviation.

6.4.4 Technical evaluation

Well defined requirements are paramount and usually reward the time and efforts taken to produce correct specifications with easy, fast and successful technical evaluation. Therefore, efforts should be concentrated on defining the correct specifications prior to the start of solicitation process. See Chapters 2.5.2.2 & 2.5.2.3 for details regarding definition of requirements.

One-envelope solicitation:
Bids received in response to a one-envelope solicitation must be rejected when they contain material deviation i.e. when the specifications of the items quoted vary in one or more significant aspect(s) from the minimum required technical specifications.

If a large number of bids are received in response to an ITB making technical evaluation of all the bids impractical, bids may be evaluated in batches to reduce the evaluation time and transactional costs. Once price evaluation has been completed for all bids having passed the preliminary examination stage, a master table containing bid prices and corrected bid prices must be prepared. The evaluation team may then decide to admit to technical evaluation a batch consisting of the “N” lowest bids, after price correction (where “N” is decided upon by the evaluation team: normally between three and five bids).

The lowest technically responsive bid amongst these bids is also the lowest technically responsive bid amongst all the bids.

If the first batch of “N” bids does not yield at least three technically responsive bids, a next batch of “M” bids shall be admitted to technical evaluation, and so on, in order to have at least three technically responsive bids.

Two-envelope solicitation:
In the case of the two-envelope solicitation method, the technical proposal submitted by any bidder would be rejected when the bid does not obtain the minimum required number of points to qualify. The corresponding financial offer cannot be opened. It should then be handled as specified in the solicitation document; i.e. the financial proposal would usually be shredded or returned unopened to the bidder (see Chapter 6.3.3, Cumulative analysis methodology, for more information about the two envelope system).

When the two envelope system is used, the technical evaluation of the proposals and qualifications of the suppliers are done simultaneously.

6.4.5 Price evaluation

This is the process of comparing the offers with the financial criteria stipulated in the solicitation document and determining the price to base the evaluation upon.

One-envelope solicitation:
In the case of the one-envelope solicitation method, prices of bids which have been found to be responsive further to the preliminary examination and technical evaluation shall be compared.

Prior to price comparison the bid evaluation committee must correct arithmetical errors on the following basis:

(a) If there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of UNOPS there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected; and

(b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and

(c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

For further information on how to treat arithmetic errors in price, see Chapter 6.6, Modification of offers.

Once price correction has been undertaken, discounts must be evaluated when applicable and currency conversion into one base currency (as specified in the solicitation document) must be done.

If the supplier offers early order/placement, or early payment discounts, this is usually not taken into account in the evaluation unless clearly stated in the solicitation document. However, the discounts can be taken advantage of if offered by the selected supplier (i.e. the supplier is selected based on the regular price without taking discounts into account, but when placing the order, any available order placement discounts are taken advantage of, if possible).

Quantity discounts are taken into account in the evaluation, and must be evaluated as a separate offer.

The final price comparison in one single currency must take into account corrected errors, discounts, and any required adjustments.

During price evaluation, a deviation would be considered material in one of the following situations:

- The bidder does not accept the required price correction as per the condition of the solicitation document (in which case the bid security of the bidder that submitted the lowest evaluated bid may be forfeited).
- Required price components are missing.
- The bidder offers less quantity than what is required.

Two-envelope solicitation:
In the case of the two-envelope solicitation method, the price is evaluated only for those bidders that qualify technically. When using the cumulative analysis evaluation method, the score of the financial proposal is calculated based on the formula for point allocation (see Chapter 6.3.3, Cumulative analysis methodology).

During financial evaluation, a deviation would be considered material when required price components are missing or deviate from the requirements (e.g. less number of days for consultancy are offered and priced).

6.4.6 Supplier qualification

One-envelope solicitation:

In the case of one-envelope solicitation, qualification of the bidder is done after price and technical evaluation have been performed; therefore this process is called post-qualification.

Post qualification is only carried out for the bidder(s) with the lowest evaluated bid price lot wise whose bid was found to be technically responsive. Post-qualification consists of checking the background of the supplier(s) identified for contract award after financial and technical evaluation in order to ensure that the identified bidder(s) is (are) qualified and capable of successfully completing the contract (i.e. the entity is financially solvent, has the required experience, has sufficient production capacity, has good standing in the business community etc.).

If the evaluation process is to include a supplier qualification exercise, the solicitation document must clearly state for the sake of fairness and transparency:

- that post-qualification of the lowest technically responsive bidder(s) will be undertaken; and
- the minimum qualification requirements and the extent of the supplier qualification; and
- that offers of bidders not meeting the qualification requirements will be rejected.

The extent of the supplier qualification must be reasonable and related to the value of the contract and the complexity of the specific case.

The following aspects could be considered for supplier qualification purposes:

4) Legal and regulatory requirements;
5) Technical capability and experience;
6) Financial capability;
7) Institutional and workload capability.

The bidders whose bid meets all post qualification criteria for the items or lot for which they submitted the lowest evaluated bid price must be recommended for contract award as they submitted the lowest priced substantially compliant bid.

As a minimum, all solicitation documents for procurement values greater than USD 250,000 shall contain the following supplier qualification requirements:

- Evidence that the bidder is established as a company and legally incorporated in the country; e.g. through provision of certification of incorporation or other documentary evidence (this is not required for companies already registered in national, regional or international Stock Exchanges);

- In the event of a joint venture, legally valid joint venture agreement specifying the financial stakes of each of the joint venture partners;

- Written confirmation from the bidder that the bidder is neither suspended by the United Nations system nor debarred by the World Bank group;

- For procurement of drugs: Confirmation of acceptance by the responsive bidders that the purchaser may inspect their production site or the site of their manufacturers of the goods being offered before the award of the contract, in order to assess the supplier's/manufacturer's capacity to successfully perform the contract as per the terms and conditions specified in the bid document. This may include inspection by the Drug Controller General of the country to check whether the manufacturing facilities of suppliers and their manufacturers continue to meet the requirements of WHO-GMP certificate issued for these facilities;

- For procurement of drugs: A copy of the manufacturing license.

For procurement values greater than USD 500,000, additional requirements should be included regarding Financial Capability, Experience and Technical Capacity. Bidders should be accordingly requested to provide documentary evidence accordingly together with their bid.

Examples of Financial Capability, Experience and Technical Capacity requirements:

(a) Financial Capability:

1. Annual sales turnover of minimum of XXXX for schedule I, YYYY for schedule II, etc. during any one of the last three years to qualify for a schedule. To qualify for multiple schedules the turnover requirement shall be the sum of requirements against individual schedules.

2. Liquidity ratio: e.g. Current ratio (Current Assets/ Current liabilities) > 1 including supporting documents such as balance sheets and audited financial statements for the last three years, with accompanying audit report, banker's certificate, etc. duly certified by a chartered accountant.

3. Documentary Evidence that the bidder has successfully completed at least one similar contract within the last five years for supply of goods against the lot offered. Value of each completed contract should be minimum USD XXX for Lot 1; USD XXX for Lot 2, etc. and should include comparable products. This requirement will not be cumulative when offering for multiple schedules.

4. Provide contact details of commercial banks and names of contact persons from whom UNOPS could seek feedback.

(b) Experience and Technical Capacity:

1. Registration details of the company.

2. Experience to undertake the works:
   - List of similar works executed for other clients including contract details.
   - Evidence that the bidder possesses experience in the geographical area.
   - Years of experience in performing the works: minimum YYY years (care must be taken when selecting the number of years; e.g. when there has been only one year of peace history in a country after a long war period, required experience in the country should not be, for example four years).

3. Bidder's understanding of the task and planning of the works:
   - Proposed planning and methodology, with schedule indicating the expected number of working days for each skilled and unskilled worker.
   - Realistic works plan, with a contingency plan (integrating the challenges of the rainy/dry season/ security considerations /post-conflict environment, etc.).
   - Procurement plan, with details of materials and labour.

4. Staff capability to undertake the works:
   - Experience of key site management and technical personnel proposed for the contract. Minimum XXX years of experience.
   - Details of key technical personnel to be assigned for the works (CVs to be submitted).

5. Company's managerial capability:
   - Details of company's managerial structure.
   - Quality assurance systems in place.

6. Bidder must have manufactured and supplied satisfactorily similar goods to the extent of at least xx percent of the quantity as mentioned against each schedule during any one of the last three years and the goods should have been in use satisfactorily with no adverse report. The requirement is not cumulative, i.e. if the bidder qualifies for a schedule as per this requirement, then he qualifies for all the schedules with lower quantities.

7. Details of experience and past performance of the bidder on equipments offered and on those of similar nature within the past five years and details of current contracts in hand and other relevant commitments.

8. Client's certificates in support of the satisfactory operation of the goods as specified above.

9. Data to support that the bidder has production capacity to perform the contract and complete the supplies within the stipulated delivery period or data to support that it has an installed annual production capacity for the specific item to match the quantities required. To qualify for

multiple schedules, the installation capacity requirement shall be the sum of requirements against individual schedules.

10. Evidence that the bidder is in continuous business of manufacturing/supplying and providing after sale services for goods similar to those offered during the last three years prior to bid opening date.

11. Brief write-up, backed up with adequate data, explaining available capacity and experience in the manufacture and supply of the required products within the specified time of completion after meeting all their current commitments.

12. Confirmation that all the facilities exist at the factory for inspection and testing and these will be made available to the purchaser or his representative for inspection.

13. For procurement of drugs: Confirmation that the bidder has received from the regulatory authority (RA) in the country of manufacture of the goods, a satisfactory GMP inspection certificate in line with the WHO certification scheme on Pharmaceuticals moving in International Commerce for the factory where the specific pharmaceuticals are manufactured and are being offered for supply or the bidder has been certified by the competent authority of a member country of the Pharmaceuticals Inspection Convention (PIC), and has demonstrated compliance with the above said quality standards during the year prior to bid submission.

14. For procurement of drugs: By the time of contract signing, the successful bidder shall have submitted a valid Certificate of Pharmaceutical Product (COPP) as recommended by the WHO for each drug and pharmaceutical offered. The bidder shall provide a separate undertaking to this effect along with the bid.

15. For procurement of drugs: A statement of installed manufacturing capacity certified by Regulatory Authority.

16. For procurement of medical devices: Has shown evidence of compliance [for the factory where the specific goods are manufactured and are being offered for supply] with ISO 13485:2003 (or FDA 21 CFR 820) by way of accreditation by an independent recognized certification body, and a protocol for testing quality and shelf-life of products by the manufacturer.

17. The bidder shall disclose instances of previous past performance that may have resulted in adverse actions taken against the bidder and the manufacturers whose products are being offered by the bidder, in the last five years. Such adverse actions may be treated as unsatisfactory performance history while deciding the award of contract. If no instance of previous past performance has resulted into adverse actions, this must be clearly indicated in the bidder's bid.

18. A list giving full particulars, including available sources and current prices of spare parts, special tools, etc., necessary for the proper and continuing functioning of the equipments for a period of xxxx years following installation.

Examples of qualification requirements for non-manufacturer bidders:

(a) Legally enforceable authorization from the manufacturer assuring full guarantee and warranty obligations as per the tender conditions for the goods offered; and

(b) The bidder, as authorized by the manufacturers, has supplied and provided after sales service for similar goods to the extent of at least 20 percent of the quantities indicated in the tender requirements in any one of the last three (3) years, and the goods must be in satisfactory operation.

(c) Financial Experience and Technical Capacity requirements of the manufacturer similar to those mentioned above.

Even when bidders meet the above qualifying criteria, the solicitation documents must indicate that bidders will be disqualified if they have made misleading or false representations in the forms, statements and attachments submitted as evidence of the qualification requirements; and/or record of poor performance such as, not properly completing the contract, inordinate delays in completion, unusual litigation history, financial failures etc.

Additionally, the procurement personnel can access credit reports showing financial business information concerning the bidders. See LTA for background check services (click here).

At the stage of post-qualification, bids should be rejected when bidders do not meet the minimum qualification requirements.

Where multiple lots are evaluated the tender must address the issue of how UNOPS will award lots where a supplier does not meet all post-qualification criteria. This is explained in details in Chapter 6.3.2, Lowest priced, substantially compliant offer methodology (ITB), paragraph 3).

Two-envelope solicitation:
In the case of two-envelope solicitation, the technical evaluation of the proposal and the supplier qualification are performed at the same time. See Chapter 6.4.4, Technical evaluation.

6.4.7 Clarifications from suppliers

In principle, offers shall be evaluated based upon the information provided in the offer. However, after the submission of offers, clarifications to the offers are sometimes required from suppliers in order to be able to conduct a proper evaluation process. The purpose of such clarifications is to clarify any aspects of the offer, and not to add or delete aspects of the offer, or otherwise modify any portions of the offer.

Clarifications to the contents of the offer may be sought, taking into consideration the principle of equal and fair treatment of the suppliers. The supplier(s) shall not be allowed to change the contents of their offer, but merely provide missing historical documents or minor clarifications enabling the evaluation team to fully understand the offer in order to carry out a fair evaluation. No change in the price or substance of the offer can be sought, offered or permitted, except as required in order to allow for correction of arithmetic errors discovered by UNOPS. All requests for clarifications must include a reasonable deadline. If the bidder has failed to provide the required information or to reply by the deadline, the offer must be rejected.

During the clarification discussions, no information about offers of other prospective suppliers can be divulged to the supplier.

The discussions can be conducted in a meeting, but also through means of written communication. Regardless of how the discussions are being conducted, all discussions shall be summarized in writing, along with clarifications provided, and kept on file for future reference.

Seeking clarifications from suppliers after receipt and opening of offers should not be mistaken with the modification of offers before submission deadline.

See Chapter 6.6 for details regarding modification of offers.

It may occur that the same person would represent several companies at bid opening. When sending queries to bidders during bid evaluation, the person having attended bid opening on behalf of the bidder must not be copied as the query could be on-forwarded to a competitor by the bidder's representative. The query must only be sent to the bidder. It is acceptable however that UNOPS informs the bidder's representative that a query has been sent by UNOPS to bidder X, Y, Z that they represent so that they can follow up directly with the bidders, However the content of the query must not be shared with the bidder's representative.

6.4.8 Complaints and representations

Replies to representations and complaints made by bidders during (and after) bid evaluation must be in line with what may or may not be disclosed, as stated in the tender document.

Depending on the nature of the complaints and representations received, the chairperson should consider seeking advice from LPG before replying. Whenever, impropriety is alleged, the chairperson should always send the complaints immediately to the UNOPS head of the relevant business unit.

6.4.9 Indication of potential fraud

While conducting evaluation of bids or proposals, the evaluation panel should satisfy itself that there is no indication of fraud, price-fixing or suspicious actions on the part of some bidders that might point out to the existence of a cartel.

The following are typical red flags indicating risks of collusion among bidders:

- Schedules are split between bidders; i.e. one bidder is lowest for schedule 1, the other for schedule 2, etc.; or one bidder quoted for schedule 1 only, another bidder for schedule 2 only, etc.

- Bank guarantees submitted by different bidders have been issued by the same bank and have almost identical reference numbers: e.g. A-123 and A-124.

- Details regarding ownership and management in respect of several bidders show that these bidders have same directors, partners, owners, etc.

When there is a clear indication of potential collusion, UNOPS should be guided by the instructions provided in Chapter 1.8.3, Ethical behaviour of suppliers and supplier suspension.

6.4.10 Identification of the winning offer

When using the 'lowest priced, most technically acceptable' methodology (purchases valued as not exceeding USD 50,000 only save where Chapter 11 applies) the lowest priced offer determined to be compliant is generally selected as the winning offer. However, this methodology offers the flexibility of selecting the most compliant technical offer should none of the offers be fully technically compliant. Exceptionally, selection of a higher priced offer can be justified if the difference in price is small while the technical qualities of the selected offer by far surpass those of the lowest priced offer. Selection of another offer than the lowest priced one requires well documented justification.

When using the 'lowest priced, substantially compliant offer' methodology, the winning offer is the lowest priced offer determined to be substantially compliant.

When using the 'cumulative analysis' evaluation methodology, the total score obtained, including both technical and financial proposals, is calculated for each offer. The offer obtaining the overall highest score is the winning offer.

6.4.11 Negotiations

Negotiations are discussions with a potential supplier after selection of the supplier, but prior to award of contract, with the purpose of ensuring best value for money for UNOPS in the procurement process without compromising the principle of fair and equal treatment of all suppliers. Negotiations regarding the detailed terms and conditions of a contract between UNOPS and a supplier are treated as a separate issue in Chapter 8, Contracting.

In principle, negotiations are usually not undertaken when formal methods of solicitation are used. However, in such situations, negotiations can still be justified , for example if only one bid has been received and the price is not deemed competitive, in order to ensure best value for money for UNOPS. Negotiations can prove very effective in situations of directly negotiated contractsin order to ensure competitive prices.

Negotiations are confidential between UNOPS and the supplier, and no information relating to the negotiations may be revealed by any party.

For negotiations conducted with the selected supplier(s), , as a minimum two UNOPS individuals must be involved. It is recommended that each individual is given roles to play in the negotiations and that prior to negotiations roles and responsibilities for UNOPS individuals are clearly set out to ensure optimum results.

In the rare event that price negotiations take place after the award of contract, the contracts and property committee and/or the awarding PA must be kept informed about the outcome of the negotiations, through submission of minutes of the negotiations or other written documentation of the discussions, in order to complete the records and ensure proper audit trail.

Negotiations with the supplier(s) are carried out according to certain procedures, depending on the chosen method of solicitation:

6.4.11.1 Negotiations of proposals selected based on the 'cumulative analysis methodology' (based on an RFP)

The purpose of negotiations of offers selected based on the 'cumulative analysis methodology' is to ensure that the technical proposal is in line with requirements and that the financial proposal is competitive on all aspects of the price.

Negotiations with the supplier regarding the contents of their offer can only be conducted:

1) if provided for in the solicitation documents, and
2) with the supplier presenting the winning proposal as per Chapter 6.4.10 above, Identification of the winning offer

In the negotiations, any deficiency in the offer must be pointed out to the supplier. The supplier must be allowed to make adjustments in the proposal in order to improve and more clearly specify the contents of the offer. However, under no circumstances shall the requirements (Terms of Reference/specifications/SOW) be changed. If the requirements are changed, the competitive process shall be cancelled, and a new tender process shall be initiated on the basis of the revised requirements.

If due cause exists, negotiations of the financial proposal of the supplier presenting the best offer; i.e. the offer having received the highest number of points (technical plus financial) may be permitted. Negotiations with the other bidders are not permitted. Proper justification must be provided explaining the reason why negotiations are conducted in the particular case. Under no circumstances may negotiations take place for the sole purpose of reducing prices, as this would contravene the principle of equal and fair treatment of all suppliers.

Due cause for conducting negotiations after a formal method of solicitation based on the 'cumulative analysis' methodology, would include without limitation, cases:

1) of budget constraints, where the available budget is not sufficient to purchase the requested item(s);

2) where the highest scoring offer bid is offering additional services which were not required in the solicitation document;

3) where DSA rates, travel cost etc. are not in line with standard rates; or

4) when there is only one compliant bid and, following analysis in accordance with Chapter 6.7.1, Justification for reasonableness of price, the evaluation team has concluded that the offered price is not reasonable.

6.4.11.2 Negotiations in respect of bids selected based on the 'lowest priced, substantially compliant offer' methodology (based on ITB)

When the selection is based on the lowest priced, substantially compliant offer methodology, negotiations are generally not permitted.

If due cause exists, negotiations may be permitted only with the supplier presenting the lowest priced, substantially compliant offer. Negotiations with the other bidders are not permitted. Proper justification must be provided explaining the reason why negotiations are conducted in the particular case. Under no circumstances may negotiations take place for the sole purpose of reducing prices, as this would contravene the principle of equal and fair treatment of all suppliers.

Due cause for conducting negotiations after a formal method of solicitation based on the 'lowest priced, substantially compliant offer' methodology, would for instance be:

1) budget constraints, where the available budget is not sufficient to purchase the requested item(s) and supplier agrees to reduce the prices;

2) the lowest substantially compliant bid is offering additional services or equipments which were not required in the solicitation document;

3) marginal quantity increases leading to quantity discounts (i.e. the tendered quantity can be increased) would require negotiations with the selected supplier; or

4) if there is only one compliant bid and, following analysis in accordance with Chapter 6.7.1, Justification for reasonableness of price, the evaluation team has concluded that the offered price is not reasonable.

However, in cases where the quantity is substantially increased, or if the market price of the goods is likely to or may have dropped substantially between the deadline for the submission of bids, and the date of completion of the evaluation, re-tendering should be considered.

6.4.12 Best and final offer (BAFO)

6.4.12.1 BAFO for offers selected based on the 'cumulative analysis methodology'

The 'Best and Final Offer' ("BAFO") is an optional step in the selection of offers with the objective of enhancing competition, and thus ensuring best value for money for UNOPS. BAFO can be used in the context of an RFP only if due cause exists, i.e. offers received barely meet the minimum threshold and no clear winner is identified, or offers contain ambiguities, obvious mistakes, deficiencies, etc. All members of the evaluation team must agree to opt for a BAFO before it can be issued.

BAFO is a complex and high risk tool, and must only be used in special cases and by personnel with extensive experience in evaluation and negotiation.

Upon completion of the overall evaluation, the evaluation team may decide to engage in competitive negotiations with all suppliers having passed the threshold of the technical evaluation, to ensure effective competition. The purpose of BAFO is to clarify ambiguities, correct obvious mistakes, point out weaknesses and deficiencies, and generally seek improvements in both the technical and financial offer.

When the conditions for requesting a BAFO are met, the chairperson of the bid evaluation team shall issue a written request to all qualified suppliers to submit their best and final offer before a specific date and time as a follow up to their initial proposal. Suppliers shall be informed of the deficiencies of their offer and that price increases will not be accepted, and in the event that they decline to alter the terms of their original proposal, such decision will not disqualify them. The suppliers must be given a reasonable period of time to submit their BAFO, taking into account the complexity of the procurement action. If the financial value of the proposal exceeds USD 50,000 the BAFO shall be submitted to a secure email or fax number.

The request to submit a BAFO shall not contain any information regarding the evaluation, or any information on the chances for contract award.

Upon receipt of the BAFOs from the suppliers, the evaluation committee shall reconvene and update the technical and financial evaluation, as necessary, and shall make a final comparison of the competing offers.

6.4.12.2 BAFO for offers selected based on the 'lowest priced, substantially compliant offer methodology'

The 'Best and final offer' for bids selected based on the 'lowest priced, substantially compliant offer' methodology can only be used when the lowest priced substantially compliant bids are for exactly the same price and it is not possible for UNOPS to identify a winner.

In such situations, the purpose of BAFO is for UNOPS to be able to make a selection decision.

When the conditions for requesting a BAFO are met, the chairperson of the bid evaluation team shall issue a written request to the lowest substantially compliant bidders to submit their best and final bid within a specific date and time. Suppliers shall be informed that:

- They are not allowed to change the specifications of the offered products;
- They are not allowed to change any bid conditions (delivery time/terms, special conditions, etc.);
- Only the price can be modified.

The suppliers must be given a reasonable period of time to submit their BAFO.

The request to submit a BAFO shall not contain any information regarding the evaluation, or any information on the chances for contract award.

If the financial value of the bid exceeds USD 50,000 the BAFO shall be submitted to a secure email or fax number.

Upon receipt of the BAFOs from the suppliers, the evaluation committee shall reconvene and update the financial evaluation of the bids, as necessary, and shall make a final comparison of the competing offers.

6.4.13 Evaluation report

Results of the quotation/bid/proposal evaluation and supplier qualification shall be documented in an evaluation table and summarized in the evaluation report. Use of Bid Evaluation Report template, available on the intranet is recommended for consistency purposes and to reduce risks of errors.

The evaluation report documenting the evaluation process shall be signed by all the members of the evaluation panel, initialled on every page (except for historical annexes such as the RFQ/ITB/RFP, amendments, clarification notes etc.) by at least two members of the panel and kept on file for future reference. The evaluation report must be dated, identify the process to which it relates and the name of each signatory must be printed under the signature. The evaluation report will later be used as the basis for the recommendation of award. An evaluation report typically contains a summary of the evaluation process and its individual steps as outlined above including the point allocation for each offer, if applicable. Important evaluation criteria must be reflected in the evaluation report. Any rejection, non-compliance, and clarifications of offers must be clearly stated, including a list with the final ranking of the offers and the reasoning on how the winning offer(s), was/were selected.

In the cases when evaluation methodology is 'lowest priced most technically acceptable offer' or 'lowest priced substantially compliant offer' particular attention must be given to ensure that the reasons for disqualifying offers with prices lower than the selected offer are clearly stated in the report.

If there is less than three compliant offers, the evaluation report must include an analysis as to whether the proposed price is reasonable (see Chapter 6.7.1, Justification for reasonableness of price, below).

For procurement of goods, if offers were received under both FCA and CPT Incoterms, the evaluation report must explain how the evaluation team established that the selected incoterm for the award is the most advantageous for UNOPS.

The evaluation report is an internal UNOPS document and must not be distributed to individuals other than those involved in the relevant procurement process.

Evaluation of goods – Workbook & Report (Lowest priced, substantially compliant offer methodology)
Evaluation of services – Table (Cumulative analysis methodology)
Evaluation of works – Table (Lowest priced, substantially compliant offer methodology)

6.4.14 Suppliers with pending claims, disputes and contentious issues

In the event that UNOPS has a dispute, claim or other contentious issue pending with a supplier, that either compromises or calls into question the ability of that supplier to perform or where performance would be inconsistent with the effective resolution of any dispute, the Director, Procurement Practice Group (PPG) after consultation with the General Counsel, may instruct all UNOPS personnel to refrain from procurement actions with such supplier, until the matter has been resolved or otherwise considered to be no longer contentious.

It is the responsibility of each UNOPS Head of business unit to ensure that such supplier is not included in UNOPS procurement actions and that no awards of contracts to the supplier are made. It is the responsibility of PPG to make known to all relevant UNOPS personnel the names of suppliers with which UNOPS must not engage in business.

Likewise, it is the responsibility of each UNOPS Head of business unit to inform the Director, PPG of any disputes, claims or other contentious issues between a supplier and the respective UNOPS business units.

The Director, PPG will take the necessary actions to resolve the issue. Once a dispute, claim or contentious issue has been resolved, the Director, PPG shall notify all relevant UNOPS personnel, as well as the supplier in question as to the timing and extent to which the supplier may be considered for future UNOPS procurement actions.

6.5 Withdrawal after submission deadline

Withdrawal of submissions after the announced deadline shall in principle not be honoured, and in such cases UNOPS shall open and evaluate the withdrawn offer together with the other offers. If the supplier has furnished a bid security, UNOPS shall withhold it. If the offer is selected after an evaluation, the bid security must be cashed, unless the supplier is willing to provide the goods/services/works offered in its original submission. If no bid security was requested, the issue will have to be solved through negotiations. Legal advice should be sought from LPG, if required.

However, in certain cases where the supplier is able to justify the withdrawal of its submission, UNOPS may accept withdrawal after the submission deadline. An acceptable justification could for instance be the lack of capacity to undertake the UNOPS assignment due to having been selected for other assignments in the same time period. If the supplier could not have foreseen this, UNOPS could accept the supplier's

withdrawal of submission, as it might be seen as a responsible action by the supplier to notify UNOPS of its capacity problem.

Further, it should be considered whether it is in the interest of UNOPS to keep the supplier to its offer after the supplier has withdrawn it, as it might perform poorly, for instance due to lack of capacity to undertake the assignment.

Regardless of whether or not the withdrawal is justified, withdrawal of submission after the announced deadline for submission is a serious matter. If not acted upon by UNOPS, suppliers may speculate by submitting favourable offers in the tender process, and then withdraw them if the market conditions have changed to the supplier's disadvantage (e.g. the market prices of the product have increased from the time of the submission deadline). Therefore, in cases where offers are withdrawn after deadline, suppliers shall always be given a written warning that this is not acceptable to UNOPS, and that it may exclude the supplier from future UNOPS tenders. A second warning to a supplier may result in exclusion from future UNOPS tenders. The procurement personnel must consult with a Legal Officer before issuing such warnings.

6.6 Modification of offers

Suppliers may modify their offers in writing prior to submission deadline. The modification shall be submitted as per the submission instructions, and shall be treated like any other offer by UNOPS.

Any alteration of the offer after the deadline for submission of offers shall not be accepted, unless such modification is due to obvious errors or omissions like the ones mentioned below, and the tender instructions allow for such corrections. Here is a list of the most common errors and omissions and how they should be treated:

1) Errors in totalling price: The unit prices will prevail, when errors in totalling have been made.

2) Where there is discrepancy between the amounts in figures and in words, the amount in words will prevail.

3) Apparent errors in price: UNOPS is not responsible for errors in price made by suppliers. However, UNOPS shall verify prices in cases where there is reason to believe that there is an error (price too low, too high etc.). The supplier shall then be informed that revision of the original price is prohibited, and that non-compliance shall result in rejection of the offer.

   If the supplier confirms that the original price is correct, the evaluation can proceed without further question. However, should the supplier acknowledge that the price is incorrect; the offer will have to be rejected, in order to adhere to the principle of fair and equal treatment of all suppliers.

   The communication with the supplier must be in writing and kept on file for the record in order to facilitate audits.

4) Failure of suppliers to provide a piece of information: This shall normally not require immediate rejection of the offer as long as it does not constitute a material deviation (see Chapter 6.4.2, Material deviation). If the supplier does not provide the information upon request, within a stated time limit, the offer shall be rejected. The supplier should be notified accordingly in writing and all communication on the matter be kept on file.

6.7 Review of offer received in situation of direct contracting

If direct contracting is justified (see Chapter 4.4.1, Exceptions) the contract is negotiated directly with the supplier. Direct contracting refers to engaging a supplier or contractor to supply goods, services or civil works without competition (single source). The contract is negotiated directly with the supplier. It also includes pre-selection under circumstances whereby the contractor has already been pin pointed by the funding source.

The offer from the supplier must nevertheless be submitted in writing, based upon information provided by UNOPS (preferably through the use of one of the standard UNOPS solicitation documents). The offer must be evaluated according to established criteria for evaluation , in the same manner as during a competitive selection process.

The purpose of such evaluation is to assess whether the offer is of an acceptable quality at a justifiable price. The fact that no comparison of offers exists, makes it more difficult to evaluate the offer, and to identify its possible deficiencies. In order to ensure the quality of the offer, it should be evaluated as substantially compliant/non-compliant or a threshold of technical points should be established, and the offer would only be accepted if considered substantially compliant or scoring above the stated threshold of technical points.

6.7.1 Justification for reasonableness of price

A financial evaluation shall be undertaken in order to ensure that the price is fair and reasonable. This can be done by performing a price/cost analysis. A few criteria can be used to determine that the price is fair and reasonable, such as:

- Comparison with market price (i.e. prices offered by other suppliers of the same or similar product or service)
- Comparison with catalogue or list price
- Comparison with valid LTA prices
- Historical price, i.e. how does the current price compare to a price paid in the recent past for the same or similar product?
- Whether the offer is similar to that for another comparable customer
- If the offer is custom-built, whether the cost breakdown of the offer shows that the price is fair and reasonable

If, after analysis, the evaluation committee does not consider the price to be fair and reasonable, UNOPS shall seek competition or negotiate with the supplier in an attempt to lower the price.

6.7.2 Negotiations of proposed contracts in situations of direct contracting

In instances where direct contracting is justified, negotiations should be undertaken prior to award in order to ensure best value for money by obtaining competitive prices and products.

Since no competitive tender process has been undertaken, UNOPS has no immediate proof that the product offers an acceptable price and quality. Since no comparison of offers has taken place in the evaluation process, UNOPS needs to make every effort to justify the selection and ensure the reasonableness of cost by attempting to obtain the most favourable terms and conditions for every aspect of the supplier's offer. Proper costing studies, market intelligence, expert consultations, verification of client references are key activities to be performed prior to such negotiations.

7 Procurement review and award of contract

All procurement activities are subject to a review process prior to award in order to ensure compliance with applicable regulations, rules, policies and procedures.

The review shall establish whether or not appropriate procedures have been followed, provide reasonable justifications whenever procedures have not been fully adhered to, provide a summary of the procurement activity, and ensure that the Procurement Authority (PA) is furnished with all material information required in order to award a contract.

Award is the decision authorizing establishment of a contract with a selected supplier or individual contractor.

Review and award include the following steps:

1) Preparation of submission for review and award
2) Review and recommendation to PA
3) Award by the PA

7.1 Preparation of submission for review and award

In order to facilitate the review process and subsequent award by the PA, documentation must be prepared summarizing the procurement activity including all actions taken, providing adequate justification whenever standard procedures have not been strictly followed, and establishing how the procurement activity has complied with the procurement principles and applicable policies and procedures. The documentation is an important part of the procurement file, and care must be taken to ensure that the documentation provides a complete and exact picture of the actual process.

Various standard documents exist, depending on whether the submission goes directly to the PA or through a contracts and property committee which provides a recommendation to the PA. Standard formats shall be used.

The documentation should be prepared by the personnel responsible for the procurement process. The same person is responsible for ensuring that the information is correct. The submission must be pre-cleared by the Procurement Advisor for procurement values equal or greater than USD 50,000.

Clearance must be provided by:
- the Head of the business unit (typically OC Directors, PC Managers, Cluster Managers) for LCPC submissions
- the Regional Director or an HQ Director or his designate (with the exception of the FPP and IAIG Directors) for HQCPC submissions.

For requests for award that require an HQCPC/LCPC review, please use the on-line HQCPC system and refer to Chapter 7.2.2, Scope of review by the contracts and property committees for the various HQCPC/LCPC thresholds. For other requests please use standard corporate forms.

Note to the file (cases below USD 50,000)
Request for review and award (Competitive – Less than USD 250,000 – no HQCPC/LCPC review required)
Request for review and award (Pre-selected contractor – Less than USD 250,000 - no HQCPC/LCPC review required)

For requests for award related to ICAs, please refer to OD21.

Important considerations:

a. Submissions to the PA:
When less than three responsive bids or proposals have been received further to the use of formal methods of solicitation, in order to ensure that effective competition has been achieved, the request for award must include the following:
- Reasons for the lack of at least 3 responsive bids; and;
- Justification of the reasonableness of the price (through market survey, benchmarking with previous purchase prices, comparison with market prices, etc.), and;
- Plan of action to improve competitiveness of the market in the future.

It is the responsibility of the Procurement Advisor for the various business units to conduct quarterly review of cases where less than three responsive bids or and proposals have been received and for which contracts have been issued without CPC review. The Procurement Advisor shall advise the business units on actions to be followed to reduce risks of lack of effective competition. The Procurement Advisor shall provide annually a summary of the review, action plans, and outcomes to the Director, PPG.

b. Issues to consider when submitting an application for HQCPC/LCPC review:

- Self-contained Submission Forms:
  Great care must be taken in completing the on-line submission form, ensuring that submissions are self-contained and do not offer contradictory information. A submission which is incomplete or contains contradictory information often leads to HQCPC/LCPC having to seek clarification, thereby unnecessarily creating additional work and slowing the review process. Each required field in the submission must be completed. In particular:

  - Submissions in respect of more than one contractor: the submitting unit must specify which lots/schedules/items are proposed for award to each contractor;

  - Amendments: the total amount of proposed contract must relate to the new award requested but must exclude the value of any previous awards already made. Previous awards together with the award being requested form the cumulative contract value;

  - Short lists:
    - Proper justification must be included when less than the recommended minimum number of invitees have been short-listed by filling in the correct field in the short list template
    - Source of identification of suppliers (UNGM, beneficiary, etc.) must be indicated by using asterisks as specified in the short list template;

  - Solicitation time: solicitation times shorter than the recommended ones must be justified and relevant explanation must be provided;

  - Delays: delays between bid receipt and bid opening or between bid opening and start of evaluation must be justified in writing;

- Attachments to submission:
  All relevant attachments must be uploaded to the submission to make the HQCPC/LCPC submission self-contained.

- Any new recommendations issued by the chairperson of the Headquarters Contracts and Property Committee (HQCPC) regarding the content of submissions must be followed.

7.2 Review and recommendation to PA

Any procurement case with value below the threshold for a contracts and property committee review should be submitted directly to the appropriate PA for award.

As per FRR, a corporate contracts and property committee has been established to render written advice to the ECPO on any contract or a series of contracts with an estimated value greater than or equal to the review threshold.

Further, the ECPO may establish a local contracts and property committee (LCPC) at regional offices to render written advice to the Regional Director up to the threshold of delegated authority indicated in Table 4. Each Regional Director can decide to establish a local review panel to render written advice to him in respect of proposed awards which do not require review by LCPC, up to the thresholds indicated in Table 4 below. Where the Regional Director has decided on the use of such a local review panel, he must communicate clearly the requirements as to when and how submissions to such panel should be made. Such a panel shall not constitute a “contracts and property committee” for the purpose of the Procurement Manual or the FRR.

Contracts and property committees shall review the procurement process to ensure compliance with the FRR, as well as other UNOPS policies, procedures, and instructions. Further, the contracts and property

committees shall provide written advice and recommendation to the relevant PA. The committees do not award contracts, but rather fulfil a review and advisory function.

Contracts and property committee review is not required when the funding source is from the United Nations system including International Financial Institutions such as the World Bank, and it has already reviewed the evaluation process, and awarded the contract in accordance with its internal procedures and provided in writing its no objection for the issuance of contract.

However, when the funding source is an International Financial Institution such as World Bank, waiving of contracts and property committee review is subject to a letter from the signatory of the project agreement or the official having the same rank as the signatory of the project agreement stating that in accordance with their own procedures, the no objection from the International Financial Institution is enough in its own right to award a contract and a separate review by UNOPS' contracts and property committee is not needed. In such situations, the contract may only be signed by an individual having as a minimum level 3 delegation of authority. The signatory of the contract must ensure that the International Financial Institution no objection is issued in writing and the total amount of the contracts issued against the no objection does not exceed the amount of the no objection.

Furthermore, approval of any increase of quantity within the tolerance specified in the solicitation documents, when no objection for contract award has already been provided in writing by the funding source, either a United Nations organization or an International Financial Institution such as the World Bank, does not require contracts and property committee review.

Request to the ECPO for the establishment of an LCPC

7.2.1 Purpose of contracts and property committees

The contracts and property committees shall ensure that the proposed procurement action is in accordance with FRR, policies, procedures, and instructions.

The contracts and property committees shall review the procurement process to ensure that it is fair, competitive, and transparent and that the process provides best value for money and is in line with best practices in procurement.

Finally, the contracts and property committees shall verify that the submitter confirms that appropriate funds are available to cover the cost of the proposed contract.

In accordance with the above, the contracts and property committees are not responsible for reviewing or providing advice on the adequacy or necessity of the requirement being met under the proposed procurement action. Such responsibility rests with UNOPS personnel approving the request for procurement action.

The Executive Director shall determine the composition and terms of reference of the Headquarters Contracts and Property Committee (HQCPC) by issuance of Organizational Directive(s).

AI/EO/2010/02 "Procurement – Instructions"
Organizational Directive No. 16, rev.1, Procurement Framework

7.2.2 Scope of review by the contracts and property committees

Contracts and property committees shall review submissions and render written advice to ECPO (in the case of HQCPC) or the relevant Regional Director (in the case of an LCPC) on UNOPS procurement actions within the categories mentioned below. At decentralized offices where local contracts and property committees have been established, these committees will replace the corporate committee review for categories within their monetary thresholds.

The scope of review by the contracts and property committees in respect of procurement matters shall include the following:

1) Proposed award(s) to a supplier or individual contractor in respect of a single request for a specific project or purpose, or a series of requests relating to the same specific project or purpose, which in aggregate have a value greater than or equal to USD 250,000 in the last 12 months (see Table 4 below). If in the last 12 months a recommendation for approval by HQCPC (approved by the ECPO) was made and a contract was issued to the supplier for the same project or purpose, the aggregate amount must be calculated from the time written advice was rendered by HQCPC and approved by

the ECPO. The amount approved by the ECPO for contract award and all preceding awards must be excluded for the purpose of calculating the aggregate amount; e.g. the last recommendation for approval by HQCPC (approved by the ECPO) during the last 12 months will reset the aggregate count to zero. The above also applies to proposed award(s) further to pre-selection by the funding source;

2) Proposed award(s) in respect of a single request for a specific project or purpose, or a series of requests relating to the same specific project or purpose, which is the result of the exception to the use of formal methods of solicitation and in aggregate have a value greater than or equal to USD 50,000 in the last 12 months;

3) Proposed amendments or series of amendments to contracts, which in aggregate have a value greater than USD 50,000 (see Table 4 below) or which would increase the amount of the contract as previously recommended by a contracts committee by more than 20 percent, whichever is less. This is irrespective of whether or not such an increase was contemplated in the original tender documents;

4) Proposed contracts of any value which could reasonably lead to a series of related contracts, the total of which may be greater than USD 250,000 (see Table 4 below), including indefinite quantity contracts when there is a possibility that the purchase value exceeds USD 250,000;

5) Long Term Agreements (LTAs): LTAs established by a business unit can potentially be used by other business units and as a consequence, the cumulative amount over a 12-month period for the same purpose may exceed USD 250,000. Therefore, the establishment of any LTA must be reviewed by HQCPC and approved by the ECPO, with the exception of valid LTAs which have been established by other United Nations Organizations (see Chapter 4.4, Exceptions to the use of formal methods of solicitation);

6) Review of post-facto and retroactive situations with total value greater than or equal to USD 50,000 (see Table 4 below), in order to provide advice to the PA on ratification of actions not conforming to the established review and award processes, and/or acceptance of charges against appropriate budgets;

7) Such other matters relating to procurement, including policy issues, as may be referred to the committee by the Executive Director or ECPO or (in the case of an LCPC) the relevant Regional Director;

8) For requests of multiple awards against the same solicitation exercise, HQCPC/LCPC will only review the proposed contact awards for which the recommended contract values are within HQCPC/LCPC thresholds, unless the awards of the various lots are inter-related; i.e. a bidder being the lowest one for a certain number of lots only qualifies for a lesser number of lots due to postqualification issues such as capacity, turn-over, etc. In such situations, HQCPC/LCPC review is required for all bidders. When the award of lots is not interrelated, recommendation for contract award must be submitted to the relevant PA for amounts below HQCPC/LCPC thresholds.

Where the advice of a contracts committee is required to be sought, no commitment may be entered into before such advice is presented to and acted upon by the relevant PA.

Table 4: Thresholds for Contracts and property committee Review (HQCPC or LCPC)

Contracts-further to the use of formal methods of solicitation, and contracts further to preselection	Contracts further to exceptions to the use of formal methods of solicitation, amendments, post facto and retroactive cases
THRESHOLD	**THRESHOLD**
HQCPC: From USD 250K inclusive.	HQCPC (for BUs without LCPC): From USD 50K inclusive.
LCPC: From USD 250K inclusive to USD 500K[1] exclusive (or to USD 1M exclusive for those offices where Level 4 DOA has been granted to the PA).	LCPC: From USD 50K inclusive to USD 250K exclusive.
All LTAs must be reviewed by HQCPC regardless of estimated amount and method of solicitation.	All LTAs must be reviewed by HQCPC regardless of estimated amount and method of solicitation.

[1]: The upper limit for LCPC review can be increased to USD 1,000,000; however this requires prior HQCPC review and ECPO approval of a request for higher threshold submitted by the Regional Office (see intra.unops.org/HQCPC). There is no upper limit for HQCPC review.

For procurement values below the HQCPC/LCPC thresholds as indicated in the table above, approval of contract award must be obtained from the personnel having appropriate DOA (see Chapter 1.5, Procurement authority). The templates for request for approval of contract award are provided under Chapter 7.1, Preparation of submission for review and award.

7.3 Award

Contracts are awarded by the relevant PA based upon recommendations from a contracts and property committee, when applicable.

The PA will either award or not a contract to the selected supplier or individual contractor based on the recommendations received. An award may be made subject to the prior fulfilment of conditions. In cases where the PA chooses not to follow the advice of the contracts and property committee, the PA shall record the reasons for such a decision in a written statement to be kept on file together with the minutes of the contracts and property committee meeting for audit purposes. **Only the ECPO has authority to award a contract contrary to a contracts and property committee recommendation**. Regional Directors with an LCPC must therefore submit to the ECPO for direct review and possible approval all cases where they would like to award a contract contrary to the advice of their LCPC.

A note to the file or request for award must be kept on file for future reference together with the signed award or justification not to award, by the appropriate PA. For cases reviewed by a contracts and property committee and submitted through the on-line CPC system there is no need to maintain a hard copy of the submission on file, however minutes of the relevant committee and signed recommendations by the relevant PA must still be kept on file.

If an approval/no objection regarding the selected offer is required from the client/funding source and/or end-user this can be obtained prior to/in parallel with or after internal award depending on working agreement with the client or possible time constraints.

Only after official award of contract by the relevant PA, and fulfilment of any conditions to that award, can a contractual obligation be entered into by UNOPS.

If an award by ECPO is made subject to the prior satisfaction of certain conditions, the business unit shall keep the HQCPC Secretariat (hqcpc@unops.org) informed in a timely manner of progress made in satisfying the conditions. Likewise, where an award by a Regional Director further to LCPC review is made subject to the satisfaction of conditions, the business unit shall keep the relevant LCPC Secretariat informed of progress.

Table 5 below summarises the various situations of review and award depending on the type of method of solicitation.

Table 5: Review and award versus the type of method of solicitation

	Award value + Value of all contracts to the contractor during the past 12 months for same project or purpose (USD)	Review	Award
Use of formal methods of solicitation plus Pre-selection	≥ 500,000	HQCPC (when the RD[1] has Level 3 DOA only)	ECPO
	< 1,000,000[4] but ≥ 500,000	LCPC (when the RD[1] has Level 4 DOA)	RD[1]
	≥ 1,000,000	HQCPC	ECPO
	≥ 250,000[1] but < 500,000[4]	LCPC/HQCPC[2]	RD[1] or ECPO
	< 250,000[4] but ≥ 50,000	Proc. Advisor	PA
Exception to the use of formal methods of solicitation	≥ 250,000	HQCPC	ECPO
	≥ 50,000 but < 250,000[4]	LCPC/HQCPC[2]	RD[1] or ECPO
	< 50,000[4]	PA[3]	PA[3]

Footnotes:

1) The Regional Director can set a lower LCPC threshold than USD 250,000, but not a higher one. RD in the table means any individual having at least level 3 DOA.

2) For offices where an LCPC has not yet been established, the request for review and award should be sent to HQCPC.

3) Any PA can review and award contracts based on an exception to the use of formal methods of solicitation, when the contract is below USD 50,000.

4) For cases where the award could reasonably lead to a series of related contracts to the same contractor, the total of which could exceed those amounts marked with a [4], the case must be submitted to the next level of authority, e.g. a contract for USD 450,000 based on a formal method of solicitation would normally be submitted to LCPC (where one is established); however if the Submitting Officer believes that further contracts will be issued to the same contractor within the following 12-month period, thereby increasing the total value of contracts to the contractor to above USD 500,000, then the case should be submitted for review and award to a higher authority level, i.e. in this case HQCPC and the ECPO.

7.4 Post facto/retroactive approval

Post facto/retroactive approval of contracts is not a procurement process, but an administrative procedure, which allows for review and possible ratification of actions which were not undertaken in full conformity with the above review and award processes.

The UNOPS FRR require that award takes place prior to any commitment being entered into by UNOPS, e.g. prior to signing a contract for services, placing an order for equipment, etc. A post facto or retroactive situation occurs when a commitment has been made by UNOPS, or existed de facto, before an award of contract has been made.

A post-facto case is a situation where the services have been rendered and goods have been received, and, in some cases, one or more payments have already been made, however, proper award has not taken place and no contract has been issued.

A retroactive case is a situation where the goods have been ordered or the provision of services has commenced, but the goods have not yet been delivered, nor have the services been rendered. In some cases, invoices have already been submitted. Proper award did not take place and no contract has been issued by UNOPS.

According to UNOPS FRR, services or works are not to commence, and goods are not to be ordered, until a contractual obligation between UNOPS and the entity has been established by signature of both parties to the contract. With the exception of procurement activities with a value below USD 2,500 where no contract is required, every effort must be made to avoid a situation whereby services or works commence and goods are ordered prior to the establishment of a contract.

If a post facto/retroactive situation nevertheless occurs, approval of payments and/or a contract must be obtained from the PA whose authority for post facto and retroactive cases covers the monetary value involved (see Chapter 1.5.2, Levels of delegated authority), with prior review by a contracts and property committee if required as per the monetary thresholds.

It is important to bear in mind that any irregularity in the procurement process identified in the post-facto/retroactive review may lead to disciplinary actions.

Two different scenarios exist depending on whether or not the procurement activity in question has been provided for in an existing budget

1) The procurement activity under review has been adequately provided for in the budget, but due process for reserving the funds and establishing the appropriate contract has not been adhered to. In this case the general procedures set forth in the Instructions for post facto and retroactive cases must be followed;

2) Expenditures related to the procurement activity under review exceed the amount provided for in the approved budget. In this case, consultations with the funding source and the position of same on the funding issue are to be recorded prior to any proceedings/decision on the matter. In addition to the general procedures, the procedures for post facto review when there are insufficient funds must be followed, (see Instructions for post-facto and retroactive cases).

All UNOPS personnel are expected to make every effort to avoid post-facto or retroactive cases. When they nevertheless do occur, special approval of the PA is required before related payments are made or, if already made, for such expenditures to be accepted by UNOPS as legitimate charges against the appropriate budget line(s).

It must also be understood that the approval of the PA, if indeed given, does not constitute, and must not be taken as the establishment of a precedent or justification for not taking timely and appropriate action(s) in compliance with the FRR and established procurement procedures.

Auditors will be asked to pay particular attention to post-facto and retroactive cases.

Standard templates and instructions for post facto and retroactive approval are provided in the UNOPS procurement library on the intranet:

Post Facto
Retroactive

8 Contracting

A contract is a legally binding document between UNOPS and the supplier, and defines, at a minimum, the nature of the product being procured, the quantity being procured, the overall contract and/or unit price, the period covered, conditions to be fulfilled, including the UNOPS General Conditions of Contract (GCC), terms of delivery and payment, and the name and address of the supplier.

A written contract shall always be issued by UNOPS for all procurement activities valued at USD 2,500 or above. Contracts shall be issued prior to any delivery of goods taking place, and/or the start up phase of works or services. The PA may choose to issue written contracts also for purchases below the value of USD 2,500.

UNOPS model contracts must always be used unless the donor (e.g. the World Bank) imposes different templates or other formats are routinely used in a specific industry (e.g. lease contract, contracts for electricity and water provision, etc.). The model contracts are UNOPS templates to be completed using contract specific data. Descriptions of the various standard contracts can be found on the UNOPS intranet procurement site.

Modifications and/or additions to the UNOPS standard contract formats including annexes cannot be made without prior consultation with the Legal Practice Group (LPG). Care must be taken not to include any requirements or conditions that contradict the UNOPS General Conditions of Contract, or the standard text of any of the documents.

8.1 Contract preparation

After a solicitation process, in which UNOPS has defined the requirements, a supplier is selected based on a bid or proposal, and offered a contract by UNOPS. Upon signature of the contractual document by both parties, the contract is made legally binding for both parties.

Contracts shall be awarded within the offer validity period. If it is not possible to award the contract within the original period of offer validity, an extension of the offer validity period must be requested from all the bidders. A bidder may refuse the request without forfeiting its bid/proposal security. Bidders agreeing to the request will not be permitted to modify their bids/proposals but will be required to extend the validity of their bid/proposal securities (if applicable) for the period of the extension. As such, extensions must be requested as early as possible to allow bidders sufficient time to produce a new valid bid/proposal security before the expiration of the original.

The bid security of the successful bidder must only be returned when the bidder has signed the contract and furnished the required performance security, if applicable. The bid/proposal securities of unsuccessful bidders must be returned as promptly as possible thereafter.

8.1.1 Contract negotiations with suppliers

The purpose of contract negotiations at this stage is to clarify any issues remaining unclear and not defined by the requirements in the solicitation documents, nor by the supplier's offer, but which are essential for proper implementation of the contract (e.g. defining milestone payments against deliverables). Negotiations should result in a clear understanding of terms and conditions agreed upon by the parties and their respective responsibilities under the contract.

There are no strict rules as to how to negotiate clauses to be included in the contracts. However, negotiations on pricing issues that may materially affect the outcome of the bidding process are not allowed. Moreover, certain key areas, such as detailed delivery plan, milestones, a payment schedule, and in certain cases, special terms and conditions, form part of every contract negotiation.

Where the bidder/offeror has not recorded any reservations to UNOPS' conditions with its bid/offer, UNOPS may choose not to enter into negotiations on contract terms proposed by the bidder/offeror after selection of his offer.

8.1.2 Policy on advance payments

Advance payments refer to payments effected prior to receipt of goods or performance of any contractual service. Such advance payments are distinguished from the case of contracts for services and works, where the contractual arrangements generally foresee performance of a series of services scheduled to be completed/delivered at subsequent times within the time frame of the contract. These established delivery

times for partial services (often referred to as 'milestones') constitute the basis for partial payments to the contractor, i.e. progress payments, which are intended as reimbursements of expenditures incurred and partial payments of contractor's fees already earned. However, should any of such payments be requested in advance of delivery of an item or service specified in the contract they correspond to, they would be referred to as 'advance payments'.

According to the FRR, no contract requiring advance payment shall be made on behalf of UNOPS (i.e. payment in advance of delivery of goods or performance of contractual services).

However, exceptions can in certain cases be made if required to comply with normal commercial practice or deemed to be in the best interest of UNOPS. If a common practice of advance payments exists in the industry sector, which is often the case for works, or if an excessive financial hardship on the contractor should be avoided for some reason, an advance payment may be justified.

Examples of activities that may justify an advance payment are:

1) Mobilization costs (mainly for works), such as purchase/lease of equipment/materials/ machines and/or transfer of same to the project site, establishment of base camps, and transport of personnel to the project site.

2) Start-up costs (mainly for services), such as purchase of airline tickets, down payments for rental/purchase of office premises/equipment on project site.

3) Design or design adaptation costs, related to goods/machines which require design and ex-novo manufacturing

4) Payment of lease (premises), payment of water/gas/electricity, etc.

The maximum amount of advance payment for mobilization should not exceed 10 percent of the total contract value, unless other factors are involved and justified by the bidder to request higher amount. Any request from the supplier for advance payment shall be justified in writing by the supplier in his offer. . This justification shall explain the need for the advance payment, itemize the amount requested, and provide a time-schedule for utilization of the requested advance payment amount.

If the supplier's proposal is being presented for recommendation for contract award, the assessment of the request for advance payment shall be summarized by the evaluation committee, indicating whether or not an advance payment is justified.

In the event that a supplier requests an advance payment, UNOPS shall request the supplier to submit documentation regarding his financial status (e.g. audited financial statements). Requests for down payments in excess of USD 500,000 or 20 percent of the contract value, whichever is the lesser, are treated as exceptions and must be carefully evaluated and approved by the Director, Finance Practice Group/Comptroller or ECPO. For this purpose, previous experience of UNOPS with the supplier should be investigated, if applicable, and the financial solvency and reliability of the supplier must be determined. This could be done by consulting a financial report (e.g. from Dun and Bradstreet; see LTA for background check services).

In the case that an advance payment for USD 100,000 or more is requested and subsequently granted, UNOPS must receive in advance an irrevocable guarantee made in favour of UNOPS from a bank or other guarantor acceptable to the Regional Finance Officer or Director, Finance Practice Group/Comptroller. Any exceptions shall be authorized in writing by the Executive Chief Procurement Officer. When submitting a request to ECPO, proper justification shall be provided; e.g. statement by the requesting authority within the funding source (i.e. the individual who signed the engagement contract or written delegation to another person), expressing their acceptance of an alternative form of suitable security, or no security at all, in areas with very challenging implementation circumstances, where the access of contractors to bank guarantees may be exceedingly difficult.

Before effecting the advance payment, the procurement personnel must get confirmation from:

- the Regional Finance Officer of the business unit concerned that the wording and format of the advance guarantee is suitable for the purpose;
- the issuer (bank) that the advance guarantee document is valid and irrevocable (in particular if it is provided in the form of a certified check) through a physical visit to the bank.

It is strongly encouraged that, when feasible, a bank guarantee be also requested for amounts less than USD 100,000. Advance payments of less than USD 100,000 without a bank guarantee shall be approved by the PA whose authority covers the value of the contract. If a bank guarantee cannot be provided, a note signed by the relevant PA explaining that proper due diligence has been conducted and that the risk to UNOPS has been minimized must be kept on file.

The PA shall subsequently ensure that the procedures set forth above are complied with and that the proper documentation (as specified above) is kept on record.

For more information on guarantee for advance payment, please refer to Chapter 5.1.1.1, Letter of invitation, paragraph 15).

Advance payment guarantee – Template

8.2 Contract documents

A contract between UNOPS and a supplier must include as a minimum the following:

1) Letter part of the contract

2) UNOPS General Conditions for goods, works, or services, depending on the type of product being purchased (as an annex, but considered an integral part of the contract) or General Conditions of the donor if applicable (e.g. World Bank)

3) Technical specifications, TOR, SOW/BOQ and/or drawings, budget (for cost reimbursable contracts), template for performance securities, delivery requirements, etc.

8.2.1 Contract requirements

The contractual agreement must contain the following elements:

1) Identification of the parties contracted as well as the person authorized to act on behalf of the contracted party including: name, address and contact details. In the event that the contract is the result of a joint offer, UNOPS will usually contract with one entity which must always be the lead entity.

2) A reference to all relevant documents (i.e. UNOPS solicitation documents, the supplier's offer, and clarifications (in the form of written communication or minutes of the clarification meeting with the supplier).

3) Nature of the goods/works/services being procured and the quantity being provided, as well as the terms of delivery.

4) Contract and/or unit price and terms of payment. Contracts must be denominated in the currency of the supplier's offer. It is important to establish tangible indicators for payments, linked to milestones in delivery of services or completion of works. Final payment must always be based upon acceptance of documentation for completion of services or works, or delivery of goods.

5) Contracts valid over a longer period of time (over 12 months) may contain price adjustments linked to officially published price indexes to cover changes in work rates. The increase may also be estimated and incorporated as a fixed rate over the entire life of the contract. Contracts for commodities whose price may fluctuate over time (e.g. petroleum products, metal products, etc.) may be based on commodities/mercantile exchange prices (e.g. PLATT Index – see www.platts.com, LME – see www.lme.co.uk, etc.) provided this is clearly specified in the solicitation document. For such contracts, it is good practice to specify in the contract that the final price shall not exceed a specified maximum amount and that the contractor should adjust the quantity accordingly so that the contract amount is not exceeded.

6) Duration of the contract. Starting and completion dates, as well as milestones for successful performance, must be precisely defined.

7) Contracts for works and services must specify the name of key personnel, and their input in terms of estimated man-days/weeks/months.

8) As for any litigious matters arising out of a contract execution, the parties shall proceed in accordance with the UNCITRAL Arbitration rules presently in force, thus, no choice of law-clause must be included in the contract documents unless special authorisation is provided by the ECPO beforehand.

9) Mandatory requirement for doing business with UNOPS. As a condition of doing business with UNOPS it is necessary that vendors, their subsidiaries, agents, intermediaries and principals cooperate with the Office of Internal Oversight Services (OIOS) of the United Nations, UNOPS Internal Audit and Investigations Group (IAIG) as well as with other investigations authorized by the ED and with the UNOPS Ethics Officer (during preliminary reviews in line with UNOPS whistle blower policy) as and when required. Such cooperation shall include, but not be limited to, the following: access to all employees, representatives, agents and assignees of the supplier; as well as production of all documents requested, including financial records. Failure to fully cooperate with investigations will be considered sufficient grounds to allow UNOPS to repudiate and terminate the contract, and to debar and remove the supplier from UNOPS's list of registered suppliers.

8.2.2 UNOPS General Conditions (GCC)

UNOPS has developed General Conditions for goods, services and works (depending on the nature of the procurement) establishing a legal framework which forms part of every contract.

UNOPS General Conditions apply to all UNOPS contracts, and thereby form part of the contractual agreement between UNOPS and the supplier. They are either enclosed as an annex to the contract, or suppliers are referred to the UNOPS website where the UNOPS General Conditions can be accessed.

Special Conditions of Contract complementing the General Conditions of Contract may be introduced in the solicitation documents without prior approval of the Legal Practice Group.

Modifications and/or additions to the UNOPS General Conditions of Contract are prohibited. However, in exceptional circumstances and if expressly approved by the Legal Practice Group, special conditions appropriate to the nature and location of the project may be included in the letter part of the contract, modifying the General Conditions.

UNOPS generally does not agree to the use of the general terms and conditions of the other party. If UNOPS is requested to do so and if this is not already specified in the signed agreement with the client, the Legal Practice Group (LPG) must always be consulted beforehand for legal advice.

General Conditions of Contract for Professional Services
General Conditions for Goods
General Conditions of Contract for Construction Works
Conditions of Services – for contracts of a value of less than USD 50,000

8.2.3 Technical specifications, TOR, SOW, BOQ and/or drawings

Technical specifications, Terms of reference, statement of works including drawings and other technical specifications must always be attached as an annex to the contract, or their contents included in the contractual document.

8.3 Signature, Issuance and Documentation

All contracts must be signed by the PA on behalf of UNOPS, and by a duly authorized individual on behalf of the supplier. Once contract award has been approved in writing by the relevant PA, any PA can sign the contract.

The contract must be issued in two original copies, both signed, one for the supplier and one for the UNOPS case file. One original must be distributed to the supplier requesting return of a countersigned scanned copy. The countersigned contract must be kept on record for future reference.

8.4 Types of contractual instruments

UNOPS has developed standard contracts to be used (see below). When using the standard contracts, a payment modality must be chosen.

UNOPS generally uses a form of 'lump sum' or 'unit price' contract:

A 'lump sum' formula contract is used whenever it is possible to determine with sufficient precision the quantity and scope of the goods/services/works required from the contractor.

The 'unit price' formula contract must be used only when it is impossible, due to the nature of the services/work/goods, to determine with sufficient precision the quantity of the services/works/goods required from the contractor. In this case, the contract sets a maximum amount not to be exceeded, both for the total amount and for the provision of each component of the services (e.g. rate per work day, cost of each round-trip etc.), and establishes the applicable unit price.

The use of percentage-based contracts measuring consultancy costs as a percentage of total construction costs is discouraged.

UNOPS formalizes procurement by way of the following standard contractual templates:

8.4.1 Purchase order (PO)

POs are contracts, generally used for the acquisitions of goods.

A PO can also be used to place orders against an existing LTA. Such POs are called call-off orders (see Chapter 8.4.1.2).

8.4.1.1 Standard Purchase Orders

UNOPS model PO is the ATLAS PO which must always be used with the following exceptions:

- Orders generated through UNWEBBUY. In those cases, the UNWEBBUY PO model shall be applicable. However, a separate PO must be issued in ATLAS for the purpose of committing funds (for values greater than USD 2,500);

- In offices without ATLAS access, the model Field Purchase Order (FPO) must be used. FPOs must not be used for amounts greater than USD 50,000;

- The project agreement with the client requires that specific contract templates other than UNOPS standard ones (e.g. World Bank) shall be used. However, a separate PO must be issued in ATLAS for the purpose of committing funds (for values greater than USD 2,500);

- The value of the procurement activity is below USD 2,500. Although an Atlas PO may be issued for such low amounts, this is not mandatory.

A PO is accompanied by a copy of the relevant Packing and Shipping Instructions, as well as UNOPS General Conditions for Goods (or reference is made to the UNOPS web site where the General Conditions can be found).

ATLAS PO - Example of how to fill out the PO
Field Purchase Order - Template
Terminology for POs for goods - Guideline
General Conditions for Goods

8.4.1.2 Call-off orders

A call-off order refers to an order issued against an existing Long Term Agreement (for more details please refer to Chapter 4.2, Long Term Agreement).

In situations where the LTA prices are fixed and only one LTA exists for the supply of the requirement, the LTA holder should be contacted directly.

However, if the LTA prices are ceiling prices, then the various LTA holders for the required items must compete through secondary bidding and must be solicited to submit their best and final offer (BAFO) through issuance of an RFQ. See Chapter 5.1.2.5, Solicitation of offers against LTAs.

RFQs must be sent to the contacts provided in the LTAs and or based on the instructions of how to use the LTAs posted in the LTA intranet page against each LTA.

If the expected value of the requirement for either merchandise or service exceeds USD 50,000, then all the invitees (LTA holders) must be instructed to send their bid/quotation to a secure bid email/fax. However, no further committee review is required. A simple Note to the file signed by a Procurement Authority to justify the procurement decision will suffice.

Call-off orders are not subject to prior vetting and recommendation by a contracts and property committee. Nevertheless they require approval and endorsement by the relevant Procurement Authority as outlined in Table 1, Chapter 1.5.2 Levels of delegated authority.

When requesting approval of any call-off order, an explanatory note must be provided in order to facilitate the decision-making by the PA. If the personnel having the delegation of authority (DOA) has approved the call-off order but cannot sign the original document because he is physically located elsewhere, any personnel with a delegated authority can sign the document.

In addition to ensuring that the PA has the required authority to approve the call-off order, the PA must also be satisfied that the instructions related to the applicability of the LTA have been followed. In particular:

1) If the LTA, whether established by UNOPS or by another United Nations Organization (and UNOPS is relying on the procurement decision of that Organization), is based on direct agreement with the LTA holder; i.e. formal methods of solicitation have not been used, usually because specific brands are required for standardization purposes or because the LTA is for ex-stock products for faster delivery, etc., the PA must verify at the time of reviewing the call-off order that valid reasons exist for standardization, accelerated delivery, etc. In the event that accelerated delivery is required, the PA must ensure that this is not related to poor planning by UNOPS;

2) If the issuance of the call-off order is the result of a secondary bidding exercise, the PA must ensure that the ceiling prices specified in the LTA have not been exceeded;

3) The PA must be satisfied that any specific conditions of the LTA are met, such as existence of maximum value for call-off orders, maximum cumulative value per year, etc.

Call-off orders must quote the details of the LTAs which they are based on, such as the LTA reference number and any other specifics for ease of future reference.

All PAs who make use of LTAs, must send a quarterly report to the Director, PPG for review. If instances of improper use are identified, the call-off authority of a specific PA may be revoked.

8.4.1.3 Procurement of assets

When procuring assets (which are termed Property, Plant and Equipment – PPE in the new FRRs) such as IT equipment or vehicles, it must be so indicated in the ATLAS Purchase Order.

When creating ATLAS PO for PPE (assets) there are additional steps that must be followed. The exact instructions are provided in the ATLAS Asset Instructions; see chapters: Creating a PO for an Asset and Receiving an Asset.

Furthermore, the buyer must ensure that the correct asset category is indicated in the ATLAS Purchase Order. In line with UNOPS FRRs, the correct identification of assets at procurement and receipt stage will ensure that organizational assets can be effectively tracked and reported in the Financial statements. For the correct asset categories, buyers must refer to the Administrative Instructions on PPE where the asset categories are detailed.

8.4.2 Contracts for Professional Services

Contracts for services are used in order to contract entities to perform professional services, generally valued above USD 50,000.

Such contracts for services should be accompanied by a copy of the UNOPS General Conditions of Contract for Professional Services as an annex, as well as any other relevant annexes (e.g. TOR). A separate PO must be issued in ATLAS for the purpose of committing funds (mandatory for values greater than USD 2,500).

Contract for Professional Services – Template
General Conditions of Contract for Professional Services

8.4.3 Small Contracts for Services

Small contracts for services are used to contract entities to perform simple services valued below USD 50,000.

General conditions should be included (in Annex I) as an integral part of a small contract for services. A separate PO must be issued in ATLAS for the purpose of committing funds (mandatory for values greater than USD 2,500).

When feasible, the ATLAS PO can be used in lieu of the small contract for services, to avoid having to issue two separate documents. However, relevant instructions and special conditions, together with the general conditions (Annex 1), shall be included in the ATLAS PO.

Contract for services (small) - Template
General conditions of small contracts for services

8.4.4 Contracts for Works

Contracts for works are used to contract entities to perform works assignments, generally valued above USD 50,000.

A contract for works is comprised of the letter part of the contract, UNOPS General Conditions of Contract for Construction Works as an annex, and any other relevant annexes (SOW, BOQ, etc.). A separate PO must be issued in ATLAS for the purpose of committing funds (mandatory for values greater than USD 2,500).

Small contracts for works are used to contract entities to perform simple works valued below USD 50,000.

General conditions are included (in Annex I) as an integral part of the small contract for works. A separate PO must be issued in ATLAS for the purpose of committing funds (for values greater than USD 2,500).

Contract for Works - Template
General Conditions of Contract for Construction Works
Contract for Small Works - Template

8.4.5 Long Term Agreements

Long Term Agreements (LTAs) are mutual arrangements between UNOPS and suppliers to provide goods or services as required, for the most frequently requested items or services, over a specific period of time. LTAs are not contracts as such (the actual contracts are the call-off orders that may be issued subsequently to the establishment of an LTA).

LTAs are used to ensure a reliable source of supply for goods and services at the lowest price, in accordance with pre-defined terms and conditions. They are often designed to provide immediate stock availability in case of emergency.

LTA – Template

8.4.6 Letter of Intent

A Letter of Intent is a written statement of the intention to enter into a formal agreement, often used to allow contractors to mobilize for contract implementation before signature of the final contract can be affixed. Letters of Intent are generally not used by UNOPS.

The Letter of Intent is a contractual instrument that entails substantial risk, and must therefore be used only after careful risk assessment, and only by UNOPS personnel with substantial relevant contracting as well as technical experience. Responsibility for risk assessment rests with the PA, who shall be held accountable. Advice on assessing the risk can be sought from PPG and/or LPG.

If a Letter of Intent is issued UNOPS standard format for Letter of Intent must be used (unless the project agreement prescribes the use of a specific template required by the donor), limiting UNOPS responsibility and allowing UNOPS to withdraw the Letter of Intent with minimum legal and financial consequences.

A Letter of Intent shall only be issued after appropriate award has been approved, and only when all financial terms have been completely agreed upon with the supplier. Thus, a Letter of Intent can only be used to initiate work while allowing additional time to finalize contract details such as detailed timeline, details of personnel, negotiation of non-financial contract clauses, etc.

Letter of Intent – Template

8.4.7 Amendments to contracts and agreements

Once a contract has been awarded and signed, it may be amended only if the contract provisions allow modifications, and if additional related goods, services, or and/or works are to be provided/rendered by the same supplier in furtherance of the execution of the original contract. Please refer to Chapter 10.2.1, Contract amendments, for further guidance.

All other situations call for a new competitive selection process and establishment of a new contract.

Contract amendment – Template

8.5 Protest procedures

Suppliers perceiving that they have been unjustly treated in connection with the solicitation or award of a contract may lodge a complaint directly with the UNOPS General Counsel. All bidders must be informed of UNOPS' independent bid protest procedure in the solicitation documents as well as in subsequent contracts. Under no circumstances will the personnel involved in the procurement activity under complaint be allowed to participate in the review of the protest.

The General Counsel will then make an initial assessment of the complaint and may, at his discretion, seek clarification from the PA responsible for the procurement process or any other personnel (as necessary).

The General Counsel will issue a response to the supplier. This response will reflect the final formal position of UNOPS on the matter. Suppliers filing complaints may be granted clarification meetings with the General Counsel in order to better understand the rationale for UNOPS' final decision on the subject.

Any further appeals by the supplier must be dealt with through arbitration, in line with the provisions in the solicitation documents.

The solicitation documents shall contain a paragraph informing potential suppliers of the independent protest mechanism in UNOPS.

When a complaint is filed prior to contract signature, the contract may not be signed until the complaint is satisfactorily addressed. Exceptionally, the contract may be signed, and the performance under the contract will begin according to schedule, if the PA – following prior consultation with the LPG – determines that:

1) the goods, works, or services are urgently required
2) delivery or performance would be unduly delayed if a contract is not awarded promptly, or
3) a prompt award would be in the best interest of UNOPS

When a complaint is received after contract signature, the PA shall immediately suspend implementation pending resolution of the protest, unless – following prior consultation with the LPG - continued performance is justified, in situations where:

1) uninterrupted contract performance would be in the best interest of UNOPS;
2) urgent compelling circumstances which significantly affect the best interest of UNOPS do not permit delay in the implementation of contract.

If the complaint received by the General Counsel involves allegations of personnel misconduct the protest will be reviewed in accordance with UNOPS' policy on disciplinary and other measures relating to misconduct without any further involvement of the PA or procurement personnel.

If the complaint received by the General Counsel involves allegations of corrupt or fraudulent practices, the protest will be reviewed by the General Counsel in accordance with UNOPS policy to address fraud without any further involvement of the PA or procurement personnel.

UNOPS/ADM/97/01-A disciplinary and other measures relating to misconduct of staff while in the service of UNOPS (for allegations against UNOPS staff)
Organizational Directive No. 21 ICA Policy (for allegations against ICA holders)
Organizational Directive No. 10 UNOPS policy to address fraud

8.6 Posting of awarded contracts

In furtherance of the principle of transparency, UNOPS shall post on its website information about all awarded contracts (including call-off orders), regardless of their value, with the exception of Individual Contractor Agreements (ICA), which are issued to individuals. This step in the process is essential. Omitting to disclose contract award information would undermine the procurement principle of transparency and would be detrimental to the reputation of UNOPS.

The notice of awarded contracts should contain a brief description of the contract, a reference to the track number, beneficiary country, funding source, the contract amount, the date of the contract, and the name and country of the supplier.

Once the PO is issued in ATlas, the relevant information is automatically extracted from the system and posted on UNOPS website. It is therefore paramount that the information indicated above is entered correctly in the ATLAS PO.

When the solicitation is for the establishment of an LTA and no contract will immediately follow the evaluation and award process, UNOPS shall inform in writing the unsuccessful bidders and advise the name and the country of the bidder(s) to whom UNOPS will issue the LTA(s).

Upon request from a bidder, UNOPS may provide information to the bidder through debriefing regarding the strengths and weaknesses of the bidder's offer. The information must be limited to identifying technical deficiencies or weaknesses in the supplier's offer, and must not disclose financial or cost information of other offers, nor evaluation scores or other details. Normally only verbal feedback is given. If the supplier has questions after receiving the verbal feedback, they can make a written request for clarification on specific issues and UNOPS will respond in writing.

9 Logistics and procurement

Logistics is defined as the process of planning, implementing and controlling the efficient and cost-effective flow and storage of raw materials, goods, equipment and personnel from the point of origin until the completion of an activity, in accordance with end user's requirements.

In its broadest sense, logistics includes all the elements that constitute a delivery infrastructure, however, in this context, focus will be on the aspects of logistics that are relevant to the procurement process.

9.1 The logistics planning process

Proper logistics planning entails considering logistical aspects throughout the various steps of the procurement process. It contributes to efficient procurement processes, and reduces the risk of facing problems that may lead to additional costs and delays.

Logistics planning starts at the needs assessment phase of the procurement process by considering the desired result of the requisitioner and the end user and from there working backwards in order to determine what actions will ensure a successful completion of the activity. Ideally this process should begin even before the requisition is placed, through a close cooperation and efficient communication between the business unit requesting the purchase and procurement personnel.

The following steps in the logistics planning process should be considered at the various stages (planning, requirement definition, sourcing, and evaluation) of the procurement process:

1) Understand the operational context of the required product, and, if possible, assist in developing specifications suitable to local conditions.

2) Evaluate the procurement activity, the time and the 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) Determine the type of sourcing for goods and the mode of transport depending on the urgency of the requirement, the available lead time and the financial resources for the procurement activity.

   Goods may be purchased locally/regionally or internationally, or through established LTAs. However, goods may be in pipeline already purchased for another purpose, but available for diversion in order to cover a more urgent need.

4) The use of different modes of transport as well as different logistics corridors incurs different costs, but also has an impact on the total lead time. A sea and/or ground route may be cheaper but may lead to many difficulties and delays such as clearing the goods while transiting through different ports and countries en route to the final destination. An alternative air-route may be more costly, but it may significantly reduce the transport time.

   The total supply chain lead time and cost must be taken into consideration when determining how and where to purchase the required product in order to meet the end user's needs in a timely and cost-efficient manner.

5) Determine which markets are best positioned to respond to the end user's delivery requirements by evaluating the offers, in addition to conformity with the technical criteria, on the basis of total delivered costs and lead times,

   There is usually a trade-off between the purchase price of a product, it's transport costs and delivery time. The relative importance of these factors will determine where the goods should be purchased and how they should be transported. It should be noted that geographic distance does not necessarily determine the cost and delivery time.

   Accepting a more expensive offer in order to conform to the requested delivery lead time shall be carefully assessed and discussed with the requisitioner and end user in order to ensure the most effective use of funds. When the delivery lead time is the primary factor in awarding a contract, it shall be clearly stated in the solicitation document. In such case, where the delivery lead time is

stated as a mandatory requirement within the solicitation document, any offer that is not in compliance with the required delivery schedule must be rejected.

It should be noted that some suppliers speculate with the required delivery time, and offer a delivery time within the stated requirements knowing that they will not be able to perform. Liquidated damages, which are damages incurred where a supplier defaults on promised delivery time, should therefore always be carefully considered when the delivery time is an important requirement.

6) Review the delivery and transport requirements, as well as the budget, and ensure that they are complete and realistic.

   The cost of transportation may become a significant component in the cost of goods procured and delivered to the designated destination. UNOPS procurement personnel must therefore ensure proper logistics planning and make every effort to keep the transportation costs down. However, in logistics planning, the cheapest alternative may not always be the one that offers the lowest overall cost. A low-cost, but sub-par poor delivery strategy may result in delays, damaged or stolen goods, excessive port charges, etc. All factors must therefore be assessed when choosing the most appropriate logistical solution.

7) Determine the most cost effective means of contracting transport, i.e. should the transport of the purchased goods be arranged by the same supplier contracted for the supply of goods, or should it be outsourced to an independent freight forwarder. In rare cases, UNOPS can also arrange transportation using its own resources (e.g. transportation of goods in project vehicles by project personnel).

8) Tender for freight services, if you opt to outsource the transport as per above. Check the existence and competitiveness of the LTAs for freight services. For large consignments,conventional shipments, or bulk shipments where more favourable rates can possibly be obtained, spot tenders are advisable.

9) Insure the consignment in accordance with UNOPS' instructions (see Chapter 9.2.7, Insurance during transportation).

10) Ensure that shipping documents received from the supplier and the freight forwarder are complete and accurate and that the consignee has received his set (see Chapter 9.2.8, Shipping documents).

11) Ensure that necessary arrangements are in place to clear the cargo on arrival. Depending upon the procedures in the country of destination, the consignee could be responsible for custom clearance of the goods; however, customs clearance is part of the procurement process, and thus the responsibility of the procurement personnel.

    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 in order to secure the interests of UNOPS in the case of a missing or damaged cargo.

12) Obtain acknowledgement from consignee that the shipment has been received in good order.

13) Determine and compare the actual total lead time, including logistics activities. with the lead time estimated at the outset of the procurement process and document the lessons learnt

Throughout this process, the requisitioner and/or end user should be kept informed of expected and actual delivery dates in order for them to consider the updated information in their local planning.

9.2 Logistics requirements for goods

The following logistical aspects must be considered in order to avoid costly 'urgent' purchases as well as delays in the delivery of goods:

1) Packing
2) UNOPS Packing & Shipping Instructions
3) Labelling and shipping marks
4) Modes of transportation
5) Forwarding agents

6) Incoterms
7) Insurance during transportation
8) Shipping documents
9) Receipt of consignment

9.2.1 Packing

The nature of the goods together with the mode of shipment and the climatic conditions during transit and at the destination, determine the required packaging.

The durability, size and weight of the packages must be considered in relation to the planned means of transportation. It must be ensured that the equipment, warehouse facilities, operators and labourers involved in the shipment of the goods have the capacity to handle the goods in the chosen packaging. For instance, some port facilities cannot handle 20ft. containers. Further, the axle weight road restrictions, the maximum vessel draught allowed for shallow ports, etc. should be considered for certain shipments.

The climatic conditions both at the end destination and in transit, should be considered to ensure that packaging would withstand heat, cold, rain, humidity, mould, dust, salt water spray, etc. Certain types of goods require a constant temperature and air shipment, cold chain equipment and monitors must be used to ensure this.

To be on the safe side, one should always assume that shipments will be handled roughly and loaded and offloaded numerous times before reaching the final destination.

Unless the goods are shipped in 20ft/40ft containers (see below), UNOPS must always specify that they must be shipped below deck in order to avoid damages during transport (e.g. risks of rust, humidity, etc.).

Containerisation of cargo could be considered for extra protection and in order to be able to handle the shipment more effectively, however, this may increase the costs. If containers are used, UNOPS should always try to make full use of their space to minimize costs and ship only full containers, as the rate for shipment of a container usually does not depend on the weight and volume of its content (unless total allowable payload is exceeded). The use of LCL (less than full container load) containers that consolidates consignments from different clients, exposes UNOPS to the risks of theft, pilferage and delays if any of the consignments being shipped together should experience difficulties in customs clearance at any point along the way. Further, small consignments risk to face delays while waiting to make up a full container load. It is therefore recommended, where possible, to plan loads that fill up a container.

Containers: size, volume, payload and types:

Dimensions	**20 ft.**	**40 ft.**
Inner length (approx.)	5.90 m	12.02 m
Inner width (approx.)	2.33 m	2.33 m
Inner height (approx.)	2.35 m	2.35 m
Payload (approx.)	19.5 Metric tons	28 Metric tons
Cubic metres (approx.)	33 m3	67 m3

Depending on the size and type of the shipped goods, different types of containers are used:

Dry cargo type (DC)	Most common type of container
Open top type (OT)	No hard top
Flat rack type (FR)	No top and no sides, only end walls
Refrigerated type	For the transport of perishable items
Super/High Cube type (HC)	Higher than standard dry cargo containers

9.2.2 UNOPS Packing and Shipping Instructions

Standard UNOPS packing and shipping instructions are documents specifying how the goods are to be packed and shipped, and who to notify upon shipment. They list all the documents required for customs clearance and for payment purposes.

Packing and shipping instructions must form part of all purchase orders as an annex.

The packing and shipping instructions are linked to the Incoterms used.

UNOPS Packing and Shipping Instructions – FCA, FOB
UNOPS Packing and Shipping Instructions – CPT by air
UNOPS Packing and Shipping Instructions – CPT, CFR surface
UNOPS Packing and Shipping Instructions – CPT, CFR shipper
UNOPS Packing and Shipping Instructions – DDU

9.2.3 Labelling and shipping marks

To facilitate the identification of goods and handling whilst in transit, suppliers must be instructed to provide shipping marks on all packages. The marks should include:

1) consignee name
2) destination
3) port of unloading
4) project identification
5) order number, and
6) case number

Contents of the packages shall not be included so as not to encourage theft and pilferage.

9.2.4 Modes of transport

Four basic modes of freight transportation are used, either individually or in combination: sea, rail, road, and air.

UNOPS must consider both economy and efficiency when choosing the mode of transport. In general, rail, road and air transport costs are comparatively higher than freight by sea, thus in general sea transport is recommended. Maritime freight typically counts for 15-20 percent of the costs of the goods, and airfreight may represent up to 100 percent. International shipments by sea take on average three to five weeks (but can be considerably longer), while air shipments usually take less than a week. The balance of operational parameters such as time and financial resources should determine the mode of transportation.

Procurement personnel should prioritize transport preferences in accordance with the following criteria:

1) The cheapest means of transport that meets delivery requirements
2) Scheduling through the fewest number of trans-shipment points
3) Shipping via preferred trans-shipment points and customs
4) Using dedicated freight forwarders wherever possible
5) Applying a 1:4 ratio rule for air shipment (ship by air if less than 25 percent of cost of goods)
6) Shipping by air if weight is less than 200 kg.
7) Shipping by air when a cold chain is required
8) Shipping by land or sea if dangerous goods are involved.

Finally, procurement personnel should make a prioritized list of all technically feasible solutions. If a priority solution falls within the pre-defined budgetary framework, the plan should be executed.

If the best solutions fall outside the framework or if no solution is feasible, procurement personnel should present the existing options to the requesting business unit and ask for a decision.

9.2.5 Forwarding agents

Forwarding agents, also known as freight forwarders or freight brokers, are contracted by UNOPS or the supplier to carry out the formalities and operations of consignments.

The forwarding agent can also be employed by UNOPS to receive goods in cases where UNOPS personnel may not be physically present in order to engage in the prompt clearance and collection of goods vulnerable to loss or pilferage.

The use of an appropriate freight forwarder reduces the risk of the procurement operation, since part of the risk is transferred from UNOPS to the selected forwarding agent. Further, the choice of an appropriate forwarder in itself reduces risk due to the forwarder's experience and specialized knowledge.

UNOPS must ensure that the respective forwarding agent has all necessary documents for the release of goods in transit (see Chapter 9.2.8, Shipping documents).

9.2.6 INCOTERMS

Incoterms (The International Commerce Terms) are standard terms defining the obligations of both the buyer and seller relating to the shipment of goods. They are used worldwide in both international and local trading. Incoterms have been established by the International Chamber of Commerce (ICC).

The scope of Incoterms is limited to matters relating to the rights and obligations of the parties to the contract of sale with respect to the costs and risks related to the delivery of goods sold. They specify where the seller delivers the goods, what costs the seller pays, and when the seller passes the transit risk to the buyer. Procurement personnel may request suppliers to quote supply under more than one Incoterm, for example when considering whether to contract freight through the supplier or independently.

The clear definition of trade terms reduces the risk of misunderstanding and, as the ICC offers an arbitration service, their interpretation is widely accepted.

Incoterms 2000 shall govern shipment terms of UNOPS contracts so long as this requirement is stipulated in the general terms and conditions of contract. Reference to an appropriate Incoterm shall be made in all contracts requiring shipment. The Incoterm must always refer to a named place (city, country, etc.).

For further information, please consult the ICC website at www.iccwbo.org or the instructions on the use of Incoterms.

9.2.6.1 The use of INCOTERMS in UNOPS

Below is a list of the Incoterms most commonly used by UNOPS, and in which situations they should be used:

1. For imported products or products produced in the country it is recommended to use the term DDU (Delivery Duty Unpaid).

2. For international procurement where the supplier of the goods does not arrange transportation, it is recommended to use the term FCA (Free Carrier). Considering that UNOPS has joined the global United Nations long term arrangement for freight, FCA prices (Free carrier, named place) should be requested in the solicitation documents (UNOPS would use the selected United Nations freight forwarder for its shipments if proven cost effective and practical). FCA should be preferred to EXW as this resolves the problem of loading inside the seller's premises or export clearance for the buyer. FCA should also be preferred to FOB or FAS as with the FCA Incoterms full shipment from port of loading will be under the responsibility of only one entity: the freight forwarder.

3. For international procurement where the supplier arranges transportation, it is recommended to use the term 'CPT' (Carriage Paid To). If the choice is for the supplier of the goods to take care of the freight as well, one should use CPT. Therefore it is recommended to ask for CPT prices in solicitation documents. CPT should be preferred to CIP and to Incoterms of the D family considering that UNOPS, together with other United Nations Organizations, has signed a global cargo insurance agreement providing an exceptionally competitive overall coverage (see LTA Page).

4. In addition, the term DDU (Delivery Duty Unpaid) could be used for international procurement where UNOPS prefers the supplier to bear all risks and costs associated with the transport of goods to the country of destination. However, considering the very good all-risk insurance coverage offered under the insurance programme negotiated globally by various United Nations Agencies, including UNOPS, it is highly recommended to purchase CPT for all international procurement and have the goods insured under this insurance programme.

   The use of DDU for international procurement is justified in the very few countries where the insurance programme does not provide full coverage (e.g. it excludes war risk). In case of doubt as to whether or not all-risks insurance coverage applies to a given country, it is recommended to contact the UNOPS insurance broker (contact details).

5. The use of DDP Incoterm is incompatible with UNOPS' status as part of the United Nations (UNOPS is exempt from paying direct taxes and duties); therefore it must never be used in relation to solicitation documents, purchase orders and contracts (save under very specific conditions as explained in Chapter 6.1.3, Financial criteria) as UNOPS would run the risk of being accused of abusing privileges and immunities. Similarly, DEQ can only be used when it is clearly specified in the contract that the duties payable upon import of the goods are excluded from the contract price as this Incoterm allows for the possibility of including such costs.

All the terms referred to above should be followed by the name of the destination point (for example CPT Dushanbe, Tajikistan).

9.2.7 Insurance during transportation

During transportation and storage, all cargo is vulnerable to a range of risks, such as damage, pilferage and theft, breakage, non-receipt of part of or an entire consignment. Cargo insurance thus provides protection against potential financial losses resulting from such risks.

It is imperative to ensure protection for goods subject to risks, including war, strikes, riots and civil commotion. Further, the duration of insurance coverage must be sufficient for the period of transportation, from warehouse to warehouse, including storage at the destination site. Goods are insured for the cost, insurance and freight value plus an agreed percentage to reflect the indirect cost of replacing goods.

In view of the above, UNOPS has negotiated a global marine cargo insurance contract that all UNOPS Offices are encouraged to use. The insurance is an all-risk insurance with worldwide coverage. However, special conditions can apply for certain countries (e.g. if war risk exists). Therefore, procurement personnel must contact the UNOPS insurance broker directly, or PPG, if in doubt.

In the event of a claim, or event likely to give rise to a claim, notice must be given directly to the insurance broker. For the reporting of concealed damages, notice must be given within 60 days from the date of arrival at final destination.

For further guidance on insurance during transportation as well as relevant contact details for focal points in UNOPS and for the insurance broker, please refer to the Instructions on UNOPS Marine Cargo Insurance.

Instructions - UNOPS Marine Cargo insurance

9.2.8 Shipping documents

Complete and appropriate shipping documents are of critical importance for the timely delivery of goods. The supplier needs the shipping documents to move the order from its premises, and to receive payment from the buyer. The freight forwarder requires the shipping documents to contract carriage, the consignee requires the shipping documents to claim the goods on arrival, and the consignee or notify party requires the shipping documents to handle customs clearance. Each stage of the shipment generates documents that may be required once the equipment is in the country, for instance to register a vehicle or radio equipment.

The exact contents of a set of shipping documents depend on the type of goods being shipped, the means of transport, who is shipping the goods (freight forwarder, supplier, etc.), and any special requirements of the receiving country. Please refer to the relevant version of the UNOPS Packing and Shipping Instructions for further guidance.

While the particular shipping documents required vary from case to case, every shipment should have documented evidence of:

1) contents of the shipment
2) weight and volume of contents
3) origin of goods (if required)
4) price of the goods, and
5) evidence of transport of the goods.

The following shipping documents are common to all shipments:

1) The Bill of Lading (B/L) (for sea shipment), or the waybills (for other modes of transport) is the contract of carriage between the shipper and the carrier, indicating how goods are being shipped and when they will arrive.

   The B/L additionally evidences that the carrier has received the goods for shipment, and is conclusive evidence that the goods were shipped as stated. It also possesses the unique characteristic of documenting ownership to the specified goods (a document of title).

2) Commercial and Pro Forma Invoices describe the goods and indicate their value.

3) Packing lists are descriptions of content, total number of packing units, markings, weight and volume of each.

4) Certificates of Origin indicate the country of origin or manufacture of the goods and are always issued by a local Chamber of Commerce. A Certificate of Origin is usually required for importation and is also used for statistical purposes.

5) Gift Certificate replaces the commercial invoice and the certificate of origin in the case of goods being shipped from a UNOPS warehouse or in-kind donations. A commercial invoice, pro forma invoice or gift certificate proves the value of the goods.

Additional documents required when using a freight forwarder:

6) Forwarder's Certificate of Receipt is a proof that the supplier has handed over goods to the freight forwarder.

7) A Freight Invoice from carrier indicates shipping details and charges.

In addition, a number of certificates certifying quality can be required. These certificates are usually provided by the supplier.

The supplier or the freight forwarder (depending on who is organizing the transport) is responsible for consolidating the shipping documents received, and shall be instructed to courier one original set of documents to the consignee and the remaining two sets to the procuring unit within UNOPS.

Procurement personnel shall check the documents to ensure that all information is correct and identical in all the documents. Further, UNOPS must ensure that the documents have been received by the consignee.

The following concepts are frequently used terms in shipping documents:

Consignee
The consignee is the receiver of the goods, usually, but not necessarily, a United Nations office. The consignee may be, but is not necessarily, identical to the delivery address. The consignee shall always receive a copy of the shipping documents.

The consignee may take care of customs clearance and other government formalities upon the request of procurement personnel in question, however this may also be handled by a notify party.

Consignee details, such as address, country, name, phone/fax, email, and contact person should be included in the Purchase Order and in the labelling of the packages.

Notify party
A notify party may be engaged by procurement personnel (or the consignee) in order to arrange customs clearance of goods and other government formalities. In such case, shipping documents are also to be forwarded to the notify party.

Delivery address/final destination
The delivery address or final destination is the address of the end user where the goods are to be physically delivered.

UNOPS Packing and Shipping Instructions – FCA, FOB
UNOPS Packing and Shipping Instructions – CPT by air
UNOPS Packing and Shipping Instructions – CPT, CFR surface
UNOPS Packing and Shipping Instructions – CPT, CFR shipper
UNOPS Packing and Shipping Instructions - DDU

9.2.9 Receipt of Consignments

When a consignment is delivered to the consignee, it is common practice for the carrier to request a receipt. At the same time, the consignee should perform a cursory inspection of packages against all shipping documents. If the consignment is in apparent good order, it is recommended that an endorsement be given (e.g. 'received in good external condition – contents unchecked'). If, however, signs of tampering are visible, the receipt should state necessary reservations (e.g. 'cases broken', 'contents lacking', cartons opened with

signs of pilferage'). Where possible, packages should be weighed to determine differences between declared and actual weights, documenting any discrepancies on the delivery notes.

9.2.9.1 Creation of Receipt in ATLAS (Revenue recognition)

Receipts in ATLAS must be created once delivery has taken place. Delivery has different meaning depending on whether what is being purchased is goods, services or works. Furthermore, in case of goods, delivery is recognized at different points of time depending on the Incoterm used in the contract.

In view of this, the below tables show the points in time when delivery is considered achieved and lists the documents required for ATLAS receipt creation.

1) ATLAS receipt creation in the case of goods, works and services:

STANDARD PROCUREMENT including LTAs but excluding contracting of ICAs			
Category	**Documents required for ATLAS Receipt Creation**	**Owner**	**Receipt Date**
Goods (incl. Freight)	Proof of delivery from supplier, forwarder, or consignee; e.g. - For F Incoterms: Forwarder confirmation of receipt and quantity information for partial shipments. Receipt to be done at the same time for the PO for goods and PO for freight; - For C Incoterms: Bill of lading and quantity information for partial shipments; - For E and D Incoterms: Consignee confirmation of receipt;	Logistics Officer or Contract / Procurement Officer in the absence of a Logistics Officer or other project personnel nominated by the Project Manager (except Finance personnel)	- For F Incoterms: Date of Forwarder Confirmation of Receipt; - For C Incoterms: Date of B/L; - For E/D Incoterms: Date of Consignee confirmation of receipt
Services (excl. Freight)	Proof of completion of services from supplier or consignee: - For consultant type services (training, etc.): Confirmation from consignee / client that services have been rendered and outputs delivered; - For specialized services (inspection, lab testing, etc.): Report from supplier, acceptable to UNOPS, showing that services have been provided	Logistics Officer or Contract / Procurement Officer in the absence of a Logistics Officer or other project personnel nominated by the Project Manager (except Finance personnel)	- For consultant type services (training, etc.): Date of consignee / client confirmation - For specialized services (inspection, lab testing, etc.): Date of supplier report acceptable to UNOPS
Works	Supplier invoice certified by the engineer for the portion of the works (BOQ) executed	Logistics Officer or Contract / Procurement Officer in the absence of a Logistics Officer or other project personnel nominated by the Project Manager (except Finance personnel)	Date of Supplier invoice certified by the engineer

2) Receipt of UNGM services (this is only relevant to UNGM team at PPG HQ):

United Nations Global Marketplace (UNGM)			
Category	**Documents required for ATLAS Receipt Creation**	**Owner**	**Receipt Date**
Membership Fee	Payment by United Nations Organization	Finance Officer	Date of payment by Organization
Pro-rated costs	Payment by United Nations Organization	Finance Officer	Date of payment by Organization
Income from tender alerts	Payment by supplier	Finance Officer	Date of payment by Supplier

9.2.10 Restrictions on the export or import of goods

Exporting countries may restrict the shipment of certain classes of goods to certain countries or ban their export altogether. Equipment that has a dual civilian/military use or contains high-end computer or telecommunications technology is commonly subject to restrictions. Procurement personnel must be aware of these limitations so that the time required to obtain the necessary authorisation can be calculated and included into the estimated lead-time and the sourcing strategy modified in consequence.

Likewise, importing countries may impose their own restrictions. Telecommunications equipment and pharmaceuticals typically require prior authorisation from the concerned ministry who will issue a license. For pharmaceuticals specifically, some countries require registration of the products. Other equipment, such as used vehicles older than a certain age, may be banned outright. Some countries ban goods of certain origins for political reasons. Obtaining the permit is generally a protracted exercise. The receiving office must confirm that the permit is in hand before the supplier is authorized to ship the goods. The likely consequence of shipping without the permit is that the receiver will be required to pay the cost of storage in the port and applicable liner charges until the authorisation is issued. There is also the considerable risk that the cargo will deteriorate or go missing during this period. United Nations may also impose restrictions on exports into certain countries.

Radio communication equipments are often regulated. Many governments have very strict rules on what sort of communication equipment they will allow the public to have access to. In such places, the concerned government or telecommunication authority might require to be furnished with technical specifications of the product in order to authorize importation. UNOPS has in some occasions been approached by vendors to endorse ‘waivers’ for such equipment.

Before UNOPS provides such documents or waivers a proper check as to whether they are really required should be undertaken to avoid exposing the organization to unncessary and avoidable risk. The business unit should find out what legislation and other regulations there are in the country regarding the use of electronic communications, especially telecommunications frequencies.

In most cases, the regulatory scheme is done through:

(a) A general prohibition against all telecommunication equipment no matter how small or powerful;
(b) Exemptions (e.g. mobile phones in the GSM category, walkie-talkies, garage door openers, etc.) to said prohibition.

If the type of equipment needs a licence in order to be (legally) used, UNOPS should either:

(a) request the department within the country whom it is being supplied to make a waiver request to the department who looks after the regulatory waivers or;
(b) alternatively, ask for a waiver on behalf of the client.

UNOPS should not sign such waivers unless it is clear that either:

(a) there is no law against such equipment; or
(b) if there is a law, permission has been given pursuant to the aforementioned law, either via a general exemption, or a narrower exemption. An example of a general exemption would be “Ministry hereby gives permission for anybody to use an 802.11g-class wireless router” or “Ministry hereby gives permission to everybody to use equipment in the xxx-yyy frequencies as long as the equipment does not transmit zzz Watts of energy”.

10 Contract administration

Contract administration is the process which ensures that both parties to the contract fully meet their respective obligations as efficiently and effectively as possible, delivering the business and operational outputs required from the contract and mitigating attendant risks.

There are five stages in the contract administration process:
1. Monitoring and control of contract performance
2. Change management
3. Dispute resolution
4. Financial management/payment
5. Contract completion

Contract administration is the responsibility of the procuring unit and the individual in charge of the procurement process. However, contract administration will require the involvement and input of the requisitioner or business unit, and at times also the input of the end user.

10.1 Monitoring and control of contract performance

The overall contract monitoring is the responsibility of the personnel in charge of the procurement activity. It includes observing the performance of the supplier to ensure that a quality product, in the right quantity, is delivered on time and within the budget.

Various requirements are built into the standard contracts and the degree to which suppliers fulfil these requirements is used to measure the achievement of performance indicators in order to evaluate the ongoing performance of the contract (e.g. quality standards, delivery times, inspections, milestone dates, etc.).

Control of performance includes ensuring that the performance of the supplier is according to the contract that any variance can be justified, and that contracts are amended to reflect agreed changes to the scope of work.

Goods
For the procurement of goods, procurement personnel must monitor shipment and receipt of goods through the following actions:
1. Follow up with the supplier a few days/weeks before the required ship by date to ensure that goods will be ready for shipment by the agreed date.
2. Inform suppliers, consignee, and requisitioner/end user of any change of plans (e.g. shipping route, ship by date, etc.).
3. Make sure that all relevant shipping documents are provided to the parties. Please refer to Chapter 9.2.8, Shipping documents.
4. If necessary, request an extension of the performance security if the activity is delayed.
5. Obtain proof of receipt of consignment from the consignee. Upon receipt, the consignee should perform a cursory inspection of packages against all shipping documents, and report on the external condition of the goods. If signs of tampering are visible, the receipt must state necessary reservations. Where possible, packages should be weighed to determine difference between declared and actual weight, documenting any discrepancies in the report.
6. Obtain proof of receipt of goods at final destination, if different from the destination of the consignee.

Typical performance indicators used for monitoring of contracts:
1. Comparison of required delivery date v. actual delivery date
2. Comparison of quantity ordered vs. delivered quantity
3. Comparison of compliance between ordered and delivered specifications

Services
When contracting services, procurement personnel must monitor the performance of the contractor by ensuring timely receipt and acceptance of the deliverables specified in the contract (e.g. inception reports, progress reports, reports from workshops or training sessions, video films etc.).

The deliverables under the contract must be acknowledged and approved by the requisitioner/business unit, and occasionally also by the end user.

Further, suppliers, requisitioners/business units, and end users must be kept informed of changes or modifications to the contract (e.g. change of mission dates, start-up date, stakeholders' contact details, etc.).

Typical performance indicators used for monitoring of service contracts:
1. The timely delivery of outputs as per the contract
2. Timely response to UNOPS requests
3. Quality of services rendered

Works
Works are considered completed when the consulting engineer has issued a certificate of final completion stating that the works have been completed and that the contractor has fulfilled his obligations in accordance with the contract.

The certificate of substantial completion is issued when the works, or part of the works, have been completed to the satisfaction of the consulting engineer. It states that the whole of the works have been substantially completed in accordance with the contract, and that any outstanding works as specified in the certificate are to be completed within the defects liability period (typically the period of twelve months following the date of substantial completion of the works as stated in the certificate of substantial completion).

The date of substantial completion of the works (or designated portion of the works) is defined as the date where construction is sufficiently complete in accordance with the contract, so that the end user may utilize the outcome of the works (or designated portion of the works) for the use for which it is intended.

Typical performance indicators used for monitoring contracts for works:
1. On time completion of the works or parts of the works
2. Compliance with statement of works
3. Percentage of non-compliance points in the certificate of substantial completion issued by the consulting engineer

10.1.1 Inspections
Monitoring of the contract and evaluation of the end product could be achieved through inspections. Inspections involve examining or testing of a product to ensure that it conforms to contract requirements. Inspections may be performed by in-house experts or by inspection agents contracted on a one time basis or through an established LTA.

For guidance on inspection methods and examples of their use, please refer to the guidelines on inspections.

Guidelines - Inspections

10.1.2 Acceptance of the final product
Acceptance of the final product is the responsibility of the requisitioner/ business unit and of the end user. However, the procuring entity must record and file this information in the case file, and use it for payment purposes and to take corrective actions, if necessary.

Goods
Upon receipt of the procured goods by the end user, the requisitioner/ business unit with the input of the end user, where relevant, should provide the procuring unit with a Receipt and Inspection Report (RIR) confirming receipt of all goods as per the packing list, as well as documenting in detail the condition of the goods received, and their compliance with the stated specifications.

The standard UNOPS RIR format must be used for this purpose.

RIR - Form

Services
Procurement personnel must receive written confirmation from the requisitioner of services having been satisfactorily completed in accordance with the terms specified in the contract. The requisitioner (with the input of the end user, where relevant) must confirm receipt and acceptance of all deliverables specified in the contract.

Works
When procuring works, procurement personnel must ensure that the works are proceeding in accordance with the agreed timeline in the contract. This can be done through regular site visits, or through progress or status reports from the engineer monitoring the progress of the works.

10.1.3 Evaluation of supplier performance

Procurement personnel, the requisitioner/business unit, and the end user shall all be involved in the evaluation of the performance of the supplier. The individual in charge of the procurement activity in question has the main responsibility for supplier evaluation, however, procurement personnel depend upon input from the requisitioner/business unit, the end user, and the consulting engineer (in the case of works projects) in order to conduct a thorough evaluation.

The following issues should be addressed:

- fulfilment of delivery schedule/timely delivery
- compliance with contractual terms and conditions
- adherence to warranty provisions
- quality of goods or services provided in accordance with the contract
- timely response to UNOPS' requests
- undue delay of the performance under the contract
- any frivolous claims against UNOPS
- failure to disclose information relevant to performance (e.g. bankruptcy, ongoing litigation, etc.)

Supplier performance evaluation is mandatory for all procurement activities valued at USD 250,000 or above. When the last payment under a contract has been made, and there are no more pending claims, the supplier performance evaluation form must be completed, kept in the procurement file and a copy must be sent to the Procurement Practice Group as per the instructions indicated in the supplier performance evaluation form. Lack of compliance to this requirement may lead to disciplinary actions.

Please also refer to Chapter 3.4, Vendor management.

Supplier Performance Evaluation Form - Template

10.1.4 Contract filing and documentation

A procurement file must be established by procurement personnel. In addition to information documenting the procurement process, the file must include all information required to successfully administer the contract. Any issues of clarification or change of the contract must be fully documented in this file. The requisitioner/business unit will normally have a separate file, with copy of the contract, as part of the project management file, in order to provide their input throughout the contract administration phase.

It is important to carefully document contract performance:

- in order to provide evidence of the performance of the supplier,
- in the event of disputes,
- in order to form an institutional memory, and
- for audit purposes.

For guidance on the contents of a procurement file, please refer to Chapter 1.10, Documentation of the procurement process, as well as the guidelines on filing.

Filing in procurement

10.2 Change management

Change management is the handling of changes that arise during contract execution, typically involving variations in costs or requirements that were not originally anticipated, but are not in dispute. Change management includes both avoiding unwanted changes as well as incorporating necessary changes into the contract.

It is the responsibility of procurement personnel to:

1) negotiate the appropriate contract changes regarding cost, schedule, and quality and performance ensuring that the contract is amended so that it at all times defines the agreed expectations of both parties under the contract. The amendments must be documented to the contract file.

2) ensure that the change conditions are reasonable and justifiable in terms of cost, time, and quality.

10.2.1 Contract amendments

A contract amendment originates either from a request for small changes in or additions to the contract from the client or end user, or from a discovered need for adjustments to the contract in order for it to clearly reflect the expectations of the contract parties.

Once a contract has been awarded and signed, it is only permitted to amend the contract if the contract provisions call for modification, or if additional related goods, services, and/or works are to be rendered by the same supplier in furtherance of the execution of an original contract. Contract amendments are not appropriate for substantial amendments to the scope of the goods, services or works to be delivered.

All other situations call for a new competitive selection of a supplier.

The following key points should be taken into account when amending a contract:

1. Amendments with financial implications must be approved by the requisitioner and the relevant PA.

2. Requests for amendments shall be submitted for review and/or award to the relevant contracts and property committee and/or PA according to the established financial thresholds (as stated in Chapter 7.2, Review and recommendation to PA). For submissions that require a contracts and property committee review, the on-line HQCPC system shall be used (amendment process). The request for contract amendment template shall be used when submitting requests directly to the PA. See Table 6 below summarizing the various amendment situations and showing the required type of review and award.

3. Amendments must be made well in advance of the proposed effective date of the amendment, and always prior to the expiry date of the contract. If the contract is already expired, legal advice must be requested from the LPG.

4. When amending a contract to increase the price, procurement personnel must justify the reasonableness of cost (e.g. unit prices should not exceed those in the original contract). Deviations from the original unit prices must be clearly explained and justified.

5. Amendments must be in writing. The standard contract amendment template shall be used for the amendment of services or works contracts. When purchasing goods, an amended PO must be issued to the supplier.

For amendments that require a contract committee review please use the on-line HQCPC system
Request for contract amendment – no committee review required
Contract amendment - template
Supplier performance evaluation form

For requests for amendment related to ICAs, please refer to OD21.

Table 6: Type of review and award required for various amendment situations

Amendments					
A= original contract+ amendments <u>already</u> reviewed by LCPC/HQCPC		**B= current amendment+ amendments that <u>have not</u> been reviewed by HQCPC**		**Review**	**Award**
B ≥ 250,000				HQCPC	ECPO
B < 50,000	If A has gone through a committee review	B > 20% of A		The committee which reviewed A	RD or ECPO
		B ≤ 20% of A		PA	PA
	If A has not gone through a committee review	If A + B ≥ 50,000 but < 250,000	If A was based on an exception to the use of formal methods of solicitation	LCPC/HQCPC[1]	RD or ECPO
			If A was based upon the use of formal methods of solicitation or pre-selection	PA	PA
		If A + B ≥ 250,000		LCPC/HQCPC[1]	RD or ECPO
		If A + B < 50,000		PA	PA
B ≥ 50,000 and < 250,000	If A has gone through a committee review		If A was based on an exception to the use of formal methods of solicitation	LCPC/HQCPC[1] for cumulative amount < USD 250,000 otherwise HQCPC only	RD or ECPO
			If A was based upon the use of formal methods of solicitation or pre-selection	LCPC/HQCPC1 for cumulative amount < USD 250,000 otherwise HQCPC only	RD or ECPO
	If A has not gone through a committee review		If A was based on an exception to the use of formal methods of solicitation	LCPC/HQCPC[1] for cumulative amount < USD 250,000 otherwise HQCPC only	RD or ECPO
			If A was based upon the use of formal methods of solicitation or pre-selection	LCPC/HQCPC[1]	RD or ECPO
Footnote: [1] LCPC if the Region has an LCPC, otherwise HQCPC.					

10.3 Remedies

A breach of contract may entitle the non-breaching party to certain remedies.

Termination
In some cases, the failure of one party to perform may give rise to the other party cancelling the contract. Cancellation occurs when one party puts an end to the contract for breach by the other. The remedies for that breach normally include damages that indemnify the non-breaching party for any loss suffered due to breach and such damages generally are compensatory. In all cases of termination, prior consultation and advice must be sought from the LPG.

Liquidated damages
The parties to a contract may expressly agree, in advance, to a sum that will be payable as damages for any breach. These liquidated damages are an estimate of actual loss that would be incurred and are not considered a penalty. Provisions for liquidated damages are included in the general conditions of the UNOPS standard contracts. When delays result in extra costs, or loss of revenue or loss of other benefits to UNOPS, liquidated damages are paid by the supplier to UNOPS to cover costs incurred by the delay.

Liquidated damages are provided for to cover late delivery and calculated as a percentage of the contract value up to a maximum amount. Liquidated damages for late delivery normally accrue for each day, or other period, calculated to account for late delivery.

UNOPS often requires that the liquidated damages clause be in addition to other remedies. This can be achieved by expressly limiting the liquidated damages to late delivery only. For example, once a deduction of, say, 10 percent has been obtained under a UNOPS works or goods contract, UNOPS may reserve the right to terminate the contract.

When should liquidated damages be applied/not be applied:

1. If the delay is the result of a force majeure (i.e. events beyond the control of the supplier and not involving the supplier' fault or negligence and not foreseeable) and the supplier has been able to provide convincing evidence of the occurrence of such events, or if the delay is due to UNOPS negligence (e.g. error in design documentation) or to client stopping/delaying execution of the contract, liquidated damages must not be applied.

2. If the delay is due to any other reasons related to the contractor, liquidated damages must be applied as per the terms of the Contract.

Who decides the application/non application of liquidated damages:

1. If there is no existing representation from the supplier requesting waiver of liquidated damages, the liquidated damages shall be deducted straightaway as per the terms of the contract. In such cases the Finance Officer shall deduct the liquidated damages. Since the provision is already stipulated in the contract and the Finance Officer already indicates this deduction in the statement of payment issued to the supplier, there is no requirement of prior information to the supplier.

2. If the supplier has already submitted a representation seeking waiver of liquidated damages, the decision to apply/not apply liquidated damages or to what extent liquidated damages should be applied, must not be taken by one individual. In such cases, the Contract or Logistics Officer must prepare a note to the file after obtaining inputs from concerned officers and thereafter recommending to what extent liquidated damages should be applied or omitted. The recommendation will be submitted to the relevant PA who will take the final decision.

3. UNOPS must then notify the supplier of the final decision on his representation. Relevant records must be kept in the procurement file.

Specific performance
The non-breaching party is entitled to damages in most cases of breach of contract. Forced performance remedy is usually not available to UNOPS under contracts relating to the sale of goods unless UNOPS is procuring specialized or unique goods. Where a contract for personnel services is concerned, a breach of contract may give rise to the remedy of specific performance.

If a breach of contract has occurred, or if a breach of contract may arise, the LPG should be consulted for legal advice on the way forward in order to preserve UNOPS' rights under the contract to the maximum extent possible.

10.4 Dispute resolution

Ideally, contracts should be clear and the responsibilities and obligations of both the supplier and UNOPS must be clearly defined in order to minimize the possibility of disputes and disagreements. Please refer to Chapter 8, Contracting, for further guidance on the contents of a UNOPS contract.

However, no matter how well a contract is drafted and its performance managed, disputes can and do arise. As potential disputes must be considered throughout the procurement process in order to resolve any dispute should it ultimately arise, a good understanding of how disputes are resolved is fundamental to effective procurement.

The preferred means of commercial dispute resolution is negotiation. All negotiations are based on an openness to compromise, which often is less costly than alternative methods of dispute resolution. UNOPS must strive to always solve disputes through negotiation.

Where negotiation is not possible or fails, more formal means of dispute resolution are available. Mediation is a private method of dispute resolution by submission to an agreed impartial third party that has a non-binding authority. Arbitration also is a mutually agreed method of dispute resolution, but the arbitrator(s) are given authority to render a binding judgement.

Arbitration often is agreed to by contracting parties by including an arbitration clause in their contract. Such a clause can be found in all standard UNOPS contracts (in the General Conditions of Contract).

UNOPS contracts state that in the event of arbitration, the arbitration will be conducted according to the UNCITRAL Arbitration Rules. These rules cover procedural issues only related to how the arbitration will proceed, including selection of the arbitrator(s).

General Conditions for Goods
General Conditions of Contract for Professional Services
General Conditions of Contract for Construction Works

10.5 Financial management and payments

Financial management and payment refers to the timely processing of invoices for payment, according to the terms of the contract as well as the review of financial implications of contract changes, and the liquidation of financial securities (i.e. release of performance and advance payment securities) once the reason for requesting them no longer exists.

10.5.1 Payments

UNOPS contract managers shall ensure that the terms and conditions of payment are consistent with the ones specified in the contract document. The following examples contain typical payment terms for goods, works and services:

1. For the procurement of goods, the payment term is Net 30 days upon receipt of shipping documents and invoices.

   Alternatively, payment of 80 percent upon shipment of goods and 20 percent upon delivery and acceptance of goods at the end destination may be considered.

   In exceptional cases where the delivery term DDU is used (or when using another Incoterm where the supplier, at his own risk/cost, is making the goods available upon arrival at the agreed destination (D-group) – please refer to Chapter 9.2.6, Incoterms, and the Guideline on Incoterms), payment is made within 30 days upon receipt of goods. A delivery note confirming that the goods have been received by the consignee must be provided by the vendor as part of the payment documents.

2. For the procurement of construction works, the payment term is Net 30 days upon receipt of invoice and the certificate of payment issued by the consulting engineer approving payment in the amount of the invoice.

3. For the procurement of services, the payment term is Net 30 days upon receipt of invoice and delivery/acceptance of the milestone deliverables linked to payment as per the contract.

The payment is transferred to Finance, and finance personnel shall effect the payment in order to uphold the separation of duties between procuring personnel conducting the procurement process, and finance personnel effecting the payment. This separation of the buying function and the payment function is a crucial factor in the principle of segregation of duties (see Chapter 1.7, Segregation of duties), and must be adhered to.

10.5.1.1 Advance payments

According to FRR no contract shall be made on behalf of UNOPS requiring payment in advance of delivery of goods or performance of contractual services.

However, in certain exceptional cases or when it is common practice within the industry, advance payments may be made. Further, progress payments are commonly used in the case of services and works contracts. Please refer to Chapter 8.1.2, Policy on advance payments, for further guidance.

In the exceptional cases where advance payments are made, an advance payment security must be requested from the supplier. Please refer to Chapter 5.1.1.1, Letter of invitation, paragraph 15) for further guidance.

Advance payment guarantee – Template

10.5.1.2 Third party payments

UNOPS does not make any third-party payments, i.e. payment to others than the entity contracted. However, if the individual approving the contract (the relevant PA) believes that circumstances warrant that UNOPS pay a third party, then the PA must consult with the Director, Finance Practice Group, and obtain his approval prior to the contract or purchase order being signed. Once the third party payment has been approved, the name, address, and banking details of the third party must be included in the contract document unless vendor banking details have already been entered in ATLAS.

10.5.2 Taxes

UNOPS, as a subsidiary organ of the United Nations, is exempt from direct taxes such as income tax, and is entitled to exemption/reimbursement of indirect taxes, such as sales tax and VAT, on important purchases. This is derived from the Convention on the Privileges and Immunities of the United Nations (General Convention), adopted by the General Assembly in 1946.

While in some countries governments have provided an outright exemption from indirect taxes, in some countries UNOPS may be required to pay taxes upfront and then seek reimbursement.

When the goods or services purchased are for UNOPS' own needs (i.e. administrative expenditures such as furniture for an office), payment and reimbursement must follow the conditions stipulated in the host country agreement (usually advance payment of VAT by UNOPS and reimbursement via a claim issued to the government; or via provision of an official certificate of exemption to suppliers). When taxes have to be paid in advance by UNOPS, the purchase order issued to the supplier will contain a line including the indirect tax amount.

A business unit may choose not to claim reimbursement of VAT or equivalent tax when the administrative costs related to tax exemption processing are such that the benefits to UNOPS are valued at less than USD 1,000 per quarter. For instance, if the total value of VAT claims in a given quarter is USD 1,000 and the administrative effort required is estimated to cost UNOPS USD 1,000, the business unit may decide not to submit the claim.

The policy of the United Nations, including, UNOPS, is that all purchases are 'important', as they are recurring and necessary for UNOPS to carry out its official activities. UNOPS offices should liaise with the Ministry of Foreign Affairs to ensure reimbursement. Any difficulties with respect to exemption from taxation or reimbursement of taxes should be addressed to the PPG.

Please also refer to the UNOPS General Conditions for guidance on taxation issues.

10.5.3 Performance securities

If required, the supplier shall within a specified period of time of the notification of contract award, provide a security for performance of the contract, or an advance payment security, in an amount determined by UNOPS. The proceeds of the security (an established amount) shall become payable to UNOPS in the event of the supplier's failure to perform.

The performance security shall be returned by UNOPS to the supplier no later than thirty days following the date of completion of the supplier's performance obligation under the contract, including any warranty obligations.

For further guidance on bid, performance, and advance payment securities, please refer to 5.1.1.1, Letter of invitation, paragraph 15).

Performance guarantee – Template
Advance payment guarantee – Template

10.6 Contract completion and close out

Contract completion entails the confirmation that all obligations have been met, identification of any residual obligations and how they will be fulfilled, settlement of final payments, assessment of contractor, and the administrative closing of files.

Procurement personnel must verify the following key steps in order to close a contract:

1. All products and/or services required have been provided to the buyer
2. Documentation in the contract file adequately shows receipt and formal acceptance of all contract items.
3. No claims or investigations are pending on the contract.
4. Any UNOPS furnished property has been returned to UNOPS and discrepancies in number and condition resolved.
5. All actions related to contract price revisions and changes have been concluded.
6. All outstanding subcontracting issues have been settled.
7. If a partial or complete termination was involved, action is complete.
8. Original copies of all warranty documentation, including expiration dates, responsibilities and procedures to follow are finalized.
9. Any required contract audit has been completed.
10. The final invoice has been submitted and paid.

11 Emergency procurement

All UNOPS procurement must be undertaken in compliance with the FRR, as well as policies and procedures outlined in this manual, and any organizational directive and administrative instruction relevant to procurement operations.

Due to UNOPS' increased role in supporting clients in post-conflict and post-crisis operations, as well as emergency operations in general, particular procurement procedures, applicable to emergency situations requiring rapid response and in accordance with FRR 118.05 (b), have been developed, and are described in the current chapter. The procedures aim at allowing fast track and simplified processes to facilitate rapid response, while at the same time fostering compliance with the procurement principles as per Chapter 1.4 of this procurement manual.

UNOPS, in its management of public funds, is expected to comply with all applicable regulations and rules and public procurement principles. UNOPS' clients expect the same level of transparency, integrity, economy and effectiveness whether procurement is undertaken for emergency operations or in normal situations. Indeed this is what justifies UNOPS' existence, and unless complied with, UNOPS involvement adds little value to the client. It is, therefore, imperative to ensure that the key procurement principles are observed also when conducting emergency operations.

UNOPS FRR allow exceptions to the use of formal methods of solicitation where the exigencies of UNOPS' operations do not permit procurement to be undertaken according to a regular tender procedure. However, some emergency situations which may give rise to justification for exceptions, still allow a process where several offers are compared in order to ensure best value for money for UNOPS. In order to facilitate rapid response in emergency situation, while at the same time upholding the procurement principles outlined in Chapter 1.4, the emergency procedures described below permit a bidding exercise according to the flexible RFQ procedure.

In UNOPS, special situations allowing use of the emergency procedures are limited only to those defined in this chapter, and any use of the emergency procurement procedures is subject to the upfront approval of the UNOPS Executive Chief Procurement Officer (ECPO).

All other situations of importance and urgency must be dealt with through the application of regular procurement procedures (See Chapters 1 through 10).

11.1 Definition of emergency situation

For the purposes of UNOPS operations allowing the use of the emergency procurement procedures detailed in this chapter, emergencies are defined as:

Urgent situations in which there is clear evidence that an event or a series of events has occurred which imminently threatens human life/lives or livelihoods, and where the event or a series of events produces disruption in the life of a community on an exceptional scale.

The event or a series of events comprise one or a combination of the following:

1. sudden calamities such as earthquakes, floods, locust infestations and similar unforeseen disasters

2. human-made emergencies resulting in an influx of refugees or the internal displacement of populations or in the suffering of otherwise affected populations

3. drought, crop failures, pests, and diseases that result in an erosion of communities and vulnerable populations' capacity to meet their basic needs

4. sudden economic shocks, market failures, or economic collapse resulting in an erosion of communities' and vulnerable populations' capacity to meet their basic needs

5. a complex emergency for which the Government of the affected country or the Agency Head of a United Nations Organization has requested the support of UNOPS

6. strategic, time-critical, or risk mitigation imperatives in the development, peace building or humanitarian context: This trigger is context-specific, and is dependent upon a judgment call by UNOPS management in the field on the gravity of the situation. This will most likely come into play in

a protracted crisis situation, when there is an unexpected and significant change in the operational environment which allows for and requires fast action. These are often characterized by a sensitive political imperative to deliver or the urgent need that cannot be met through the application of the regular procurement procedures to implement an exceptionally complex programme which has not been anticipated; Any application to use emergency procurement procedures on the basis of this ground must include a supporting statement from the relevant Regional Director after consultation with the respective Practice Leads, and United Nations Country Team as appropriate,

The following definitions apply for the terms 'strategic', 'time-critical', and 'risk';

a. Strategic: Used in this context to describe situations where UNOPS involvement in a crisis, or rapid expansion of UNOPS programs in a specific context, is considered essential for delivering development results to remain relevant, and to maintain or build the organization's reputation.

   Examples:
   - UNOPS is involved in a highly political stability project on disarmament, demobilization, and reintegration in a post-conflict situation with the support of the entire United Nations country team. There is an immediate and strategic requirement for visible progress in order to assure factions of the 'peace dividend' and restore hope that progress and development is coming. Stakeholders have impressed on UNOPS the political urgency of delivery at a high level. UNOPS institutes emergency procedures in order to allow a limited but rapid expansion of UNOPS program in order to meet a requirement of opening offices in all areas to begin taking names of ex-combatants quickly.

   - A regional bank faces a failed implementation of a strategically important infrastructure programme in a host country affecting the relationship of the international community with the government. In order for the international community to retain credibility, the regional bank requests an urgent intervention by UNOPS to rectify the situation and recover the reputation of both the bank and its partners. UNOPS mobilizes and dispatches staff and equipment with immediate effect, for a short window in order to deliver on the requirements and stabilise the operations.

   - DPKO is given a mandate to establish peace-keeping camps within xx days. UNOPS is tasked with expanding the capacity of the United Nations system, and providing "rapid response" services to DPKO to enable it to meet the GA deadline which would otherwise be unattainable.

b. Time Critical: Used in this context to denote the need to deliver development results within a very short or medium term timeframe within which UNOPS must make a contribution or impact in order to help the United Nations Country Team remain a relevant player in the development arena.

   Examples:
   - Provision of services related to a forthcoming election (the date of the election cannot be changed and failure to deliver in time would have international repercussions).

   - Provision of school equipment before the start of a new school year (the school year start date cannot be changed).

c. Risk: Identification of security risk(s) that expose personnel or assets or works or operations to increased vulnerability requiring urgent action in order to reduce those risks to an acceptable level. Serious security incidents and/or high likelihood of their occurrence can be a key trigger for the use of emergency procedures. In the case that UNDSS, or UNOPS security, or the senior management of the business unit identify a security compliance issue that puts the lives of UNOPS personnel at risk, there is the ability to institute emergency procurement procedures for the purpose of mitigating that risk. Example: recent bombing of a hotel in a country requires urgent procurement of blast film.

7. Other event(s) that in the opinion of the ECPO would fall under the definition of a genuine emergency situation.

11.2 Approval for use of emergency procurement procedures

Based on the definition mentioned above, the Executive Chief Procurement Officer (ECPO) determines when there is an emergency situation justifying use of the emergency procurement procedures. Only upon approval of the ECPO may the emergency procurement procedures spelled out in this chapter be used. In all other situations of importance and urgency the standard procurement procedures are in effect and must be used.

Request for approval of the use of the emergency procurement procedures must be presented to the ECPO using the standard format, and shall include the background information and justification for use of the emergency procedures, as well as a description, approximate value, quantity, and requirements of the estimated procurement needs under the specific operation.

The approval for use of the emergency procurement procedures shall be time bound, limited to a specific operation and in certain cases also limited to the procurement of defined products in relation to a specific operation.

ECPO will prioritize requests for approval of the use of the emergency procedures.

UNOPS shall monitor the use of the emergency procedures and keep a record of their use. The use of the emergency procedure should be audited regularly.

Request for approval of the use of emergency procedures – Form

11.3 Strategic planning of emergency procurement

Individual emergency procurement activities are not easily planned as by definition emergencies are often caused by unforeseen events. However, proactive measures can be taken in order for UNOPS to be prepared to carry out emergency operations.

Planning for emergencies is an important part of UNOPS' regular procurement planning (see Chapter 2, Procurement planning and needs assessment). The following activities are examples of proactive measures that can facilitate emergency procurement operations:

- advance identification of suitable suppliers of products frequently requested in emergency operations, including confirmation by suppliers of willingness to respond to solicitations on short notice.
- pre-qualification of suppliers of products frequently requested in emergency operations.
- development of standard specifications/TOR/SOW for products/services/works requested in emergency operations.
- establishment of LTAs with suppliers of products frequently requested in emergency operations, and specifying in LTAs the need for stock availability and emergency preparedness.
- identification of relevant LTAs from sister United Nations Agencies.

PPG will work continuously on the above in order to prepare the organization for upcoming emergency situations. In order to ensure relevance of the strategic planning, it is of utmost importance that UNOPS procurement personnel involved in emergencies provide input as well as lessons learned after emergency operations. Strategic planning measures such as those mentioned above can also be relevant in some of UNOPS' decentralized offices. The PPG is available to provide support and coordination as required.

11.3.1 Emergency Task Force

In all emergency situations the business unit concerned should liaise with the PPG in order to ensure early information exchange that would allow proactive measures to be taken, as well as in order to codify lessons learned which can be useful to improve processes to the benefit of handling future emergency situations.

11.4 Emergency procurement procedures

During emergency operations, procurement personnel may alter the regular procurement procedures in line with the emergency ones outlined below in order to better meet the needs of each specific situation.

When confronted with an emergency procurement activity, the procurement personnel should:

- do back-ward planning, i.e. plan procurement activities starting from the time the goods have to be delivered and counting time backwards to determine the maximum length of time allowed for each of the procurement phases (solicitation, evaluation, award, contract issuance, etc.);
- determine proactively the likely availability of members for bid evaluation;
- notify as soon as possible relevant stakeholders in the process so that they can be prepared to respond faster (e.g. chairperson of HQCPC, ECPO, etc.).

Even though the procurement procedures for emergency procurement are less formal than in the case of normal situations, ECPO may at his discretion impose more conservative procedures through issuance of written instructions to the business unit. This could include for example receipt of offers to a secure email address or fax number if the business unit already has such a set-up in place.

11.4.1 Funds availability

In emergency situations it will often be necessary to initiate solicitation processes prior to having received the funds. Under normal circumstances, UNOPS will be careful to avoid solicitations to be undertaken until funds are secured in order not to waste UNOPS personnel resources on frivolous or less than firm commitments, and to protect UNOPS' reputation among suppliers. However, in emergency situations, the severe impact of delays may justify a process to be initiated prior to confirmation of funds availability. Note however, that no order can be placed until funds have been received. Any exceptions to this rule must be approved in writing in accordance with the policy on advance funding activities established by the Executive Director pursuant to FRR 112.01. See Chapter 11.4.7, Award. Further, suppliers must be informed of UNOPS' right to cancel the RFQ and reject all offers received.

11.4.2 Needs assessment and requirement definition

The assessment of the functions, performance requirements, characteristics, objectives, and/or expected outputs of the product to be procured is no less important when procuring under emergency operations. To the extent possible, the regular procedures for requirements definition specified in Chapter 2.5.2 of this procurement manual should be followed.

However, since emergency procurement is often done under time constraints, and the RFQ mode of solicitation allows more flexibility, less formality can be accepted for requirement definition in emergency situations.

The following points should be considered:

1. The use of brand names in requirement specification, which is not allowed under the regular procedures, may be used in emergency procurement, if found useful to describe the product required in an easy way. In order to avoid limitation in competition, the words "or equivalent" must be added unless a particular brand is required for standardization purposes, and it must be made clear that equivalent products of other brands would be accepted. Standardization is particularly sensitive in emergencies, as requirement of specific brand can potentially delay the delivery while other brands could be available more expeditiously or ex-stock.

2. Product instructions and standard specifications/TOR previously developed and available through the UNOPS Intranet can be used to facilitate the requirement definition.

3. Existing LTAs can provide useful specifications and must also be checked for compliance with the current need. If LTA's exist for the requested product, and the LTA can cover the need in terms of stock availability and delivery times, orders should be placed against the existing LTA.

4. Purchase ex stock should be considered, although this often represents a costly solution to a defined need.

Requirement definition can be simplified as per the above for emergencies. However, as in the case of any other procurement activity, it is extremely important to keep the end in mind, in order to ensure that a useful product, covering the actual need, is delivered.

Link to Key Product Instructions on the UNOPS Intranet
Link to existing LTAs on the UNOPS Intranet

11.4.3 Sourcing

There are no specific requirements concerning sourcing in the emergency procurement process, except that when there is no possibility to deliver rapidly the required goods or services without awarding contracts to

suspended vendors, this may be done provided that special ECPO approval is obtained. The request for approval must contain proper justification and indication of additional safeguards that will apply to mitigate reputational and other risks for UNOPS related to using suspended vendors.

When sourcing suppliers in an emergency situation, priority must be given to suppliers having experience in supplying the United Nations system in emergency operations in order to reduce risks of contract failure and reduce lead time.

For general guidance on the sourcing process, refer to Chapter 3, Sourcing of suppliers.

Strategic sourcing undertaken upfront by the PPG procurement support must always be checked, as it could provide useful input. The PPG is available to provide sourcing for specific requests, and emergencies would receive immediate attention and support.

The following points should be considered:

1. Use existing LTAs if feasible (including LTAs of other United Nations organizations).

2. Consider the use of existing rosters or other lists of suppliers.

3. Consider purchase of second hand equipment, supply from UNOPS stock, redeployment of goods from other operations, borrowing goods from a sister organization, or diversion of goods in pipeline for another project, as an alternative to purchasing goods. Renting equipment until ordered goods are delivered should also be considered.

For solicitations undertaken through use of the RFQ modality (see Chapter 11.4.4, Procurement method, below) there are no specific requirements to prepare a short list. However, in order to comply with basic audit requirements, the procurement file must contain a brief explanation as to which suppliers were considered and why.

11.4.4 Procurement method

In emergency procurement operations, a Request for Quotation (RFQ) may be used for solicitation of offers regardless of the value of the procurement.

There are no specific requirements concerning the type of competition (national/international), but procurement personnel must ensure competition by requesting at least three quotations, if feasible.

The following points should be considered:

1. No specific format is required to be used. If necessary, the request may be presented to the suppliers orally.

2. Suppliers must be informed of an approximate deadline specifying by when their quote is expected.

3. Additional suppliers may be added at any stage of the process.

4. If circumstances so require, suppliers may quote their offers orally, provided UNOPS receives confirmation by email or fax prior to award.

5. Local suppliers may be given preference, due to time constraints and logistics considerations. However, procurement personnel must be aware that local availability of products might fluctuate, since certain products will rapidly be out of stock in an emergency situation. It is therefore always advisable to check multiple markets, in order to have fall back options, and to reconfirm availability before placing an order.

6. The supplier offering the lowest priced most technically acceptable products might not be able to supply all requested items, or the full quantity requested.

   Therefore, the possibility and option to make split orders must always be made clear in a UNOPS RFQ for emergencies. The use of split orders can ensure availability of all requested items, as well as economy, through placing of a partial order with the supplier offering the lowest price for the respective item.

In cases where the full quantity requested cannot be provided by one supplier, an additional order can be placed with the supplier offering the second lowest price.

11.4.5 Solicitation

As mentioned above, RFQs can be used regardless of the value of the emergency procurement.

When using a Request for Quotation (RFQ) in emergency situations, no absolute deadline or specific template are required when requesting quotes. However, the request must contain enough information to enable suppliers to give an informative quote. Therefore all requirements to the product must be communicated clearly and in the same manner to all suppliers along with the method of evaluation (see Chapter 11.4.6, Evaluation).

RFQs can be placed orally, however the quotations from the suppliers shall preferably be in writing. If required, suppliers may quote their offer orally, and confirm it in writing prior to award of contract. If time allows, written RFQs should be issued, as this supports the transparency of the process, by ensuring that all suppliers receive the same information at the same time.

The following points must be considered:

1. The same information (e.g. regarding requirements, deadlines for delivery, evaluation criteria) must be communicated to all invited suppliers.

2. Suppliers should preferably quote their offers in writing.

3. Supplies should be given a realistic deadline to respond to UNOPS' request.

11.4.6 Evaluation

Offers received based on an RFQ during an emergency operation must be assessed against the requirements stated in the RFQ. At least two individuals must be involved in the evaluation of offers.

Contracts are awarded according to the 'lowest priced, most technically acceptable offer' methodology. A self contained bid evaluation report must be prepared.

When using this methodology, price serves as the overriding evaluation criterion upon which to award a contract.

However, in order to provide a more flexible method for selecting suppliers, the evaluation methodology allows various considerations to be taken into account. The technical advantages offered by a higher priced quotation may in certain cases justify selection of another offer than the lowest priced. Further, the RFQ modality allows selection of the most technically acceptable offer in cases where none of the offers received fully meets the requirement specification (where under an ITB the option would be re-tendering). Nonetheless, it should be borne in mind that this methodology does not permit the selection of a substantially non-compliant proposal if a substantially compliant offer exists.

The selection of a supplier other than the one offering the lowest priced option requires proper justification documented on file.

Please refer to Chapter 6, Evaluation, for further guidance on conducting evaluations.

The following points should be considered:

1. Even though the evaluation is conducted according to the 'lowest priced, most technically acceptable' methodology, and no exact evaluation criteria have to be determined, UNOPS procurement personnel still have an obligation to present all suppliers with the same information regarding UNOPS' requirement, delivery dates, and factors which will be assessed in the evaluation and determine the selection of the supplier.

2. Due to the lack of firm evaluation criteria, particular emphasis must be placed on creating a written record of the evaluation process and the justification for selection of supplier(s). See Chapter 11.5, Filing, for further guidance.

3. Given the limited nature of the background checks because of the time constraints, the procurement personnel may consider asking for performance security from the supplier. Willingness of the bidders

to provide a performance security is a positive indication regarding the financial position of the company.

11.4.7 Award

The PA with the delegated authority for the value of the procurement activity (see Chapter 1.5.1, Delegation of authority) will award contracts further to an emergency procurement activity.

Where ECPO has granted authorisation to use emergency procurement procedures, the use of an RFQ process shall be deemed to constitute a "formal method of solicitation" for the purposes of FRR 118.05(a). In consequence the resulting award made to the supplier having submitted the lowest substantially compliant offer in response to an RFQ is to be made on a competitive basis. The relevant PA shall be determined on that basis.

On an exceptional basis, where deemed necessary and justifiable, a temporary increase in the procurement authorization levels may be granted, in writing, by the ECPO. The increase must be time-bound and given to a specific individual (not function).

At his discretion, the ECPO may decide that only HQCPC and not the LCPC can review submissions under emergency procurement procedures requiring Committee review and that the PA in such a case will be ECPO, not the RD.

The Committee designated to review emergency procurement submissions will be indicated by the ECPO (on the request for approval of the use of emergency procedures) and concerned business unit should comply accordingly.

If contracts and property committee review is required according to the standard procurement procedures (See Chapter 7.2, Review and recommendation to PA), the following simplified review process is established for emergencies:

Procurement undertaken following the approval of the ECPO to use emergency procedures can be submitted to the relevant PA for award through the chairperson of the relevant contracts and property committee. Thresholds remain the same as under the regular procedures. There is no requirement for a full committee review, but the chairperson reviews and provides comments if any to the relevant PA. Alternatively, an ad hoc meeting of the relevant contracts and property committee can be called at the discretion of the chairperson.

A standard request for emergency award must be completed and signed by the submitter. In addition to the usual information to be provided in a request for award, the emergency award contains the following:

1. Procurement personnel in question confirms in writing not having any vested interest in the supplier recommended for award. If a conflict of interest exists, this must be specifically disclosed at this stage, in addition to the normal requirement to disclose any potential conflict of interest at any time during the procurement process.

2. Procurement personnel in question confirms in writing that all required documentation is available on file (see Chapter 11.5, Filing).

3. Procurement personnel in question confirms in writing that the recommended contract award represents the best possible solution available according to information available at the time of recommendation of the award.

Funds must be available prior to award of contract, unless the client provides UNOPS with a letter of intent assuring that funds will be made available for the particular activity. Award of contract prior to receipt of funds, and based on such letter of intent, requires upfront clearance by the UNOPS Comptroller.

For requests for Emergency Award valued at USD 250,000 or above, please use the online HQCPC System. Request for Emergency Award (USD 50,000-250,000)

11.4.8 Contracts

Due to the risk involved, the procedures for contract preparation and issuance as well as contract administration remain the same as under normal conditions. Standard UNOPS contract formats are used when contracting suppliers during emergency operations.

UNOPS requires written contracts to be signed for all procurement activities with values above USD 2,500. It should be noted that oral commitments in some countries are considered legally binding, and care must be taken to avoid exposing UNOPS to the risk of accidentally entering into a binding oral agreement, without intent.

Please refer to Chapter 8, Contracting, for guidance and contract templates.

11.4.9 Contract administration

Contract administration of emergency contracts is a combined responsibility of the procuring unit and the personnel responsible for emergency operations.

Please refer to Chapter 10, Contract administration, for further guidance.

11.5 Filing

Proper documentation of the procurement process in the procurement file is always a requirement for UNOPS' procurement actions.

The use of the emergency procurement procedures allows more flexibility in the procurement process than UNOPS' regular procedures. This increases the responsibility of procurement personnel as well as managers at all levels of the organization to document that procurement being carried out is conducted in line with the procurement principles and in accordance with the FRR. Procurement personnel in question is reminded that proper filing also protects the person undertaking the procurement activity from undue suspicion and ensures that actions can be justified to auditors.

In order to document the emergency procurement process, and justify the decisions and choices made when selecting the supplier and awarding contract, all steps of the process must be documented in the procurement file.

The file also documents the process in the event of disputes, in order to form an institutional memory and the basis of a lessons learnt process, as well as for audit purposes.

The following information must be included in the procurement file:

1. Client request for UNOPS services
2. Request for approval of the use of the emergency procurement procedures
3. Approval for the use of the emergency procurement procedures
4. Requirement specifications, including justification
5. Note to the file justifying the mode of competition (e.g. why local procurement is preferred), and the choice of suppliers requested to quote. Explain and justify if less than three suppliers are requested to quote
6. RFQ or note to the file summarizing the information given to the bidders
7. Quotations received
8. Summary of the evaluation comparing products, prices, and terms and conditions of the various offers
9. Request for award (or submission to contracts review committee, if relevant)
10. Award (the PAs signature of the request for award), minutes of the contracts and property committee if applicable
11. Note to the file of any contract negotiations conducted
12. Contract
13. Amendments to contracts/POs, if any
14. Documents related to contract administration (see Chapter 1.10, Documentation of the procurement process)

Much of the information above is required for, and will be summarized in, the request for emergency award to the PA. Prior to the request for award, due consideration must therefore be taken to ensure that the file has been completed and contains all documentation required up until this stage of the process.

11.6 Audits

A request for review of all procurement operations carried out according to the emergency procurement procedures may be included in the Terms of Reference for every procurement-related internal audit conducted in a specific business unit of UNOPS.

As in the case of any other procurement activity undertaken by UNOPS, the personnel involved remain personally responsible for their actions or lack thereof, and can be held personally responsible and financially liable for any mismanagement or undue action taken.

12 List of definitions and abbreviations

accountability	the obligation to: (a) Demonstrate that work has been conducted in accordance with agreed rules and standards; and (b) Report fairly and accurately on performance results vis-à-vis mandated roles and/or plans.
Administrative Instruction (AI)	administrative instrument used by UNOPS to establish instructions, procedures and business process maps for implementation of superior United Nations legislations applicable to UNOPS or Organizational Directives (Ref: Organizational Directive No.1);
advance financing	the authorization to incur partial expenditures pursuant to a project agreement but prior to receipt of project funds;
arbitration	method to resolve a contract dispute by submission to one or more arbitrators for a binding judgment; arbitration is normally used to avoid litigation, i.e. court procedures (see also Litigation);
assets	comprise: (a) tangible assets or resources, controlled by UNOPS as a result of past events, including work in progress, and from which future economic benefits or service potential are expected to flow to UNOPS, that are physical in nature, have a value above the threshold set by the Executive Director and are included in the inventory, excluding cash and cash equivalents; and (b) intangible assets or resources, controlled by UNOPS as a result of past events, including work in progress, and from which future economic benefits or service potential are expected to flow to UNOPS, which do not have a physical existence, including but not limited to franchises, trademarks, patents, copyrights, goodwill, securities, financial instruments and contracts;
audit	the systematic examination and verification of UNOPS accounts and transaction records, other relevant written documents, and physical inspection of property, plant and equipment by qualified accountants;
award	acceptance of an offer with the intention of contracting;
best value	lowest price is not necessarily the most important criterion in the procurement of goods and services; the concept of best value takes a range of criteria into account to select the optimal solution to a specific need; lowest price is not necessarily the most important criterion in the procurement of goods and services; the concept of best value takes a range of criteria into account to select the optimal solution to a specific need;
best value for money	the trade-off between price and performance that provides the greatest overall benefit under the specified selection criteria;
bid	a complete proposal (usually submitted in competition with other bidders) to execute specified job(s) within prescribed time, and typically not exceeding a proposed amount (that usually includes labour, equipment, and materials);
bid security	the deposit of cash, certified check, cashier's check, bank draft, money order, or bid bond submitted with a bid and serving to guarantee that the bidder, if awarded the contract, will execute such contract in accordance with the bidding requirements and the contract documents;
bidder	potential supplier submitting a bid as a response to an ITB;
bid protest	a complaint against the methods employed or decisions made by a contracting authority in the administration of a process leading to the award of a contract;
bill of lading	the document under which cargo is carried on board vessels; may be defined as a receipt for goods, signed by a duly authorized person on behalf of the ship-owner. It constitutes a document of title to the goods specified therein;
BOQ	bill of quantities, list of priced items, usually accompanies a SOW or RFP as one of the solicitation documents when contracting works;

brand names	a name or trademark by which one producer distinguishes his/her product from those of similar products by other producers in the same industry. A brand name identifies both the product and the producer;
business unit	an operation or office that is led by the respective key management personnel. In UNOPS, these units typically consist of headquarters, regional offices and operations centres, project centres and clusters;
call-off-orders	orders against an established long term agreement;
cartels	small group of producers/suppliers of a good or a service who agree to regulate supply in an effort to control or manipulate prices;
client	any entity to which UNOPS is authorized to provide goods, render services and/or other types of support, as may from time to time be established by the Executive Board, namely: any organization of the United Nations system (including international and regional financial institutions) or entity acting through an organization of the United Nations system, any government, inter-governmental entity, international organization and non-governmental organization;
closing date	the deadline for all bid/proposal submissions;
cluster	a thematic, or otherwise defined, UNOPS business unit tailored to specific partner and client needs for coordinated global or multi country delivery of programmatic support. a thematic, or otherwise defined, UNOPS business unit tailored to specific partner and client needs for coordinated global or multi country delivery of programmatic support.
commitment	the anticipated or contingent liability against funds allocated for the current of future year(s);
competitive selection process	the process whereby potential contractors compete by offering their best practicable combination of price, quality, and service;
contract	a legally binding arrangement. In the area of infrastructure development, contracts are typically concluded on the basis of cost, or cost plus, or fixed price, and are specifically negotiated for an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function of their ultimate purpose or use;
contract amendment	an agreed addition to, deletion from, correction or modification of a contract;
contract dispute	a matter of dispute in respect of a contract that cannot be resolved between the supplier or his representative and the UNOPS personnel designated in the contract, and which is therefore escalated to a higher authority;
contracts and property committee	HQCPC or LCPC, these are committees reviewing procurement processes verifying whether procurement has been undertaken in accordance with established procedures and in line with the FRR. They recommend award or rejection to the appropriate PA;
contractor	an entity or individual providing any goods, services or works to UNOPS, or a third-party beneficiary designated by UNOPS, in exchange for monetary consideration pursuant to a contract between UNOPS and the contractor, and, as the case may be, the client;
contractual arrangement	a specific way of conducting business pursuant to a contract;
currency	cash in any form when in actual use as a medium of exchange;
currency fluctuation(s)	changes in the value of one currency relative to another;
delegation of authority	the written statement of conditions, procedures, and terms that a delegate must follow in executing a delegated task;
delivery	the transfer of title for a shipment through transfer of an original copy of the bill of lading to the consignee;
direct contracting	contracting without competition (single source). The contract is negotiated directly with the supplier.
ECPO	executive chief procurement officer. The highest procurement authority in UNOPS;
ED	executive director of UNOPS
end user	ultimate beneficiary/user of the goods and services being procured under a procurement activity;

fixed price contract	a contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses;
FRR	UNOPS Financial Regulations and Rules effective 1 February 2009;
funding source	either: (a) a client which provides funds to UNOPS pursuant to a project agreement between UNOPS and that client, or (b) where the funding source is not a client, the entity that provides funds to UNOPS with the written concurrence of a client pursuant to a signed project agreement between UNOPS and the funding source.
Global Compact	voluntary international corporate citizenship network initiated by the Secretary General to support the participation of both the private sector and other social actors to advance responsible corporate citizenship and universal social and environmental principles to meet the challenges of globalization. It is based on 10 principles related to Human Rights, Labour, Environment and Anti-Corruption. See www.globalcompact.org for more information;
goods	tangible products capable of being delivered to a buyer and involving the transfer of ownership from seller to buyer;
HQ	headquarters;
HQCPC	Headquarters Contracts and Property Committee;;
incoterms	international, commercial trade terms defining the obligations of the buyer and the seller relating to the shipment of goods published by ICC's (International Chamber of Commerce);
individual contractors	personnel retained by UNOPS in their individual capacity to undertake a specific assignment;
internal control	a process, directed by the Executive Board and carried out by UNOPS management and other personnel, designed to provide reasonable assurance regarding robust risk management and the achievement of objectives and goals, aimed at increasing the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations;
invitation to bid	the formal method of solicitation whereby a written invitation is issued to prospective contractors to submit a bid to provide goods or services;
invoice	the commercial instrument issued by a seller to a buyer that identifies both trading parties and lists, describes, and quantifies the items sold, shows the date of shipment and mode of transport, prices and discounts (if any), and delivery and payment terms;
LCPC	Local Contracts and Property Committee;
lead time	the number of minutes, hours, or days that must be allowed for the completion of an operation or process, or that must elapse before a desired action takes place;
lease	a contract whereby in return for a payment or series of payments the lessor conveys to the lessee the right to use an asset for an agreed period of time. There are two types of leases, namely, a *finance lease,* which transfers substantially all the risks and rewards incident to ownership of an asset while title may or may not be eventually transferred; and an *operating lease,* which is a lease other than a finance lease;
legal obligation	an obligation that derives from: (a) a contract (through its explicit or implicit terms); or (b) a legislation; or (c) other operation of law.
liabilities	all present financial obligations of UNOPS arising from past events, the settlement of which is expected to result in an outflow from UNOPS of resources embodying economic benefits or service potential;
liquidated damages	contract provision used when the time of delivery or performance is of such importance to the buyer that the buyer may expect to suffer damages for non-performance. Under such provision the contractor may be required to pay damages, e.g. for each week of delayed delivery;

litigation	law suit, legal action, including all proceedings therein. UNOPS is immune from legal action in courts. Disputes with contractors are resolved either by negotiation, conciliation or arbitration;
long-term agreement	a written document signed with a contractor, issued following a competitive procurement process, which allows UNOPS to order specified goods or services at a fixed price, on agreed terms and conditions, for a definite period for time but with no legal obligation to order any minimum or maximum quantity;
LPG	legal practice group;
OC	Operations Centre;
offer	reply (bid or proposal) received by UNOPS as a response to an invitation to offer presented in the solicitation documents issued by UNOPS to the suppliers. Constitutes a firm offer from the potential supplier to furnish deliverables fulfilling the requirements set forth in the solicitation documents. The offer can be in the form of a quotation, bid, or proposal, depending on the type of solicitation document issued (RFQ, ITB or RFP);
offeror	potential supplier submitting an offer;
organizational directive	administrative instrument used to establish organization-wide policies that governs action within UNOPS and/or external relations;
payment	the compensation or discharge of a financial obligation, by giving over something that is of satisfactory value to its recipient, such as cash;
PA	procurement authority;
PC	Project Centre;
personnel	all UNOPS staff members and other individuals engaged by UNOPS under specific contractual arrangements to perform services for UNOPS project activities or administrative support;
policies and procedures	the principles and guidelines formulated or adopted by an organization to reach its long-term goals. They are designed to influence and determine all major decisions and actions, and all activities take place within the boundaries set by them. The policies and procedures may take the form of organizational directives, administrative instructions, standard operating procedures and other written documents;
PPG	procurement practice group;
procurement	the acquisition of property, plant and/or equipment, goods, works or services through purchase, hire, lease, rental or exchange from any source other than United Nations system organizations;
procurement activities	actions undertaken to carry out procurement;
procurement authority	according to the method of defining delegations of procurement authority, the personnel holding the respective procurement authority is denominated 'the Procurement Authority' or the PA;
procurement modalities	the forms, protocols, or conditions that regulate the conduct of procurement activities;
procurement plan	the work plan regulating the procurement activities;
product	the use of the word ‘product’ in the context of this manual is used to cover both goods, works, and services;
project	any undertaking by UNOPS on behalf of one or more of its clients in respect of which a separately identifiable project account (or accounts) has been established;
project agreement	a legally binding document, together with any written amendments thereto, agreed between UNOPS and the client setting out the arrangements for services to a project and the budget for such services, including the UNOPS management fee;
property, plant and equipment	tangible assets that: (a) are held by UNOPS for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one reporting period.
proposal	formal response from an offeror in response to an RFP, offering a solution to the problem, requirement or objective in the request;
quotation	the offer submitted in response to an RFQ;

remedy	the means by which a contractual right or obligation is enforced or the violation of such a right is prevented, reduced or compensated;
request for proposals	a formal method of solicitation regulating the use of sealed bid procurement procedures, whereby a purchaser typically advises the potential contractors in writing of the statement and scope of work, specifications, schedules or timelines, contract type, data requirements, terms and conditions, description of goods and/or services to be procured, general criteria used in the evaluation procedure, special contractual requirements, technical goals, and instructions for the preparation of technical, management, and/or cost proposals;
request for quotations	an informal method of solicitation whereby a document is issued to potential contractors, to solicit price and delivery quotations that meet minimum quality specifications for a specific quantity of specific goods and/or services. Requests for quotations are commonly used for standard, off-the-shelf items, items built to known specifications, items required in small quantities, or items whose purchase price falls below the sealed-bidding threshold;
requisition	a written order or a formal demand for goods or services (which is not made available without a specific request);
requisitioner	personnel initiating a request for goods, works and services;
separation of duties	the principle of internal control according to which no personnel should be given responsibility for more than one related function;
services	some or all of the following: (a) project management; (b) project supervision; (c) project execution; (d) implementation of components of projects; (e) loan administration; and/or (f) multi-donor trust fund management, each and all provided by UNOPS to or on behalf of a client;
signatory	the person who holds delegation of authority to bind UNOPS by his or her signature to the terms of a contract or payment;
solicitation	process of inviting suppliers to submit offers;
solicitation documents	package of documents used when soliciting offers from suppliers. ITB, RFP, and RFQ are types of solicitation documents;
solicitation method	the method used to solicit offers from suppliers. ITB, RFP, RFQ, and shopping are methods of solicitation;
sourcing	the process of identification of suitable suppliers;
SOW	statement of works. Requirement specifications for works assignments. Usually accompanied by a Bill of Quantities (BOQ), and/or drawings/designs;
specifications	requirement definition to a product. Usually referring to the defined requirements for goods, but can also relate to the requirements for services (Terms of Reference), or works (Statement of Works);
submission	reply received by UNOPS as a response to an invitation to offer presented in the solicitation documents issued by UNOPS to the suppliers. Constitutes a firm offer from the potential supplier to furnish deliverables fulfilling the requirements set forth in the solicitation documents. The submission can be in the form of a quotation, bid, or proposal, depending on the type of solicitation document issued (RFQ, ITB or RFP);
supplier	any potential legal entity, commercial firm or non commercial (NGO, CBO, parastatal) provider of goods/services/works to UNOPS;
tender	the sealed bid or offer document submitted in response to a request for tenders and containing detailed information on requirements and terms associated with a potential contract;
third-party	someone who may be indirectly involved but is not a principal party to a contract or transaction;
threshold	the minimum or maximum value (established for an attribute, characteristic, or parameter) which serves as a benchmark for comparison or guidance and any breach of which may call for a complete review of the situation or the redesign of a system;
TOR	terms of reference. Requirement definition for services or complex goods;

transaction	the event that effects a change in the asset, liability, or net worth account;
transparency	the process by which reliable, timely information about existing conditions, decisions and actions relating to UNOPS activities is made accessible, visible and understandable;
UNGM	United Nations Global Marketplace. Internet portal used by more than 20 United Nations agencies, including UNOPS. Includes, among other types of information, an inter-agency vendor roster. See www.ungm.org for more information;
UNCCS	United Nations Common Coding System, coding system classifying products (goods, works and services);
UNCITRAL	United Nations Commission on International Trade Law;
vendor	any potential supplier of goods/services/works to UNOPS;
value	monetary worth of an asset, goods sold or services rendered;
works	the construction or development of projects for public use.

UNOPS

Annex A of UNOPS Procurement Manual

Quality Assurance Manual for Pharmaceutical and Medical Device Procurement

July 2012

Contents

1 Principles – objectives – commitment

This Quality Assurance (QA) Manual articulates and presents the intentions and commitment of UNOPS for operating a robust quality system for the procurement of Pharmaceuticals and Medical Devices. The manual includes UNOPS policy in all matters affecting or affected by such a quality system, including managerial responsibilities thereof. UNOPS is an ISO 9001 certified organization, and this UNOPS Quality Policy further demonstrates management's intention to comply with ISO 9001 requirements as may be relevant.

Through approval and publication of this manual, the highest level of UNOPS management commits to identifying and supporting the processes needed for the quality management system and their application to health procurement throughout the organization, in accordance with recognized international best practices, especially as are recommended by norms and standards defined by the WHO and published in the Technical Report Series and on the monographs of the WHO International Pharmacopoeia, and Global Harmonization Task Force (GHTF) for medical devices. In this regard, UNOPS management further commits to continual improvement of these processes through monitoring, measuring and analyzing contemporary information in as far as they positively impact on our quest for “operational excellence for results that matter”.

UNOPS, in pursuit of its mission of expanding the capacity of the United Nations system and its partners, including governments, is increasingly called upon to act as Procurement Agent for the procurement of healthcare goods such as Pharmaceuticals and Medical Devices. In view of this responsibility, maintenance of the highest possible standards of quality, safety, cost effectiveness and transparency in our procurement process as well as procured products, are fundamental principles which guide the selection of the right manufacturer/supplier, products and maintenance of strict adherence to delivery schedules.

UNOPS quality assurance procedures provide information and resources required to ensure conformance to the obligations of procuring and delivering quality goods and services to UNOPS clients. Effective implementation of a quality assurance procedure further provides opportunities for doing things right, the first time, and every time. Personnel at all levels in the organization recognize and support the concepts of quality assurance in our business.

The manual has been structured to provide clear information and guidance to both UNOPS personnel and partners, including suppliers, on UNOPS expectations and methodology for “pre-qualification”, “qualification” and, in some cases, “evaluation” of bids submitted in response to specific tenders published. This includes requirements for manufacturing sites as well as products including quality control procedures. The manual also details the corporate quality policy with regard to procurement and supply of pharmaceuticals and medical devices and draws from appropriate international best practices in this field, within the overarching UNOPS policy and practice regarding procurement generally, as prescribed in the latest version of the UNOPS Procurement Manual. Furthermore, the manual details the current organizational structure within which the quality policy is relevant and operational.

As part of the UN system, and drawing from its global mandate, UNOPS is committed to the highest standards of quality in offering and delivering procurement services to all its partners, ensuring quality, safety, timeliness and best value for money. In pursuance of this objective, UNOPS shall consistently strive to ensure total customer satisfaction, by establishing quality objectives and monitoring these for continual improvement of our procurement and supply chain processes. UNOPS will aspire to exceed all relevant national and international applicable regulatory and client and donors requirements and expectations, and will endeavor to manage the knowledge and skill base of its employees accordingly. Every employee in UNOPS will be suitably supported to contribute effectively to the above service commitments.

2 Scope

The UNOPS QA policy applies to all the pharmaceutical products and medical devices procured and supplied by UNOPS.

3 Norms and standards

The UNOPS QA policy is essentially based on the norms and standards defined by the WHO.
For the Finished Pharmaceutical Products, UNOPS QA policy relies on the specifications published by WHO in the Technical Report Series[1] and in the monographs of the WHO International Pharmacopoeia[2].

When applicable, UNOPS refers to the monographs of other international reference pharmacopoeias (British Pharmacopoeia[3], European Pharmacopeia[4], United States Pharmacopoeia[5]) and to the guidelines of the International Conference on Harmonization[6] and the Pharmaceutical Inspection Cooperation Scheme[7].

For medical devices (including In Vitro Diagnostic products), UNOPS QA policy relies on the standards recommended by the WHO, the Global Harmonization Task Force[8] and the International Medical Device Regulators Forum[9].

For public health pesticides (including the long-lasting insecticidal nets), UNOPS QA policy is based on the norms and standards recommended by the WHO Pesticides Evaluation Scheme[10].

As a general rule, UNOPS refers to the latest published versions of the pharmacopoeias, reports and guidelines.

4 Definitions

Active Pharmaceutical Ingredient (API)

Any substance or combination of substances used in a finished pharmaceutical product multisource (generic) finished product (FPP), intended to furnish pharmacological activity or to otherwise have direct effect in the diagnosis, cure, mitigation, treatment or prevention of disease, or to have direct effect in restoring, correcting or modifying physiological functions in human beings.
(WHO Technical Report Series 961 Annex 15, 45th report, 2011)

Auditing

An independent and objective activity designed to add value and improve an organization's operations by helping an organization to accomplish its objectives by using a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
(WHO Technical Report Series 937, Annex 5, 40th report, 2006)

Authorized Person

A person (among key personnel of a manufacturing establishment) responsible for the release of batches of finished products for sale. In some good manufacturing practice (GMP) guides and legal texts, the term qualified person is used to describe analogous functions.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

The person recognized by the national regulatory authority as having the responsibility for ensuring that each batch of finished product has been manufactured, tested and approved for release in compliance with the law s and regulations in force in that country.
(WHO Good Manufacturing Practices for pharmaceutical products: main principles, 2011)
(WHO Technical Report Series 961 Annex 3, 45th report, 2011)

Certificate of Analysis (COA)

The list of test procedures applied to a particular sample with the results obtained and acceptance criteria applied. It indicates whether or not the sample complies with the specification.
(WHO good practices for pharmaceutical quality control laboratories, 2010)
(WHO Technical Report Series 957 Annex 1, 44th report, 2010)

Certificate of Pharmaceutical Product (CPP)

A WHO-type certificate of the form described in Guidelines for implementation of the WHO Certification Scheme on the quality of pharmaceutical products moving in international commerce.
(Geneva, World Health Organization, 1998.)
(WHO Technical Report Series 929 Annex 5, 39th report, 2005)

Drug Master File (DMF)

Detailed information concerning a specific facility, process or product submitted to the medicines regulatory authority, intended for incorporation into the application for marketing authorization.
(WHO Technical Report Series 961, Annex 7, 45th report, 2011)

Essential Pharmaceutical Products

Those pharmaceutical products that satisfy the health care needs of the majority of the population. WHO's Expert Committee on the Selection and Use of Essential Medicines updates the WHO Model List of Essential Medicines at two-year intervals. Each country may use this model to generate its own list of essential pharmaceutical products.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Finished Pharmaceutical Product (FPP)

A finished dosage form of a pharmaceutical product, which has undergone all stages of production, including packaging in its final container and labelling.
(WHO Technical Report Series 961, Annex 10, 45th report, 2011)

Generic Products

The term generic product has somewhat different meanings in different jurisdictions. The use of this term is therefore avoided as far as possible, and the term multisource pharmaceutical product (see below) is used instead. Generic products may be marketed either under the approved non-proprietary name or under a brand (proprietary) name. They may be marketed in dosage forms and/or strengths different from those of the innovator products (see below). Where the term generic product is used, it means a pharmaceutical product, usually intended to be interchangeable with the innovator product, which is usually manufactured without a licence from the innovator company and marketed after expiry of the patent or other exclusivity rights. The term should not be confused with generic names for APIs.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Global Harmonization Task Force (GHTF)

An international initiative to achieve greater uniformity between national medical device regulatory systems. GHTF member countries are specified on its website: http://www.ghtf.org/.

Good distribution practices (GDP)

That part of quality assurance that ensures that the quality of a pharmaceutical product is maintained by means of adequate control of the numerous activities which occur during the distribution process as well as providing a tool to secure the distribution system from counterfeits, unapproved, illegally imported, stolen, substandard, adulterated, and/or misbranded pharmaceutical products.
(WHO good distribution practices for pharmaceutical products, 2010)
(WHO Technical Report Series 957 Annex 5, 44th report, 2010)

Good Manufacturing Practices (GMP)

That part of quality assurance which ensures that products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the marketing authorization.
(WHO Technical Report Series 961, Annex 7, 45th report, 2011)

Good Storage Practices (GSP)

That part of quality assurance that ensures that the quality of pharmaceutical products is maintained by means of adequate control throughout the storage thereof.
(WHO Technical Report Series 957, Annex 5, 44th report, 2010)

Innovator Pharmaceutical Products

Generally the pharmaceutical product which was first authorized for marketing (normally as a patented product) on the basis of documentation of efficacy, safety and quality according to requirements at the time of the authorization. When a substance has been available for many years, it may not be possible to identify an innovator pharmaceutical product.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Interchangeability

An interchangeable pharmaceutical product is one that is therapeutically equivalent to a comparator (reference) product.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

International Conference on Harmonization (ICH)

An initiative involving regulatory bodies and pharmaceutical industry experts that was established to make recommendations on ways to achieve greater harmonization in the interpretation and application of technical guidelines and requirements for product registration. ICH member countries are specified on its website: http://www.ich.org.

International Non-proprietary Name (INN)

The shortened scientific name based on the active ingredient. WHO is responsible for assigning INNs to pharmaceutical substances.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Manufacturer

A company that produces, packages, repackages, labels and/or relabels pharmaceutical products.
(WHO Technical Report Series 961, Annex 15, 45th report, 2011)

Natural or legal person with responsibility for the design, manufacture, packaging and labelling of a device before it is placed on the market under his own name, regardless of whether these operations are carried out by that person himself of on his behalf by a third party.
(Active Implantable Medical Device Directive 90/385/EEC, Medical Device Directive (MDD) 93/42/EEC, and In Vitro Diagnostic Directive 98/79/EC)

Marketing Authorization

A legal document issued by the competent medicine regulatory authority for the purpose of marketing or free distribution of a product after evaluation for safety, efficacy and quality. It must set out, inter alia, the name of the product, the pharmaceutical dosage form, the quantitative formula (including excipients) per unit dose (using INNs or national generic names where they exist), the shelf life and storage conditions, and packaging characteristics. It specifies the information on which authorization is based (e.g. "The product(s) must conform to all the details provided in your application and as modified in subsequent correspondence."). It also contains the product information approved for health professionals and the public, the sales category, the name and address of the holder of the authorization, and the period of validity of the authorization. Once a product has been given marketing authorization, it is included on a list of authorized products – the register – and is often said to be 'registered' or to 'have registration'. Market authorization may occasionally also be referred to as a 'licence' or 'product licence'.
(WHO Technical Report Series 957, Annex 5, 44th report, 2010)

Medical Device

Any instrument, apparatus, implement, machine, appliance, implant, in vitro reagent or calibrator, software, material or other similar or related article:

- Intended by the manufacturer to be used, alone or in combination, for human beings for one or more of the specific purpose(s) of:
  - Diagnosis, prevention, monitoring, treatment or alleviation of disease
  - Diagnosis, monitoring, treatment, alleviation of or compensation for an injury
  - Investigation, replacement, modification, or support of the anatomy or of a physiological process
  - Supporting or sustaining life
  - Control of conception
  - Disinfection of medical devices
  - Providing information for medical or diagnostic purposes by means of in vitro examination of specimens derived from the human body
- And which does not achieve its primary intended action in or on the human body by pharmacological, immunological or metabolic means, but which may be assisted in its intended function by such means.

(Global Harmonization Task Force SG1/N29R16: 2005)

Multisource Pharmaceutical Product

Pharmaceutically equivalent or pharmaceutically alternative products that may or may not be therapeutically equivalent. Multisource pharmaceutical products that are therapeutically equivalent are interchangeable.
(WHO Technical Report Series 961, Annex 15, 45th report, 2011)

On-going stability studies

The study carried out by the manufacturer on production batches according to a predetermined schedule in order to monitor, confirm and extend the projected re-test period (or shelf-life) of the API, or confirm or extend the shelf-life of the FPP.
(WHO Technical Report Series 953, Annex 2, 43rd report, 2009)

Out of Specification results (OOS)

All test results that fall outside the specifications or acceptance criteria established in product dossiers, drug master files, pharmacopoeias or by the manufacturer.
(WHO Technical Report Series 957, Annex 1, 44th report, 2010)

Pharmaceutical Inspection Cooperation Scheme (PIC/S)

A Swiss association of inspectorates which provides a forum for GMP training. The PIC/S is not subject to any international or domestic regulations. PIC/S member countries are specified on its website: www.picscheme.org.

Pharmacopoeia

An official publication that comprises a collection of recommended procedures for analysis and specifications for the determination of pharmaceutical substances, excipients and dosage forms that is intended to serve as source material for reference or adaptation by any World Health Organization (WHO) Member State wishing to establish pharmaceutical requirements. The pharmacopoeia, or any part of it, shall have legal status, whenever a national or regional authority expressly introduces it into appropriate legislation.
(WHO International Pharmacopoeia 2nd supplement, 2011)

Prequalification

The activities undertaken in defining a product or service need, seeking expressions of interest from enterprises to supply the product or service, and examining the product or service offered against the specification and the facility where the product or service is prepared or stored and distributed against common standards. The examination of the product or service and of the facility is performed by trained and qualified assessors and inspectors against common standards.

Prequalification is required for all pharmaceutical products regardless of their composition and place of manufacture or registration, but the amount and type of information requested from the supplier for use in the assessment by the procurement agency may differ.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Procurement Agency

A procurement agency in the context of this document is defined as any organization purchasing pharmaceutical products, vaccines, or other health sector goods or is otherwise involved in their prequalification (see above), purchasing, storage and distribution.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Product recall

A process for withdrawing or removing a pharmaceutical product from the pharmaceutical distribution chain because of defects in the product, complaints of serious adverse reactions to the product and/or concerns that the product is or may be counterfeit. The recall might be initiated by the manufacturer, importer, wholesaler, distributor or a responsible agency.
(WHO Technical Report Series 957, Annex 5, 44th report, 2010)

Qualification

Action of proving and documenting that any premises, systems and equipment are properly installed and/or work correctly and lead to the expected results. Qualification is often apart (the initial stage) of validation, but the individual qualification steps alone do not constitute process validation. In the context of this document it is the work done to prove that the products, the manufacturers and the supply system will deliver products of the quality required and specified on a routine basis, meeting all the applicable quality requirements.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Quality Assurance (QA)

Quality assurance is a wide-ranging concept which covers all matters that individually or collectively influence the quality of a product. It is the totality of the arrangements made to ensure that pharmaceutical products are of the quality required for their intended use.
(WHO Model Quality Assurance System for Procurement Agencies, 2006)
(WHO Technical Report Series 937, Annex 6, 40th report, 2006)

Quality Control (QC)

Quality control covers all measures taken, including the setting of specifications, sampling, testing and analytical clearance, to ensure that starting materials, intermediates, packaging materials and finished

pharmaceutical products conform with established specifications for identity, strength, purity and other characteristics. *(WHO Technical Report Series 961, Annex 7, 45th report, 2011)*

Quality Management System (QMS)

A management system that directs and controls an organization with respect to quality and that ensures that steps, processes, procedures and policies related to quality activities are being followed.
(WHO Technical Report Series 961, Annex 4, 45th report, 2011)

Shelf Life

The period of time during which a pharmaceutical product, if stored correctly, is expected to comply with the specification as determined by stability studies on a number of batches of the product. The shelf life is used to establish the expiry date of each batch.
(WHO Technical Report Series 957, Annex 5, 44th report, 2010)

Site Master File (SMF)

The Site Master File is prepared by the pharmaceutical manufacturer and should contain specific information about the quality management policies and activities of the site, the production and/or quality control of pharmaceutical manufacturing operations carried out at the named site and any closely integrated operations at adjacent and nearby buildings.
(European Commission Health and Consumer Directorate, EUDRALEX, 2010)
(Pharmaceutical Inspection Cooperation Scheme, 2011)

Stability studies

Long-term and accelerated (and intermediate) studies undertaken on primary and/or commitment batches according to a prescribed stability protocol to establish or confirm the re-test period (or shelf life) of an API or the shelf life of an FPP.
(WHO Technical Report Series 953, Annex 2, 43rd report, 2009)

Standard Operating Procedure (SOP)

An authorized, written procedure giving instructions for performing operations not necessarily specific to a given product but of a more general nature (e.g. equipment operation, maintenance and cleaning, validation, cleaning of premises and environmental control, sampling and inspection).
(WHO good distribution practices for pharmaceutical products, 2010)
(WHO Technical Report Series 957 Annex 5, 44th report, 2010)

Stringent Drug Regulatory Authority (SRA)

A stringent regulatory authority is: — the medicines regulatory authority in a country which is: (a) a member of the International Conference on Harmonisation (ICH) (European Union (EU) Japan and the United States of America); or (b) an ICH Observer, being the European Free Trade Association (EFTA) as represented by Swiss Medic and Health Canada (as may be updated from time to time);or (c) a regulatory authority associated with an ICH member through a legally-binding, mutual recognition agreement including Australia, Iceland, Liechtenstein and Norway (as may be updated from time to time); and — only in relation to good manufacturing practices (GMP) inspections: a medicine regulatory authority that is a member of the Pharmaceutical Inspection Co-operation Scheme (PIC/S) as specified on its website).
(WHO Technical Report Series 961, Annex 10, 45th report, 2011)

Supplier

A person or entity engaged in the activity of providing products and/or services.
(WHO Technical Report Series 957 Annex 5, 44th report, 2010)

WHO Prequalification Programme (WHO PQP)

The programme managed by WHO which prequalifies (a) medicines that are considered to be acceptable for procurement by the United Nations and specialized agencies; and (b) quality control laboratories for medicines.

5 Supplier selection methodology

The prequalification of the sources is based on the assessment of the product and of the manufacturer as recommended by the WHO in the Model Quality Assurance for Procurement Agencies[11].

Only the products and manufacturers that comply with UNOPS QA criteria are eligible for UNOPS procurement and supply.

UNOPS will use specific tools (questionnaires) for collecting the technical information from the suppliers. Interested companies will be invited to complete the questionnaires and submit them with the requested annexes to UNOPS.

6 Participation in UNOPS supplier selection process

The UNOPS supplier selection process is open to all suppliers whatever their nationality or geographical localization.

Suppliers can be the manufacturers of pharmaceutical products, medical devices and public health pesticides.

Procurement agencies, distributors or wholesalers can also participate in UNOPS prequalification process. They will however be required to obtain a formal authorization from each manufacturer they represent and a commitment to provide complete and transparent technical information on the products submitted to UNOPS.

In order to encourage as many suppliers as possible to participate in its prequalification process, UNOPS periodically publishes Invitations for Expression of Interest or invitations to prequalify on its website (http://www.unops.org/) and in the international press with the list of products it wishes to supply.

7 Requirements for Procurement Agencies

A Procurement Agency is defined by WHO as “any organization/company purchasing pharmaceutical products, vaccines, medicals devices and equipment or involved in their prequalification, purchasing, storage and distribution”.

Only prequalified Procurement Agencies are authorized to sell their products to UNOPS.

Procurement Agencies that want to participate in the UNOPS supplier selection process must fill in a Procurement Agency Information File (Form 1 – PAIF) with all the requested information including a written authorization from the manufacturers they represent.

7.1 Regulatory status

The Procurement Agencies should be authorized by their National Regulatory Authorities.
A valid copy of the license must be attached to the PAIF.

All the activities (including repacking or relabelling) carried out in the premises or contracted to third parties should be clearly stated in the PAIF and duly authorized by the authorities.

7.2 Premises and quality system

The premises, staff, activities and documentation should comply with the WHO Good Distribution Practices guidelines[12], WHO Good Storage Practices and with WHO Good Manufacturing Practices guidelines[13] when applicable (repacking, relabelling activities).

In the countries where the compliance with national GDP, GSP, and GMP are a legal requirement, a valid copy of these certificates should be attached to the PAIF.

In addition to the documentary requirements above, UNOPS can appoint an independent expert(s) to conduct an audit of the Procurement Agency and the sub-contractors (if any).

By participating in the UNOPS supplier selection process, applicants accept the principle of GDP/GSP/GMP audit by UNOPS and commit to receive the UNOPS expert and facilitate the access to the premises.

7.3 Prequalification procedure (WHO MQAS Module II)

Procurement Agencies often define their own specifications and requirements for the prequalification of their sources of pharmaceutical products, medical devices and public health pesticides.

PA prequalified products (medicines, medical devices, public health pesticides) that are not intended for the domestic market are generally not assessed nor validated by the national regulatory authorities.

UNOPS considers that all steps of the PA prequalification process should be carried out in accordance with the WHO MQAS guidelines[14].

UNOPS can appoint Independent experts to conduct PA audits against the WHO MQAS.

By expressing their interest in UNOPS supplier selection process, applicants accept the principle of MQAS audit by UNOPS and commit to receive the UNOPS expert and facilitate the access to the premises and the documentation.

UNOPS can waive the need for a MQAS audit if a similar audit has been recently performed on behalf of another UN organization (UNICEF, WHO, UNFPA, etc.) and if the audited PA accepts to share the report with UNOPS.

Waivers can be granted provided that:

- All aspects of MQAS guidelines have been covered by the auditor
- The audit report is not older than 24 months
- There is a statement from the PA that no major changes have occurred since the audit
- The report has a favourable outcome

A successful MQAS audit does not prevent UNOPS to require full technical information on the products submitted by the prequalified Procurement Agency.

8 Requirements for pharmaceutical products

Pharmaceutical products are chemical products.
The provisions of the current policy do not apply to biological medicinal products, including vaccines.
UNOPS will only procure vaccines that are prequalified by WHO.[15]

8.1 Manufacturing sites

Companies that wish to sell pharmaceutical products to UNOPS must provide detailed information on the manufacturing sites.
Applicants must fill in a Manufacturer Information File (Form 2 – MIF).
If the applicant is not the manufacturer itself, he must fill in a Procurement Agency Information File (Form 1 – PAIF) and attach a MIF completed by each manufacturer as requested.
The MIF is only valid if it is signed by an authorized person representing the manufacturer.

All the manufacturing sites must be authorized by the Regulatory Authorities of the country of manufacture.
A valid copy of the Manufacturing License issued for the site(s) must be attached to the MIF. The Manufacturing License should specify the dosage forms and activity/activities that are authorized in the licensed premises.

All pharmaceutical products must be manufactured in accordance with the WHO[16] or US FDA[17] or PIC/S[18] GMP guidelines.
A proof of conformity with the above-mentioned GMP guidelines will be required for each manufacturing site.
If a manufacturing site is approved by the WHO Prequalification Programme, the WHOPIR available on the WHO PQP website[19] is considered as an acceptable evidence of WHO GMP compliance – provided that the scope of inspection is the same.
For any other Stringent Regulatory GMP approval, a valid copy of the GMP certificate must be submitted to UNOPS.

Various industrial activities including Quality Control can be sub-contracted to third parties.
All contracted activities must be stated in the Manufacturer Information File.
Valid copies of the manufacturing licenses/authorizations of all the third parties involved in the manufacture and laboratory testing/analysis of a concerned product should be submitted to UNOPS together with the MIF.
Similarly, a valid copy of a GMP certificate delivered by a stringent authority or the reference to a WHOPIR should be provided with the MIF.

UNOPS reserves the right to request a copy of the written contract between the contract giver and the contract acceptor.

In addition to the documentary requirements above, UNOPS can appoint an independent GMP expert(s) to conduct a GMP audit of the manufacturing site and the sub-contractors (if any).
In submitting their products for a UNOPS prequalification, applicants accept the principle of GMP audit by UNOPS and commit to receive the UNOPS GMP expert(s) and facilitate the access to the premises.

8.2 Finished Pharmaceutical Products

The UNOPS prequalification process is product specific.
Applicants must fill in a Pharmaceutical Product Questionnaire (Form 3 – PPQ) for each FPP they submit for a UNOPS prequalification.

8.2.1 Regulatory status

As a general rule, FPP should be registered and marketed in the country of manufacture.
UNOPS requires a proof of the registration of the FPP in the country of manufacture.
Exceptions to the rule will be examined on the basis of a Certificate of Pharmaceutical Product (CPP) WHO type[20] to be attached to the Product Questionnaire.

FPPs can sometimes be registered ‘for export only’.
If this is the case, this should be unequivocally mentioned in the filled questionnaire.

The registration of the FPP by a Stringent Regulatory Authority is acknowledged by UNOPS and, in such cases, the FPP will not be re-assessed by UNOPS. The applicant will however be asked:

- To provide the evidence of the SRA registration (CPP or copy of the product license)
- To commit in writing to supply a FPP in all aspects identical to the one registered by the SRA

Registration in the country of destination might be required by the local NMRA.
Applicants should be prepared to collect all relevant information to answer the NMRA demand.

8.2.2 Recognition of WHO, SRA and similar authority assessments

The FPPs that are prequalified by the WHO or approved by a SRA will not be reassessed by UNOPS.
Similarly the FPPs that:

- Are approved by the US FDA under the tentative approval process
- Are approved by the Global Fund ERP
- Have received a positive advice from the EMA under the provisions of Article 58
- Are approved by Health Canada under the provision of Bill C9

=> Are also tentatively approved by UNOPS

The suppliers of such FPPs will however have to commit in writing to supply FPPs identical in all aspects to the ones approved by the regulatory authority or prequalified by the WHO.
The suppliers must also be prepared to provide any related document that may be required by UNOPS.

8.2.3 FPP specifications

All FPPs must comply with the general monographs of the WHO International Pharmacopoeia, the US Pharmacopoeia, the European Pharmacopoeia or the British Pharmacopoeia.
General monographs describe the requirements that apply to a particular formulated preparation (tablets, capsules, eye preparations, infusions, etc.).

In addition to the compliance with the general monograph, each FPP must comply with technical requirements that are product specific.
If the product is described in the WHO, US or British pharmacopoeia, the FPP must to the minimum comply with the requirements of one of the pharmacopoeias.
Applicants are invited to state any additional tests in the UNOPS product questionnaire.

If the product is not described in one of the above-mentioned pharmacopoeias, the applicant must submit its 'In House' specifications to UNOPS together with the analytical test methods and protocols.
'In House' tests should however comply with the general requirements of the US, British, European or WHO International Pharmacopoeia.

Any reference to a pharmacopoeia should clearly indicate the edition that is used by the manufacturer.

Applicants will be requested to attach a copy of the Certificate of Analysis (COA) for each of the three recent commercial batches.
The COA must be coherent with the specifications stated in the UNOPS questionnaire and it must be signed by an authorized person (name and position must be stated on the COA).

8.2.4 API sources and specifications

All API sources must be declared to UNOPS.
The name of the manufacturer(s) and the physical address of the manufacturing site(s) must be given in the product questionnaire.

API manufacturers must be authorized by their National Regulatory Authorities and a valid copy of the Manufacturing License will be provided for each stated source of API.
In the countries where GMPs are applied to API manufacturers, a valid copy of the GMP certificate will be attached to the questionnaire.

APIs must comply with the requirements of the WHO International Pharmacopoeia or the European, US or British pharmacopoeias.

If the API is not described in any of the above-mentioned pharmacopoeias, applicants should submit their 'In House' specifications together with the analytical test methods and protocols. Any reference to a pharmacopoeia should clearly indicate the edition that is used by the manufacturer.
A copy of the Certificate of Analysis that is used by the API manufacturer for batch release should be attached to the questionnaire.
A copy of the Certificate of Analysis that is used by the FPP manufacturer for quality control at reception should be attached to the questionnaire.
Both copies must be recent (less than 24 months) and should bear the signature of an authorized person and a clear indication of his/her position.

If APIs with the European Directorate for the Quality of the Medicines and Health Care (EDQM) certification are used, a copy of the Certificate of Suitability (COS or CEP) and its annexes should be attached to the questionnaire.
Similarly, if a Drug Master File (DMF) is approved in an ICH member country, it should be mentioned in the questionnaire. UNOPS could in that case require a copy of the open part of the DMF.

Multiple sources of APIs for a unique FPP are theoretically acceptable for UNOPS.
In that case, the FPP manufacturer must (or can be asked to) demonstrate the equivalence of the different API sources.

In addition to the documentary requirements above, UNOPS can appoint an independent GMP expert to conduct a GMP audit of the manufacturing site and the sub-contractors (if any).

8.2.5 Recognition of WHO, SRA and similar authority assessments

The APIs that are prequalified by the WHO or approved by an SRA will not be reassessed by UNOPS and automatically prequalified, provided that the manufacture provides the evidence of approval by WHO or SRA countries.

8.2.6 Excipients

The complete list (qualitative and quantitative) of excipients used for the manufacturing of the FPP must be stated in the UNOPS questionnaire.
Excipients must comply with the requirements of one of the pharmacopoeias mentioned in paragraph 8.2.3.

If the excipient is not described in a pharmacopoeia, the applicant can be requested to provide the 'In House' specifications including the physical characteristics, identification tests, purity tests and microbiological tests if appropriate.

Only colours permitted by the EU's 'List of permitted food colours', the FDA's 'Inactive ingredient guide' or 'Japanese Pharmaceutical Excipients' may be used.

On request, the applicant will provide a list of tests and limits of the result(s) for each excipient used in the formulation or during the manufacturing process.

8.2.7 Stability

The assigned shelf life and the recommended storage conditions will be supported by appropriate 'study' data.
The applicant will submit a copy of the stability study protocol and a copy of the report.
The tests (including the limits) and the frequency of sampling should be clearly described in the protocol.

If the FPP is a powder for injection, suspension or oral solution, stability data for the reconstituted or diluted product should be submitted to UNOPS.

The quantitative results should be expressed in numerical value. The words 'comply', 'conform' or 'pass' are not acceptable.
UNOPS reserves the right to request the submission of raw data that support the report.

Stability studies must be performed in accordance with the WHO/ICH guidelines.
In particular, three representative batches should be tested in accelerated and real-time conditions.
The products tested must be identical in all aspects to the one submitted to UNOPS for assessment.
The FPP should preferably be tested under Type IVb conditions (30°C ± 2°C and 75% ± 5% RH).

The claimed shelf life and the recommended storage conditions should be consistent with the outcome of the stability studies.
Extrapolation of partial stability studies is accepted if and only if in line with the WHO guidelines.

8.2.8 Proof of efficacy and safety

8.2.8.1 Innovator products

The efficacy and safety of innovator products are demonstrated by appropriate clinical studies.
UNOPS will only procure/supply innovator products that:

- Are approved by a Stringent Regulatory Authority
- Are prequalified by the WHO
- Are tentatively approved by the US FDA
- Received a positive opinion from the EMA under the provisions of article 58
- Are approved by Health Canada under the provisions of Bill C-9

The prequalification of those innovator FFPs by UNOPS will not require the re-assessment of the clinical studies reports.
The manufacturers and/or their representatives will however be asked to commit in writing to deliver a product identical in all aspects to the one approved by the regulatory authority or the WHO.

8.2.8.2 Multi source generic products

The efficacy and safety of generic products are generally established through therapeutic equivalence studies conducted against the innovator product (bioequivalence studies or in vitro comparative dissolution profiles).

Waivers for bioequivalence studies can be granted in accordance with the recommendations of the WHO[21].
When applicable, the applicant will be asked to submit full bioequivalence studies reports or in vitro dissolution reports.

In addition to the documentary requirements, UNOPS can appoint an independent expert to conduct a GLP/GCP audit of the Contract Research Organization (CRO) that performed the bioequivalence study.

By submitting their products for a UNOPS prequalification, applicants accept the principle of GLP/GCP audit by UNOPS and commits to receive the UNOPS expert and facilitate the access to the CRO.

8.2.9 Packaging

The packaging is an integral part of the FPP.
It must guarantee an appropriate protection of the FPP during transportation and storage and the preservation of its characteristics throughout the shelf life. It must also be designed to enable a proper and safe use of the medicine.

Packaging materials must be robust and suitable for shipment, storage and use in climatic zone type IVb (according to WHO).
Paediatric FPPs should be packed in containers with child-resistant closures.

If the administration of the FPP requires the use of a specific device (syringe, applicator, canister, etc.), the device is part of the FPP. It should be adapted to the intended use and should be inserted in the secondary packaging.

Materials used for primary packaging and administration devices (calibrated cups/spoons, glass, plastics, aluminium, etc.) must comply with the requirements of international reputed pharmacopoeias.
They must be compatible with the APIs and excipients used in the formulation.

If need be, UNOPS can ask the applicant to submit all the specifications of the packaging materials including the monograph references and the test methods.

SPECIFIC REQUIREMENTS FOR PRIMARY PACKAGING
Oral Solid Dosage forms
Oral Solid Dosage forms can be packed in blisters or in high-density polyethylene bulk containers. • The blisters must ensure a proper water vapour protection for the FPPs. PVC/Aluminium blisters are therefore not acceptable. PVC/PVdC/Aluminium or Aluminium/Aluminium blisters should be preferred. • HDPE bulk containers should be tamper proof.
Ampoules
For glass ampoule, single ended, break off necks are required.
Large Volume Parenterals
When the volume exceeds 250ml flexible collapsible plastic bags are required. Polyolefine plastics are preferable. PVC bags are however accepted. LVP plastic bags should be protected by a plastic overpouch. IV fluids containers should have two distinct sites: one for administration + one for injection. Both sites should be protected by a membrane. Nipple head bottles are therefore not acceptable for UNOPS. Stoppers in natural rubber are not acceptable for UNOPS. Or as advised by UNOPS.

8.2.10 Labelling

All FPPs should be labelled in accordance with the recommendations of the WHO[22] [23].

(*) Additional requirements for the indication of the API name(s) and concentration(s)

- The concentration of the API should appear next to the name of the API
  (e.g. Amoxicillin 250mg)
- Components in Fixed dose combination FPPs (FDCs) and co-packs should be written in ascending alphabetical order with reference to the first letter of the INN
  (e.g. Artemether 20mg + Lumefantrine 120mg)
- Co-formulated FDC products, should be denoted with a '+' sign
  (e.g. Artemether 20mg + Lumefantrine 120mg)
- Co-packaged FDCs should be denoted with an '&' sign
  (e.g. Amodiaquine 153mg & Artesunate 50mg)
- FDC can be designated by simplified names (e.g. Co-Trimoxazole, Co-Amoxiclav, Co-Magaldrox in the British Pharmacopoeia). These names are acceptable but the INN names should in any case be stated on the labels with the respective concentration next to the name of each API:
  - Co-Trimoxazole 400/80 => Sulfamethoxazole 400mg + Trimethoprim 80mg
  - Co-Amoxiclav 500/125 => Amoxicillin 500mg + Clavulanic Acid 125mg
  - Co-Magaldrox 200/200 => Aluminium Hydroxyde 200mg + Magnesium Hydroxyde 200mg

The information can be directly printed on the packaging.
It can also be printed on a label (paper or plastic) which is then affixed on the packaging.
The ink must in any case be indelible. Black ink is preferable.
If labels are used, they must be self-adhesive and resistant to humid and hot conditions.

English is the language to be used by default for the labels.
UNOPS may have specific language requirements that will be clearly mentioned in the tendering documents or in the invitation to prequalify or in the invitation for Expression of Interest.

8.2.11 Information for the patient/medical staff (leaflet, package insert)

Leaflets and package inserts are also integral part of the FPP and will be assessed by UNOPS.
A copy of the leaflet, package insert and any other information intended for the patient/medical staff and included in the FPP should be submitted to UNOPS together with the product questionnaire.

Patient/medical staff information must comply with the recommendations of WHO (WHOPAR[24] part 3) and should at a minimum contain the following information:

1. PRODUCT NAME
2. USAGE
3. PRECAUTIONS: allergies, interactions with other medicines, pregnancy and breast-feeding, driving and using machines
4. CONTRA INDICATIONS
5. INDICATIONS FOR USE
6. POSSIBLE SIDE EFFECTS
7. STORAGE CONDITIONS

For medicines that are included in the WHO list of Essential Medicines, the content of the leaflet/insert must be coherent with the monographs of the latest edition the WHO Model Formularies (adult and children)[25] [26], including the information given in the introduction of the formularies general sections.

English is the language to be used by default for the patient/medical staff information.
UNOPS may have specific language requirements that will be clearly mentioned in the tendering documents or in the invitation to prequalify or in the invitation for Expression of Interest.

8.2.12 Samples

Applicants for UNOPS prequalification may be required to submit samples of their FPP together with the product questionnaires.

The number of samples to submit and the conditions for submission will be specified in the tendering document or in the invitation to prequalify or in the invitation for Expression of Interest.
The samples submitted to UNOPS for assessment will not be returned to the applicant.

As a general rule, applicants are informed that the sample submitted to UNOPS must be in all aspects identical to the product intended for supply to UNOPS; this includes the primary and secondary packaging, the labelling and the patient/medical staff information documents.
If the administration of the FPP requires the use of a particular device, it should be submitted to UNOPS as part of the sample.

8.3 Monitoring of the quality of the FPPs

The quality of the FPPs prequalified by UNOPS will be monitored in accordance with the WHO guidelines[27].

The monitoring activities include Quality Control (QC) testing, re-assessment of the manufacturing sites and re-assessment of the products.

8.3.1 Quality Control

Selection of the QC laboratory

QC laboratories must be authorized by their National Regulatory Authorities.
They must comply with the WHO Good Practices for Pharmaceutical Quality Control Laboratories[28] and with WHO Good Practices for Pharmaceutical Microbiology Laboratories[29].

UNOPS will establish Long Term Agreements (LTAs) with testing laboratories that are WHO pre-qualified[30] or ISO 17025 accredited, preferably through a competitive process or as found appropriate in accordance with the UNOPS Procurement Manual.

Applicants will be asked to demonstrate their capacity to undertake the required types of quality control tests according to product specifications.

Sub-contracting testing activities to third party laboratories is in principle acceptable but it is the responsibility of the applicant to demonstrate that its subcontractors comply with the general UNOPS requirements for QC laboratories stated above.

In addition to the documentary requirements above, UNOPS can appoint an independent expert to conduct a GLP audit of the QC laboratory and its sub-contractors (if any).
In applying for a UNOPS prequalification, applicants accept the principle of GLP audit by UNOPS and commits to receive the UNOPS GLP expert and facilitate the access to the laboratory.

Sampling programme

Sampling plans will be established based on the evaluation of the risks.
The following parameters will be considered for the design of a sampling programme:

- GMP status of the manufacturer
- Recently licensed products, or those not previously procured
- Products containing active pharmaceutical ingredients (API) with known-stability problems
- Complexity or fragility of the formulation (FDC, sterile products, soft gelatine capsules, dispersible tablets, etc.)
- Known interactions between two APIs or between the related impurities of one API with another API in a fixed-dose combination (FDC)
- Products requiring particular storage conditions
- Products used by large numbers of patients
- Medicines for which there is a high risk of counterfeiting, for example antibiotics and antimalarials
- Products with reported quality problems during the past two years
- Products for which a WHO alert related to quality problem has been published on the WHO website
- Products requiring long duration of treatment, for example antiretrovirals
- Specific requirements of the local authorities

Duplicate testing of batches

In particular circumstances, more than one sample of the same batch can be submitted to QC testing.
The circumstances include but are not limited to:

- Seriousness of a quality complaint
- Diversity of the climatic zones in the same country
- High concern for the storage conditions in a given context

Methods and standards for testing

QC testing will be performed against the specifications stated by the manufacturer in the UNOPS product questionnaire.

The specifications will be those of an international reputed pharmacopoeia and should include the tests of the general monographs.

In House specifications can be used if the product concerned is not described in any of the reference pharmacopoeias. In that case, UNOPS will provide the testing laboratory with the specifications of the manufacturer, the test methods and the protocol as approved by UNOPS.

Sample sizes

Sample sizes depend on the formulation of FPP and the nature of analysis performed by a particular laboratory.
The contracted QC laboratory will therefore define the number of dosage units to sample.

Sampling process

- Sampling will be done in accordance with WHO guidelines for 'sampling of pharmaceutical products and related materials'[31].
- Each sample will be properly labelled with appropriate details. The label will at least bear the following information: site where the sample was taken, type of product, batch number, and date of sample collection.
- The sampling process will be documented. A sample collection form (WHO model) will be completed and attached to the sample.

- Containers (packs) used to store the samples should not interact with the stored material nor allow contamination. It should also protect the sample from light, air and moisture, as required by the storage directions for the pharmaceutical product or related material sampled. As a general rule the container should be sealed and preferably tamper-evident.
- Samples will be stored and transported in accordance with the WHO guidelines.

Management of Out Of Specification (OOS) results

If a sample fails to comply with the stated specifications, the QC laboratory in charge of the analysis is expected to apply its own SOPs for handling OOS and to inform UNOPS of the outcome of its investigation and control testing of the sample.

If the laboratory confirms the failure, UNOPS will immediately take the appropriate actions including the initiation of a recall if necessary, as per the SOP.

In case of dispute, a third party laboratory shall be selected.
The third party laboratory will be chosen by UNOPS in consultation with the manufacturer concerned. The third party laboratory should comply with the general requirements for QC laboratories.

Depending on the outcome of the investigations, UNOPS can commission an expert to conduct an audit of the manufacturing facilities, review the Batch Manufacturing Record of the product and the QC testing of the retained samples.
UNOPS can also order the manufacturer to replace the products at its expense.

The seriousness of the problem and the capacity of the manufacturer to handle it can lead UNOPS to terminate the contract and possibly disqualify the product and the manufacturer.

If UNOPS confirms the prequalification of the product, the first batch supplied after the OOS occurrence shall be tested in order to ensure that the manufacturer has taken appropriate actions to solve the problem.

8.3.2 Re-assessment of prequalified FPPs

As a general rule, UNOPS prequalifies its products for a period of 2 years.
During that period, UNOPS considers that the specifications stated in the product questionnaire and approved by UNOPS remain unchanged.
Those specifications are summarized in the 'Product Specifications Form' (Form 4) that the manufacturer is requested to sign in order to formalise the prequalification.
It is the manufacturer's duty to inform UNOPS of any difficulty to respect the stated specifications (see under 'Handling of variations').

In accordance with the WHO guidelines[32], the holder of a UNOPS qualified product will be requested to complete the following documents at the end of the two-year prequalification period:

- A covering letter, which should contain a clear statement by the responsible person submitting the quality review, indicating that the information submitted is true and correct
- Summary of key product information (Form 5 – SKPI)
- Variations (if any) to the qualified product (Form 6 – VQP)
- An updated 'Product Specifications Form' (Form 4 – PSF)
- In case of variations, copies of the current API, FPP and packaging specifications, duly signed and dated, including the test methods. The specifications should indicate the reference number, version number, effective date and change history if any.

8.3.3 Re-assessment of the prequalified manufacturing sites

Manufacturing sites are approved for a period of two years.
Licences and GMP certificates granted by regulatory authorities usually have shorter 'shelf life'.
UNOPS approved manufacturers will be requested to systematically send the new licenses and GMP certificates to UNOPS as soon as they are issued.

Any change in the approved manufacturing site (including the subcontractors) and process must be immediately notified to UNOPS (see under 'Handling of variations').

At the end of the two-year approval period, UNOPS will ask the manufacturer to fill in a new Manufacturer Information File (Form 1).

On the basis of the updated MIF, UNOPS can appoint an independent GMP expert to conduct a GMP audit of the manufacturing site and the sub-contractors (if any).

9 Requirements for medical devices

9.1 General requirements

The manufacturers, their representatives and the products (medical devices) should comply with the latest requirements of the Global Harmonization Task Force.

9.2 Manufacturers

A 'primary manufacturer' is defined as a company that performs all the manufacturing and processing operations needed to produce the specific Good including processing, blending, formulating, filling, packing, labelling and quality testing.

Primary manufacturers of medical devices should comply with the requirements of ISO 13485: 2003 or an equivalent Quality Management System.
When ISO 13485 or equivalent norms does not apply, the Quality Management System of the manufacturer should be compliant with the requirements of ISO 9001: 2008.
Quality certification systems equivalent to ISO 9000 will be considered.

The conformity to those standards should preferably be established by a certification body accredited by the regulatory authorities in one of the GHTF founding member countries.
Valid copies of the certificates shall be submitted to UNOPS.
The certificate(s) of conformity will at least indicate:

- The QSM standard
- The name of the certification body
- The date of the last assessment/audit
- The expiration date of last assessment/audit

Regardless of the above-mentioned requirements, UNOPS reserves the right to conduct an independent audit of the manufacturing site.

The manufacturing sites must be authorized by the Regulatory Authorities of the country of manufacture.
A valid copy of the Manufacturing License will be submitted to UNOPS.
UNOPS reserves the right to require a copy of the original assessment report issued by the relevant regulatory authority.

Manufacturers of Diagnostics and single-use injection devices that are pre-qualified by the WHO[33] [34] are automatically approved by UNOPS.

Manufacturers of condoms and Intra Uterine Devices that are pre-qualified by the UNFPA[35] are automatically approved by UNOPS.

9.3 Products (Medical Devices)

Medical devices should comply with the general requirements of the Global Harmonization Task Force (SG1-N41: 2005).

The conformity assessment procedure should comply with the GHFT Principles of Conformity Assessment (SG1/N040: 2006).

UNOPS may request suppliers to provide copies of valid certificates of conformity. The certificate(s) of conformity shall indicate:

a) Product conformity with standards (i.e. ISO or others)
b) Test Laboratory (name, country)
c) Laboratory accreditation body (name, country)

The labelling and instructions for use should comply with GHTF requirements (SG1/N070: 2011: Label and Instructions for Use for Medical Devices). English language should be used by default.

UNOPS might have specific language requirements; they will be clearly specified in the invitation for prequalification or in the invitation for Expression of Interest.
Products should comply with the Essential Principles of Safety and Performance of Medical Devices (GHTF document SG1-N41: 2005) and with the UNOPS specifications as specified in the tendering documents or the invitation to prequalify or the invitation for Expression of Interest.

Packaging systems for non-sterile devices should keep the product without deterioration at the level of cleanliness stipulated.
If the devices are to be sterilized prior to use, the packaging system should minimize the risk of microbial contamination; it should be suitable taking account of the method of sterilization indicated by the manufacturer.
Devices delivered in a sterile state should be packed in a non-reusable pack, and/or according to appropriate procedures, to ensure that they are sterile when placed on the market and remain sterile, under the transport and storage conditions indicated by the manufacturer, until the protective packaging is damaged or opened.

For sterile Medical Devices, the sterilisation method should be clearly indicated on the primary and the secondary packaging. The sterilization method should comply with the requirements of the GHTF. The supplier shall submit a copy of the certificate of sterilisation to UNOPS.
If deemed appropriate, UNOPS can ask the applicant to submit the norms the manufacturer used for the validation of the sterilisation.

If the medical device has a limited shelf life and/or requires particular storage conditions, the manufacturer will be required to submit data that support the assigned shelf life and the recommended storage conditions.

9.4 Product information (Medical Devices)

Suppliers shall indicate a web site with an electronic catalogue of their products (or if a web catalogue is not available, provide the most recent hard copy or CD-ROM catalogue unless already submitted to UNOPS within the last 12 months).

Suppliers must provide the following documentation for each product offered:

FINISHED PRODUCT

- ✓ Manufacturer's name
- ✓ Subcontractor's name (if applicable)
- ✓ Manufacturing site (country of manufacture)
- ✓ Manufacturer's quality system standards
- ✓ Product reference
- ✓ Product short description
- ✓ Product conformity with standards
- ✓ Product marketing license number (if applicable)
- ✓ Product name as submitted to regulatory authority (if applicable)
- ✓ Name of regulatory authority (if applicable)
- ✓ Product shelf life in months (if applicable)
- ✓ Product hazardous classification (if applicable)
- ✓ Recommended storage conditions (if applicable)
- ✓ Complete technical specification, including technical data sheet with photo and/or design

9.5 Recognition of the WHO prequalification and SRA approvals

WHO prequalified diagnostics and single-use injection devices are automatically prequalified by UNOPS.
A marketing authorization in the territory of one of the founding members of the GHTF is a proof of compliance of the product with UNOPS technical requirements for MDs.
Applicants for a UNOPS prequalification will be required to provide a copy of the marketing authorization in the corresponding GHTF country:

Australia	Canada	European Union	Japan	United States
GMPALS license Or CE mark	Device license	CE certificate	Device license	510k device letter

MDs that are not WHO prequalified or marketed in a GHTF founding member country will be assessed by UNOPS on the basis of the level of risk they present for the patients.
Applicants will be required to provide documentary evidence that the device conforms to the relevant ISO standards and to UNOPS specifications.

9.6 Samples

Applicants for UNOPS qualification may be required to submit samples of the medical devices to UNOPS. The number of samples to submit and the conditions for submission will be specified in the tendering document or in the invitation to prequalify or in the invitation for Expression of Interest.

As a general rule, applicants are informed that the sample submitted to UNOPS must be in all aspects identical to the product intended for supply to UNOPS; this includes the primary and secondary packaging, the labelling and the patient/medical staff information documents.

The samples submitted to UNOPS will not be returned.

10 Requirements for Public Health Pesticides

10.1 Definitions (taken from WHO Guidelines for procuring public health pesticides – 2012)

Active ingredient
Biologically active part of a pesticide formulation.

Batch
Identifiable quantity of an active ingredient or formulation that has been manufactured, processed and stored under conditions presumed to be uniform.

Consignment
Quantity of one or more materials delivered at one time. A consignment of pesticides may consist of one or more batches or parts of batches.

Formulation
The combination of active ingredient(s) and formulants intended to facilitate application of a pesticide and make it effective for the purpose claimed.

Indoor residual spraying
Spraying of the interior walls of dwellings with an insecticide to kill mosquitoes that spread malaria.

Insecticide-treated net
Mosquito net that repels, disables or kills mosquitoes that come into contact with the insecticide on the netting material. There are two categories: conventionally treated and long-lasting insecticidal nets:

Conventionally treated net: A mosquito net that has been treated by dipping it in a WHO- recommended insecticide. To ensure its continued insecticidal effect, the net should be re- treated after three washes, or at least once a year.

Long-lasting insecticidal net: A factory-treated mosquito net made of netting material with insecticide incorporated within or bound around the fibres. The net must retain its effective biological activity without re-treatment for at least 20 WHO standard washes under laboratory conditions and 3 years of recommended use under field conditions.

Label
Written or graphic information on or attached to the immediate container of the pesticide and its external packaging, if any.

Laboratory sample
The portion of material obtained by the specified sampling procedure, which is sent to a laboratory for testing.

Packing
The container and the protective wrapping used to transport pesticides by wholesale or retail distribution to users.

Packing unit
An individual container containing pesticide or a retail package containing a number of smaller packages or containers (each usually <2 l or 2 kg) of a pesticide.

Pictogram
A graphical composition that may include a symbol and other elements, such as a border, background pattern or colour, intended to convey specific information (Globally Harmonized System of Classification and Labelling of Chemicals).

Public health pesticides
Pesticides used to control pests of public health significance, including vector control pesticides, household insecticides and professional pest management pesticides.

Referee analysis
An analysis performed in an independent laboratory staffed by suitably experienced personnel, agreed by the parties to a dispute, in order to certify the quality of a disputed sample.

Release date
The date (month and year) shown on the label must be the start date from which the supplier guarantees the quality of the formulation. The term 'release date' should be used rather than 'formulation date', which may lead to confusion between supplier and buyer.

Sampling report
Standard report form completed by an inspector at the time of sampling and countersigned by the person responsible for the batch at the time the sample is taken.

Technical material
Material resulting from a manufacturing process, comprising the active ingredient and associated impurities.

10.2 Scope

"While it is recognized that most pesticide products used for public health purposes are insecticides, other types are also used, such as repellents, rodenticides and molluscicides. Therefore, the more generic term 'public health pesticide products' is used throughout these guidelines, rather than 'public health insecticide products'. Public health pesticides include those used for vector control, household pesticides and professional pest management pesticides (that is pesticides used by pest control operators). Long-lasting insecticidal mosquito nets (LNs) are a pesticide product"[36].

UNOPS will preferably procure pesticide products that are recommended by the "WHO Pesticides Evaluation Scheme (WHOPES[37]).

UNOPS recognizes the WHO interim recommendation for the use of LNs for malaria prevention and control. If the required products are not available from a WHO recommended origin, UNOPS will preferably procure products with a valid registration (for the same intended application) in countries with high registration standards[38].

10.3 Regulatory status

Manufacturers (and the suppliers if different than the manufacturers) of public health pesticides should be duly authorized by the National Regulatory Authority of the country of manufacture. A valid copy of the license will be required.

Public health pesticide products should be authorized by the Regulatory Authority of the country of use. In countries that have a pesticide registration scheme, the manufacturer will submit all the necessary documentation that is required by the authority.

10.4 General specifications

Pesticide products should comply with the WHO specifications for technical material and related formulations of public health pesticides[39] when they exist.

WHO technical specifications include:

- The common name of the active ingredient(s), or, in the absence of a common name, the chemical name; use of trade names should be avoided;
- The content of active ingredient and the acceptable limits (as defined by WHOPES – see Form 1) in the product, expressed in g/kg for solids and g/l for liquids;

- The formulation of the product (e.g. wettable powder, emusifiable concentrate, suspension concentrate);
- Relevant chemical and physical properties and their acceptable limits;
- Maximum permissible levels of relevant impurities;
- Storage stability requirements at low or elevated temperature, as appropriate;

In the case of LNs, not only the identity and content of the active ingredient(s) but also the fibre and filament type, denier, impregnation technology, colour, size, shape, active ingredient retention index, seam stitching (number and location), netting mesh size and shape, dimensional stability of netting to washing, bursting strength and storage stability at elevated temperature should be specified.

Equipment that is used to apply pesticides for vector activities should comply with the WHO specifications guidelines[40].

When WHO specifications do not exist, any other relevant internationally accepted or national specifications can be considered. The specifications will be clarified in the tendering documents or in the invitation for Expression of Interest.
The supplier will be required to provide evidence that the product offered complies with the relevant specification.
A certificate of analysis should be provided by the supplier for each batch of product at the time of delivery.

10.5 Packaging

As a general rule, the packaging should comply with United Nations recommendations for the transport of dangerous goods[41].

According to WHO guidelines, “LNs should be packed individually in sealed plastic bags that are sufficiently strong to prevent damage during transit. The label statements specified below should be printed on the bag or inserted in a transparent plastic bag inside the bag. Rectangular nets should usually have six hanging loops made of reinforced fabric or netting material. Conical nets should have a non-rusting ring. In order to reduce the cost of transport of LNs, manufacturers are requested to bale them, usually with 50, 40 or 25 per bale. The bale should have a secondary outer packaging that protects the LNs and should be properly strapped (minimum of four straps) and labelled”.

Suppliers will be required to provide evidence that the packaging will be in accordance with national requirements. In the absence of such standards, they should provide evidence that the packaging will be sufficiently robust to preclude leakage and breakage during shipment and local transport.

10.6 Labelling

Labels should be printed in indelible ink.

The labelling requirements should be in line with the International Code of Conduct on the Distribution and Use of Pesticides and the FAO guidelines on Labelling of Pesticides[42].

Suppliers should comply with any national labelling requirements.
Unless otherwise specified by UNOPS, language to be used by default is English.

The labels on procured products should be approved by the pesticide regulatory authority of the country of use. When such requirements are lacking, labelling details should be compliant with the recommendations of the WHO.

10.7 Additional requirements

JMC Note:
The following requirements are recommended by WHO.
UNOPS should review them and accept/reject them on the basis of its procurement rules and practice.

- UNOPS can require samples from the supplier.
  The supplier should facilitate the examination and collection of samples.

When samples have to be sent outside the country for quality control in an accredited or recognized laboratory, the supplier should bear the cost.

- The supplier will collect all empty pesticide containers for proper disposal, according to national regulations.
- The supplier will take back products that remain unused after a specified time.
- The supplier will provide protective gear, material safety data sheets, antidotes and cholinesterase test kits for monitoring exposure of applicators to the procured pesticides, when required.
- The supplier will provide training in proper handling and use of the pesticides supplied.

10.8 Quality control

Quality control includes pre-shipment analysis, control of the products on arrival and post delivery control if appropriate.

The pesticide samples will be analysed according to the terms of the contract. The analysis will not be limited to the active ingredient content but will include all the physical and chemical properties as specified in the WHO specifications or other relevant specifications (if WHO specifications are missing).
For LLINs, quality control includes visual examination of the nets and the packing (sealed plastic bags).
The analysis will also include the testing of the equipment (sprayer, pump, fogger, mist blower, etc.) that is used to deliver the pesticide.

WHO specifications define the minimum acceptable criteria for good-quality products, and samples will be tested for compliance with all the specified clauses and limits. In exceptional situations, some tests can be omitted, but this must be agreed between the laboratory and UNOPS.

QC testing will be done by independent laboratories selected by UNOPS.
QC laboratories should have an ISO 17025 accreditation or be approved by the WHO (WHOPES collaborative centres).
They should also have all the infrastructure, equipment and human resources to perform physico-chemical analysis of pesticide samples.

QC testing will be done in accordance to the methods of the Collaborative International Pesticides Analytical Council (CIPAC)[43] and the WHO/CDS guidelines on quality control of pesticide products for national laboratories[44].

10.8.1 Sampling

Sampling will be done according to Appendix A of the Manual on the development and use of FAO and WHO specifications for pesticides[45].

According to WHO guidelines, each batch should be tested for compliance with the specifications.
For liquid formulations, a minimum of one sample from each batch should be tested. If the size of the batch exceeds 10 000 l, at least one sample should be tested for each 10 000 l. For solid formulations, a minimum of one sample from each batch should be tested. If the size of the batch exceeds 5000 kg, at least one sample should be tested for each 5000 kg.

For LNs the number, frequency and distribution of nets within and between batches and consignments to be tested for compliance with the specification will be decided according to the required balance between cost and risk[46].

10.8.2 Delivery and shipment of samples

Samples will be packed according to the WHO recommendations.

The samples will be accompanied by a ‘material safety data sheet’, when available, a document for declaring dangerous goods and a non-commercial proforma invoice for customs clearance, as appropriate.

When pesticide samples are transported by air or by sea freight, the regulations of the International Civil Aviation Organization and the International Maritime Organization and the International Regulations concerning the Carriage of Dangerous Goods by Rail or the International Air Transport Association will be applied[47].

10.8.3 Reporting

The QC laboratory will issue a comprehensive report of the analysis that will be sent to UNOPS.

According to WHO, the report should include as a minimum:

- The contract or study number;
- The contract or study title;
- Detailed information on the party requesting the analysis;
- Detailed information on the responsible analyst or laboratory manager;
- A confidentiality clause;
- A clause for archiving raw data and samples after analysis;
- Information on the pesticide samples analysed (e.g. number of samples, trade name, declared active ingredient content, supplier, manufacturer, batch number, receipt date and storage conditions at the test facility);
- The experimental protocol (reference to the WHO specification or other relevant specification and list of tests performed, with number of replicates per test);
- The analytical and test methods used and the conditions of application (e.g. concentration rates, temperature, as appropriate) and tests performed according to ISO 17025 accreditation or good laboratory practice standards;
- The detailed results of the analysis:
- A summary of results and conclusions on compliance with the WHO or any other relevant specification; and
- Any information that would facilitate interpretation of the results. The report of the analysis should be signed by the responsible analyst or laboratory manager and sent to the party requesting the analysis.

10.8.4 Out of specification results and arbitration

In case of an Out Of Specification result, the manufacturer (and the supplier) will be informed and will receive a copy of the report.

In consultation with the manufacturer, a third party QC laboratory will be designated to perform a new analysis of the sample. If the new analysis confirms the OOS, the manufacturer (or the supplier) should take the consignment back at its own cost and replace, within a specified time, the rejected consignment with one that meets the requirements of the contract. Failing this, the supplier should refund UNOPS all the expenses incurred in procuring the product.

11 Provisions for local procurement

11.1 Definitions

'International procurement' is defined as the procurement on the international market with no distinction in the origin of the suppliers and the goods.
The selection of the sources is done on the basis of the principles and rules outlined in UNOPS QA policy.

The term 'local procurement' refers to situations where the goods are procured from domestic suppliers in the country of operation. The products could be either locally or externally manufactured.

11.2 Commitment

UNOPS will apply the same general QA principles for local procurement in order to guarantee that the products supplied are of appropriate quality.

11.3 Regulatory context

In recent publications, WHO estimates that the technical capacity of the National Medicines Regulatory Authorities is 'limited' in 30 percent of the countries and 'variable' in 50 percent of the countries.

In the countries where the authorities are not defined as 'stringent', UNOPS will make the necessary arrangements to ensure that its suppliers comply with the general QA principles of the WHO.
In such countries, UNOPS will pre-qualify its sources (suppliers and products) against WHO norms and standards.

11.4 Regulatory requirements

Only the suppliers that are duly authorized by the NMRA are eligible for UNOPS prequalification process.
Only the products that are authorized by the NMRA will be purchased by UNOPS.

11.5 Technical requirements

11.5.1 Manufacturers

Applicants to the UNOPS PQ process will be required to provide a valid copy of manufacturing license and marketing authorization. They will be asked to submit a valid copy of the GMP certificate delivered by the local authority.

If the manufacturing site is approved by foreign authorities or an international humanitarian organization (UNICEF, ICRC, MSF, UNFPA, etc.) the manufacturer will be invited to provide a copy of the letter of approval.

On the basis of the information submitted, UNOPS can decide to mandate an independent expert to audit the manufacturing site against WHO GMP guidelines.
Applicants will in that case make the necessary arrangements to receive the UNOPS GMP expert and facilitate his/her access to the premises.

UNOPS will inform the NMRA of its intention to audit the site and invite the NMRA to participate in the audit.
Copies of the UNOPS audit report will be provided to the manufacturer and the NMRA.

11.5.2 Suppliers (non-manufacturers)

The suppliers must be duly authorized by the NMRA.
A valid copy of their license will be submitted to UNOPS.
In countries where the GDPs are a legal requirement, a valid copy of the GDP certificate will be submitted to UNOPS.

If the supplier is approved by foreign authorities or an international humanitarian organization (UNICEF, ICRC, UNFPA, etc.) or an international NGO (MERLIN, Save the Children, MSF, etc.) the manufacturer will be invited to provide a copy of the letter of approval.

On the basis of the information submitted, UNOPS can decide to mandate an independent expert to audit the premises against WHO GDP/GSP guidelines.
Applicants will in that case make the necessary arrangements to receive the UNOPS GDP/GSP expert and facilitate his/her access to the premises.
Copies of the UNOPS audit report will be provided to the supplier.

11.5.3 Finished Pharmaceutical Products

From domestic manufacturers and suppliers, UNOPS will only purchase pharmaceutical products that are authorized by the NMRA.
Proof of registration, marketing authorization, a manufacturing license, or a GMP Certificate will be required.

Not all the pharmaceutical products have the same level of 'criticality' in terms of risks for the patients. UNOPS will establish its own classification of essential medicines according to the level of "criticality". Two or three levels should be defined (highly critical – critical – less critical).

In countries with a non-Stringent Regulatory Authority, (highly) critical pharmaceutical products have to be assessed by UNOPS before being approved for purchase.
For those products, manufacturers and suppliers will have to complete a simplified 'Product Questionnaire'. It will be a synthetic version of the IAPQ.
On the basis of the information provided in the questionnaires, UNOPS will set up a list of pre-qualified sources. Products will be pre-qualified for a period of two years.

Innovator products that are already marketed in highly regulated countries will be not be assessed by UNOPS. They are automatically pre-qualified by UNOPS.
Similarly, multisource generic products that are authorized by a SRA or pre-qualified by the WHO or tentatively approved by the US FDA and authorized by the local NMRA also tentatively approved by UNOPS.

For less critical FPPs, UNOPS requirement will be limited to the registration or marketing authorization by the NMRA.

11.5.4 Medical devices

UNOPS will only purchase medical devices from manufacturers or traders which are produced and controlled in accordance with product standards and quality system standards recommended by the World Health Organization (WHO) and the Global Harmonization Task Force (GHTF).

As for FPPs, medical devices do not present the same level of risk for the patient.

UNOPS will classify the MDs according to the level of risk. Such risk is usually based on the intended purpose of the device and in accordance with international guidelines that will be available. For example, the CE marking procedure, which is essentially a risk-based procedure, takes into account how long the device is intended to be in continuous use, whether or not the device is invasive or surgically invasive, whether the device is implantable or active, whether or not the device contains a substance, which in its own right is considered to be a medicinal substance and has action ancillary to that of the device.

Critical medical devices will preferably be procured from sources that are authorized by a founding member of the GHTF.
If those 'QA sources' are not available, UNOPS will rely on the available QA Policy for Internal well accredited organisations such as WHO, GF, WHOPES or any other equivalent body.

11.5.5 Public health pesticides

Public health pesticides (including LLINs) will preferably be procured from sources that are recommended by the WHO Pesticides Evaluation Scheme.
If such sources are not available on the local market, UNOPS will preferably procure products with a valid registration (for the same intended application) in countries with high registration standards.

If those 'QA sources' are not available, UNOPS will rely on the available QA Policy for Internal well accredited organisations such as WHO, GF, WHOPES or any other equivalent body.

11.6 Monitoring

UNOPS will monitor the sources that are not pre-qualified/recommended by WHO or a stringent Regulatory authority.
The monitoring activities include audits, periodic re-assessments of the manufacturing sites and the suppliers' premises.

Highly critical and critical FPPs that have been pre-qualified by UNOPS will be re-assessed every two years on the basis of the "simplified" product questionnaire and the list of pre-qualified FPPs will be updated accordingly.

12 Management of variations

The manufacturer of a prequalified product will often have to make changes to the supplied product during the product's life cycle.

Such changes or variations can affect the performance of the product, its efficacy and/or safety.
UNOPS should therefore always be informed of any intended change before implementation.
FPP Manufacturers or their representatives should use the “Variation Application form” (Form 6) for that purpose.

UNOPS will evaluate the consequences of the intended variations in accordance with the WHO guidelines[48] and will inform the manufacturer of its decision.

Major and critical variations can lead to the disqualification of the product.
The manufacturer will in that case be invited to submit a new dossier to UNOPS.

Failure to inform UNOPS of a change, either intentionally or inadvertently, may lead to the disqualification of the product, the manufacturer and the supplier.

13 Alert and recalls

In case of evidence or suspicion of a quality problem (non-compliance with the stated specifications, modification of organoleptic parameters, QC test failure, counterfeiting, regulatory authorities or WHO directives), UNOPS will immediately activate its alert procedure.

The manufacturer and its representatives (if any) will be informed and required to take all the appropriate actions according to their own written procedures (handling of complaints and recalls).

These actions include the following:

- Informing the recipients of the products and providing them with clear instructions (precise identification of the incriminated batch(es), segregation and quarantine of the remaining stocks, re-shipment of the goods, instructions for destruction) and documents (batch recall – reconciliation report, certificate of destruction)
- Informing the authorities of the countries where the product has been distributed
- Re-testing the retained samples and submitting the results to UNOPS within the allotted time
- Taking the lead in the management of the recall (if appropriate) including evaluation of the effectiveness of the process at regular intervals
- Keeping the records of the exchanges of information between parties (emails, faxes, letters) and of all the movements of goods
- Issuing a final report including reconciliation between delivered and recovered quantities of products

UNOPS will provide an active support throughout the alert/recall process.
UNOPS will in particular make sure that all the concerned parties are informed of the progresses of the process and that the actions initiated by the manufacturer efficiently protect the patients from exposure to unsafe or ineffective products.

In case of failure, weaknesses or delays in the management of the alert/recall by the manufacturer, UNOPS can take the initiative to inform the relevant authorities, the WHO and other actors (NGOs, other UN organizations, donors) and provide the recipients of the incriminated products with instructions in accordance with its own procedures and the applicable WHO guidelines.

The safe disposal of the defective products, if required, will be carried out in accordance with WHO guidelines in consultation with the local NMRA.

14 Commitment/Transparency/Mutual trust

By signing the questionnaires applicants indeed certify that the information submitted to UNOPS is correct. Any mistake or omission, intentional or not, may lead to the disqualification of the product, the manufacturer and the supplier.

Manufacturers and suppliers of UNOPS qualified products commit to inform UNOPS about any serious quality and/or safety concerns related to the manufacture, control or use of their product, including suspension or cancellation of marketing authorisations.

Manufacturers of UNOPS qualified products pledge to work with UNOPS to minimise potential public health risks by actively organizing product recalls of defective products and either in replacing the defective product or covering the direct and related costs related to replacing the defective product within defined timelines as specified in the contractual requirements.

15 Technical expertise/Conflict of interest/Confidentiality

The assessment of the pharmaceutical dossiers (submitted for prequalification or Expression of Interest) is carried out by UNOPS technical staff and/or external experts appointed to support UNOPS staffs for specific parts of the evaluation.

UNOPS appoints external experts to conduct the audits (GMP, GDP, GLP).

UNOPS staffs and external experts involved in the evaluation of dossiers and sites (manufacturers, procurement agencies, QC laboratories, CRO) must declare any real, potential or apparent conflict of interest.
To that purpose, UNOPS staffs and external experts involved in the prequalification process and any step of the technical evaluation will fill in the “Declaration of potential conflict of interest” form

All the information related to manufacturers, medical item sources, procurement agencies and Quality Control laboratories submitted to UNOPS is considered as strictly confidential and proprietary to UNOPS. UNOPS staffs and external experts involved in the prequalification process and any step of the technical evaluation will be requested to sign a confidentiality commitment.

16 Tools and Checklists

16.1 PAIF – Form 1 Procurement Agency Information File

16.2 MIF – Form 2 MANUFACTURER'S INFORMATION FILE

16.3 PPQ – Form 3 PHARMACEUTICAL PRODUCT QUESTIONNAIRE

16.4 QISS FPP – Form 4 QUALIFICATION INFORMATION SUMMARY SHEET

16.5 SKPI – Form 5 SUMMARY OF KEY PRODUCT INFORMATION

16.6 VQ FPP – Form 6 VARIATION TO UNOPS (PRE)-QUALIFIED

PAIF – Form 1 Procurement Agency Information File

1. General information on the agency

Company Name	
Postal address	
Physical address (*)	
Trade register number	
VAT number	
Telephone	
Fax number	
Web ste URL	
Contact email address	

(*) If the premises are not all located in the same physical address, please clearly mention it in the table (one row per address, add as many rows as needed).

2. Regulatory status and certification(s)

2.1 License

Is your company licensed by its regulatory authority?

☐ Yes ☐ No

Please attach a valid copy of the license
Please indicate the date of the last inspection by the regulatory authority: (dd/mo/yyyy)

2.2 Good Distribution Practice (GDP)

Is the Procurement Agency regularly assessed against Good Distribution Practice guidelines?

☐Yes ☐ No

If "Yes", please specificy the name of the authority that carry out the GDP inspections and the referential (national GDP, EU GDP, WHO GDP, USP GDP, etc.)

Authority: …… Referential ……

Please attach a valid copy of the GDP certificate to the questionnaire

2.3 ISO certification

Is your company ISO certified?

☐Yes ☐ No

If "Yes", please attach valid copy(ies) of the valid ISO certificate(s) to the questionnaire

2.4 Other approvals

Is the Procurement Agency approved by international organizations (please tick the boxes)?

☐UNICEF SUPPLY DIVISION
☐INTERNATIONAL COMMITTEE OF THE RED CROSS (ICRC)
☐DG ECHO
☐USAID
☐MEDECINS SANS FRONTIERES (MSF)
☐WHO
☐PAHO
☐Others (please specify) ……
……

Please attach a copy of the letter of approval issued by the organizations mentioned above.
If you are not able to provide such a letter of approval please explain why:
……..

……
……

If requested, would you accept to provide UNOPS with a copy of the audit report performed by the organizations mentioned above?

☐**Yes** ☐ **No**

3. Range of products

What type of products do you supply to your customers?

☐Multi source essential medicines
☐Medical kits (e.g. WHO Emergency Health kit)
☐Innovator medicines (branded)
☐Medical devices
☐Chemical reagents
☐Medical Equipment (X-ray, autoclaves, sonographer, etc.)
☐Other products (please specify)

……
……
……

4. (Pre)qualification

4.1 Pharmaceutical products

On what basis does your company (pre)qualify its sources of pharmaceutical products?

☐ **GMP assessment of the manufacturing site**

Do you assess the manufacturing site with your own human resources? ☐Yes ☐ No
Do you appoint external experts to perform the GMP audits? ☐Yes ☐ No
Do you recognize the GMP approvals of third parties? ☐Yes ☐ No
If "Yes", please specify which GMP approvals you recognize (tick the boxes below)
☐ WHO PQ ☐ PIC/S ☐ US FDA
☐ UNICEF ☐ ICRC ☐ MSF

☐ **Assessment of the pharmaceutical product dossier**

Do you have your own product questionnaire ? ☐Yes ☐ No
If "Yes", please attach a copy of the format to the PAIF

Do you use the Inter Agency Product Questionnaire[1]? ☐Yes ☐ No
Do you recognize the technical approvals of other agencies? ☐Yes ☐ No
If "Yes", please specify which approvals you recognize (tick the boxes below)
☐ Pre-qualification by the WHO ☐Yes ☐ No
☐ US FDA tentative approvals ☐Yes ☐ No
☐ Approvals by Stringent Regulatory Authorities (SRA) ☐Yes ☐ No
If "Yes", please specify your definition of SRA
……..
……..

☐ Other agencies ☐Yes ☐ No
If "Yes", please mention below the names of the agencies that you recognize
……..
……..

[1] Appendix 6 of the WHO Model Quality Assurance System for Procurement Agencies

Do you maintain a list of (pre)qualified manufactuers of pharmceutical products? ☐Yes ☐ No
If "Yes", would you accept to provide UNOPS with a copy of the current list? ☐Yes ☐ No

Do you maintain a list of (pre)qualified pharmaceutical products? ☐Yes ☐ No
If "Yes", would you accept to provide UNOPS with a copy of the current list? ☐Yes ☐ No

If requested by UNOPS, would you accept to share your GMP audit reports and your product dossiers with UNOPS? ☐Yes ☐ No

4.2 Medical devices

On what basis do you (pre)qualify your sources of medical devices?

☐ **Assessment of the manufacturing site** ☐Yes ☐ No
Do you assess the manufacturing site with your own human resources? ☐Yes ☐ No
Do you appoint external experts to perform the audits? ☐Yes ☐ No

☐ **ISO certification of the manufacturing site** ☐Yes ☐ No
If "Yes", please clarify your requirements in terms of ISO certification (norms, certification body, etc.)
……
……
……

☐ **CE marking** ☐Yes ☐ No
If "Yes", please clarify your requirements in terms of CE marking (norms, notification body, etc.)
……
……
……

☐ **Other "stringent" authorizations** ☐Yes ☐ No
If "Yes", please clarify your requirements (nme of the authorities you recognize, norms, proof of approvals, copy of certificates, etc.)
……
……
……

Do you maintain a list of (pre)qualified manufactuers of medical devices? ☐Yes ☐ No
If "Yes", would you accept to provide UNOPS with a copy of the current list? ☐Yes ☐ No

5. Quality control and monitoring

How do you control the quality of your (pre)qualified sources of pharmaceutical products?

☐ Pre-shipment inspection ☐Systematic control (100%) ☐Ad random
If no 100% control, please explain your sampling procedure
……
……
……
Please clarify your requirements and selection procedure for the agency in charge of the inspection
……
……
……

☐ Pre-shipment quality testing ☐Systematic control (100%)
☐Ad random
If no 100% testing, please explain your sampling procedure
……
……
……
Please clarify your requirements and selection procedure for the QC laboratory in charge og the testing
……
……

☐ Quality testing at reception ☐Systematic control (100%) ☐Ad random

If no 100% testing, please explain your sampling procedure

……..
……..
……..

Do you have your own (internal) QC laboratory ☐Yes ☐ No

If "No", please clarify your requirements and selection procedure for the QC laboratory in charge og the testing

……..
……..
……..

How often do you re-assess the manufacturing sites for pharmaceutical products?

……..
……..

How often do you re-assess your (pre)qualified pharmaceutical products?

……..
……..

How often do you re-assess the manufacturing sites for medical devices?

……..
……..

6. Representation of manufacturers

Procurement Agencies are authorized to participate to UNOPS tenders or to express their interest for a pre-qualification of their products by UNOPS.

They will in that case be requested to submit a letter issued by each manufacturer in which he (the manufacturer) unequivocally authorizes the Procurement Agency to represent him to UNOPS.

Are you able to provide UNOPS with such authorization letter(s)? ☐Yes ☐ No

If "Yes", please attach an example of authorization letter to this PAIF

7. Registration

Many countries require the registration of the pharmaceutical products by their regulatory authority before authorizing the importation of the products.

Are you able to collect all the necessary technical information from the manufacturers and submit it to the Regulatory Authority of the country of destination?

☐Yes ☐ No

Are you able to obtain a Certificate of Pharmaceutical Product (CoPP - WHO type) from the NMRA of the country of manufacture for each pharmaceutical product supplied to UNOPS?

☐Yes ☐ No

If "yes", please attach an example of recent CoPP to this PAIF

8. Contact details for responsible persons

Responsibility	Name of contact person	Telephone and cell phone	E-mail
Quality Assurance manager		Tel: Cell:	
Regulatory Affairs		Tel: Cell:	
Commercial/business and general inquiries		Tel: Cell:	

9. Personnel

Total number of employees: ……..

Total number of pharmacists: ……..

Number of employees in QA department: ……..

10. Financial Turnover

Turnover in US $ Latest fiscal year ……..

Latest fiscal year – 1 ……..

Latest fiscal year – 2 ……..

11. Other documents

Please attach the following documents to the PAIF:

1. Company brochure
2. Site Master File
3. Organization Chart

12. UNOPS audit

The verification of the compliance with WHO GDP and the WHO MQAS is part of UNOPS Quality Assurance Policy.

Regardless of the authorization by the regulatory authority or by any other body, UNOPS can commission an independent expert to conduct an audit of the premises.

The company accepts the principle and commits to facilitate the access of the experts to the premises.

☐Yes ☐ No

13. Commitment

I hereby certify that the information given in this questionnaire and the attachments is true and correct.

Date ……..

Signature ……..

Position ……..

MIF – Form 2 MANUFACTURER'S INFORMATION FILE

Manufacturers of Pharmaceutical Products

MIF SECTION 1: General information on the company

Company Name	
Postal address	
Physical address	
Trade register number	
VAT number	
Telephone	
Fax number	
Web site URL	
Contact person (name/position)	
Contact person (email address)	

Affiliates

If the company is owned by another company, or belongs to a group of companies, please describe your position within the structure:

Manufacturing sites

The UNOPS Qualification Process is site specific.
Please list the names of ALL the manufacuring sites for which you seek a qualification by UNOPS.

……
……
……

Note: if a manufacturing site is divided in separate autonomous units (beta lactames, cephalosporins, inhalers, large volume parenterals, etc.), one unit should be considered as a manufacturing site and stated as such in the list.

Complete one MIF SCTION 2 for each manufacturing site stated above.

MIF SECTION 2: Specific information on the manufacturing site

1. Identification

Name of the manufacturing site: ……
(As specified on the manufacturing licence)

Physical address: ……
……

Telephone ……

Fax number ……

Web Site URL ……
(if specific to the manufacturing site)

Contact person for UNOPS
Name: ……
Position ……
Telephone ……
E-mail address ……

2. Type of productions and production capacity

2.1. Nature of the products manufactured in the premises

☐ β lactames
- ☐ Penicillins
- ☐ Cephalosporins

☐ Hormones

☐ Cytostatics

☐ Rifampicin formulations

☐ Other products (not belonging to above mentioned categories)

2.2. Type of formulations manufactured in the premises

Formulation	Number of units per year	Last year production (in units)
Tablets		
Capsules		
Large Volume Parenterals		
Ampoules		
Vials (liquid)		
Vials (dry powder)		
Vials (lyophilized)		
Powder for oral suspension		
Liquids for oral use		
Liquids for external use		
Creams/ointments		
Suppositories		
Sachets		
Others (*)		

(*) Specify the type of formulations and add as many rows as needed (one row per formulation)

3. Regulatory status and certification(s)

3.1 Manufacturing license

Is the manufacturing site licensed by the regulatory authority?

☐Yes ☐ No

Please attach a valid copy of the manufacturing license to the questionnaire

Please indicate the date of the last inspection by the regulatory authority: (dd/mo/yyyy)

3.2 Good Manufacturing Practice (GMP)

Is the manufacturing site regularly inspected against Good Manufacturing Practice guidelines?

☐Yes ☐ No

If yes, please specifiy the identity of the inspecting authority, the date of the last inspection and attach valid copy(ies) of the GMP certificate(s) to the questionnaire.

Inspectorate		Date of last GMP inspection
National Medicine Regulatory Authority		
PIC/S member inspectorate	Name of PIC/S member inspectorate	

(*)		
USA Food and Drug Administration		
WHO Pre Qualification Program		
Other NMRA	Name of NMRA	
(*)		

(*) One row per inspecting body. Add as many rows as needed.

If demanded by UNOPS would you accept to provide a copy of an inspection report to UNOPS

☐Yes ☐ No

3.3 Other GMP audits

Was the manufacturing site recently (< 2 years) audited by:

UNICEF Supply Division ☐Yes ☐ No

MSF International ☐Yes ☐ No

If demanded by UNOPS would you accept to share a copy of the UNICEF SD or MSF audit report with UNOPS?

☐Yes ☐ No

3.4 Site Master File

Is a Site Master File (WHO or PIC/S format) available upon request?

☐Yes ☐ No

3.5 Contract manufacture

Please indicate if you undertake contract manufacture for other companies:

☐Yes ☐ No

If "yes", please indicate the type of products you manufacture under contract

β lactames ☐Yes ☐ No

Hormones ☐Yes ☐ No

Cytotoxics ☐Yes ☐ No

Pesticides ☐Yes ☐ No

Do you subcontract part of all manufacturing activities to third parties?

☐Yes ☐ No

If "yes", please list products and services that are subcontracted, the name(s) and address(es) of subcontractors:

……
……
……

Valid copies of the manufacturing licenses and GMP certificates of all subconctractors should be attached to the MIF.
UNOPS can require a copy of the Site Master file of the subcontactors.

4. Products

4.1 Products licences

Please enclose a list of all products manufactured in the premises and for which you seek a UNOPS qualification. If possible, please mention an indicative price per product.

Are you able to provide a Certificate of Pharmaceutical Product (CoPP) according to the WHO Certification Scheme on the Quality of Pharmaceutical Products moving in International Commerce for all your products ?

☐Yes ☐ No

If "yes", please attach a copy of a recent (< 2 years) CoPP as an example.
If "no", please explain why ……
……

4.2 Documentation

The UNOPS qualification scheme is site and product specific.
You will be asked to complete a UNOPS Product Questionnaire for each pharmaceutical product submitted for qualification.

The following information is demanded in the questionnaire.
Please confirm that the requested information is available for all the products mentioned in the list under § 7.1 above.

Product information	Available	
	Yes	No
Master Formula		
Regulatory Status in country of manufacture		
Registration and marketing in other countries		
Starting Material Specifications		
Finished Product Specifications		
Stability Studies Protocol		
Stability Studies Report		
Packaging Specifications		
Labelling Specifications		
Insert, leaflet and information for the patients		

4.3 Samples

Are you willing to provide samples of finished products and batch documentation (on a confidential basis) if requested?

☐Yes ☐ No

Note: the samples submitted to UNOPS will ot be returned but will be kep in UNOPS retained samples library

5. Quality Control

Chemical laboratory ☐**In House** ☐**Contracted out**
Biological laboratory ☐**In House** ☐**Contracted out**
Microbilogical laboratory ☐**In House** ☐**Contracted out**

6. Staff

Responsibility	Name of contact person	Telephone and cell phone	E-mail
Managing Director		Tel: Cell:	
Production manager		Tel: Cell:	
Quality Assurance manager		Tel: Cell:	
Quality Control manager		Tel: Cell:	

Total number of employees ……

Number of pharmacists ……

Number of employees in production ……

Number of employees in QA department ……

Number of employee in QC laboratory ……

Please attach a copy of the organization chart to the questionnaire

7. Financial Turnover

Turnover in US $	Latest fiscal year	……..
	Latest fiscal year – 1	……..
	Latest fiscal year – 2	……..

8. Commercial references

Do you sell one or several of your products to:

- Other United Nations agencies ☐Yes ☐ No
  If "yes", please name the UN agencies ……..
  ……..
- The ICRC ☐Yes ☐ No
- Médecins Sans Frontières (MSF) ☐Yes ☐ No
- Other International NGOs ☐Yes ☐ No

  If "yes", please name the NGOs ……..
  ……..

9. Other documents

Please attach the following documents to the questionnaire:

1. Company brochure
2. Site Master File
3. Organization Chart

10. UNOPS audit

The verification of the manufacturing environment is part of UNOPS Quality Assurance Policy. Regardless of the authorization by the regulatory authority or by any other certification body, UNOPS can commission an independent expert to conduct an audit of the manufacturing premises.

The company accepts the principle and commits to facilitate the access of the experts to the premises and, if rquired by UNOPS, to the premises of the subcontractors.

☐Yes ☐ No

11. Commitment

I hereby certify that the information given in this questionnaire and the attachments is true and correct.

Date ……..

Signature ……..

Position ……..

PPQ – Form 3 PHARMACEUTICAL PRODUCT QUESTIONNAIRE

Note for the applicant: Please fill one form separately for each finished pharmaceutical product (FPP). The information in this questionnaire may be shared confidentially amongst WHO, ICRC, MSF and UNICEF for procurement purposes. If you have any objection, please indicate in the section provided at the end of this questionnaire.

Request for Proposal Number/Invitation to Bid Number	
Dated	
Name of item	
Name of company submitting Bid	

Contact details for responsible persons

Subject	Name of contact person	Telephone and cell phone	E-mail
Technical specifications & product quality		Tel: Cell:	
Regulatory & patent		Tel: Cell:	
Commercial/business and general inquiries		Tel: Cell:	

If you have previously filled an IAPPQ form and provided the necessary information in relation to this product, please indicate below (all that apply)

☐ ICRC Most recent submission date
☐ MSF Most recent submission date
☐ UNICEF Most recent submission date
☐ WHO Most recent submission date
☐ Other (specify) Most recent submission date

1. Finished pharmaceutical product (fpp) identification

1.1. Identification

Active Pharmaceutical Ingredient(s) – use the approved non-proprietary name (INN) of the product:

Generic name of the product:

Brand/trade name (if any):

Dosage form: ☐ Tablets ☐ Capsules ☐ Injectable ☐ Syrups/oral liquids
☐ Other, please specify:

Strength per dosage unit:

Route of administration: ☐ Oral ☐ I.M. ☐ I.V. ☐ S.C.
☐ Other, please specify:

Number of dosage units per unit (primary) pack	
Numbers of unit packs per secondary pack (Multiples of unit packs)	

Description and composition of primary packaging materials	
Description and composition of secondary packaging materials	
Packed with dispensing devices	
Co-packed with (e.g. diluents…)	
Language(s) of Label, packaging and pack insert	☐ English ☐ French ☐ Other (Specify)

Inactive Ingredients (excipients) of medical/pharmaceutical relevance, amount in dosage form or per dosage unit (e.g. Contains Alcohol 10%):

Formulation of the product (complete qualitative and quantitative composition including active ingredient(s) and excipients:

→ Attach a flow diagram describing the manufacturing and control processes with relevant parameters

1.2. Further identification of arv & act

* Please use the following pharmaceutical forms to describe your pharmaceutical entity

Tablets	**Capsules**	**Oral liquids**
✓ Scored ✓ Solid ✓ Dispersible ✓ Chewable ✓ Buffered (→ Specify buffers) ✓ Film coated ✓ Enteric coated ✓ Sublingual ✓ Bilayer ✓ Delayed release ✓ Controlled release ✓ Other (→ Specify)	✓ Enteric coated ✓ Delayed release ✓ Controlled release ✓ Sublingual ✓ Other (→ Specify)	✓ Solution ✓ Suspension ✓ Powder for liquid ✓ Powder for suspension ✓ Other (→ Specify)
	Injectables	**Oral powder**
	✓ Solution for Injection ✓ Powder for Injection ✓ Oily Injection ✓ Infusion	

☐ **Single Pharmaceutical entity**

Content	Active Pharmaceutical Ingredient	Amount in dosage form **or** Amount per unit	Pharmaceutical forms * Use all that apply from the selection above	Route(s) of administration
Active Ingredient				

☐ **Co-formulated Fixed Dose Combination (FDC)**

Content	Active Pharmaceutical Ingredient	Amount in dosage form **or** Amount per unit	Pharmaceutical forms * Use all that apply from selection above	Route(s) of administration
Active Ingredient 1				
Active Ingredient 2				
Active Ingredient 3				

☐ **Co-pack**

Content	Active Pharmaceutical Ingredient	Amount in dosage form **or** Amount per unit	Pharmaceutical forms * Use all that apply from selection above	Route(s) of administration
Content of item 1 in co-pack				
Content of item 2 in co-pack				
Content of item 3 in co-pack				

2. Bidder – supplier identification

Name of company submitting BID	
Physical address	
Postal address	
City, Country	
Telephone, Fax	
E-mail	

Link with the product

☐Marketing license holder ☐Distributor/wholesaler

☐Manufacturer ☐Other (Please specify):

3. Manufacturer identification

Repeat this section for each manufacturing site relevant to this product

Details of manufacturer and manufacturing site

Name of manufacturer	
Physical address of manufacturing site(s), including unit/block number	
Postal address	
City, Country	
Telephone, Fax	
E-mail	

Activities of the manufacturer (Fill in all that apply)

ACTIVITIES OF MANUFACTURER	**Manufacturing license No.**	**Valid until**	**Issuing Agency**	**Country**
☐ Manufactures APIs (Drug substance)				
☐ Manufactures Finished Drug Product				
☐ Primary Packaging				
☐ Secondary packaging				
☐ Contract Manufacture				
☐ Other (Specify)				

WHO GMP inspection

WHO GMP certificate no	
Valid until	
Issued by: Agency	
Country	

GMP inspections carried out by (tick all that apply):

☐	WHO Prequalification programme	Date:		Outcome:
☐	National Regulatory Authority	Date:		Outcome:
☐	UNICEF Supply Division	Date:		Outcome:
☐	MSF	Date:		Outcome:
☐	ICRC	Date:		Outcome:
☐	USFDA	Date:		Outcome:
☐	PIC's members (specify)	Date:		Outcome:
☐	Other (specify)	Date:		Outcome:

→ Attach GMP certificate(s) of finished pharmaceutical product manufacturing site (s)

4. Regulatory situation (licensing status)

Product registration in-country

☐ Product not registered in country of manufacture (please clarify):

☐ Product registered and currently marketed in the country of manufacture

License no	
Valid until	
Issued by: Agency	
Country	

☐ Product registered for marketing in the country of manufacture but not currently marketed

License no	
Valid until	
Issued by: Agency	
Country	

☐ Product registered for export only

License no	
Valid until	
Issued by: Agency	
Country	

→ Provide copies of all licenses that apply

CPP

	Reference Number	Valid until / Date prequalified / Date of dossier submission	Issued by – name of Agency	Country
Certificate of Pharmaceutical Product (CPP)				

→ Attach CPP according to the WHO Certification Scheme - WHO Technical Report Series No.863. (earlier version is not acceptable) or equivalent document.

☐ If CPP cannot be obtained from the National Drug Regulatory (NDR), please state the reason and send equivalent document if any:

Product registration in other countries

The product is registered/licensed and currently marketed in the following countries:

Country	License No.	Valid Until	Issuing Agency

To insert more rows if necessary!

5. WHO pre-qualification status

☐ Not applied for WHO prequalification (Explain)

☐ YES:

	Reference Number	Valid until / Date prequalified / Date of dossier submission
WHO Prequalification		
Application to WHO Prequalification		

→ Attach Copy of the relevant WHO Pre-qualification approval letter signed by your company OR

→ Attach WHO acceptance letter for product dossier review mentioning the WHO reference number assigned by WHO for this specific product

6. Finished product specification

Monograph specifications

	EDITION	YEAR PUBLISHED
☐ BP		
☐ USP		
☐ Ph.Int		
☐ In house, Year documented	Explain	
Indicate any additional specifications to those in the pharmacopoeia (e.g. dissolution, syringe ability)		

Have the manufacturing methods for each standard batch size been validated?

☐ Yes

☐ No, please clarify:

List the validated standard batch sizes:

→ Attach Validated analytical methods if specifications for finished product are in-house specifications, different from BP, USP and Ph.Int.

→ Attach a copy of the Internal Finished Product Specifications.

→ Attach a copy of Certificate of Analysis for the last 3 batches released.

7. Stability of finished product

☐ **Stability testing data available**

- ☐ **No (Explain)**
- ☐ **Yes**

Indicate type and conditions of Testing:

☐ **Stability testing done on (tick all that applies):**

- ☐ Pilot batch (Not less than 10% of full production batch)
- ☐ Production batch

Satisfactory accelerated testing at (State the months)	
Type and material of packaging	

Conditions (Temperature/Relative Humidity/Duration)	
Number of batches	
Batch sizes	
Date of beginning of the study	
Date of end of study	
Satisfactory real time testing at (state the months)	
Type and material of container	
Conditions (Temperature/Relative Humidity/Duration)	
Number of batches	
Batch sizes	
Date of beginning and end of the study	

Stability testing has been done on a product of the same formula, manufactured on the same site and packed in the same packaging material as the product that will be supplied?

☐ Yes ☐ No If no, describe differences:

→ **Attach copies of testing protocols**
→ **Attach copies of study results, including graphical/pictorial interpretations where applicable**

☐ **Stability studies for this product is on-going**

☐ Yes ☐ No

→ **Attach status report of any on-going stability studies**

Shelf life

Guaranteed shelf life (Based on stability studies)	
Maximum possible shelf life	
Shelf life as it appears on the packaging	
Shelf life after primary package is open or product is reconstituted	

Stability

Product suitable for use in:

☐Zone I ☐Zone Iva
☐Zone II ☐Zone IVb
☐Zone III ☐Other (specify)

Storage conditions

Specific storage conditions for this product as it appear on the packaging and based on stability studies:

8. Samples for technical evaluation

Product sample provided:

☐ **No**

→ **Attach label artwork/copy of actual label**
→ **Attach pack insert/leaflet**

☐ **Yes**

Shelf life on sample	
Storage conditions on sample	
Pack insert available Y/N	

The product sample provided conforms in all forms to the product offered and as it will be supplied on purchase

☐ **Yes**
☐ **No (explain):**

→ **Attach a Certificate of Analysis relevant to the sample**

NB: If you are not able to provide a Certificate of Analysis, please explain:

9. Therapeutic equivalence

Therapeutic Equivalence studies are:

1.1. ☐ **Not relevant,** Please explain why:

1.2. ☐ **Not demonstrated,** Please explain why:

1.3. ☐ **Demonstrated**

☐ **By in vivo bioequivalence studies**

Study period (dd/mm/yyyy):	from - to
Reference product	
Name, dosage form and strength	
Manufacturer and manufacturing site	
Study protocol	
CRO Name	
Country of study	
Number of volunteers	
Study design (describe in detail)	
Bio batch size	
Bio batch number	
Bio batch API(s) source(s)	

Study conclusion	

☐ **By comparative in vitro dissolution tests**

Reference product	
Name, dosage form and strength	
Manufacturer and manufacturing site	
Name and contact details of Laboratory performing tests	

NB: Reference product must have undergone successful in vivo bioequivalence studies

According to conditions described in WHO BCS classification document (WHO Technical Report Series N°937 or later)

☐ **Yes** ☐ **No (explain):** BCS class:

Study conclusion	

☐ **By another method claimed by the supplier/manufacturer to be appropriate**

Please describe briefly the method used	
Study conclusion:	

For all methods

→ Attach schematic representation of study design
→ Attach study protocol summary
→ Attach graphic/pictorial representation of summary study results
→ Attach full reports of all studies done to prove therapeutic equivalence with clear study conclusions

Final statement of manufacturer

The product used in the therapeutic equivalence study specified above is essentially the same as the one that will be supplied (same materials from the same suppliers, same formula, and same manufacturing method).

☐ **Yes**
☐ **No (explain what the differences are):**

10. Active pharmaceutical ingredients(s) (API's)

In case more than one API or manufacturer is used, please replicate this section!

Name of API (INN if available)	
Certificate of suitability to the European Pharmacopoeia (CEP) No	
The open part of the Drug Master File (DMF) is registered in (Country)	
Name of original manufacturer	
Physical address of manufacturing site(s) including unit/block number	
City, Country	

☐ **Certificate of analysis (for API)**
→ Attach a copy of the model certificate of analysis for batch release of API

☐ **Manufacture of APIs (Drug substance)**

License no	
Valid until	
Issued by: Agency	
Country	

☐ **GMP certificate (for API)**

License no	
Valid until	
Issued by: Agency	
Country	

→ Attach copy of GMP certificate of API/Intermediates manufacturing site

Specifications and standard test methods exist for this API
☐ **No**
☐ **Yes**

API specifications (tick as appropriate):

☐ BP	Edition:		Volume:	
☐ USP	Edition:		Volume:	
☐ Ph.Eur.	Edition:		Volume:	
☐ Ph.Int.	Edition:		Volume:	
☐ Other/in-house (specify):				

Enter no. Pharmacopoeia monograph exists*)

*) *Attach a copy of the API(s) internal specifications and analytical methods if not yet WHO prequalified.*

→ Attach copy of internal API specifications
→ Attach a copy of analytical methods for products with in-house or specifications other than those listed above
→ Attach certificate of analysis of the last production batches of API from the API manufacturer
→ Attach certificate of analysis of API from the finished product manufacturer

COMMITMENT

I (Full Name) _____, Certify that:

☐ The product offered is identical in all aspects of manufacturing and quality to that prequalified by WHO Ref No _____ , including formulation, method and site of manufacture, sources of active and excipient starting materials, quality control of the product and starting material, packaging, shelf-life and product information.

OR

☐ The product offered is identical in all aspects of manufacturing and quality to that USFDA tentatively approved Ref _____ , including formulation, method and site of manufacture, sources of active and excipient starting materials, quality control of the product and starting material, packaging, shelf-life and product information.

OR

☐ The product offered is identical in all aspects to that registered and marketed in *(name of country)*

Explain any exceptions _____

Signature _____ Date _____

AUTHORIZATION

I, the undersigned confirms that the company has no objection of the information contained herein being shared with the agencies listed on page 1 except _____

I, the undersigned, certify that the information provided above is accurate, correct, complete, up to date and true at the time of submission

Full name: _____

Full title/position in company: _____

Company name: _____

Signature _____ Date _____

Telephone number:

Email:

Company seal/stamp:

Annex: Check list of attachments required

Please ensure that all documents necessary to enable objective evaluation of your product are attached. This checklist may not be exhaustive.

- ☐ Formulation of the product (complete qualitative and quantitative composition including active ingredient(s) and excipients
- ☐ Flow diagram describing the manufacturing and control processes with relevant parameters
- ☐ GMP certificate(s) of finished pharmaceutical product manufacturing site (s)
- ☐ Certificate of Pharmaceutical Product (CPP) according to the WHO Certification Scheme
- ☐ Copy of the relevant WHO Pre-qualification approval letter signed by your company
- ☐ WHO acceptance letter for product dossier review mentioning the WHO reference number assigned by WHO for this specific product
- ☐ Copy of internal finished product specifications
- ☐ Copy of the certificate of analysis for the 3 last batches released
- ☐ Validated analytical methods if specifications for finished product are in house specifications, different from BP, USP and Ph.Int
- ☐ Protocol and report for accelerated and real time stability testing
- ☐ Description and composition of primary packing materials
- ☐ Description and composition of secondary packaging materials
- ☐ Product registration licenses in country of manufacture
- ☐ Sample of the finished product(s) offered together with COA relevant to sample
- ☐ Label artwork /copy of actual label
- ☐ Package insert/leaflet
- ☐ Copy of the report of the proof of therapeutic equivalence (BE study, comparative dissolution profile, dissolution tests, etc including graphic presentations).
- ☐ GMP certificate(s) of API manufacturing site
- ☐ Copy of internal API specifications
- ☐ Validated analytical methods in case of in house API specifications
- ☐ Copy of the certificate(s) of analysis of the API from the API manufacturer as well as from the FP manufacturer
- ☐ Copy of the Certificate of suitability to the European Pharmacopoeia CEP and its annexes

QISS FPP – Form 4 QUALIFICATION INFORMATION SUMMARY SHEET

FINISHED PHARMACEUTICAL PRODUCT FPP No. _ _ _ _

Name of the product		
Supplier	Name: Address:	
Manufacturer	Name: Address:	
Manufacturing site	Name: Address:	
API manufacturer	Name: Address:	
API in INN (if any)	**Content per dosage unit or strength**	**API specifications**
Dosage form		
Route of administration		
Detailed formula		
Product description		
Finished Product Specs		
Shelf life		
Storage conditions		
Primary packaging Specs		
Secondary packaging Specs		
Labelling details		
Leaflet details		
Administration device Specs		
Additional specifications		

By signing this QISS, the supplier commits to only supply to UNOPS products that fully comply with the specifications and details mentioned in this QISS.
Any variation in the specifications must be submitted for approval to UNOPS prior to any change in procurement.
Failure to inform UNOPS of any deviation may cause rejection of the goods at reception and can lead to the disqualification of the product.

Signature of an authorized person + Rubber stamp of the company	**Details of the authorized person**
	Name: **Position:** **Date:**

SKPI – Form 5 SUMMARY OF KEY PRODUCT INFORMATION

This section compares key information on the FPP at the time of prequalification and at the time of the submission for requalification. Table A1.1 should be completed by the holder of the prequalified product. Include remarks as a footnote to Table A1.1, where deemed necessary, to clarify the information provided.

Table A1.1
Summary of key product information

Item	Prequalified Dossier	Current Data
Product number (e.g. HA001)		
INN, strength and pharmaceutical form		
Applicant (name, physical address and contact numbers)		
Manufacturing site(s) of FPP, with physical address (including unit and block numbers) and contact numbers (list separately if different steps are performed by different sites, e.g. packaging, quality control)		
Batch size(s) of FPP		
Product description (visual appearance)		
Primary and secondary packaging material(s) and pack size(s)		
Storage conditions of FPP		
Shelf-life of FPP		
FPP specification(s) reference number and/or version		
Manufacturer(s) of API(s), with physical address (including unit and block numbers) and contact numbers (list each API separately)		
Number/version of each APIMF associated with the FPP		
Storage conditions of API		
Retest period of API(s)		
API specifi cation(s) reference number and/or version (for each API)		
All commitments and their outcomes		

INN - International Non-Proprietary Name; **FPP** - Finished Pharmaceutical Product; **API** - Active Pharmaceutical Ingredient; PIMF - active Pharmaceutical Ingredient Master File.

Note:

- If there has been no update of the dossier then indicate “N/A” (not applicable).
- According to the latest editions of *The International Pharmacopoeia* (Ph.Int.), the European Pharmacopoeia (Ph.Eur), the British Pharmacopoeia (BP) and/or the United States Pharmacopeia (USP). Where in-house specifications have been approved and there is now a monograph in any of the internationally-recognized pharmacopoeias (Ph.Int., Ph.Eur, BP, or USP), the specifications should be updated to comply with the new monograph or demonstrated to be at least equivalent. Inthe case that no compendial monograph exists, the applicant should ensure that the approved inhouse specifications are updated, through the variation process, to reflect the requirements of current prequalification guidelines and to take into account technical and scientific progress (e.g. current ICH guidelines, general chapters of the Ph.Int.). Each new version of the documents should allow traceability to the prequalified dossier and approved variations.

VQ FPP – Form 6 VARIATION TO UNOPS (PRE)-QUALIFIED
FINISHED PHARMACEUTICAL PRODUCT

Please complete each section of this application form electronically as a Word Document and as a scanned signed Pdf file. Please ensure the electronic versions of this application form and the printed version of this application form accompanies your submission.

1. Identification of the applicant

Applicant company	Name		
	Address		
Status of the applicant company	Manufacturer ☐	Procurement Agent ☐	
Manufacturer details (if different than applicant)	Name		
	Address		
Contact person responsible for this application	Name		
	Job title		
	Email address		
	Telephone		
	Cell phone		

2. Identification of Finished Pharmaceutical Product (FPP)

Name of the FPP	
Formulation	
Content per dosage unit	
Primary packaging	
Number of units per container	
Reference of UNOPS QISS	
Date of UNOPS QISS	

3. Summary of proposed change(s)

Single variation ☐ Grouped variation ☐

For multiple variations (grouped variations), reproduce the section below and provide separate summaries for each proposed variation.

3.1. Brief description of change

3.2. Reason for change: *Include a brief description and background of the proposed changes. In the case of grouping, a justification for grouping should be provided*

3.3. Summary of current and proposed specifications/details	
Current details/specifications	Proposed details/specifications

3.4. Additional documentation

Applicants should provide in attachment to the "Variation form" any document that support the proposed change(s)

4. Declaration

I declare that (*Please tick the appropriate declarations*):

☐ There are no changes being made other than those applied for in this submission, except for possible editorial changes. Any other changes will be applied for separately.

☐ The information submitted is true and correct.

Name: _____

Signature: _____ Date: _____

17 List of acronyms and abbreviations

API	Active Pharmaceutical Ingredient
APIMF	Active Pharmaceutical Ingredient Master File
CEP (= COS)	Certificate of suitability of the European Pharmacopoeia
COA	Certificate of Analysis
COS (= CEP)	Certificate of Suitability (European Directorate for the Quality of Medicines)
CPP	Certificate of Pharmaceutical Product (WHO)
CRO	Contract Research Organization
DMF	Drug Master File
EDQM	European Directorate for the Quality of Medicines & Health Care
EMA	European Medicines Agency
ERP	Expert Review Panel
FDA (US)	Food and Drug Administration (United States Regulatory Authority))
FDC	Fixed Dose Combination
FPP	Finished Pharmaceutical Product
GCP	Good Clinical Practices
GDF	Global Drug Facility
GDP	Good Distribution Practice
GHTF	Global Harmonization Task Force
GF	Global Fund
GLP	Good Laboratory Practices
GMP	Good Manufacturing Practices
GMPALS (TGA)	Good Manufacturing Practices and Licensing System
GSP	Good Storage Practices
IAPQ	Inter Agency Product Questionnaire
ICH	International Conference on Harmonization
IMDRF	International Medical Device Regulators Forum
ISO	International Organization for Standardization
IUD	Intra Uterine Device
IVD	In Vitro Diagnostic
LLIN	Long Lasting Insecticidal Net
MD	Medical Device
MIF	Manufacturer Information File
NMRA	National Medicines Regulatory Authority
PA	Procurement Agency
PAIF	Procurement Agency Information File
PIC/S	Pharmaceutical Inspection Cooperation Scheme
QA	Quality Assurance
QC	Quality Control
SRA	Stringent Regulatory Authority
TGA	Therapeutic Goods Administration (Australian Regulatory Authority)
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
WHO	World Health Organization
WHO MQAS	WHO Model Quality Assurance System for procurement agencies
WHO PAR	WHO Public Assessment Report
WHO PES	WHO Pesticide Evaluation Scheme
WHO PIR	WHO Public Inspection Report
WHO PQP	WHO Pre qualification Programme

18 References

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[2] http://apps.who.int/phint/en/p/about/
[3] http://www.pharmacopoeia.co.uk/
[4] http://www.edqm.eu/en/Background-European-Pharmacopoeia-EDQM-50.html
[5] http://www.usp.org/usp-nf
[6] http://www.ich.org/products/guidelines/quality/article/quality-guidelines.html
[7] http://www.picscheme.org/publication.php?id=18
[8] http://www.ghtf.org/
[9] http://www.imdrf.org/
[10] http://www.who.int/whopes/
[11] http://who.int/medicines/publications/ModelQualityAssurance.pdf
[12] http://whqlibdoc.who.int/trs/WHO_TRS_937.pdf (annex 5)
[13] http://apps.who.int/prequal/info_general/documents/TRS961/TRS961_Annex3.pdf
[14] http://who.int/medicines/publications/ModelQualityAssurance.pdf
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[23] http://apps.who.int/medicinedocs/en/d/Jh3009e/ (annex 9)
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[27] http://who.int/medicines/publications/ModelQualityAssurance.pdf
[28] http://apps.who.int/prequal/info_general/documents/TRS957/GPCL_TRS957_Annex1.pdf
[29] http://apps.who.int/prequal/info_general/documents/TRS961/TRS961_Annex2.pdf
[30] http://www.who.int/prequal/lists/PQ_QCLabsList.pdf
[31] http://whqlibdoc.who.int/trs/WHO_TRS_929.pdf (annex 4)
[32] http://apps.who.int/medicinedocs/documents/s17059e/s17059e.pdf (annex 6)
[33] http://www.who.int/diagnostics_laboratory/evaluations/PQ_list/en/index.html
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