

UNITED NATIONS



NATIONS UNIES

UNITED NATIONS PROCUREMENT MANUAL

**DEPARTMENT OF MANAGEMENT
OFFICE OF CENTRAL SUPPORT SERVICES
PROCUREMENT SERVICE**

AUGUST 2006

Rev.03



PROCUREMENT MANUAL

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Explanation of Terms and Abbreviations used in this Manual

(These Explanations are intended to assist the reader of this Procurement Manual. The context in which these terms are used in this Manual may clarify the meaning of a term)

Term	Explanation
Acquisition Planning	The cooperative process by which the efforts of the Requisitioner and the Procurement Office are coordinated and integrated through a comprehensive plan for fulfilling the Requisitioner's need in a timely manner and at competitive pricing. Acquisition Planning includes the development of the overall strategy for managing the acquisition and includes a detailed list of anticipated purchases over a period of time, usually one year.
AI	Administrative Instruction
ASG/DM	Assistant Secretary-General in the Department of Management who has been vested with the procurement authority
ASG/OMS/DPKO	Assistant Secretary-General, the Office of Mission Support, the Department of Peacekeeping Operations
Approving Officer	See Financial Rule 105.6. The approving officer is the UN official responsible for approving the entry into the accounts of obligations and expenditures relating to contracts, agreements, purchase orders and other forms of undertakings, after verifying that they are in order and have been certified by a duly designated Certifying Officer. Approving officers are also responsible for approving the making of payments, once they have ensured that these payments are properly due, confirming that the necessary services, supplies or equipment have been received in accordance with the contract, agreement, purchase order or other form of undertaking by which they were ordered. Approving authority and responsibility is assigned on a personal basis and cannot be delegated. An approving officer cannot exercise the certifying and bank signatory functions under FRR 105.5 and 104.5.
Audit trail	Clear and concise documentation in a suitable format, normally a written log, describing the actions or decision taken throughout the handling of a case, thereby enabling a future reviewer of the case to establish that it has been handled in accordance with the applicable Regulations and Rules and procedures.
BAC	Budget Account Codes
BAFO	Best and Final Offer, often used in "Best Value Source Selection".
Best Value for Money	One of the four general principles of Financial Regulation 5.12 to be given due consideration in the exercise of the procurement function. After all relevant costs and benefits of the complete procurement exercise have been considered, the bid or proposal which is to be assessed as providing the best value for money usually should become apparent.
Bid Bond	A bid bond is a security from a Vendor securing the withdrawal or modification of a Submission after the deadline for submission of such documents; failure to sign the contract or failure to provide the required



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Term	Explanation
	security for the performance of the contract after a Submission has been accepted; or failure to comply with any other condition precedent to signing the contract specified in the Solicitation Documents.
BPO	Blanket Purchase Order
Buyer	Procurement Officer
CAO	Chief Administrative Officer (Mission/OAH)
Certifying Officer	See Financial Rule 105.5. The certifying officer is the UN official responsible for managing the utilization of resources, in accordance with the purposes for which those resources were approved, following the principles of efficiency and effectiveness, and the FRR. Certifying officers review the requests issued by the Requisitioner, ensure that the technical specifications are generic and that funds are available for procurement. Certifying authority and responsibility is assigned on a personal basis and cannot be delegated. A certifying officer cannot exercise the approving function under Financial Rule 105.6.
Client-Offices	Requisitioner(s) of the goods or services.
CMT	Cargo Movements Team (UN/PS)
Contract	In the context of UN procurement, a contract is a written document, containing the agreement, and the terms and conditions, between the UN and a Vendor, and which serves as proof of the obligation. Contracts can be in the form of a Blanket Purchase Order, ICA, Systems Contract, Purchase Order, etc. See, Financial Rule 105.18.
Cost-Plus Contracts	In these types of contracts, the Contractor is compensated for all the expenses, plus an agreed profit margin. The agreed profit margin can be a percentage of the expenses cost, (cost plus percentage fee), or a fixed amount (cost plus fixed fee).
CPO	Chief Procurement Officer (Mission)
Deliverables	Goods or services delivered or to be delivered to the UN pursuant to the terms and conditions of a Contract.
DESA	Department for Economics and Social Affairs (HQ)
DM	Department of Management (HQ)
DOA	Director of Administration (Mission/OAH)
DPKO	Department of Peacekeeping Operations (HQ)
DRU	Documents Receiving Unit (HQ)
Effective International Competition	One of the four general principles of Financial Regulation 5.12 to be given due consideration in the exercise of the procurement function. In practice this normally means that procurement officials should make every effort to achieve as wide a geographical distribution in procurement as possible and practicable.
EOI	Expression of Interest
Erroneous Submission	Inaccurate or incomplete submission in a non-material respect.
Evaluation	Assesses the ability of the potential Vendors to meet the UN's stated



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Term	Explanation
Committee	minimum requirements and provide a basis for determining the relative merits of competing bids and proposals.
Exigency	An exceptional compelling and emergent need, not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately.
FCSD	Facilities and Commercial Services Division (HQ)
FMS	Facilities Management Service (HQ)
FPS	Field Procurement Section (UN/PS)
FRR	Financial Regulations and Rules of the United Nations as promulgated in ST/SGB/2003/7 of 9 May 2003.
Generic Technical Specifications	Specifications that are performance oriented and do not specify brand names, the products of one company, or features which are unique to the products of a particular company.
GLD	General Legal Division, Office of Legal Affairs (HQ)
HCC	Headquarters Committee on Contracts
HCC/LCC Threshold	The established monetary value above which any proposed procurement action leading to the award or amendment of a contract shall be submitted to the HCC or LCC for the purpose of its rendering written advice to the ASG/OCSS or designated Official.
HPS	Headquarters Procurement Section (UN/PS)
HQ	UN Headquarters
ICA	Institutional Contract Agreement
INCOTERMS	International commercial trade terms published by the International Chamber of Commerce. The latest and current edition was issued in 2000.
Interest of the UN	One of the four general principles of Financial Regulation 5.12 to be given due consideration in the exercise of the procurement function. The mandate of the UN as established in the UN Charter spells out the general interests of the Organization. In addition such UN interests are also expressed in other UN documents and directives.
IMIS	Integrated Management Information System
ITB	Invitation to Bid
ITSD	Information Technology Services Division (HQ)
LCC	Local Committee on Contracts (Field Missions and OAHs)
Lead Agency	Pursuant to financial rule 105.17, an organization of the UN system whose procurement decision is to be relied upon by other UN organizations for the purposes of entering into a contract or issuing an order.
LOA	Letter of Assist
LSD/DPKO	Logistics Support Division of the Department of Peacekeeping Operations (HQ)
LTS	Logistics and Transportation Section (UN/PS)
Lump-sum	This type of contract is based on the payment of an overall fixed price to the



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Term	Explanation
contracts	contractor for the entire work performed.
LVRC	Local Vendor Review Committee (Mission)
LVDO	Local Vendor Database Officer (Mission)
Market Research	Collecting and analyzing information about capabilities within the market to satisfy the Organization's needs, in order to identify potential Vendors
Market Survey	Attempt to ascertain whether other qualified sources capable of satisfying the Requisitioner's needs exist and may be done informally, i.e. phone calls, internet, or formal, i.e. Requests for Information
OAH	Office away from Headquarters, such as UNOG, UNOV and UNON.
OCSS	Office of Central Support Services (HQ)
OIOS	Office of Internal Oversight Services (HQ and Missions/OAHs)
OLA	Office of Legal Affairs (HQ)
OMS	Office of Mission Support (DPKO)
Open Standard Products	Products without specificity to a particular Vendor, wide distribution of standards, and easy and free or low-cost accessibility.
OPPBA	Office of Programme Planning, Budget and Accounts (HQ)
OUSG/M	Office of Under-Secretary-General, Department of Management
Outsourcing	Contracting with a third party to provide non-core activities and services.
PS Commodity Codes	Twelve digit numbers used to identify particular goods or service.
Performance Based Contracting	A type of contract whereby requirements are specified in terms of performance and output and generally include performance incentives and penalties
Performance Bond	A written instrument issued by a bank or insurance company or similar entity, in favour of the UN, and from an issuer and in a form acceptable to the UN, to secure the Vendor's performance of a contract.
Procurement Assistant	Support staff who participates in the procurement function under the supervision of a Procurement Officer
PO	Purchase Order
Procurement Officer	A staff member of UN/PS or a Mission/OAH Procurement office who performs the procurement function and has specified Authority to enter into contracts on behalf of the UN.
Property	Supplies, equipment or other assets owned by the UN
Proprietary Product or Service	Products or services in relation to which a Vendor has exclusive rights, e.g. to manufacture, supply, sell; and where, as a consequence, there is no competitive market for such products or services. Some proprietary products can only function properly, if at all, when used with other products originating from the same company.
Provisionally Registered Vendor	Unapproved vendor or vendor temporarily included in the vendor roster pending completion of the registration process.
Prudent Commercial	It is imperative that the Organization use competitive selection processes that are appropriate within the particular industry for the goods or services



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Term	Explanation
Practices	being sought. The procurement process must be flexible to accommodate particular industry practices.
Public Bid Opening Organisation	According to Financial Rule 105.14, the competitive process shall, as necessary, include public bid openings. The Public Bid Opening Organisation performs the public bid opening function at HQs. In the Missions/OAHs the Tender Opening Committee performs this function.
Qualified Bidder	See Section 11.3 (1) of the Manual
R&I	Receipt & Inspection
RCQN	Requests for Contractor in IMIS (HQ)
RFI	Request for Information
Registered vendor	Approved vendor which was successful in its application process.
Requisitioner	UN official, who is responsible for submitting to UN/PS or CPO, through the Certifying Officer, for their action, an approved IMIS pre-encumbrance document, or similar document from the local requisitioning system. The requisitioner shall develop an acquisition plan in cooperation with the UN/PS or CPO and upon identifying a future need and conduct market research, shall develop the scope of the requirement through generic technical specifications.
Responsiveness	See Section 11.3 (2) of the Manual
RFP	Request for Proposal
RFQ	Request for Quotation
RSQN	Request for Service in IMIS (HQ)
RQSN	Request for Goods in IMIS (HQ)
SGB	Secretary-General's Bulletin
Sole Source	A procurement term employed when, for example, there is no competitive marketplace for the requirement or the product or service needed is available only from one source.
Solicitation Abstract Sheet	Document where different factors are recorded for the purpose of facilitating a competitive evaluation of bids or proposals.
Solicitation Documents	Documents issued by the UN to advertise its procurement requirements to potential Vendors. Solicitation Documents can be in the form of an RFQ, ITB or RFP.
Source Selection Plan (SSP)	Objective approach to the methodology of selecting the best source to fulfil the established need. Depending on the complexity of the acquisition, it may be summarized in a few lines, or consist of long and precise descriptions of the steps of the evaluation necessary to ensure best value to the Organisation.
Standardization	A decision is made, pursuant to financial rule 105.16, to procure on an exclusive basis a single brand of product or service or from a sole service provider for a limited period of time, normally not to exceed five (5) years.
Statement Of	Filed written record of the facts on which a decision to make a particular



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Term	Explanation
Award	award was based.
Submission	The reply received from a potential Vendor to the Solicitation Documents issued by the UN. The submission constitutes a firm offer from the potential Vendor to furnish Deliverables to fulfill the requirements set forth by the UN in the Solicitation Documents. The submission can be in the form of a Quotation, a Bid, or a Proposal, depending on the type of Solicitation Document issued (e.g. RFQ, ITB or RFP).
SSS	Support Services Section (UN/PS)
System Contract	Systems Contracts are used for products/services required on a recurring basis and for an extended period of time, usually not to exceed five years.
TBO	Total Benefits of Ownership means a benefit analysis, undertaken for a potential procurement to establish whether, for example, increased productivity, better client service, improved research, ability to create new services in less competitive markets, reduced time on existing engagements, improved management, and improved communications may result from a potential procurement. To help determine whether the potential procurement should be undertaken, the TCO and the TBO should be compared.
TCO	Total Cost of Ownership is a methodology for calculating the total cost of a system/service over its entire expected life span. This methodology is designed to assess both direct and indirect costs related to the purchase of any product or service, including product costs, maintenance costs and disposal costs in order to arrive at a final figure that will reflect the effective total cost of purchase, all things considered. The TCO should be compared to the TBO to determine the viability of the purchase.
TOC	Tender Opening Committee (Mission/OAH)
UN	United Nations
UNCITRAL	United Nations Commission on International Trade Law
UNCITRAL Model Law on Procurement	UNCITRAL Model Law on Procurement of Goods, Construction and Services with Guide to Enactment, adopted by the UNCITRAL in 1994.
UNGCC	United Nations General Conditions of Contract
UNOG	United Nations Office at Geneva
UN/PS	Procurement Service (HQ)
USG/DM	Under Secretary-General for Management (HQ)
Vendor	Supplier or provider to the UN
Vendor Performance	Evaluation of the vendor performance shall be completed through the use of the appropriate form by the recipient/end user of the goods or service in accordance with the guidelines established in this Manual.
VRA	Vendor Registration Application
VRC	Vendor Review Committee
VDO	Vendor Database Officer

**PROCUREMENT MANUAL****Part A. – General****1. Introduction****1.1. Purpose and Use of the Manual**

- (1) The United Nations (UN) needs to procure goods and services to support its activities at its Headquarters (HQ), Offices away from Headquarters (OAHs), such as Regional Offices, Commissions and Tribunals, as well as in the Peacekeeping Operations (Missions). At HQ procurement is the responsibility of the Procurement Service. At other UN locations Procurement Officers in an organisational unit reporting to the Chief Administrative Officer or Director of Administration (CAO/DOA), or Head of Office are responsible for local procurement, and may also request that Procurement Service of the UN Secretariat (UN/PS) perform procurement on their behalf.
- (2) The UN Financial Regulations and Rules (FRR) as promulgated in ST/SGB/2003/7 dated 9 May 2003, in particular, Regulations 5.12 through 5.14, and Rules 105.13 through 105.19 and 105.22 through 105.23, govern the procurement activities conducted by the HQ, OAH or the Missions. For ease of reference, copies of the relevant Financial Regulations and Rules are enclosed as Annex D-1.
- (3) This Procurement Manual clarifies the principle of segregation of responsibilities between requisitioning and procurement entities by specifying several of such separate and distinct functions within the overall procurement process. Moreover, cooperation between the requisitioning and procurement entities is essential and of utmost importance to ensure that, under a balancing of the four basic principles of the new Financial Regulation 5.12, the UN obtains good quality products and services that meet the specifications at competitive prices, within the time frame required, in order to further the programmatic mandates of the Organisation.
- (4) Procurement Officers are responsible for the purchase, rental or sale of products, services, including real property and works, or other requirements on behalf of the Organisation, both for budget funds allocated to HQ, and for procurement actions funded by Missions if so requested by the Mission. The conducting of purchasing, renting or selling, include, in addition to entering into contracts, the invitation for proposals or tenders and the negotiation with prospective Suppliers or Providers, hereinafter “Vendors”, on the basis of detailed specifications.
- (5) Requisitioners, (e.g., the budget holders), are responsible for identifying the needs of the Organisation and developing generic specifications to fulfil such needs, as set forth in section 83 below. For Missions the

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Logistics Support Division of the Department of Peacekeeping Operations (LSD/DPKO) may render advice in issuing such requisitions for local procurement. For certain requirements of the Missions, the LSD/DPKO may alone be responsible for issuing requisitions to fulfil the needs of the Organisation, e.g. requisitions for aircraft charter. Requisitioners need to become familiar with this Manual and the revised FRR of 7 May 2003.

- (6) Given that the commercial environment and technology changes over time, and that procedural changes may emanate from the ongoing procurement reform programme, this Manual will require updating and refinement from time to time.
- (7) This Manual is intended to provide guidance on procurement policies and procedures to all staff members involved in the various stages of procurement actions conducted by the UN in all offices and in all locations.
- (8) The procedures in this Manual are designed to ensure that such staff can enable those seeking UN business to be confident that their Submissions are considered and assessed in a fair and transparent manner.
- (9) All staff members of the UN are required to comply with the provisions of this Manual. This includes Procurement Officers as well as staff members of the Requisitioning Offices, at HQ departments, OAH and Missions.
- (10) In case of any conflict or inconsistency between the FRR of the UN and this Manual, the FRR shall prevail. The Assistant Secretary-General in the Department who has been vested with the procurement authority (ASG/DM) reviews and approves any formal interpretations of the FRR regarding procurement based on advice from UN/PS and from other concerned UN Department and Offices.
- (11) UN/PS provides day-to-day advice and guidance on procurement policies and procedures and interpretation of the FRR pertaining to procurement, in consultation with the UN/OLA where necessary. Additional information on the use of this Manual and UN procurement in general can be obtained from the UN/PS's Helpdesk facility via the UN Intranet.

1.2. Organisation and Intent of the Manual

- (1) This Manual brings together policies, procedures and activities dealing with the UN procurement process, and consists of four parts; General Introduction, Overview of the Procurement Process, Step-by-step guide to the Procurement Process, and Annexes and Forms.

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- (2) The main intent of this Manual is to allow for efficient UN Procurement actions under the revised FRR of 7 May 2003. Some procedures and practices carried forward to this Manual that were established under the former FRR may need to be reconsidered. Such a process can only commence with the promulgation of this Manual. Accordingly, general or specific comments and suggestions for improvement of provisions of this Manual, or for additional provisions that may be needed, should be addressed to the Chief of UN/PS.

1.3. Amendments and revisions to the Manual

- (1) As noted earlier, this Manual is subject to change from time to time as deemed necessary by UN/PS, particularly upon changes to the FRR and relevant SGBs and AIs. The changes will be provided in the form of amendments to the Manual, or, if deemed necessary by UN/PS, a new version will be issued.
- (2) The Chief, UN/PS is responsible for the distribution of this Manual and its amendments. The current version can be found on UN/PS's intranet site, <http://intranet.un.org/PD/>.
- (3) Where there is an absence of any specific guideline within the FRR, SGBs or AIs, the UNCITRAL Model Law on Procurement should be consulted.

1.4. The Procurement Service's Computerized System

- (1) Procurement Officers and Procurement Assistants of the UN are required to be fully familiar with the use of the computerized procurement management software system. Training is provided to all procurement staff from time to time to keep pace with the technology and to be familiar with functionalities of the system in order to meet the changing demands.
- (2) Procurement Officers at HQs and in the Mission/OAHs should be familiar with the UN/PS Internet site and UN/PS intranet site. Any request to post information in any of the two web sites should be addressed to the Support Services Section of PS in writing.

1.5. Best Value for Money Principles

- (1) Financial regulations 5.12 establishes best value for money as one of the general principles that should be given due consideration when exercising the procurement functions of the United Nations. When procuring goods and services, procurement officers need to satisfy that the best possible outcome has been achieved by taking into account all relevant costs and benefits over the while of the procurement cycle. The

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best value for money decisions are influenced by a number of factors including:

- (a) The procurement method, encouraging competition ensuring non-discrimination in procurement and the use of competitive procurement process
 - (b) Market maturity
 - (c) Performance
 - (d) Risk
 - (e) Financial and contractual considerations
 - (f) Disposal costs when dealing with equipment
- (2) Acceptance of the lowest price is not necessarily an indicator of best value for money. Procurement under best value for money principle shall be conducted taking those factors into consideration while ensuring that decision-making occurs in an accountable and transparent manner.

**PROCUREMENT MANUAL****2. Responsibilities of Organizational Units****2.1. Introduction**

- (1) The responsibilities of the organisational units at the HQ and in the Missions/OAHs may vary, depending on the size and complexity of the HQ and the Missions/OAHs.
- (2) In general, the organisational units found at UN HQ are to the extent feasible, mirrored in the Missions. The structure of the UN/PS is defined in section 2.2 and 2.3 below. The procurement structure in a Mission/OAH is defined in section 2.4 and 2.5 below, and includes a Procurement Office and LCC mirroring the structure at HQ.

2.2. Organisation and functions of the United Nations Procurement Service**2.2.1. Introduction**

- (1) UN/PS shall ensure the efficient, effective and economical administration of procurement activities, and related support services for HQ and for Missions, conferences, international criminal tribunals, information centres, regional commissions and, upon request, UN agencies and subsidiary organs. The organisational structure of UN/PS is reflected in Annex D-2 hereof.

2.2.2. Chief, UN/PS

- (1) The Chief, UN/PS, is a Programme Manager, authorised to establish policy and procurement related procedures and direct the activities of UN/PS.
- (2) The Chief shall:
 - (a) Provide executive direction, planning and management of the operations of UN/PS.
 - (b) Develop and coordinate a responsive and coherent policy for procurement activities for HQ, OAHs, and Missions.
 - (c) Provide appropriate reporting information to the oversight bodies and the Member States regarding procurement related matters.
 - (d) Oversee and review the preparation of submissions to audit observations, reports, and management letters relating to procurement activities.
 - (e) Manage the budget and staff of UN/PS.

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- (f) Oversee staff training activities for all Procurement Staff and coordinate with other UN Offices concerning the substantive aspects of any procurement training of other UN staff.
- (g) Coordinate business Seminars.

2.2.3. Procurement Sections

- (1) UN/PS is organized into four substantive sections: Field Procurement Section (FPS), Headquarters Procurement Section (HPS), Logistics and Transportation Section (LTS) and Support Services Section (SSS).
- (2) FPS, HPS and LTS shall:
 - (a) Plan and manage procurement activities, see section 1.1(3) above, for the procurement and sale of goods and services for HQ, Missions, regional commissions, international criminal tribunals, OAHs, information centres, specialized missions, conferences, specialized agencies and subsidiary organs, in accordance with the requirements of the requisitioning offices and specialization of types of goods and services procured as assigned to each section from time to time.
 - (b) Process and expedite requisitions, Solicitation Documents, Submissions, contractual instruments and invoices.
 - (c) Prepare and submit written presentations on proposed procurement actions to the HCC on procurement activities for review and advice in accordance with the procedures described in section 12.1 of this Manual. Advise with respect to LCC's, as requested.
 - (d) Negotiate, prepare and administer Contracts for goods and services.
 - (e) Perform other duties as assigned by the Chief.
- (3) SSS Shall:
 - (a) Provide support services to the Chief UN/PS, as well as to FPS, HPS and LTS, including assistance in drafting and negotiation of complex Solicitation Documents and Contracts, and facilitating staff development through business seminars and other training.
 - (b) Supervise the Services & Contract Support Team, which monitors, proposes and initiates reforms to the UN's procurement procedures, including proposing new initiatives to ensure faster, better and cost-effective procurement and participates in policy discussions with internal and external offices regarding procurement issues.

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- (c) Supervise and perform the Public Bid Opening Organisation, as set forth in section 10.6 hereof.
- (d) Coordinate the preparation of submissions to audit observations, reports and management correspondence on procurement activities.
- (e) Act as liaison and participate in meetings with UN departments and other organizations of the UN System on procurement policy matters.
- (f) Prepare procurement statistics and reports and coordinate dissemination thereof.
- (g) Supervise the IT and Change Management Support Team in the management, maintenance, development and enhancement of the UN/PS computerized procurement management system.
- (h) Co-ordinate the procurement related activities of the IMIS, operate the interface programmes between the UN/PS computerized procurement management system and IMIS, and conduct user-training courses.
- (i) Be responsible for the mailing of Vendor application packages, review of applications, registration of Vendors and maintenance of Vendor information and conduct bid opening function.
- (j) Maintain a register of every Contract executed by UN/PS to be retained in a proper storage area set aside for this purpose.
- (k) Create requirements in IMIS at the request of and on behalf of substantive OAHs.
- (l) Monitor the results of Vendor Performance Evaluations in conjunction with the other Procurement Sections and report thereon.
- (m) Perform Help Desk functions to assist with procurement related queries from HQ, OAH and Mission staff, as well as Vendors.
- (n) Perform other duties as assigned by the Chief.

2.3. Headquarters Committee on Contracts**2.3.1. General functions of the Headquarters Committee on Contracts**

- (1) The formal responsibilities of the Headquarters Committee on Contracts (HCC) are set out below in Section 12. In brief summary, the HCC ensures that the proposed procurement actions are based, inter-alia, on fairness, integrity and transparency, and as such are impartial and unambiguous. The HCC reviews presentations, written or electronic, made by and through UN/PS and provides advice to the ASG, or other

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officials duly authorized under Financial Rule 105.13, on whether proposed procurement actions, including contracts that generate income to the Organisation, are in accordance with the UN FRR, SGBs and AIs, and UN procurement policies.

- (2) To this end, the HCC examines and provides general advice regarding the financial implications of any proposed procurement action, comment where appropriate as to whether, in its view, the proposed action, inter-alia, is in the best interest of the UN, and advises to the extent to which it seems that the proposed contractual instrument is appropriate and practical to administer.
- (3) Notwithstanding the foregoing, the HCC is not responsible for reviewing or providing advice on the adequacy or necessity of the requirement being met under the proposed procurement action, nor for substituting its opinion on how to conduct a particular procurement action. Such responsibility rests with other officials, including the concerned Procurement Officer, Certifying Officer and the Requisitioner submitting the request to PS.

2.3.2. Composition of the Headquarters Committee on Contracts

- (1) The HCC shall be composed of four (4) voting members, including the Chairperson, one from each of the following departments/offices:
 - (a) Office of Under-Secretary-General, Department of Management (OUSG/DM), as Chairperson;
 - (b) Office of Programme Planning, Budget and Accounts (OPPBA/DM);
 - (c) Office of Legal Affairs (OLA); and
 - (d) Department of Economic and Social Affairs (DESA).
- (2) Each staff member, except the Chairperson, who is a member, shall serve a maximum term of three (3) years, renewable once. After two successive appointments, a member shall wait for at least a period of one year before being reappointed to the HCC. There shall be no limit to the total number of terms a staff member may serve as a member of the HCC. Three (3) members of the HCC (including the Chairperson) shall constitute a quorum.
- (3) The head of each department/office identified in (b) through (d) above, shall nominate staff members from the same department/office, to serve as a member and/or alternate(s) on the HCC. The individuals designated shall have commercial, financial or legal experience, or other relevant qualifications, including qualifications or training in procurement. The ASG/DM shall designate the members from each department/office, as well as one or more alternate(s).

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- (4) If deemed necessary by the Chief, UN/PS, or if so requested by the Chairperson, HCC, any department/office initiating a procurement action that requires HCC review shall attend, in a non-voting capacity, during the HCC review and consideration of said procurement action. In general, the Requisitioner should be present during the HCC's review of the department/office's proposed procurement action.
- (5) In case of any question of a perceived conflict of interest the concerned member should disclose the matter to the committee and /or other appropriate UN official and if necessary reclude himself/herself from consideration of that matter. Guidance for such questions is set forth in ST/SGB/2002/13. (See Section 4 below).

2.3.3. Chairperson

- (1) The Chairperson, who shall be a staff member of the OUSG/DM, shall be designated by the USG/DM, in consultation with the ASG/DM and the Legal Counsel.
- (2) The Chairperson is responsible for the following:
 - (a) Approving submissions for inclusion in the HCC agenda.
 - (b) Reviewing submissions prior to HCC meetings, and if necessary, requesting clarifications, and/or additional information from the Chief, UN/PS.
 - (c) Convening and chairing HCC meetings.
 - (d) Promoting fairness, integrity and transparency throughout the procurement process.
 - (e) Notifying the Chief, UN/PS, of rejected or deferred presentations by the HCC. Specifying at meetings and thereafter, in the HCC's written minutes, the reasons for rejections or deferrals of presentations, and making recommendations for remedial action, where appropriate.
 - (f) Submitting HCC minutes and recommendations approved by the members and signed by the HCC Secretary and the Chairperson to the ASG/DM for consideration and approval. Submissions should occur within ten (10) business days after the conclusion of the meeting, subject to prior receipt of any additional information, clarifications or documentation that HCC requested with regard to a particular presentation. At UN/PS's request, for urgent procurement actions, approved recommendations shall be submitted by the Chairperson on an expedited basis to the ASG/DM for consideration on an expedited basis.

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- (g) Nominating a member of the HCC to serve as Acting Chairperson in the absence of the Chairperson.
- (h) Preparing instruments on local delegations of authority to OAHs, for the consideration and approval of the ASG/DM and the Controller.
- (i) Supervising and managing the work of the HCC Secretariat and advising the ASG/DM on substantive HCC developments and related issues.

2.3.4. Secretary of the HCC

- (1) The Secretary is not a member of the HCC and services the HCC in a non-voting capacity.
- (2) Under the general supervision of the Chairperson, the Secretary is responsible for the following:
 - (a) Arranging and coordinating HCC meetings.
 - (b) Ensuring the timely and efficient distribution of presentations and relevant documentation to HCC members.
 - (c) Drafting the minutes of HCC meetings and the HCC's recommendations.
 - (d) Preparing HCC-related correspondence.
 - (e) Liaising with UN/PS and requisitioning offices on issues involving HCC procedure, requesting additional information or clarifications to presentations, and any inquiries raised by HCC members regarding the procurement presentations under review.
 - (f) Maintaining a permanent record of all HCC minutes/recommendations and case presentations reviewed by it.
 - (g) Compiling statistics on the workload, activities and other matters pertaining to the HCC.
 - (h) Following approval by all members, signing HCC recommendations and minutes, and promptly forwarding these to the Chairperson for his/her actions.

2.4. Organisation and Functions of Local Procurement Structure**2.4.1. Introduction**

- (1) The segregation of responsibilities between the requisitioning and the procuring entity necessitates the establishment of a separate Procurement Office in all Missions and OAHs.

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- (2) The size and composition of these offices shall be tailored to the complexity and size of the Missions and OAHs. At a minimum, it shall consist of a Chief Procurement Officer (CPO) and support staff. Normally one or more Procurement Officers and Procurement Assistants will be employed to handle the day-to-day procurement actions, with the CPO serving in a supervisory role.
- (3) Within the delegated procurement authority authorized to the Missions and OAHs, the DOA/CAO has, for local procurement actions, the same functional responsibilities as the ASG, in relation to the work of the procurement office.
- (4) Pursuant to UN FRR Rule 105.13(b), Local Committees on Contract (LCC) are normally established for Missions and OAHs that perform procurement actions.

2.5. Local Committee on Contracts**2.5.1. General functions of the LCC**

- (1) The LCC shall review and provide advice to the DOA/CAO, or other officials duly authorized under Financial Rule 105.13, on whether proposed procurement actions, including contracts that generate income to the Organisation, are in accordance with the FRR, SGBs, AIs, and procurement policies. Mutatis mutandi, the functions of the LCC mirror those of the HCC.

2.5.2. Composition

- (1) The LCC shall be comprised of the following members of the Mission/OAH:
 - (a) Finance Officer, member;
 - (b) Legal Officer, member;
 - (c) Administrative Officer or Programme Officer, member;
 - (d) Administrative Officer or Programme Officer, member;
 - (e) Secretary of LCC (*Ex Officio*); and
 - (f) Chief Procurement Officer (*Ex Officio*), attendant
- (2) Where such UN officers are not yet in place, or out of the area, or the mission resources are insufficient, other UN officers or officers from other organizations of the UN system with comparable responsibilities, may be designated from time to time. Under no circumstances a supervisor and a subordinate shall serve together as members of the same LCC meeting. Three (3) members of the LCC (including the Chairperson) shall constitute a quorum.

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- (3) The Chairperson of the LCC, who shall be a member, its members, as well as alternate officers, shall be nominated by the DOA/CAO, and their names shall promptly be communicated to the ASG/DM, through the Chief, OMS/DPKO and the Chief, Procurement Division, for information purposes. Unless a particular notification gives rise to concern that the provisions of a particular Delegation of Authority are not being properly adhered to, in terms of proper functional representation on the LCC, or an insufficient segregation of responsibilities, no further action will be taken on the notification received at HQs.
- (4) If deemed necessary by the DOA/CAO, any department/office initiating a procurement action that requires LCC review shall attend, in a non-voting capacity, during the LCC review and consideration of said procurement action. OIOS representatives should not serve as Ex-Officio observers at LCC meetings. In exceptional cases, where a decision has been made by the DOA/CAO to authorize a representative from OIOS to attend a particular LCC meeting, the OIOS representative shall be an observer and shall not engage in the deliberations of the procurement award as a de facto Committee member.

2.5.3. Chairperson

- (1) Upon nomination by the DOA/CAO, the Chairperson shall be designated by the ASG.
- (2) Mutatis mutandi, the Chairperson of the LCC has the same responsibilities as the Chairperson, HCC, as set out in section 2.3.3.

2.5.4. Secretary of the LCC

- (1) The Secretary is not a member of the LCC, and serves in a non – voting capacity. The Secretary shall be nominated by the DOA/CAO and shall be a staff member from an office outside the procurement function, usually a different central administration section such as finance or human resources. Preferably, the Secretary of the LCC should have procurement experience.
- (2) Mutatis mutandi, the Secretary, LCC has the same responsibilities as the Secretary, HCC, as set out in section 2.3.4.

**PROCUREMENT MANUAL****3. Authorized Officials, Approval and Signature Authority****3.1. Introduction**

In accordance with Financial Rule 105.13 the “USG/DM is responsible for the procurement functions of the United Nations, shall establish all United Nations Procurement Systems and designate the officials responsible for performing procurement functions”. By way of administrative instruction, the authority to designate officials responsible for performing procurement functions may be delegated to the ASG/DM

3.2. Delegation of Procurement Authority to Officials at UN HQ and OAH/Mission**3.2.1. Authorized officials – Delegation of Procurement Authority**

- (1) In accordance with Financial Rule 105.13, as amended from time to time, the USG/DM may authorize UN officials to act on his/her behalf, to contract for purchases of services, products, equipment or other requirements on behalf of the UN. This authority has been further delegated to the ASG/DM as per ST/AI/2003/6*

3.2.2. Delegation

- (1) Only those officials duly authorised pursuant to Financial Rule 105.13, and as described in sub-Section 3.2.3 and 3.2.4 below, shall enter into commitments regarding procurement on behalf of the UN. Procurement personnel of the UN/PS shall be authorised by the ASG/DM, who is authorised to do so by the USG/DM. The appointment of Procurement personnel in Missions/OAHs shall be only upon consultation with the Chief, Procurement Service.
- (2) Delegations of procurement authority (i.e. the authority to undertake procurement activities) and the financial levels of authority to make commitments are granted in writing by the ASG/DM to individual Procurement Officers or Procurement Assistants.
- (3) At HQ, the procurement authority resides, as delegated from the USG/DM through ASG/DM, with UN/PS. No other Office within the UN Secretariat shall purchase, or commit the UN to contractual obligations, or authorize, change or amend any contract or purchase order, unless an exception is specifically granted in writing by the ASG/DM.
- (4) For Peacekeeping Missions, the procurement authority is delegated from the ASG to the ASG/OMS/DPKO, and further delegated to the DOA/CAO. Delegations of procurement authority and the financial levels of authority to make commitments are granted in writing by the

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DOA/CAO directly to the CPO and to individual Procurement Officers or Procurement Assistants on an individual basis

- (5) For other Missions/OAHs, including the UN Regional Economic Commissions and Criminal Tribunals, the procurement authority is delegated from the USG/DM or ASG/DM to the DOA/CAO of the specific Mission/OAH. The procurement authority and the financial levels of authority to make commitments are granted in writing by the DOA/CAO directly to the CPO and to the individual Procurement Officer or Procurement Assistant on an individual basis, until an administrative instructions is issued for those purposes.
- (6) Any commitment made by Procurement personnel in their official capacity is made on behalf of the UN, in accordance with defined lines of authority for such action. A clear audit trail, including, but not limited, to a detailed record of all actions taken, shall be maintained for each procurement case.
- (7) Prior to any commitment being made, officials entrusted with procurement authority are to ensure that:
 - (a) The Procurement action strictly complies with all FRR, procurement procedures, administrative issuances and instructions;
 - (b) The appropriate and authorized officials have approved the commitment;
 - (c) Availability of Resources; and,
 - (d) The commitment is, to the extent possible based on the information available at the time and documented in the procurement case, in the interests of the UN.
- (8) Delegations of authority require Procurement Officers to exercise their duties and responsibilities with the utmost care, efficiency, impartiality and integrity in accordance with Section 4 of this Manual

3.2.3. Procurement Authority at UN HQ

- (1) The Chief, UN/PS, is accountable to the ASG/DM for all activities within UN/PS. Responsibility for compliance by UN/PS staff with all relevant FRR, procurement procedures, Administrative Instructions, circulars and the Procurement Manual, rests with the Chief, UN/PS. The Chief, UN/PS is responsible for the efficient and effective operation of UN/PS.
- (2) Each Procurement Officer is granted an individual delegation of procurement authority. Sample HQ Delegation of Authority is attached as Annex D-3.

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- (3) The USG/DM has delegated contractual signing authority to UN/PS officials on an individual basis as follows:
 - (a) Chief, UN/PS, for awards of US\$200,000 or less, without review by the HCC, and unlimited authority for procurement awards recommended by the HCC, and approved by the ASG/OCSS;
 - (b) The Chiefs of Procurement Sections within UN/PS – for awards of US\$ 150,000 or less;
 - (c) Procurement Officer, P4 - for awards of US\$ 75,000 or less;
 - (d) Procurement Officer, P3 - for awards of US\$ 50,000 or less;
 - (e) Procurement Officer, P2 - for awards of US\$ 25,000 or less; and,
 - (f) Procurement Assistants, G5 through G7 - for awards of US\$ 7,500 or less
- (4) Individual procurement authority can be changed at any time in writing by the ASG/DM, upon the recommendation of the Chief, UN/PS.
- (5) Additional or exceptional delegation of authority may be granted periodically by the ASG/DM to UN/PS officials, designated officials of specific departments and Missions/OAHs for limited duration and/or purpose.

3.2.4. OAH and Missions

- (1) Delegations of Procurement Authority to CPOs and Procurement Officers of Missions are granted by the CAO/DOA after clearance of the list of candidates by the Chief, Procurement Division. Sample Field Delegation of Authority is attached as Annex D-3.A.
- (2) Delegations of Procurement Authority to DOA/CAOs/Head of Office of other Missions/OAHs, Regional Commissions and Tribunals are issued by the ASG/DM.
- (3) The delegated financial limits shall be based on the system-wide financial limits conferred to officials authorized under Financial Rule 105.13, after considering the size and complexity of the OAH/Mission, experience of staff and the availability of checks and controls, and after a determination has been made on whether the establishment of a LCC is warranted, or possible.
- (4) Each Procurement Officer is granted an individual delegation of procurement authority. The ASG/OMS/DPKO has delegated contractual signing authority to field procurement officials on an individual basis as follows:
 - (a) CAOs, for awards of US\$ 200,000 or less, without review by the HCC, and unlimited authority for procurement awards recommended by the HCC, and approved by the ASG/OCSS;
 - (b) CPOs, for awards of US\$ 75,000 or less;
 - (c) Procurement Officer, P4 - for awards of US\$ 75,000 or less;
 - (d) Procurement Officer, P3 - for awards of US\$ 50,000 or less;



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- (e) Procurement Officer, P2 - for awards of US\$ 25,000 or less; and,
 - (f) Procurement Assistants, G5 through G7 - for awards of US\$ 7,500 or less.
- (5) The delegation to a procurement staff member outside UN HQ shall not exceed the value delegated to a Procurement Officer of equivalent rank at the UN HQ.

**PROCUREMENT MANUAL****4. United Nations Staff Ethics and Professional Responsibility**

4.1. United Nations Regulatory Framework

4.1.1. UN Charter

- (1) The UN Charter, Article 100 and Article 101, Para. 3 specifically address the responsibility of staff members.

4.1.2. Oath of office

- (1) The Oath of office taken by all staff members requires that they “exercise in all loyalty, discretion and conscience the functions entrusted to [the staff member] as an international civil servant of the United Nations, to discharge these functions and regulate [the personal] conduct with the interest of the United Nations only in view, and not to seek or accept instructions in regard to the performance of [the staff members] duties from any Government or other authority external to the organisation.”

4.1.3. UN Staff Regulations

- (1) In section IV of the ST/SGB/2002/13, the scope and purpose of the United Nations Staff Regulations are set forth as follows:

“The Staff Regulations embody the fundamental conditions of service and the basic rights, duties and obligations of the United Nations Secretariat. They represent the broad principles of personnel policy for the staffing and administration of the Secretariat. For the purposes of these Regulations, the expression ‘United Nations Secretariat’, ‘staff members’ or ‘staff’ shall refer to all the staff members of the Secretariat, within the meaning of Article 97 of the Charter of the United Nations, whose employment and contractual relationship are defined by a letter of appointment subject to regulations promulgated by the General Assembly pursuant to Article 101, paragraph 1, of the Charter of the United Nations. The Secretary-General, as the chief administrative officer, shall provide and enforce such staff rules consistent with these principles as he considers necessary”.

- (2) The Staff Regulations and Rules pertaining to honours, gifts or remuneration derive from the Article I of the United Nations Staff Regulations and Related Rules from Chapter I of the 100 series of the Staff Rules, with commentary as set forth in Annex IV of the bulletin. Role of commentary is defined in paragraph 5, Annex I of the bulletin, which is cited below:

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“Each provision of the Staff Regulations and Rules set out in the present annex is followed by a commentary. The commentary is designed to explain individual provisions and to help the staff member understand each provision by placing it into context. It is not part of the Staff Regulations and Rules and so is not a legal “norm” or imperative, nor does it have the legal force of a rule. It is, however, an official guide published by the Secretary-General for the use of management and staff on the scope and application of the rules contained in this annex. Staff may thus safely rely on the commentary to guide their actions since management will use it in interpreting and applying those rules. The commentary will be updated from time to time in consultation with representatives of the staff in the Staff-Management Coordination Committee established under chapter VIII of the Staff Rules in the light of experience in applying the rules to the specific instances”.

- (3) All staff are required to be familiar with the entire text of ST/SGB/2002/13. Some of the relevant United Nations staff regulations and rules are set out and discussed in that SGB, as follows:

Regulation 1.2 (j)

No staff member shall accept any honour, decoration, favour, gift or remuneration from any Government.

Regulation 1.2 (k)

If refusal of an unanticipated honour, decoration, favour or gift from a Government would cause embarrassment to the Organization, the staff member may receive it on behalf of the Organization and then report and entrust it to the Secretary-General, who will either retain it for the Organization or arrange for its disposal for the benefit of the Organization or for a charitable purpose.

Regulation 1.2 (l)

No staff member shall accept any honour, decoration, favour, gift or remuneration from any non-governmental source without first obtaining the approval of the Secretary-General.

Rule 101.2 (j)

Acceptance by staff members of any honour, decoration, favour, gift or remuneration from non-governmental sources requires the prior

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approval of the Secretary-General. Approval shall be granted only in exceptional cases and where such acceptance is not incompatible with the interests of the Organization and with the staff member's status as an international civil servant. However, staff members may occasionally accept, without prior approval, minor gifts of essentially nominal value having regard to the duty station concerned, provided that all such gifts are promptly disclosed to the head of the office, who may direct that the gift be entrusted to the Organization or returned to the donor.

Commentary for Rule 101.2 (j)

Staff rule 101.2 (j) implements staff regulation 1.2 (l). It provides guidance on what honours, decorations, favours, gifts or remuneration may be accepted from non-governmental sources (see the ICSAB report, para 43). In essence advance approval is required unless the gifts are of essentially nominal value, having regard to the duty station concerned. Acceptance of such items of essentially nominal value would not seem to present any significant risk of undermining the integrity or independence of staff members. The rules thus permits the staff member to accept gifts of essentially nominal value in view of the significant cost and effort that would be involved if staff members were required to seek prior approval.

The assessment of what is "essentially nominal value" must be left to the best judgement of the staff member and the head of the office in the light of circumstances at the duty station concerned, since what is considered a minor gift at a Headquarters duty station may take on a different significance in a small field office. The problem is regulated through a requirement for staff either to obtain permission in advance or disclose what they have received to the head of the office. It will be up to the head of the office to determine what is acceptable and, if he or she is in doubt, higher authorities may be consulted. As a safeguard against possible abuse, all gifts received in this matter are to be disclosed to the head of the office, who will have authority to direct that gifts already received be returned.

Rule 101.2 (k)

The Secretary-General may authorize staff members to accept from a non-governmental sources or a university academic awards, distinctions and tokens of a commemorative or honorary character, such as scrolls, certificates, trophies or other items of essentially nominal monetary value.

**PROCUREMENT MANUAL****Commentary for Rule 101.2 (k)**

Staff rule 101.2 (k) is based on former staff rule 101.9 (d) and permits the Secretary-General to authorize staff members to accept certain awards, distinctions and tokens from a non-governmental source or from a university. The rule provides that, for the purpose of the rule, universities are not considered government sources since, in many countries, they are not so considered and it would be incongruous for a staff member to be authorized to accept an honorary degree or certification from universities in some, but not all, countries. An honorary degree or certificate may therefore be accepted from universities in all countries.

Rule 101.2 (l)

Staff members, as part of their official functions, will be expected from time to time to attend governmental or other functions such as meals and diplomatic receptions. Such attendance is not considered receipt of a favour, gift or remuneration within the meaning of the Staff Regulations and Rules.

Commentary for Rule 101.2 (l)

Staff rule 101.2 (l) is new and deals with the issue of attendance at various official functions. It is clear that international officials are required, from time to time, to attend luncheons, dinners and diplomatic receptions. Such attendance will not be considered receipt of a favour or gift within the meaning of staff regulations 1.2 (j) to (l).

Rule 101.2 (m)

The Secretary-General may, in exceptional cases, provided that this is in line with interest of the United Nations and not incompatible with the staff member's status, authorize a staff member to receive from a non-governmental source an honour, decoration, favour, gift or remuneration other than those referred to in staff rule 101.2 (j) to (l) above.

Commentary for Rule 101.2 (m)

Staff rule 101.2 (m) enables the Secretary-General, on an exceptional basis, to authorize a staff member to accept an honour, decoration, favour, gift or remuneration from a non-governmental source that falls outside staff rule 101.2 (j) to (l) as long as such acceptance is in the interests of the United Nations and not inconsistent

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with the staff member's status. This provision flows from former staff rule 101.9 (c) since it is not possible to define in advance what may be accepted from a non-governmental source.

Rule 101.2 (s)

Staff members who are authorized by the Secretary-General to participate in activities organized by a Government, intergovernmental organization, non-governmental organization or other private source, may receive from the Government, intergovernmental organization, non-governmental organization or private source, accommodation and travel and subsistence allowance generally in line with those payable by the United Nations. In such cases, the travel subsistence allowance that may otherwise be payable by the United Nations shall be reduced as envisaged in staff rule 107.15 (a).

Commentary for Rule 101.2 (s)

Staff rule 101.2 (s) is new and distinguishes the notion of gifts and so on from invitations routinely extended by Governments, intergovernmental organizations, non-governmental organizations or other private sources to the Secretary-General and staff members to attend conferences or meetings dealing with the United Nations-related matters hosted by them. This is currently routinely authorized by the Secretary-General and the rule reflects the current practices. It also provides an opportunity for the Organization to save on allowances that may be payable by the Organization by having the accommodation or travel and subsistence allowance provided by the Governments, intergovernmental organizations, non-governmental organizations or other private sources and by reducing the travel subsistence allowance that may otherwise be payable to the staff member.

4.1.4. Standard of conduct for the international civil service

- (1) The “Standards of conduct for the international civil service, 2001”, ST/SGB/2002/13, paragraph 46, related to “Gifts, honours and remuneration from outside sources” reads as follows:
- (2) “46. To protect the international civil service from any appearance of impropriety, international civil servants must not accept, without authorization from the executive head, any honour, decoration, gift, remuneration, favour or economic benefit of more than nominal value from any source external to their organizations; it is understood that this includes Governments as well as commercial firms and other entities.
- (3) “47. It is not proper for international civil servants to accept supplementary payments or other subsidies from a Government or any

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other source prior to, during or after their assignment with an international organization if the payment is related to that assignment. Balancing this requirement, it is understood that Governments or other entities should not make or offer such payments, recognizing that they are at variance with the spirit of the Charter of the United Nations system”.

4.1.5. Other ethical and professional responsibility standards

- (1) Financial Rule 101.2 reads as follows: “All United Nations staff are obligated to comply with the Financial Regulations and Rules and with administrative instructions issued in connection with those Regulations and Rules. Any staff member who contravenes the Financial Regulations and Rules and corresponding administrative instructions may be held personally accountable and financially liable for their actions”.
- (2) The funds used by the UN are entrusted to the Organisations by its member states and other parties. The transactions committing the UN shall be conducted at impeccable standards in order to ensure the highest degree of public trust. Hence, it is absolutely essential that all procurement activities be carried out in a manner above reproach, with complete impartiality and with no preferential treatment.
- (3) The UN procurement process, which includes the generation of specifications and scope of work, certification of funds, identification of potential Vendors, evaluation of Submissions received, receipt & inspection and payment, is intended to allow Vendors to compete for UN business on a fair basis. Staff associated with the procurement function, therefore, are responsible for protecting the integrity of the procurement process and maintaining fairness in the UN’s treatment of all Vendors.
- (4) The standard of conduct for all staff involved in the procurement process includes, but is not limited to:
 - (a) UN staff shall not allow any Vendor(s) access to information on a particular acquisition before such information is available to the business community at large. Further, staff shall not intentionally use unnecessarily restrictive or “tailored” specifications or statements of work that can discourage competition.
 - (b) Staff shall not solicit or accept, directly or indirectly any promise of future employment from anyone who has or is seeking to obtain UN business.
 - (c) Staff shall not have a financial interest in any Vendors responding to a UN solicitation, and are prohibited from any involvement in the procurement action if they do.

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- (d) Staff shall not disclose proprietary and source selection information, directly or indirectly, to any person other than a person authorized to receive such information.
- (5) The actions of UN staff in the procurement process shall be transparent so that it can be verified that these standards have been upheld.

4.2. Gifts and Hospitality

- (1) It is of overriding importance that the staff member acting in an official procurement capacity should not be placed in a position where their actions may constitute or could be reasonably perceived as reflecting favourable treatment to an individual or entity by accepting offers of gifts and hospitality or other similar considerations. The staff member should at all time behave in a way that upholds the values and the integrity and good reputation of the United Nations.
- (2) It is inconsistent that a Procurement Officer or staff member involved in any aspect of procurement accepts any gift from any outside source regardless of the value and regardless of whether the outside source is or is not soliciting business with the United Nations. All staff members involved in procurement shall decline offers of gifts, including drinks, meals, tickets, hospitality, transportation, or any other form of benefits, even if it is in association with an “official working visit.”
- (3) In the event that there is any doubt, the matter shall be brought to the attention of the Chief, UN/PS or CPO, who shall seek the guidance from the Ethics Office, which serves as a focal point in communicating and updating existing standards of conduct, providing ethics advice and confidential advice on conflicts of interest and plays a key advisory role in promoting ethics in the United Nations.

4.3. Corrupt Practices

- (1) The UN shall communicate to the Vendors during the registration phase, in the solicitation documents and in the contract documents that all UN Vendors shall adhere to the highest ethical standards, both during the bidding process and throughout the execution of a contract. The list of definitions set forth below indicates the most common types of corrupt practices, but is not exhaustive. For this reason, the UN will also consider claims of similar nature involving alleged acts of corruption, in accordance with the established procedure.
- (2) Some examples are set forth below as follows:
 - (a) “Bribery” means the act of unduly offering, giving, receiving or soliciting anything of value to influence the process of procuring goods or services, or executing contracts.
 - (b) “Extortion” or “Coercion” means the act of attempting to influence the process of procuring goods or services, or executing

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contracts by means of threats of injury to person, property or reputation.

- (c) "Fraud" means the misrepresentation of information or facts for the purpose of influencing the process of procuring goods or services, or executing contracts, to the detriment of the UN or other participants.
 - (d) "Collusion" is an agreement between bidders designed to result in bids at artificial prices that are not competitive.
- (3) The UN:
- (a) Will reject a proposal to award a contract if it determines that a Vendor recommended for award has engaged in corrupt practices in competing for the Contract in question; and/or
 - (b) Will declare a firm ineligible, either indefinitely or for a stated period of time, to become a UN registered Vendor if it at any time determines that the firm has engaged in corrupt practices in competing for or in executing a UN Contract; and/or
 - (c) Will cancel or terminate a contract if it determines that a Vendor has engaged in corrupt practices in competing for or in executing a UN Contract.
 - (d) Normally requires a UN Vendor to allow the UN, or any person that the UN may designate, to inspect or carry out audits of the Vendor's accounting records and financial statements in connection with the Contract.



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5. Global Compact

5.1. Introduction

- (1) The United Nations strongly encourages all vendors to actively participate in the Global Compact. The Global Compact is a voluntary international corporate citizenship network initiated 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 globalisation.
- (2) Expressions of Support
To participate in the Global Compact a company:
 - (a) Sends a letter from the Chief Executive Officer (and where possible, endorsed by the board) to Secretary-General expressing support for the Global Compact and its principles: Secretary-General United Nations New York, NY 10017
 - (b) Sets in motion changes to business operations so that the Global Compact and its principles become part of strategy, culture and day-to-day operations;
 - (c) Is expected to publicly advocate the Global Compact and its principles via communications vehicles such as press releases, speeches etc.; and
 - (d) Is expected to publish in its annual report (Or similar corporate report) a description of the ways in which it is supporting the Global Compact and its ten principles. This “Communication on Progress” is an important tool to demonstrate implementation through public accountability.
- (3) The Global Compact offers engagement opportunities to all participants through the following:
 - (a) Dialogues: Action-oriented meetings that focus on specific issues related to corporate citizenship, globalization and sustainable development
 - (b) Information Sharing and Learning Events: Local information sharing and learning events whereby participants share experiences and lessons related to Global Compact issues. Companies are also invited to develop and share examples of good corporate practices and lessons learned on the Global Compact website.
 - (c) Partnership Projects: The Global Compact encourages participants to engage in partnership projects with UN agencies and civil society organizations in support of global development goals.
- (4) The Principles of the Global Compact: At the World Economic Forum, Davos, on 31 January 1999, UN Secretary-General Kofi A. Annan

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challenged world business leaders to "embrace and enact" the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. The Global Compact's operational phase was launched at UN Headquarters in New York on 26 July 2000. During the first Global Compact Leaders Summit, held on 24 June 2004 at UN Headquarters in New York, the Secretary-General announced the addition of a tenth principle against corruption.

5.2.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.

5.3.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.

5.4.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.

5.5.Anti-Corruption

- Principle 10 Business should work against all forms of corruption, including extortion and bribery.

Vendors interested in participating in the Global Compact should be encouraged to visit the Global Compact website at www.unglobalcompact.org for further information.

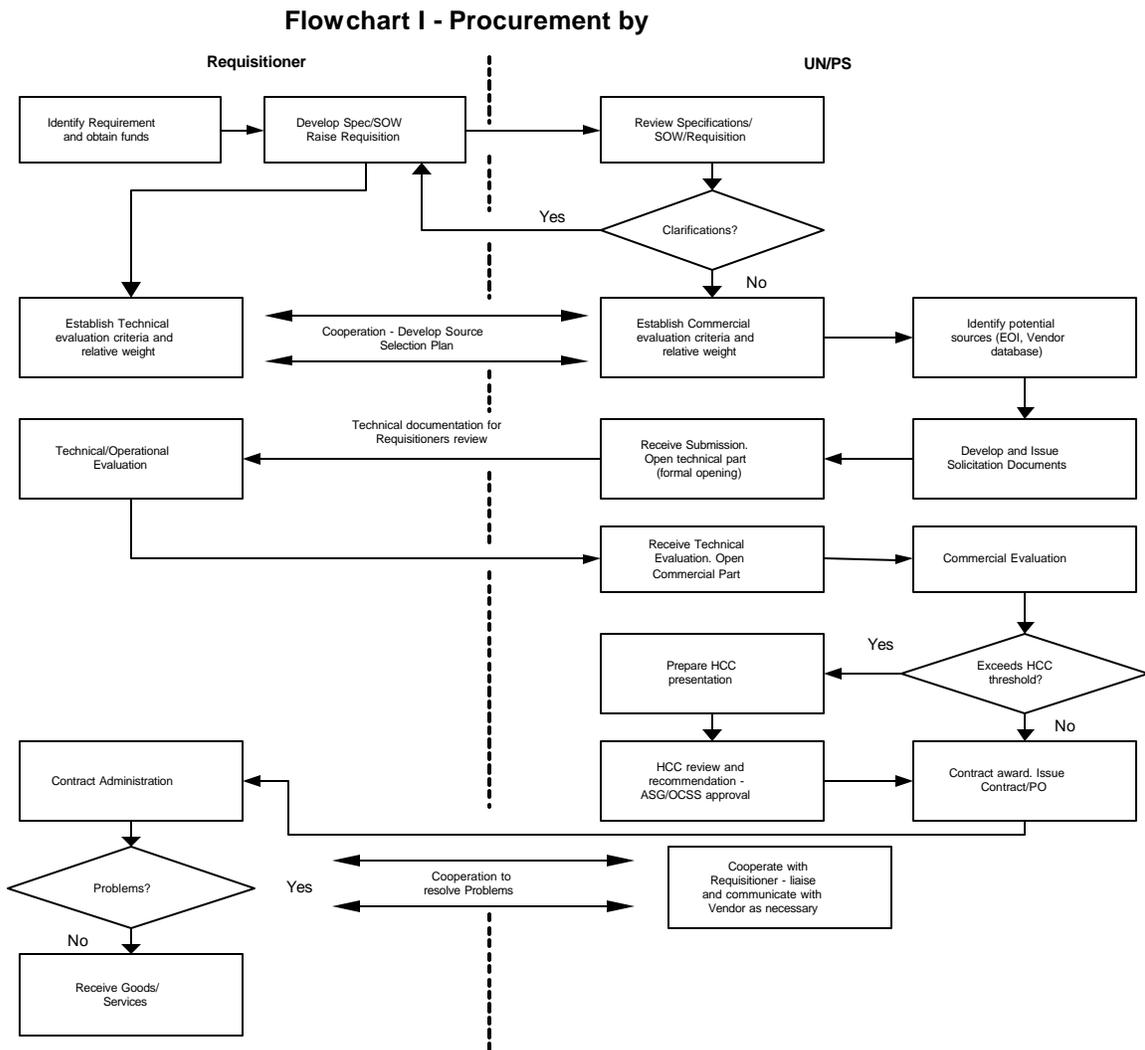


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Part B. – Procurement Process

6. Schematic Presentation of the Procurement Process

[“Indicative”, as all details not included]

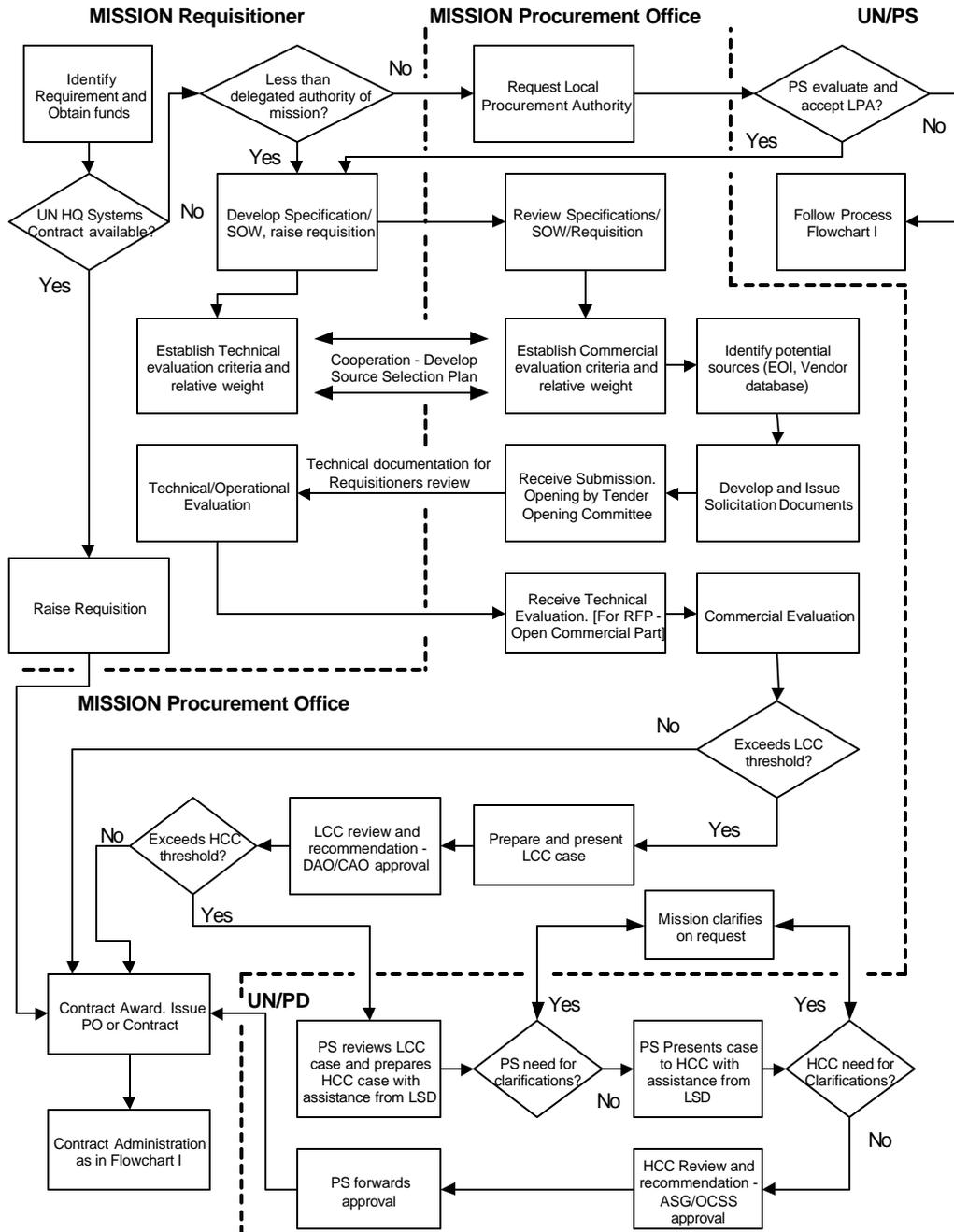




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[“Indicative”, as all details not included]

Flowchart II - Procurement by Field Mission



**PROCUREMENT MANUAL****Part C. – Step-by-step Procurement Process****7. Registration of potential recipients of Solicitation Documents**

7.1.Database of Vendors

- (1) The UN/PS maintains a computer Database of prospective companies for the supply of UN requests for products and services to the HQ and OAHs/Mission. Each OAH/Mission may have a local register of potential Vendors. The UN/PS uses the United Nations Global Marketplace (UNGM), as maintained by the United Nations Inter-Agency Procurement Services Office (IAPSO).
- (2) The UN/PS seeks purchases from approved Vendors registered in the PS computer Database. The OAH/Missions shall seek Vendors in all the registers indicated in (1) above.
- (3) The UN/PS uses established criteria to evaluate information provided by prospective companies, and determines the compliance of the conditions set forth by the UN. Successful applicants are duly registered in the Vendor Database, under the commodities or services indicated by the company.

7.2.Vendor Database Officer

- (1) The Chief, UN/PS shall designate a member of the SSS staff as the Vendor Database Officer (VDO).
- (2) The VDO is responsible for administering and maintaining the Vendor Database, including evaluation of 'Vendor Registration Applications' (VRA) from potential Vendors, advising the Vendor Review Committee (VRC) on the status of Vendor evaluations. The VDO shall also present recommendations of Procurement Officers/Assistants to the VRC to suspend or remove registered Vendors from the Vendor Database.

7.3.Local Vendor Database Officer

- (1) In the Missions, the CPO shall designate a staff member as Local Vendor Database Officer (LVDO), whose duties shall be as assigned. The LVDO shall establish contact with the VDO.

7.4.Overview of the registration procedure

- (1) The registration procedure process consists of the following:
 - (a) Potential Vendors registers online at UNGM;
 - (b) Vendors completed VRA and other forms required to submit to UN/PS.
 - (c) Acknowledgement by UN/PS or Mission of receipt of completed VRA; and

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- (d) Evaluation of the submitted VRA from potential Vendors using the evaluation criteria established by the UN as set forth in section 7.6.2 below.
- (e) Approval or disapproval of the VRA.
- (f) Vendor informed via UNGM.

7.5. Vendor Registration Application

- (1) The VDO shall send a VRA and the pertinent instructions to any company or other party who expresses interest in registering as a Vendor to the UN and is unable to complete the online registration form at UNGM. The VRA is also posted in the UN/PS website. The VRA is attached as Annex D-5 and contains the information requested by the UN.
- (2) Following are the minimum elements to be reviewed in the VRA:
 - (a) Complete registration steps in UNGM;
 - (b) Copy of certificate of incorporation (privately held companies only);
 - (c) Latest certified/audited financial statements, i.e. balance sheet and income statement (privately held companies); or copy of signed income tax return (US applicants only) or annual report to shareholders (publicly traded companies); or similar information on the financial reliability of the applicant.
 - (d) General information about the firm and its products/services, including copies of standards of quality certification for the products/services the company wishes to register; and
 - (e) Letter of reference from at least three (3) clients to whom the company has provided goods/services over the past twelve (12) months.
- (3) If the product or service the company provides is not in the PS List of Goods and Services (attached as Annex D-5.A.), it is very likely that the UN/PS does not require them. In this case the Vendor should be discouraged from applying.
- (4) Companies in the USA should be advised that the UN, under the Foreign Assistance Act of 1961, is eligible to receive full benefits under General Service Administration (GSA) contracts. Vendors should be encouraged to include in their VRA their GSA contract number and expiration date, if applicable.
- (5) Companies shall also inform the UN if they are currently employing or anticipate employing any person(s) who have been employed by the UN in the past.

**PROCUREMENT MANUAL****7.6. Evaluation of the Vendor Registration Application****7.6.1. Information**

- (1) The VDO is responsible for making a determination regarding the suitability for registration of a potential Vendor based on the completed application. In evaluating a VRA, and if necessary, the responsible VDO may also request information from other sources, such as other organisations of the UN system, commercial databases, publications, financial institutions, government agencies, business, trade associations and information from other suppliers, subcontractors, or clients of the potential Vendor in evaluating the applications.
- (2) All applicants shall immediately update their profile in UNGM with any substantial change in the information provided in the VRA. Failure to do so may entail suspension or removal from the Database.
- (3) The responsible VDO shall record the evaluation of each application for registration on a standardized Evaluation Form, based on the criteria detailed below, and shall sign the completed form.

7.6.2. Evaluation criteria

- (1) The factors set forth below should be taken into account in evaluating the VRA. (Such VRA evaluation does not replace the evaluation of whether or not the vendor is “qualified” at the time of bid or proposal evaluation).

- (a) Relevance of the products or services offered to the UN:

The responsible VDO shall determine whether the product or service is regularly requisitioned, occasionally required, or never required. If the product or service is not in the PS Commodity Codes, it is very likely that the UN Procurement Service does not require them. In this case, after consultation of the current Procurement Plan, the applicant may be disqualified and may be referred to other UN Agencies, which may require the type of products and services on offer.

- (b) Financial Stability:

- (i) The VDO shall establish whether the applicant has sound financials as determined by most recent certified/audited financial statements, tax return or Annual Report to Shareholders (publicly traded companies).
- (ii) The VDO shall ensure that the documentation regarding the applicant does not show any negative events, such as deficit in net worth, bankruptcy proceedings, insolvency,

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receivership, major litigation, liens, judgments, bad credit or payment history.

(iii) Failure to submit financial data capable of being adequately evaluated shall normally disqualify the applicant.

(c) Payment Terms:

(i) The payment terms offered by the applicant should correspond to the UN standard payment terms. Failure to comply with the UN standard payment terms shall normally disqualify the applicant.

(d) Applicant Business experience and capacity:

(i) Applicants are required to provide a certified copy of the certificate of incorporation, or other documents setting forth the legal basis of the entity (e.g. partnership agreement) and information on 'paid-up capital' as already provided to the appropriate authorities in the respective member states; preferably, the applicant should have been in business for at least, and have been providing and/or manufacturing the products and/or services in question, for a minimum of three (3) years.

(ii) Applicants are required to submit evidence of verifiable experience with other UN agencies or member/observer states, if they have any.

(iii) Applicants are required to submit general information about the company and its products/services.

(iv) Applicants are required to submit at least three (3) valid references confirming good performance, from clients to whom the applicant has provided products/services over the past twelve (12) months.

(e) Technical competence:

Provide proof of adherence to international quality standards for the products or services offered by submitting a certificate issued by an internationally recognized independent organization; or evidence of major, or international acceptance of the Vendor's services, or methodology for providing services.



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Where applicable, describe the ability to provide an international network of agents, representatives, and authorised dealers for after sales services.

Where applicable, furnish additional evidence of technical competence of highly specialized nature through documentation required by international or local legislation, internal work procedures and similar documents.

7.7. Approval or Disqualification of Prospective Vendor's Application

7.7.1. Minimum standards

- (1) Based on the evaluation criteria stated in section 7.6.2, the Chief, UN/PS or CPO shall establish minimum standards for registration in the applicable Vendor Database. Such standards can vary depending upon the volume of sales of the Vendor or the products or services offered. The standards should be set at reasonable levels to ensure that small and medium-sized companies from developing countries, and countries with economies in transition, are not discouraged from the registration process.

7.7.2. Orders below US\$ 10,000

- (1) The standards for registration of Vendors that provide goods or services for less than US\$10,000 per order or per contract shall require a less stringent level of verification than the minimum standards set above.
- (2) In these cases, upon registration, the vendor file and the computerized system should indicate that this vendor is registered to do business with the UN, but on a minor scale and only for the placement of orders or issuance of contracts below US\$10,000.

7.7.3. Approval

- (1) If the responsible VDO deems that an applicant fulfils the required minimum standards, he/she shall promptly ensure that the applicant is registered as an approved Vendor on the applicable Vendor Database, and promptly notify the Vendor thereof in writing. Furthermore, the VDO shall ensure that the name of the Vendor is then posted on the UN/PS Internet pages.

7.7.4. Disqualification

- (1) If the VDO deems that an applicant fails to fulfil the established minimum standards, he/she shall disqualify the applicant. The VDO shall issue the notice of disqualification, which shall promptly be forwarded to the Vendor.

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- (2) The VDO shall evaluate whether the applicant shall be requested to furnish additional information before deciding to disqualify the applicant.
- (3) The VDO may, at his/her discretion, grant the applicant a reasonable period, preferably not to exceed 90 calendar days, to amend its application. Upon submission of an amended application, the applicable VDO shall re-evaluate said amended VRA.
- (4) Applicants disqualified by the applicable VDO, may request a review of that decision by the Chief UN/PS or his/her equivalent in the Mission, who will request the VRC to review the matter and provide a recommendation.

7.8. Vendors recommended by requisitioners or consultants

- (1) As a general rule, requisitioners or substantive offices shall not recommend Vendors. Such practice undermines the principles of segregation of responsibilities between requisitioning and procurement entities. Requisitioners may advise potential vendors to seek registration information from UNPS.
- (2) In exceptional circumstances, if such recommendations are received, Procurement Officers shall carefully evaluate and scrutinize the desirability and propriety of including the recommended Supplier on the invitee list. However, unless the Procurement Officer is fully satisfied that the recommended Supplier will bring special knowledge or expertise that will be beneficial to the proposed procurement, the recommended Supplier should be excluded, but may be encouraged to register for future solicitations.
- (3) Where, however, the Procurement Officer believes that such a Supplier should be invited to tender, then the concurrence of the Chief UN/PS must first be obtained.
- (4) A consultant, engaged to prepare or review the technical specifications, and/or to assist in the evaluation of bids or proposals concerning a particular requirement, shall not be allowed to recommend any Suppliers, or submit a bid or an offer themselves for the requirement.
- (5) If Vendors approach the Requisitioner for inclusion to compete for specific requirements, the requisitioner shall direct the Vendor to the concerned Procurement Officer.

7.9. Registration**7.9.1. Procedure for Formal and Provisional Registration of a Vendor**

- (1) Formal Registration
 - (a) Upon the VDO's decision to register an applicant, the company shall formally be registered as an approved Vendor in the Vendor Database.

**PROCUREMENT MANUAL****(2) Provisional registration**

- (a) At the request of Procurement Officers, a company with an expressed interest in the UN procurement activities can be provisionally registered on the applicable Vendor Database.
- (b) Procurement Officers/Assistants can request the applicable VDO to provisionally register Vendors identified through market research, or through an Expression of Interest (EOI) for a specific award.
- (c) Upon provisional registration, the applicable VDO shall direct the potential Vendor to the UNGM site, encouraging the Vendor to register and inform the Vendor that approval in accordance with section 7.7.2 and subsequent formal registration is a prerequisite to enter into contract with the UN. If the registration has not been completed within three (3) months from the date of the provisional registration, said Vendor shall be deleted from the applicable Vendor Database.
- (d) Also, a provisionally registered Vendor shall not be awarded a contract if its application is disqualified. The VDO shall ensure that the Vendor does not receive additional solicitation documents or contractual awards until the Vendor has been approved through the full evaluation of a VRA.
- (e) No contractual award shall be made prior to formal registration of a Vendor upon completion of the VRA in UNGM. Any exception to this policy shall only be made upon written decision of the Chief, UN/PS and upon consultation with the VRC, if applicable.

7.9.2. Consequences of registration

- (1) Registration of a company as a Vendor on the Vendor Database does not guarantee that the Vendor will be selected to receive an award of contract or even Solicitation Documents.
- (2) Placement on the Vendor Database shall indicate that the Vendor has been registered to receive Solicitation Documents for the provision of products or services for which it is registered, but shall not ensure the award of any Contracts.

7.10. Vendor Information Files

- (1) All original applications, supporting documents, UN Procurement Office evaluation forms, and correspondence concerning the application are to be duly filed in the appropriate VRA file. The files of applicants shall be maintained by the SSS, or similar office in the Mission, and be available for review by Procurement Officers and Procurement Assistants.

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- (2) Any financial-related information received independently by any staff member from vendors should be forwarded to the Vendor Registration Unit.

7.11. Vendor Database Maintenance and Vendor Performance Rating System**7.11.1. Introduction**

- (1) Proper Vendor Database maintenance requires regular reporting on Vendor performance. To achieve this purpose, requisitioners are responsible for the timely evaluation of vendor performance.

7.11.2. Vendor performance rating

- (1) There are three types of Vendor performance rating forms:
 - (a) Short Form Specialist Report, see Annex D-6-A.
 - (b) Vendor Performance Report, see Annex D-6-B.
 - (c) Contract Performance Report: The form is used for contracts that exceed US\$200,000, or long-term contracts of two to three year duration, where performance reports are required once a year, see Annex D-6.C.
- (2) Upon receipt of performance reports from the substantive offices, (Requisitioner/Recipient), one copy of the relevant performance report shall be distributed to the following entities:
 - (a) Procurement Case Officer for inclusion in the Procurement Case/Contract File;
 - (b) Vendor registration case File; and
- (3) The recipient/end user of the goods or service shall evaluate Vendor performance in accordance with the following guidelines:
 - (a) Fulfilment of delivery schedule;
 - (b) Compliance with contractual terms and conditions, and other unique, or special requirements of the contract;
 - (c) Adherence to warranty provisions;
 - (d) Quality of goods or services provided, in accordance with contractual terms and conditions;
 - (e) Timely response to UN requests to rectify discrepancies, and resolve claims;
 - (f) Failure to disclose information, which can affect the performance of the Vendor, such as, numerous appearances as a defendant in litigation, receivership, declaration of bankruptcy; and
 - (g) Undue delay of the performance under the contract or frivolous claims against the UN.
- (4) The Procurement Officers/Assistants and other UN Staff involved in the Procurement process are required to indicate in writing to the VDO, any relevant information regarding non-compliance and poor-performance of registered Vendors.

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- (5) Procurement Officers or requisitioners should promptly inform the VDO in case they become aware of any substantial change in the information provided by the Vendor upon registration.
- (6) Procurement Officers and requisitioners must ensure that a Vendor Performance Evaluation with a satisfactory result is on file before processing an amendment to an existing contract in accordance with section 15.1.

7.11.3. Vendor responsibility

- (1) All registered Vendors shall be required to inform the UN immediately and in writing about any substantial change in the information provided to the UN in the VRA including, change of name due to merger or acquisition, change of address, litigation in which the Vendor is a party, criminal convictions, civil judgements, and financial impropriety. The submission, which may be in the form of a letter, fax or other electronic means, shall include all relevant documentation with regard to the changes. Upon receipt of such information, the VDO should make an assessment and decide whether the changes require a re-evaluation of the Vendor registration with the UN.
- (2) If a company changes its name, the vendor shall submit the following:
 - (a) Copy of certificate of incorporation covering the name change, and
 - (b) Written confirmation that the tax identification number remains the same (if the tax identification number has changed, the vendor shall complete a new on-line registration).
- (3) Vendors who fail to inform the UN about substantial changes may risk the suspension or the removal from the Vendor Database.

7.11.4. Responsibility of Vendor Database Officer and Local Vendor Database Officer

- (1) The VDO, or LVDO as the case may be or as appropriate, shall record and maintain all information received by that officer, in the Vendor's file, even though the information received may not warrant action at the time of receipt.
- (2) When information from Requisitioners or Procurement Officers, or other relevant information independently obtained by the responsible VDO, indicates that the Vendor has performed poorly, or is not in compliance, the VDO shall consider whether the Vendor should be reported to the VRC with regard to suspension or removal from the Vendor Database.
- (3) If the responsible VDO, after consultations with the Procurement Officer, the substantive office, and other interested UN Agencies, finds that the Vendor should be suspended or removed, he/she shall forward the information to the applicable VRC, and recommend a review of the

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status of the respective Vendor. The responsible VRC shall review said status, based on a presentation by the responsible VDO of any evidence indicating that the Vendor should be suspended or removed from the Vendor Database. The applicable VRC shall forward their recommendation to the Chief, UN/PS or CPO as the case may be or as appropriate, for decision.

7.11.5. Update of the Vendor Profile

- (1) UN vendors shall keep current their registration information via the UN Global Marketplace (UNGM) at www.ungm.org by means of electronic updates. At least every 6 months, Vendors are required by UNGM to confirm the information submitted to UNGM or inform about any changes to Vendor information.
- (2) UN vendors shall inform UNGM and the UN immediately and in writing, setting out all relevant details, about any material change in the information provided to the UN in their vendor application, including, but not limited to, change of name due to merger, acquisition or otherwise; change of address; material claims against the vendor, or any litigation or arbitration in which the vendor is a party; any investigation or inquiry by any governmental regulatory, licensing or other authority into the conduct of the vendor or any officer or employee thereof that could materially adversely affect the financial or other standing of the vendor, or the ability of the vendor to provide to the UN any goods or services; criminal convictions of any employee, officer, adviser or agent of the vendor; civil judgments; the most recent financial statements or financial standing of the vendor including any filing for bankruptcy, or entry into receivership, by the vendor; abusive, unethical or unprofessional conduct of the vendor including corrupt practices and submission of false information; any assignment of assets by the vendor or other financial acts, and any acts of financial impropriety committed or suffered by the vendor; any of the aforementioned factors in relation to a holding, parent, subsidiary, or affiliated company of the vendor which could materially adversely affect the financial or other standing of the vendor, or the ability of the vendor to provide to the UN any goods or services. The submission, which may be in the form of a letter, fax or other electronic means, shall include all relevant documentation with regard to the changes.
- (3) Upon receipt of new information on a registered Vendor, the responsible VDO shall verify such information and enter it in the Vendor Database, including the source of the information. the UN will make an assessment and determine whether the changes require a re-evaluation of the vendor's status as a registered UN vendor. Vendors which fail to so inform the UN about such material changes or fail to submit their

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latest financial statements may risk suspension or removal from the UN vendor database.

- (4) The SSS shall prepare, when required, statistical data on Vendor activity, such as number of solicitations received, number of submissions and, if applicable, the number of contracts awarded.

7.12. Suspension or Removal from Vendor Database

7.12.1. Review by the Vendor Review Committee

- (1) The responsible VRC shall review all substantial and documented evidence provided to them by the responsible VDO, taking the criteria listed in 7.12.2 into consideration. Based on their examination, the applicable VRC shall recommend to the Chief, UN/PS, or CPO, as appropriate whether to suspend the Vendor for a specific period of time or remove the Vendor indefinitely from the Vendor Database. If the circumstances warrant that the Vendor be suspended, the period of such suspension should be clearly defined, so as to afford the Vendor with the opportunity to correct the deficiency that led to the suspension.

7.12.2. Criteria for suspension or removal

- (1) The criteria for suspension or removal from the Vendor Database are as follows:
 - (a) Base on substantial and documented evidence, the Vendor has failed to adhere to the terms and conditions of a contract with the UN, so serious as to justify suspension or removal from the Vendor Database such as:
 - (i) Failure to perform in accordance with the terms and conditions of one or more contract;
 - (ii) Lack of response or acknowledgement to three invitations to submit a bid as per section 9.3.8(1) below;
 - (iii) The Vendor is believed to have engaged in criminal activity (e.g. fraud);
 - (iv) Abusive, unethical or unprofessional conduct, including corrupt practices and submission of false information;
 - (v) Genuine concern about the contractor's ability to satisfactorily perform contractual obligations, such as filing for bankruptcy, or the company is in or has recently been in receivership; or
 - (vi) Any documented or compelling proof of misconduct, which can negatively affect the interests of the UN and which would reasonable impair the Vendor's ability to perform a contract.

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- (b) Notification by a Member State, or other authoritative source that a Vendor has been charged with committing fraud or a criminal offence in that country.
 - (c) A criminal conviction or civil judgements issued against a Vendor indicating a lack of business integrity or business honesty.
- (2) However, evidence of non-performance by a Vendor as described herein, should not automatically translate into suspension or removal from the Vendor Database. Mitigating factors should be thoroughly considered by the VRC, prior to recommending suspension or revocation of a Vendor from the Vendor Database.
 - (3) Removal or suspension of a Vendor may require consultation with OLA prior to such action, as appropriate.

7.13. Vendor Review Committee

- (1) At UN HQ, a standing Vendor Review Committee (VRC) shall be established by the Chief, UN/PS, comprised of the following UN/PS staff members:
 - (a) Chiefs of Procurement Sections as Members; and
 - (b) Team Leader, VRU, as Secretary.
- (2) The Chairperson, VRC shall be the Chief, PS or his designated representative.
- (3) The VRC shall serve as a review board for complaints from potential Vendors who have been disqualified from registration or whose application for registration in the Vendor Database has been rejected. Further, the VRC shall evaluate and recommend for decision by Chief, UN/PS, the suspension, removal or reinstatement of registered Vendors from the Vendor Database as recommended by the VDO.
- (4) In the Missions, a Local VRC shall be established using the same guidelines. The LVRC shall have the same functions and duties as the HQ VRC.

7.14. Vendor Review Committee Deliberations

- (1) The recommendation to the Chief, UN/PS or CPO as appropriate, of the applicable VRC shall be made in writing, and the reasons for removal from the Vendor Database should be unambiguously stated. The recommendation shall be placed in the applicable UN Vendor file, whether at HQ or in the Mission.

7.15. Notification of decision to suspend or remove a Vendor

- (1) The Chief, UN/PS, or CPO as appropriate, shall decide whether to remove, or suspend from the Vendor Database and notify the Vendor accordingly. The notice shall advise the Vendor of the UN's decision to suspend for a specific period of time, or remove indefinitely the Vendor

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- from the Vendor Database and specify the reasons for the decision. In addition, the notice shall inform the Vendor that it may request review of the decision by the Chief, UN/PS or CPO, in accordance with 7.13 below. Further, if applicable, it should list the corrective action, (if any), to be taken by the Vendor, in order to be considered for re-qualification.
- (2) The notice shall be sent by mail, return receipt requested or, facsimile, and the return receipt or “confirmation of transmission” copy shall be kept in the file of the Vendor, as proof of delivery. The Vendor is entitled to a maximum period of thirty (30) days following receipt thereof to request review of the UN decision.
 - (3) If said Vendor is currently in a contractual relationship with the UN, the Requisitioner shall be duly notified thereof, and shall pursue alternative solutions together with the Procurement Officer and shall, in coordination with OLA, ensure that the interests of the UN are duly protected during and through the conclusion of such relationship.

7.16.Re-qualification of Vendors

- (1) Vendors suspended or removed from the Vendor Database may re-apply for registration by submitting documented or demonstrable evidence of corrective actions taken to remedy the issue(s) that lead to the suspension or removal from the Vendor Database.
- (2) Any Vendor removed from the Vendor Database shall not be eligible to re-apply for registration until six months after receipt of written UN notification of removal or suspension.

7.17.Meetings with Vendors

In order to ensure effective communication with existing or prospective vendors and to facilitate dissemination of commercial information within the Procurement Service (PS), all staff at the Procurement Service at Headquarters are requested to observe the following procedures:

- (1) Meetings with visitors for the opening of bids and proposals:

Vendors attending the opening of bids and proposals are not allowed to see staff responsible for the tender, which has just been opened, as it is not appropriate to have an individual meeting with them if they have participated in that particular procurement. While they may take the opportunity of the opening of bids and proposals to make an appointment with other staff, PS staff should avoid as far as practically possible meeting them, particularly if the staff involved have procurement cases which are still in the process of evaluation when the vendor has submitted a bid.

- (2) Introduction of new companies or products:

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Any requests from vendors, trade commissions or Permanent/Diplomatic Missions to introduce vendors that offer products or services that go across Sections shall be reported to the Office of the Chief, PS so that appropriate arrangements can be made for group meetings with relevant procurement staff and information recorded.

(3) Discussions and negotiations with vendors:

Any meetings with vendors for discussion and negotiations of contractual issues shall be attended by at least two (2) staff including one (1) PS staff. The second person may be another staff from PS, requisitioning office or the General Legal Division as appropriate. Any negotiations must be conducted in accordance with this Procurement Manual and any outcome recorded in writing.

(4) Follow up by vendors for registration:

Meetings with vendors concerning vendor registration issues may be arranged after the opening of bids and proposals provided that an appointment has been made in advance. Meetings shall be attended by at least two (2) staff from the Vendor Registration Unit. Staff who invited such vendors for his/her tender is not allowed to attend such meetings to maintain segregation of duties.

(5) General:

- (a) Any meeting with current or prospective vendors should be conducted in a designated area, preferably a conference room. No privileged commercial information shall be disclosed at any time during meetings with vendors. Procurement Officers shall follow the procedures above to record meetings with vendors so that the Office of Chief, PS can produce a report on meetings with vendors, as and when required.
- (b) In order to record information about incoming vendors, Procurement Offices shall use the database programme installed in PS shared drive. The following information shall be included, as appropriate:
 - (i) Name of visitor, time and date of appointment;
 - (ii) Purpose of visit, venue of meeting;
 - (iii) Name of Procurement Officer and/or any other staff member present at the meeting.
- (c) Staff members from the General Administration Team will check any appointment against the record in the database upon arrival of a vendor before they are allowed to enter the office area. The staff member from the General Administration Team will call the



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respective Procurement Officer to pick up his/her visitor/s from the reception area and shall enter actual time of arrival and departure in the database.

**PROCUREMENT MANUAL****8. Acquisition Planning**

8.1. Responsibility

8.1.1. Introduction

- (1) Procurement planning is essential for the effective and timely solicitation of bids or proposals, award of contracts and delivery of the goods and services required. Requisitioners are responsible for the development of procurement plans, and for cooperation with the UN/PS or CPO in making these plans available in a timely manner. Requisitions processed at OAHs/Missions, should be coordinated with the respective procurement services of those offices. Accordingly, requisitioners and procurement officers must begin to communicate with each other early in the planning process, yet maintain their separate roles.
- (2) Overall responsibility for the acquisition of products and services required by the Secretariat rests with UN/PS, unless an exception is specifically granted in writing by the ASG/DM, as per Financial Rule 105.13.
- (3) Responsibility for the acquisition of products and services at OAHs/Missions rests with the respective heads of such offices/missions, subject to the provisions of section 3.2.4.

8.1.2. Short-term planning

- (1) In order to ensure that the UN obtains good quality products and services at competitive prices, and within the time frame required, the requisitioning offices shall, to the extent possible, ensure the rational and optimal use of funds throughout the budget period.
- (2) The requisitioner shall, to the extent possible, avoid last minute requisitions, especially at the end of the budget period, as this may hamper the ability of the UN to ensure a transparent, open, efficient and timely procurement process.

8.1.3. Long-term planning

- (1) The requisitioning offices shall perform long term planning, covering at least the remainder of the budgetary period and the forthcoming budgetary period, in order to lay the foundation for procurement on the best terms for the Organisation. Long-term planning will also serve to demonstrate that the Organisation manages its funds in a professional manner, in the interest of the Organisation and for the benefit of all Member states.

**PROCUREMENT MANUAL****8.1.4. Annual plans**

- (1) The requisitioning offices and the UN/PS or CPO shall communicate, and to the extent feasible, meet on an annual basis to set up spending plans, including procurement plans, for the forthcoming budget period(s). The requisitioning office shall provide any proposed revisions to the plans at no more than three (in Mission/OAH) or six month (HQ) intervals, and UN/PS or the CPO shall advise what proportion of these plans can be achieved within the current procurement plan period. Such planning shall, to the extent possible be used to obtain economies of scale and other benefits to the Organisation.
- (2) The procurement plan shall contain the following information:
 - (a) Item No. [i.e. a numerical identifier];
 - (b) Type of products or services following the UN nomenclature for products and services;
 - (c) Estimated quantity (number of units) or term (number of months);
 - (d) Estimated value in US dollars;
 - (e) Delivery date or expected quarter when the products are required to be delivered or the services required to commence; and
 - (f) Any other relevant information, e.g., locations where goods and services are required if different from the requisitioner's office.
- (3) The procurement plan should be completed and submitted to the Procurement Office in a timely manner, following the Sample Acquisition Plan Form and the Guidelines on Procurement Plan attached as Annexes D-7 and D-7.A, with any other information that would be pertinent.

8.2.Planning Phase/Market research**8.2.1. Requirements**

- (1) Upon identifying a future need, either new or recurring, the requisitioner at HQ or in the Mission/OAHs shall use his or her best effort to accurately describe such need.
- (2) The requisitioner shall use his or her best efforts to develop the scope of the requirement through generic technical specifications that would allow a prospective Vendor to meet the identified need. To the extent possible, the requisitioner shall use generic specification(s), and if the goods/services have been purchased previously, reasons shall be provided for any change in specifications from those previously utilized. If the deliverable sought has been approved for standardisation, the requisitioner shall use a generally established unique identifier, such as standard specifications or part number and brand name, for such deliverables.

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- (3) Technical specifications of goods and/or services being procured are the basis for the Organisation's contracts, agreements and purchase orders. They fulfil the following essential features of procurement:
 - (a) Inform potential contractors of the nature of the UN requirement and what is expected to fulfil them;
 - (b) Constitute the basis for evaluating offers to determine if they satisfy the UN requirements; and
 - (c) Bind the winning Vendor to perform in accordance with the specifications and pursuant to the terms and conditions of the purchase order or contract.

8.2.2. Establishing a time line

- (1) The requisitioner shall establish at what time an identified need is to be fulfilled. The requisitioner shall take into account all the steps of the procurement process, as set forth in this manual, in order to initiate the process of fulfilling said need in due time.
- (2) The requisitioner is encouraged to establish preliminary contact with UN/PS Procurement Officer regarding any planned procurement for the forthcoming requisition in order to gain insight into the typical time required to complete contractual instruments and subsequent delivery time following receipt of a requisition.
- (3) The requisitioner shall provide adequate lead-time to the Procurement Service to properly conduct the procurement process. This process commences upon receipt of a sufficiently funded and completed requisition, including specifications, from the requisitioner and ends with contract award. In its planning, the requisitioner shall take into the account the time required for preparation of bid documents, expression of interest, submission by Vendors, evaluation of submissions, submission to and review by the HCC and the need for negotiation(s) and drafting of contract(s).
- (4) Examples of standard timelines for various requests are included in Annex D-20.
- (5) The requisitioner shall take appropriate measures to avoid 'exigency'-cases, as defined in section 9.5.2 below. 'Exigency'-cases shall only be permitted in an absolute emergency, when the requisitioner could not reasonably have foreseen that the need would materialize and require fulfilment in a time frame shorter than available for the use of the procurement process contained in this Manual. 'Exigency' cases shall be handled in accordance with the procedures set forth in section 9.5.2 below.

8.2.3. Funding

- (1) The requisitioner shall ensure that sufficient funding is available for the applicable deliverables. Such funding shall be in place prior to

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furnishing the requisition to the UN/PS or CPO, unless otherwise agreed with UN/PS or the CPO.

- (2) If the UN/PS or CPO accepts later availability of funding, such funds must be secured prior to contract award. If funding is not available when contract award is imminent, the Procurement Officer shall hold the award of the contract until funding has been secured for said procurement, or decide on other appropriate action within the funding available.
- (3) The requisitioner shall ensure that the specific funding is allocated only to the applicable procurement both at the time of the contract award and during the entire life of the contract. The Procurement Officer shall not make the contract award, unless he or she is satisfied that funding is in place for the applicable procurement.

8.2.4. Market Survey

- (1) Conducting market surveys is within the scope of the procurement functions and market surveys should be conducted only by UN/PS or the CPOs. However, it is expected that requisitioners conduct their own technical research into their relevant industry section, and participate in professional discussions in various forums to keep abreast of technological and other developments within their area of expertise.
- (2) Any time additional information about potential methods to fulfil the identified need is necessary, the requisitioner should request PS to conduct a market survey. Also, before developing new specifications and before soliciting new products with which the UN is not familiar, the requisitioner should request UN/PS or CPO to perform a market survey. The market survey conducted by UN/PS or the CPO shall be based on a generic, and preferably, performance-based description of the future need to be fulfilled provided by the requisitioner.
- (3) Upon receipt by the UN/PS or CPO of a request to undertake a market survey, the Procurement Officer shall evaluate the urgency, estimated dollar value, complexity and past experience. The market survey shall involve obtaining information specific to the item or service proposed to be acquired.
- (4) To conduct the market survey the Procurement Officer may:
 - (a) Contact knowledgeable individuals in the industry;
 - (b) Review the results of recent market surveys undertaken to meet similar needs;
 - (c) Conduct internet communications with the industry;
 - (d) Obtain source lists of similar items from other agencies, trade organizations or other sources; and
 - (e) Review catalogues and other product literature.
 - (f) Issue RFI's and/or RFQ's as indicated below.

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- (5) The Procurement Officer should also issue a 'Request for Information' (RFI) to Vendors registered in the UN Vendor Database as well as other sources identified by the Procurement Officer. The intention is to build generic descriptions of available or potential methods to fulfil the identified need and approximate information on cost and delivery time of such methods.
- (6) If the Requisitioner has provided the Procurement Officer with more detailed information related to the requirement, the Procurement Officer should also issue a Request for Expressions of Interest (EOI). The EOI shall be in accordance with the following:
 - (a) The EOI shall give a detailed description of the requirements of the forthcoming solicitation. The EOI may include objective criteria, which shall not be used to single out or favour a specific Vendor(s) or Product(s), but rather to identify appropriate Vendors that could potentially fulfil the requirement(s). It may also include a questionnaire, as developed by the Procurement Officer in cooperation with the requisitioner.
 - (b) The EOI shall be advertised on the UN Internet page. In addition, a link with the EOI page shall be sent by email to all permanent Missions to the UN, and it shall be otherwise distributed in a manner that, in the opinion of the Procurement Officer, would lead to the most beneficial responses thereto.
- (7) Suitable qualified Vendors who respond to UN/PS's website request for 'Expressions of Interest', who are not UN registered Vendors, shall be added to the list of invitees of the Solicitation Documents only after being accepted for provisional registration as per section 7.9.1 (2). Such potential Vendors will be directed to the UNGM website to register and 7.9 shall be followed.
- (8) The results of the market research shall be documented in the procurement case file.
- (9) In case of sole source procurement, a notification of intended sole source purchase should be posted in the form of an EOI and the procedures of 9.3.6 shall be followed.

8.2.5. Approval

- (1) The requisitioner shall ensure that necessary reviews and approvals are identified and pursued prior to establishing the requisition. Furthermore, the requisitioner should liaise with UN/PS or CPO to identify and plan for additional reviews and approvals necessary before the Solicitation Documents are released, or a contractual instrument is awarded, e.g. legal review.

**PROCUREMENT MANUAL****8.3. Establishment of requirements, specifications etc.****8.3.1. Procedures at UN HQ**

- (1) At HQ, the requisitioning offices order products and services by way of requisitions issued through the IMIS. Instructions for creating and completing requisitions are available at the IMIS site, in the “Desk Procedures” section. A sample requisition is attached as Annex D-8. Requisitions are electronically approved in IMIS. A sample requisition for DESA projects is attached as Annex D-8-A.
- (2) The Stock Control Unit, Travel and Transportation Service (TTS), OCSS maintains a catalogue of frequently procured items such as stationary products, which is available on-line in IMIS. Requisitioning offices without access to IMIS should submit requests for procurement action to the UN/PS or establish a mechanism to order stationary products directly from the contracted Vendor in consultation with PS and TTS.
- (3) Certifying Officers act as liaison between the respective departments/offices and UN/PS. They shall be authorized in writing by the heads of their department or office, with the concurrence of the Controller, to approve requisitions (Financial Rule 105.5). The Accounts Division, or heads of department or offices as applicable, shall transmit the names of the certifying officers at HQ to UN/PS.
- (4) The main responsibilities of certifying officers with respect to procurement are as follows:
 - (a) Review all requests received in order to establish the actual need for the requirement, certify the requisition and transmit it to UN/PS in accordance with appropriate IMIS instructions.
 - (b) Ensure that comprehensive and unambiguous technical specifications or descriptions are developed and attached to the requisition for each item not duly specified in the IMIS catalogue. Such specifications shall be clear and sufficiently detailed to enable Vendors to compete fairly. The specifications shall be generic. Specifications should not refer to brand names, catalogue numbers or types of equipment from a particular manufacturer except when it has been decided that it is necessary to do so in order to guarantee the inclusion of a particular essential design, or characteristic of functioning, construction or fabrication. In these cases, the references should be followed by the words “or equivalent” together with the criteria for determining such equivalence. The specifications should permit the acceptance of offers for equipment with similar characteristics that provide performance and service at least equal to that specified. In special cases, fully justified in writing, and with the prior approval of the Chief/PS or the CPO, where products of another company would

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not fulfil the requirements, specifications may require the furnishing of an article from a designated manufacturer. Where proprietary products are specified, written justification is required.

- (c) Consolidate requisitions by commodity grouping, class of equipment, or services to the extent possible.
- (d) Ensure availability of funds and propriety of purchase: when purchase action is required, and the cost of items or services desired is chargeable to an allotment account administered by the department, it is the responsibility of the certifying officer to ensure that funds and correct allotment codes are available within the allotment to cover the purchase. The clearance and approval of the certifying officer is taken as a certification that funds are available, and that a need exists for the goods or services requested.

8.3.2. Procedures in the Missions/OAHs

- (1) In the Missions/OAH, the field officer orders goods and services by way of requisitions issued through IMIS or the local requisitioning system. Such a system shall, as a minimum, identify the same data fields as the IMIS requisitions.
- (2) The head of the office or peacekeeping mission shall maintain the list of certifying officers.

8.4. Acquisition Strategy

- (1) For large and/or complex procurements to be performed at the HQ, the requisitioner, together with the Procurement Officer as designated by Chief, UN/PS or CPO shall establish an acquisition strategy setting forth the various steps in the procurement process and key issues to be resolved at each of these steps.
- (2) The strategy should address a high-level description of the needs to be fulfilled, an estimate of the time line for the fulfilment process and other issues of high importance to the process, e.g. economic factors, cooperative matters, trade-offs and other bid evaluation criteria, and future contract management.
- (3) Once agreed, the final acquisition strategy should be submitted, together with the requisition, to UN/PS.
- (4) Acquisition strategy should also include special procurement techniques such as “Performance Based Contracting” and “Best Value Source Selection”.

8.5. Issuance to the Procurement Office

- (1) The requisitioner shall submit an approved IMIS pre-encumbrance document, or similar document from the local requisitioning system, for the requirement, supported by a comprehensive description of the goods

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and services to be delivered, including detailed specifications of construction and installations required and architect's drawings, if appropriate. The description should also specify the reasonable time period within which the work or service is to be performed or the time limit for delivering the goods, as discussed and agreed with the Procurement Officer.

- (2) Once the requisitioner has developed the requisition, in accordance with the criteria above, he/she shall issue it to UN/PS or CPO for action.
- (3) Thereafter, the requisitioner shall, as a priority, provide assistance and cooperation in finalizing information for the solicitation documents, as requested by the Procurement Officer.

8.6. Criteria for establishment of unliquidated obligations

- (1) **Criteria:** At the end of a financial period, unliquidated obligations may be established only under the following conditions:
 - (a) Delivery of goods or services was completed before the end of the financial period;
 - (b) Delivery of goods or services commenced but was not completed during the financial period (e.g. travel, consultants, and seminars);
 - (c) Delivery of goods or services did not commence within the financial period, but the following criteria are satisfied:
 - (d) A contract, purchase order, agreement, authorization or other form of written mutual undertaking between the United Nations and an outside party exists; and
 - (e) The goods or services represent expenditures of a non-recurring nature and can reasonably be construed as a charge against the current financial period; and
 - (f) Delivery is expected within a reasonable period of time; or
 - (g) A specific commitment arises out of a resolution of the General Assembly.
- (2) **Responsibility:** Certifying officers should ensure that purchase orders are issued for any requisitions processed for goods or services and obligations recorded in the accounts based on the above mentioned guidelines prior to the closing of the accounts. Approving Officers must also carefully review to ensure compliance with this policy. Attention is specifically drawn to recommendations from the Board of Auditors that miscellaneous obligation documents (MODs/OBMOs) should not be misused to simply reserve funds at year-end. If a valid contract or commitment with an external party exists at year-end, then it would be appropriate to record the related obligation using a purchase order rather than an MOD/OBMO. Further, as per Financial Rules 105.7-105.9, all obligations should be systematically and carefully reviewed by both

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Certifying and Approving Officers to confirm their validity at the end of the fiscal year.

**PROCUREMENT MANUAL****9. Preparation and Issuance of Solicitation Documents for Acquisitions**

9.1.Introduction

- (1) In accordance with the general principles set forth in Financial Regulations 5.12 and 5.13, Financial Rule 105.14(d) and 105.15 go on to indicate general procedures for “Formal Methods of Solicitation”. Financial Rule 105.16 provides for “Exceptions to the use of Formal Methods of Solicitation”.

9.2.Requirement evaluation

- (1) The Procurement Officer shall evaluate the requirement received from the requisitioner. The Procurement Officer shall identify any issues that do not conform to the UN FRR or other procedures on the procurement of goods or services by the UN. Such issues shall be brought to the attention of the requisitioner, who should consult the Procurement Officer and then must correct the requisition accordingly.
- (2) Typical issues that do not strictly conform to the FRR are:
 - (a) Requirements designed to limit or do away with competition such as:
 - (i) Specification of particular product (such as make and model no.) instead of generic description without a valid justification;
 - (ii) Generic specification formulated in a way that only one Vendor or a limited group of Vendors can fulfil the requirement.
 - (b) Unjustified or unpersuasive requests for exemptions from effective competition or other procedures such as:
 - (i) Claiming ‘exigency’ even though no real emergency exists or the emergency is due to a lack of planning;
 - (ii) Request for ‘standardisation’ without adequate written justification and supporting documentation, including approval of the ASG/DM issued after presentation to, and subsequent recommendation by the HCC.
 - (c) Unrealistically short delivery times such as:
 - (i) Forwarding requisition when need is imminent instead of when the need was established;
 - (ii) Submission of multiple requisitions in order to use funds by end of budget period.
 - (d) Unrealistically low budget estimates such as:
 - (i) Using informal introductory or limited offers as basis for budgeting;

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- (ii) Basing requisition on less than minimum number of units necessary to fulfil need.
- (iii) Requesting bare minimum with upward cost modifications later.

9.3. Identification of potential recipients of Solicitation Documents, Advertisement**9.3.1. Introduction**

- (1) In accordance with Financial Regulation 5.13, “tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from this regulation is desirable”.
- (2) In accordance with financial Rule 105.14, in the case of formal methods of solicitation, potential Vendors shall be identified by placing an advertisement or by direct solicitation of invited suppliers.
- (3) The identification of potential Vendors for receipt of Solicitation Documents shall be undertaken in such a way as to ensure the integrity of the process and the confidence of all users, Vendors and oversight bodies.
- (4) Advertising, as used under the above Regulation and Rule, generally means the dissemination of the Solicitation through the issuance and posting on UN/PS’s website of a Request for Information (RFI) or Expressions of Interest (EOI), in accordance with section 8.2.4.
- (5) Additionally, Vendors identified through the RFI, EOI or other forms of Market Research shall be included in the list of invitees in accordance with section 8.2.4 above and 9.3.5 below. The Procurement Officer shall invite all registered Vendors under the appropriate commodity codes, unless a limitation in the number of invited Vendors is exceptionally accepted as set forth in 9.3.3 below.
- (6) Vendors suggested by the requisitioner or consultants shall be evaluated in accordance with section 7.8.

9.3.2. Inclusion of Provisionally Registered Vendors

- (1) Provisionally registered Vendors may be invited to participate in a Solicitation process. In such case, the procedures of section 7.9.1 shall be followed. The reason for the invitation shall be stated in writing, and approved in writing by the Chief of Section or CPO.
- (2) Such Vendors shall be clearly informed that formal approval and registration is a prerequisite to enter into a contract with the UN.

9.3.3. Exceptional limitation of number of Vendors to be invited

- (1) The Procurement Officer may exceptionally, upon the written approval of the applicable Chief of Section, Chief, UN/PS or CPO, limit the

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- number of invitees to fewer than all registered Vendors under the appropriate commodity codes.
- (2) Limitation of the number of Vendors may be acceptable under the following circumstances:
- (a) When the list is unduly long for the particular procurement action; (See e.g. 9.3.4(3) below).
 - (b) Upon completion of circulation of an EOI, see 9.3.5 below;
 - (c) Sole source, see 9.3.6 below; or
 - (d) Security reasons, see 9.3.7 below;
 - (e) Low value procurements, see 9.4.1 below;
 - (f) Other exceptional circumstance where in the opinion of the Chief UN/PS, or the CPO, the situation so warrants. In such eventuality, the exceptional circumstances as found by the Chief UN/PS, or the CPO, shall be recorded in writing and included in the procurement case file.
- (3) Any limitation of the number of Vendors to be invited shall ensure that equitable geographical distribution is upheld to the extent possible.

9.3.4. Minimum number of vendors

- (1) As a general rule, for all requirements estimated to cost more than US\$2,500, for single award, all registered Vendors for particular goods or services should be invited to compete. However, in cases such as the ones listed above, or whenever the particular circumstances of the case render it impractical or not feasible, it is suggested to try to invite the following minimum number of Vendors, taking into account that the minimum number of invitees shall increase proportionally with the estimated cost, to ensure maximum competition:
- (a) For acquisitions between US\$ 2,500 and US\$ 30,000 a minimum of 5 prospective Vendors;
 - (b) For acquisitions between US\$ 30,000 and US\$ 200,000 a minimum of 10 prospective Vendors;
 - (c) For acquisitions between US\$ 200,000 and US\$ 1,000,000 a minimum of 15 prospective Vendors;
 - (d) For acquisitions between US\$ 1,000,000 and US\$ 5,000,000 a minimum of 20 prospective Vendors; and
 - (e) For acquisitions above US\$ 5,000,000, a minimum of 25 prospective Vendors.
- (2) The Procurement Officer shall always strive to ensure equitable geographical representation of Vendors. If the number of registered Vendors is less than the minimum number established above, the Procurement Officer shall, to the extent possible, initiate the procedures in 9.3.1 above in an effort to identify additional Vendors. If such an effort turns unsuccessful or impractical due to the circumstances of the case, only the registered Vendors may be invited to participate.

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- (3) These factors may be taken into account when the circumstances render necessary to limit the number of Vendors:
- (a) Include only those Vendors that fulfil at least one of the following conditions:
 - (i) Received previous award for the requirement;
 - (ii) Furnished a Solicitation Submission for similar requirement(s) within the last three (3) years;
 - (iii) Registered for the requirement(s) since last procurement exercise; or
 - (iv) Been identified through the use of Expression of Interest or Market Surveys, see 8.2.4 above.
 - (b) Alternatively, the Procurement Officer may circulate an EOI in accordance with section 9.3.5 below, to identify the Vendors interest or otherwise in participating in the particular solicitation. Such EOI shall clearly state that only those prospective Vendors that respond, and are deemed qualified upon completion of an objective evaluation of their submission, will receive the final Solicitation Documents.
 - (c) Equitable geographical distribution should be reflected in the final list of invitees.

9.3.5. Expression of Interest posted on PS's Website

- (1) The Procurement Officer should, for all cases requiring formal solicitation, post an EOI notice on the UN/PS web-site for a period ranging from two (2) weeks to four (4) weeks depending on the circumstances of the case, to identify the Vendors interest or otherwise in participating in the particular solicitation. The EOI shall be in accordance with 8.2.4 above, and in addition fulfil the following:
- (a) Firms/organizations interested in a particular EOI that have not yet been registered with the United Nations Procurement Service must submit applications for Vendor registration, along with detailed information demonstrating experience and qualifications in provision of the relevant commodities/services.
 - (b) The EOI do not constitute a solicitation. It should clearly explain that the UN reserves the right to change or cancel the requirement at any time during the EOI and/or solicitation process. Thus, submitting a reply to an EOI does not automatically guarantee that such a firm will be considered for receipt of the solicitation when issued.
 - (c) The EOI shall clearly state that only those prospective Vendors that respond, and are deemed qualified upon completion of an objective evaluation of their submission, will receive the final tender solicitation document.

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- (d) In those cases in which an EOI will be posted, Procurement Officers shall prepare a one (1) page synopsis of the formal solicitation to all registered vendors via fax requesting interested vendors to respond by the deadline date established in the EOI.
 - (e) Upon receipt of responses to the synopsis and the EOI, the Procurement Officer may send a full copy of the invitation to bid or Request for Proposal to all respondents who demonstrated interest at time of release of the solicitation.
 - (f) The synopsis is not required in those cases for less than \$30,000 to be processed through a request for quotation. This procedure may also be waived for urgent requirements or under special circumstances, upon approval of the Chief Procurement Service. However, this procedure does not replace the requirement to post the request for EOI.
 - (g) Records of the synopsis sent and responses received should be kept on file.
- (2) This procedure shall not be used to unduly limit competition, and the result may be cancelled if the minimum number of required Vendors does not reply to the EOI, and the Section Chief or CPO agrees with the action to be taken.
 - (3) If the Procurement Officer decides not to post an EOI because the circumstances of the case do not warrant doing so, he/she shall document the reasons in a note to the case file.

9.3.6. Sole Source

- (1) Exceptionally, the list of invitees may consist of only one Vendor, namely for acquisitions covered under Financial Rule 105.16(a)(i), see section 9.5.1(2) a. below.
- (2) In such cases, in order to ensure transparency and integrity of the process, a notice of intent to procure an item or service sole source should be issued in the form of an EOI and posted for a period ranging from two (2) weeks to four (4) weeks depending on the circumstances of the case. This notification should give Vendors the opportunity to submit a statement of their qualifications, should they feel that they might also be qualified.
- (3) In those cases where a statement of qualification is received from a Vendor, a determination shall be made whether the conditions of Financial Rule 105.16(a)(i) still apply. (See Section 9.5.1 (2)).
- (4) If the Procurement Officer decides not to post an EOI as a notice of intent to procure sole source, because the circumstances of the case do not warrant so, he/she shall document the reasons in writing in a note to the case file.

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9.3.7. Security considerations

- (1) The requisitioner or the Security and Safety Service may request UN/PS to limit the number of invitees due to security reasons. The UN/PS shall seek the advice and recommendation of the Security and Safety Service for criteria on selection of Vendors due to said security reasons, and the ASG/DM shall approve such limitation before the competitive solicitation is issued.
- (2) Upon such approval, the UN/PS shall limit the number of invitees based on the approved criteria and issue the Solicitation Documents only to those Vendors that fulfil the specific security requirements.

9.3.8. Deletion of Vendors from the list of invitees

- (1) The Procurement Officer may, upon approval of the Chief of Section, UN/PS, Chief UN/PS or CPO, delete from the list registered Vendors who have not replied or acknowledged three previous invitation to submit a solicitation. The Procurement Officer shall subsequently inform the VDO who shall review whether the Vendor should be removed from the UN/PS Vendor Database for the provision of that specific goods or service.
- (2) If a registered Vendor, in the opinion of the Procurement Officer, has a record of poor performance, the Procurement Officer shall provide the VDO with such information. The VDO may, at his or her discretion, initiate the procedures described in section 7.12 of this Manual to establish whether said Vendor should be suspended or removed from the UN/PS Vendor Database. Provided it is decided to suspend or remove the Vendor from the Vendor Database, said Vendor shall be suspended for the period of the suspension and be deleted from the list of invitees and the Vendor Register.

9.3.9. Certification of fair establishment of list of invitees

- (1) The Procurement Officer shall certify that the list of prospective Vendors to whom the Solicitation Documents is distributed represents all registered Vendors for the required deliverable, taking into account section 9.3.4.
- (2) If the number of invitees has been limited, the Procurement Officer shall certify that the Chief of Section, Chief, UN/PS or CPO, has approved such short-listing and the conditions used for short-listing. Such written approval to limit the number of invitees shall be registered in the Contract file.

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9.4. Methods of Solicitation

9.4.1. Low Value Procurement

- (1) In accordance with Financial Rule 105.4, expenditures under \$2,500 do not require the recording of an obligation. Also, individual purchases of up to \$2,500 per item and per transaction do not require competitive bidding and the following procedures shall be followed.
 - (a) The Procurement Officer or an authorized official with the appropriate delegation of authority can effectuate individual direct purchases up to \$2,500.
 - (b) The Procurement Officer or authorized official should check PS's intranet website to ascertain whether there is a current System contract for the provision of the required item/service. If a system contract is in place, the purchase shall be made under the System contract.
 - (c) If the UN has standardized purchases of a certain product/service with a specific vendor, those products/services shall be acquired from this vendor.
 - (d) The Procurement Officer or authorized official, after exercising judgement as to quality and price, shall obtain informal quotes via phone, fax, Internet or in person. The request for quotes shall include all requirements (e.g. quantity, delivery time, etc.).
 - (e) In order to ensure economy, efficiency and fair market prices, the Procurement Officer or authorized official needs to assess that he/she is getting the best possible value.
 - (f) The Procurement Officer or authorized official shall document the assessment by issuing a memo to the case file, stating that he/she has in good faith obtained the best reasonable price.
 - (g) In these cases, the Procurement Officer or the authorized official shall issue a short Purchase Order or Contract, whichever applies, and shall forward a copy to the Procurement Office.
- (2) In case a purchasing card is used, the purchasing card procedures and guidelines shall be followed.

9.4.2. Document Types

- (1) The UN utilizes one of three (3) standard documents as Solicitation Documents, each to be used for different types of procurement. The type of procurement to be selected shall also take into account consideration of prudent commercial practices. This means, the use of a competitive selection process appropriate within the particular industry for the goods or services being sought.

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- (2) Each format is based upon a consideration of the four principles of Regulation 5.12, the specific technical considerations and actual monetary thresholds as follows:

(a) Informal Method of Solicitation

A Request for Quotation (RFQ) shall be used for the procurement of simple, uncomplicated goods of standard and firm specifications (very clearly defined and continuously used deliverables) of total estimated value not exceeding US\$ 30,000. For requirements with total estimated value less than US\$ 2,500 the procedures set forth in 9.4.1 can be used. The final contractual document is a UN Purchase Order or written UN Contract. A sample RFQ is found in Annex D-16.

(b) Formal Method of Solicitation

An Invitation to Bid (ITB) shall be used for the procurement of goods and services of standard and firm specifications (very clearly defined or continuously used deliverables) of the total estimated value in excess of US\$30,000. In these cases, the Contract shall be awarded under Financial Rule 105.15(a) to the “qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the lowest cost to the UN”. In other words, “lowest cost technically acceptable, and in the best interests of the UN.” The final contractual instrument is a UN Contract. A sample ITB is found in Annex D-17.

Due to the specialised nature of Air Charter Agreements, the UN uses a modified ITB for Air Charter Services, specifically developed for all short-term and long-term aircraft charter and related services. The final contractual instrument should be based on the UN Aircraft Charter Agreement. Samples of all Air Charter related documents are found in Annex D-18.A through D-18.E

- (c) Request for Proposal (RFP) shall be used for procurement of deliverables that cannot be quantitatively or qualitatively expressed in sufficient detail to allow use of an ITB at the time the Solicitation Document is issued, such as for professional services or similar services. An RFP shall also be used in the case of outsourcing non-core activities and services. An RFP shall also be used for purchase of complex goods using a functional specification when proposals from the invitees are preferred. Specifications shall be clear, comprehensive and preferably

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performance oriented, in order to ensure fair and equal treatment of the prospective Vendors. The Contract shall be awarded, under Financial Rule 105.15(b), “to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents”. The evaluation shall be in accordance with given weights and factors, i.e. a “best value” evaluation in the best interests of the UN. In other words, not necessarily the lowest cost. An RFP shall generally result in the issuance of a Contract and not a Purchase Order. The final contractual document is usually a written UN contract, developed according to the specified requirement, including price and other factors, and, as applicable, negotiations with one or more of the prospective Vendors. A sample is found in Annex D-19.

9.4.3. Modification of standard Solicitation Documents

- (1) The Solicitation Documents attached in Annexes D-16 through D-19 contain the minimum required terms and conditions for soliciting UN requirements. The terms and conditions of the Solicitation Documents should be modified by the Procurement Officer to encompass requirements of a specialized nature, provided that such modifications do not alter the applicable UNGCC.

9.4.4. UN General Conditions

- (1) The Solicitation Document shall require that bidders indicate, as part of their Submission, that they have read, understood and agree to comply with the UNGCC.
- (2) The Solicitation Document shall also indicate that non-acceptance of any of the terms of the UNGCC may lead to the rejection of the Submission.

9.5. Exceptions to use of Solicitation Documents**9.5.1. Use of Exceptions**

- (1) Procurement Officers should exercise sound judgement and caution in applying any of the exceptions listed in Financial Rule 105.16. In these cases, the contract may be awarded on the basis of an appropriate method of solicitation or on the basis of a directly negotiated contract to a qualified Vendor whose offer or proposal substantially conforms to the requirement at an acceptable price.
- (2) Additionally, the following general guidance should be taken into consideration for each of the listed exceptions:
 - (a) The exception for the non-existence of a competitive marketplace applies to goods and services for which only one manufacturer and

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source exists, or when similar or generic items that fulfil the requirements are not available. Items that are not sold at uniform fixed prices, although protected by patents or copyrights, are not necessarily covered by this exception and shall be subject to competitive bidding if no other exception applies.

- (b) The exception for the need to standardise the requirement shall be used only when such standardisation limits the acquisition to only one Vendor, and such standardisation has been recommended by the HCC and approved by the ASG/DM. If multiple Vendors can fulfil the standardised requirement, competition shall be sought on a 'no substitute' basis for the specified part number and brand.
- (c) The exception for contracts resulting from cooperation with other organisations in the UN system should be exercised in accordance with Financial Rule 105.17 and provided that the regulations and rules of those organizations are consistent with those of the UN and shall apply in circumstances such as:
 - (i) UN acts jointly with another organization of the UN system to achieve economies of scale. In this case the organizations may elect to have one organization "lead" the procurement process (i.e. the "Lead Agency"), and the "Lead Agency" signs the contract and all other organizations either: i. sign the same Contract; ii. issue Purchase Orders against the contract signed by the "Lead Agency"; or, iii. sign a separate Contract/Purchase Order with the successful Vendor and under terms and conditions consistent with the ones negotiated by the Lead Agency. In this case, the RFP/ITB and the contract signed by the "Lead Agency" should include special clauses to address the lead agency arrangements. The UN shall submit the Lead Agency contract to the HCC, if applicable and, if it is a system contract, the UN shall communicate to the HCC the estimated not to exceed amount to be procured by the UN under the contract.
 - (ii) UN relies on the procurement decision of another UN organization and enters into a direct Contract with the successful Vendor without undertaking a separate selection process. In this case certain conditions shall be met: the requirements are substantially the same; the organization whose decision is being relied upon has made the award recently; the terms and conditions are substantially the same; the costs are favourable to the UN and the administrative costs of directly contracting with the successful Vendor significantly outweigh the costs of undertaking a new and separate procurement selection process.

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- (iii) UN requests another organization to conduct a procurement exercise on its behalf. This alternative shall be used when the UN lacks the particular expertise and the other organization has a recognized expertise in procuring particular requirements that would add value to the process through savings in time and administrative cost, while maximizing economies of scale.
- (iv) Other special cases approved by the ASG/OCSS.
- (d) In cases of cooperation with other organizations of the UN system, the ASG/DM may, as appropriate, enter into agreements with such organizations for such purposes, with application of UN procedures as may be appropriate for the case.
- (e) The exception for offers for identical goods and services applies if said deliverables was subject to a complete procurement exercise, i.e. original contract award less than 120 days prior to the new contract award. Generally, no more than three consecutive awards should be given to the same Vendor within a 120 period using this exception. If more awards fall within the 120 day period, and additional awards are foreseen thereafter, UN/PS shall, to the extent feasible, develop a Systems Contract for said goods and services, through a competitive exercise.
- (f) The exception for previous solicitations without a result applies if the previous solicitation was without result and completed less than six (6) months earlier without result prior to the new solicitation.
- (g) The exception for purchase or lease of real property applies if similar property is not available in the immediate geographical vicinity of the requested property. If other property of an acceptable standard is available, the UN shall compete said purchase or lease. The Procurement Officer should, to the extent feasible, seek the service of a qualified real estate broker or consultant to determine a market range for the selling price or the rental rate.
- (h) The exception for exigency cases applies as set forth in section 9.5.2 below. Prior to awarding a contract on an exigency basis the Procurement Officer should consider whether it is feasible to split the requirement and award parts on an exigency basis, and the remainder by competitive bidding, provided such action is acceptable to the requisitioner, and does not impinge on operational requirements.
- (i) The exception for services that cannot be objectively evaluated applies where the requirement is such that the criteria for the evaluation of the competitiveness of bids or proposals are difficult to establish. For example, external printing of postage stamps, or

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the production of artwork or films. Written justification of such procurement action is required in each instance.

- (j) The ASG/DM may give written authorisation to the Procurement Office, at his or her discretion, to complete the Procurement process without formal solicitation, provided the ASG/DM determines that such formal solicitation will not give satisfactory results.
- (3) If a contract is awarded under an exception allowed by UN Financial Rule 105.16, the Procurement Officer shall place a written record in the case file of the facts on which the award was based, including copies of statements from other parties requesting the exception.

9.5.2. Special Guidance on Exigency Situations

- (1) Exigency is defined as “an exceptional compelling and emergent need, not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately”.
- (2) Exigency is not an acceptable rationale:
 - (a) In situations resulting from delay or omission on the part of the requisitioning office.
 - (b) If in the opinion of the Chief, UN/PS, the additional cost or other substantial burden to the Organisation arising from a waiver of competitive bidding is likely to disproportionately exceed the expected results from competitive bidding. In such a situation, the requisitioning office may apply in writing to the ASG/DM for a final decision.
- (3) Waiver from the use of formal Solicitation Documents in favour of informal competition or direct negotiation on grounds of exigency shall be permitted under the following conditions:
 - (a) Where the circumstances are such that they do not suitably lend themselves to the time required for competitive bidding to take place, such as the need to react to sudden onset of an urgent situation;
 - (b) When the Organisation would otherwise face serious damage, loss or injury to property or persons or would incur considerable additional expenditure.
- (4) The head of the Department at the Headquarters requesting a waiver on the basis of ‘exigency’ shall certify the factual circumstances warranting procurement on such basis. The above notwithstanding, the UN/PS should make all attempts to conduct a market survey, to the extent possible, to ensure that the costs of the product or service purchased under such circumstances are reasonable.

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- (5) In a case of certified exigency, review by the LCC and/or the HCC and approval by CAO/DOA and/or ASG/DM, if applicable, may be on an ex- post facto basis only if the conditions of section 12.1.8 are also met.

9.6. Amendment of Solicitations documents

- (1) If it becomes necessary to modify the Solicitation Documents in any way after they have been submitted to prospective Vendors, a written amendment shall be issued to all parties who received the original Solicitation Documents. The amendment shall refer to the original Solicitation Documents, include the amendment number, and shall set forth in a clear and complete manner the exact changes made.
- (2) The Procurement Officer shall evaluate whether ample time remains for the prospective Vendors to consider the amended Solicitation Documents. If ample time is not available, the Officer should, with written notice to all prospective Vendors, extend the Bid Closure to ensure that the amendment is taken into consideration. Alternatively he/she shall restate the original Bid Closure in the amendment. This should not be construed as authority to postpone the date and time of opening without careful consideration of the factors involved, such as preferred delivery date, cost variations, etc.

9.7. Cancellation of Solicitation Documents

- (1) To the extent possible, the UN should avoid cancelling Solicitation Documents, unless it is clear that the formal solicitation will not give satisfactory results, for example, when the solicited deliverables are no longer needed, the requirements have substantially changed, funding is no longer available or the continuation of the solicitation process is no longer in the best interest of the UN.
- (2) If it becomes necessary to cancel the solicitation prior to Bid Closure, the Procurement Officer shall notify all recipients of the Solicitation Documents that said solicitation has been cancelled. Such notification shall be distributed in the same manner as the original Solicitation Documentation, in addition other means, such as facsimile and e-mail may be used.
- (3) The Procurement Officer shall evaluate whether or not the recipient shall return the Solicitation Documents, taking into consideration the confidential and sensitive nature of the documents. The Procurement Officer, may alternatively request the recipient to destroy said Solicitation Documents.
- (4) After notifying the cancellation, the Procurement Officer may decide to issue new Solicitation Documents. In this case, if possible, all companies invited to participate in the cancelled exercise shall be invited.

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- (5) If the Procurement Officer decides to directly award a procurement contract after notifying the cancellation of the solicitation documents, the procedures of section 9.5.1 in furtherance of Financial Rule 105.16, shall be followed.

9.8. Consultation with the Office of Legal Affairs

- (1) In cases where the Requisitioner or the Procurement Officer believes that a procurement will be especially complex or sensitive (e.g., because the procurement is of an especially high value, presents novel legal issues, or poses a serious risk of damage to property or injury), and if time and circumstances permit, the Procurement Officer, upon consultation with the Section Chief, may seek to involve OLA at an early stage of the procurement process in order to ensure that all legal issues implicated by the solicitation documents and/or any draft contract are addressed in a timely manner.

9.9. Development of Solicitation Documents**9.9.1. Introduction**

- (1) The Procurement Officer shall draft the Solicitation Documents in close cooperation with the requisitioner/user, considering the factors set forth below.
- (2) At a minimum, the Solicitation Documents shall include all clauses that will have a price impact, such as specific insurance requirements, performance bonds, warranties, guarantees, liquidated damages, standard UN payment policy, potential length of contract, anticipated volume for Systems Contracts, etc.
- (3) Generally, accepted procurement practices and techniques, such as Best Value Source Selection, Performance Based Contracting, Incentive Contracting etc., should be considered in developing Solicitation Documents, where appropriate. Requisitioners need to seek information on these techniques from the Procurement Officer.
- (4) Because provisions in Solicitation Documents become provisions of the eventual Contract, attention to details at this stage by Requisitioners and Procurement Officers is essential. Instruction on drafting specific contract provisions is a function of UN/PS, for which advice from UN/OLA is sought when necessary.

9.9.2. Considerations in preparing Solicitation Documents

- (1) The UN shall issue Solicitation Documents appropriate for the requirement, unless it is proposed to award the contract without a solicitation in accordance with an exception provided for under Financial Rule 105.16.

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- (2) Usually, solicitation documents are prepared in English, and should clarify that offers or proposals shall also be in English. However, in the case of local procurement, the CPO may decide that it is in the best interest of the UN to issue solicitation documents in the local language. In these cases, the solicitation documents shall clearly establish the required language of the response.

9.9.3. Lump-sum or Group Pricing Basis

- (1) The UN may issue Solicitation Documents on an “all or nothing” basis covering a large number of low-cost line items where split contract awards would not be advantageous to the UN for logistical and administrative reasons. The Solicitation Document shall state that the UN shall retain the option to convert “all or nothing” bid prices into pro rata unit prices.
- (2) The Solicitation Document can, at the Procurement Officer's discretion, accept alternative submissions whereby the prospective Vendor can respond on an item-by-item basis or on an “all or nothing” basis, as appropriate.

9.9.4. Similar Items

- (1) The Solicitation Document shall, to the extent possible, group similar items but can, at the Procurement Officer's discretion, allow submissions on a non-group basis.
- (2) If the items requested are dissimilar, the Procurement Officer shall, to the extent possible and practicable, split the items into separate invitations.

9.9.5. Total Cost of Ownership

- (1) In the case of certain material acquisitions such as requisition of information systems or vehicles, the Solicitation Documents shall, to the extent possible, cover the Total Cost of Ownership of the full system.

9.9.6. Quantities

- (1) When the exact quantity of an item is not known in advance, an estimated quantity shall be indicated in the Solicitation Documents, with a provision that the UN reserves the right to increase or decrease the indicated quantity by a certain percentage, usually not to exceed 25 %.
- (2) If the foreseen deviation is higher than 25 %, a minimum quantity shall be established with options to acquire additional quantities at the UN's discretion, up to a maximum quantity. Such Solicitation Documents shall specify a definite termination date for any resulting contract, normally within the fiscal period for which the UN has obligated appropriate funds.

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- (3) Solicitation Documents for an open-ended quantity should contain a reservation that the UN has the right to cancel any resulting PO or contract, upon reasonable advance notice, whether or not any or all of the commodities covered therein have been ordered, as provided in the contract.
- (4) Two examples of clauses suitable for inclusion in an open-ended quantity Solicitation Documents are as follows:
 - (a) The intent of this Solicitation is to secure unit prices on the above-mentioned requirements during the period (start-date) to (end-date), inclusive; and, subject to satisfactory service, during this period the requirements will be purchased from the successful bidder. The quantity of the material to be so purchased is not guaranteed, but is estimated as indicated in the tender.
 - (b) The above-mentioned quantities are estimates of the requirement during the period (start-date) to (end-date). The estimated requirement during said period, subject to satisfactory service, will be purchased from the successful bidder on a non-exclusive basis, and will not be less than the minimum number of units nor more than the maximum number of units of such to be provided in the contract.

9.9.7. Bid Closure

- (1) In accordance with section 8.2.2, the requisitioner, in consultation with the Procurement Office, shall establish a timeline for the fulfilment of the requirement. The Procurement Officer shall determine the length of time required to initiate, and complete the procurement process for requirements, starting from receipt of a requisition to contract signature. This must, to the extent possible, be determined in cooperation with the requisitioner. Examples of average timelines for various Solicitation Documents are included in Annex D-20.
- (2) In making such determination, consideration should be given to the feasibility of the advertisement through an Expression of Interest on the UN/PS web site, complexity of the specifications, time required for delivery of documents through mail systems, genuine exigency and the geographical location of the prospective Vendors. For complex requirements that require input from technical experts, additional time to perform the steps should be considered. Furthermore, additional time may be required to conduct bidders' conferences, on-site clarification rounds with the invitees. Any extension of the Bid Closure due to such clarification rounds or conferences shall be communicated to all invitees.
- (3) As part of the time-line determination, Procurement Officers shall set the date and time for opening of bids (ITBs) or proposals (RFPs), in

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consultation with the bid opening officials. The Procurement Officer shall, to the extent possible, ensure that prospective Vendors are given sufficient time to understand the Solicitation Documents and formulate the appropriate reply to said solicitation.

- (4) Upon confirmation of the bid opening date and time, the Procurement Officer shall state the deadline for receipt of bids (ITBs) or proposals (RFPs) and opening time in the Solicitation Documents.

9.9.8. Period of Validity of Bids

- (1) Bids/Proposals shall remain valid for the period specified in the solicitation documents. Usually, depending on the circumstances of the case, the validity of the bid should range from 60 to 180 days. A period of validity of 90 days is recommended in large procurement cases. A bid with a shorter validity period than requested in the Solicitation Documents shall be rejected as non-responsive.
- (2) In exceptional circumstances, prior to the expiration of the bid validity period, the Procurement Officer may request potential Vendors to extend the period of validity of their bids. The request and the responses shall be made in writing. If a bid bond is requested in accordance with section 9.9.12, it shall also be extended for a corresponding period.

9.9.9. Delivery time and place

- (1) The Solicitation Documents shall state the delivery time and/or the place of delivery of the required goods or services. If the Solicitation Document states a specific date for delivery of the goods or services at the final destination, Vendors may be invited to quote the best alternative delivery offer, including schedules of partial shipments.
- (2) Where there is an urgent requirement for the goods and services, the Solicitation Documents shall state that an offer of early delivery of the deliverables is an important factor in the evaluation of bids or proposals.
- (3) The Solicitation Documents, save those for Systems Contracts, shall state the place of delivery, delivery terms as per the appropriate international trade terms (INCOTERMS 2000, i.e. FCA, DDU, etc.) describing the delivery conditions and, to the extent possible, the method of delivery.
- (4) The Procurement Officer shall carefully evaluate the merits of using UN Shipping agents versus having the Vendor handle the shipping, and shall include provisions in the Solicitation Documents to obtain sufficient data for such evaluation. Payment shall be tied to the delivery of the shipping documents, or goods, as the case may be, accordingly the shipping method determines when such payment is due.
- (5) Determination of the delivery terms of the goods shall be through the establishment of the lowest landed cost, i.e. the cost of the goods with the addition of the cost of transporting the goods to its destination. In

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addition, the time factor shall also be considered, as it normally takes an additional 3-4 weeks to complete a transport solicitation, if the UN performs the transportation through its own freight forwarder.

- (6) Each of the specific INCOTERMS and the recommended INCOTERMS with examples is discussed in section 9.12 below.

9.9.10. Transfer of Ownership

- (1) The Procurement Officer shall include a provision in the Solicitation Documents that the UN takes title to the Goods simultaneously with the transfer of risk, as provided for under the specified INCOTERM.

9.9.11. Inspection and acceptance Clauses

- (1) For certain deliverables, the UN can condition acceptance of an offer to prior inspection of the deliverables, if it is deemed prudent by the UN to do so. Such inspection can be performed by the UN or by its duly authorized agent. Inspection by the latter shall, to the extent possible, be used to ensure that an independent qualified third party confirms the quality of the deliverables.
- (2) The requirement for such prior inspection shall be included in the Solicitation Documentation, and the necessity for such inspection and methods to be used shall be clearly stated. Furthermore, the Solicitation Documents shall state that the UN shall not be responsible for expenses incurred by the prospective Vendor in connection with such inspection.
- (3) Normally, prior inspection, preferably using an independent qualified third party, such as international surveillance companies, should be used where the nature of the deliverables is such, that verification of the quality of the deliverables is prudent. Typical examples include pharmaceuticals and vaccinations, or high value goods being supplied by a new source.

9.9.12. Bid Bond

- (1) The Procurement Officer shall exercise professional judgement to ensure that the potential Vendors have sufficient financial strength to complete the project on time and at the agreed cost.
- (2) For Solicitation Documents regarding delivery of goods or service that are of time or politically sensitive nature, or where it is in the best interest of the Organisation, the Procurement Officer should include a requirement for a 'Bid Bond' or similar security, such as certified check, in the requirements. The size of the security shall be a fixed amount based on the circumstances of the case. The solicitation document shall specify any requirements with respect to the issuer and the nature, form, amount and other principal terms and conditions of the Bid Bond.
- (3) The Solicitation Document shall include requirements for the validity of the Bid Bond, normally 90 days after the validity date of the

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Submission, with the right to extend if the contractual instrument has not yet been placed prior to the expiration of the bond. The validity of the Bid Bond should be for the same period of time as the validity of the bid or the proposal, which usually ranges from 60 to 180 days.

- (4) The Bid Bond shall be promptly returned to unsuccessful bidders and upon:
 - (a) The expiry of the Bid Bond;
 - (b) The entry into force of a Contract and the provision of a Performance Bond (unless it has been agreed that the Bid Bond will function as a Performance Bond as well);
 - (c) The termination of the tender proceedings; or
 - (d) The withdrawal of the bidder's proposal prior to the deadline for the submission of bidder's proposal.
- (5) A sample Bid Bond is attached in Annex D-21.

9.9.13. Security of Performance Bonds

- (1) The Procurement Officer shall exercise professional judgement to ensure that adequate safeguards are in place to protect the interests of the Organisation throughout the term of the contractual obligation. The UN can require Vendors to provide security or performance bonds to guarantee satisfactory performance in accordance with the terms of the contract, if such requirement is included in the Solicitation Document. Generally such bonds are not necessary when the UN retains payment(s) until after milestones of performance.
- (2) For contracts with a value over US\$100,000, it may be prudent to require the contractor to provide a performance bond and a labour and materials payment bond, if applicable. The decision to require such a bond shall be based on factors such as the contractor's reputation and experience, as well as the cost of the bond weighed against the perceived potential risk to the UN should the contractor fail to perform the contract satisfactorily.
- (3) If applicable, the Solicitation Documents shall include the request for a performance bond to ensure adherence to timely conclusion of contract obligations for the deliverables. The value of the performance bond shall be determined by the nature of the industry and the deliverables required, and the extent of financial risk to the UN. The bond shall represent a percentage of the contract price, normally in the range of 10 to 30 percent, in the currency of the contract, and can be requested in the form of a bank guarantee. Where applicable, this format of the performance bond shall be included in the Solicitation Document. A sample performance bond is attached in Annex D-22 and a sample standby letter of credit is attached in Annex D-22-A

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- (1) The Solicitation Document may include a clause for stipulation of liquidated damages to ensure timely contract performance; the level thereof shall be included in the Solicitation Document. The level shall be tailored to the specific type of deliverables and to the operational sensitivity of the project's schedule and duration, where applicable. Generally, if liquidated damages are required, the UN shall require a fixed percentage of the contract value per week that the deliverables are late, up to a reasonable maximum percentage of the contract value, normally 10 percent.
- (2) Any request for liquidated damages shall be also included in the contract as per section 13.6.3(3).i below.

9.9.15. Payment Flow

- (1) Generally, the UN will pay net 30 days upon delivery of products or services in accordance with the delivery terms. For services, the UN may enter into subscription type arrangements, which require advance payment or payment on a periodic basis for services rendered. Advance and progress payment may be agreed upon in accordance with Financial Rule 105.19.
- (2) Under certain conditions, it may be prudent to establish specially developed payment terms taking payment flow into consideration. The UN may opt to pay for part of the goods or services prior to delivery, upon completion of clearly defined milestones and provided adequate security for said payment can be established. Such deviation shall only be used as approved by the relevant Section Chief, Chief UN/PS or CPO, and be tailored to the specific procurement.

9.9.16. Quality Assurance

- (1) It may be prudent to require a certain level of quality assurance of the Vendor prior to Contract Award in order for the UN to ascertain that the Vendor has systems in place to minimise the risk to the program and to maximise the possibility for delivery within the agreed time and cost of a sufficient quality product or service. Failure to adequately address risk and quality may increase the cost of the procurement and possibly the cost of using the goods and services.
- (2) Factors to consider with respect to quality assurance include the design process complexity of the deliverable, the design maturity of the goods, the complexity of the manufacturing process or service, the characteristics of the products or services to be delivered, any safety issues, and the contractual value involved.
- (3) The Procurement Officer should identify events that, if they occur, may prevent the Organisation from achieving the objective of the procurement exercise. Furthermore, the Procurement Officer should

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assess the likelihood of such an event occurring and the consequences if such events occur. If the likelihood is high and/or the consequences major or extreme, the Procurement Officer should require higher levels of quality assurance. It may in these instances also be prudent to develop, in consultation with the requisitioner, risk management plans as part of the procurement.

- (4) Quality Assurance can be performed at multiple levels throughout the life of the contractual relationship, as follows:
 - (a) Inspection by the customer, e.g., pre-shipment inspection and/or post-shipment inspection and/or standard UN R&I.
 - (b) Independent testing, controls, regulations, assessment, e.g., adherence to local regulations, testing of the product by independent sources, professional/trade qualifications, industry standards or quality plans by the Vendor.
 - (c) Quality Systems Standard, e.g., ISO-standards, ANSI-standards, GMP or other internationally recognised standards developed and awarded to the Vendor proving the capacity and knowledge of said Vendor for the provision of the applicable deliverables.
- (5) The Procurement Officer shall include relevant wording in the Solicitation Documents, requesting proof of adherence to high quality assurance levels as applicable.

9.9.17. Evaluation Criteria

- (1) If the requirement is estimated to exceed the threshold for submission to the HCC, and the requirement necessitates the use of a Request for Proposal, the Procurement Officer shall include the following in the Solicitation Documents:
 - (a) The criteria to be used in evaluating proposals, in descending order of importance, normally without identifying the weights or adjectival descriptions, unless such would be desirable for obtaining better proposals, and a statement that price/cost may become more important when technical proposals are of relatively equal merit;
 - (b) Any minimum requirements for each criterion, as applicable;
 - (c) That the UN may award a contractual instrument based on the initial proposals received and evaluated, or, using Best Value Source Selection, may negotiate with a competitive range of prospective Vendors determined by the UN based on the evaluation of the initial proposals received to have a reasonable chance of award with the correction of minor deficiencies.

9.9.18. Subsidiaries or Branches

- (1) The Solicitation Documents should require the proposers to indicate in their response whether any of the services are to be provided by a

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subsidiary (i.e. separate legal entity) or branches of the proposer. If a subsidiary is involved in the provision of the goods or services, the UNGCC and the UN Contractual terms will have to be accepted by such subsidiaries. In addition, those subsidiaries will be required to sign both the proposal and any resulting contract with the UN. The Solicitation Documents should indicate that the UN would only deal with one party or focal point

9.9.19. Subcontractors

- (1) The Solicitation Documents should indicate that the proposers shall identify subcontractors that will be material to the proposers' performance of the services.

9.9.20. Other clauses

- (1) The Procurement Officer shall ensure that the Solicitation Documents include, by reference in the UNGCC, provisions regarding Intellectual Property Rights; Taxes; Protests, Disputes and Appeals; Subcontracting and Termination of Contracts. Any deviations from these standard clauses shall be approved by OLA prior to the issuance of the Solicitation Documents.

9.9.21. Rejection of Submissions

- (1) The UN shall reserve the right to reject any or all Submissions received, whenever such rejection is in the interest of the Organisation. See, Financial Rule 105.15(c).

9.9.22. Samples/Demonstration with Submission

- (1) If samples of goods offered are required as part of the evaluation, the Solicitation Documents shall state the number, size and other detailed specifications of the required goods, as well as a description of the tests that will be applied thereto.
- (2) The Solicitation Documents shall clearly state that samples shall be provided free of charge and that they are usually non-returnable by the UN, but may be returned at the cost of the Vendor in 'as-is' condition. The UN shall make no guarantee to the condition of the sample whatsoever upon completion of UN's evaluation. If the sample is not returned, it shall become part of UN's regular inventory upon completion of the designated tests and technical evaluation. Failure to provide the required sample shall render the Submission non-compliant.
- (3) The UN may require that the offered equipment be demonstrated as part of the evaluation. The Solicitation Document shall state the scope of such demonstrations. Such demonstrations shall be provided free of charge, and the UN shall not accept any liability for and damages to or loss of the goods in conjunction with such demonstration.



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9.9.23. Sales and Trade-in

- (1) If the goods to be supplied are to replace existing UN equipment, the Solicitation Documents can request the trade-in of the used equipment. However, no material may be considered for trade-in or sale without prior review and appropriate recommendation by the Headquarters or Local Property Survey Boards, as the case may be, and approved by the designated officials. Requisitioners shall obtain such approval prior to submitting the request to the Procurement Office. The trade-in shall be in accordance with Chapter 16 and the guidelines set forth below.
- (2) If the Solicitation Documents requests trade-in of the equipment, it shall then request three separate bid prices, generally as follows:
 - (a) Bid price for the new item(s);
 - (b) An offer for the old item(s) as part payment of the new one; and
 - (c) An offer for the old item(s) as a separate and independent transaction.
- (3) The equipment offered for sale or trade-in shall be described in suitable detail in the Solicitation Documents, including, but not limited to:
 - (a) The condition of the item on an “as is” basis, e.g. useable, serviceable etc.;
 - (b) An enumeration of all attachments or accessories offered with it;
 - (c) The location of the equipment and the name of the custodian; and
 - (d) The hours during which it may be inspected.
- (4) If the possibility for trade-in is requested, the UN shall also explore other alternatives, and the Solicitation Documents shall include the following provision:
 - (a) “The UN reserves the right to accept or reject your trade-in offer within sixty days of receipt and acceptance of the new equipment.”
 - (b) This clause should allow sufficient time to advertise for competitive prices for comparison with the trade-in offer, with award going to the highest bidder.
- (5) The following clauses are appropriate for use in Solicitation Documents related to the sale of products, equipment, or other property declared as surplus or unserviceable:
 - (a) A monetary offer, independent of any purchase of new equipment by the UN, is also invited for the above-described equipment.
 - (b) It is understood and agreed that any offer to purchase the above-described equipment in the existing condition, without a warranty, is based upon prompt surrender of the item to the successful Buyer, upon payment in full of the purchase price.
 - (c) The UN reserves the right to continue to operate such used equipment in any proper manner until delivery of the new equipment has been accomplished, or until the purchase price, if sold independently, has been paid in full.

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9.9.24. Method of Submission

- (1) The Solicitation Documentation shall clearly state the method of delivery for Submissions. Generally, submissions shall be in writing to the UN/PS or CPO, to be submitted by mail, messenger, or overnight delivery. Such submissions shall be sent in sealed envelopes marked with the Solicitation Documentation number and the Bid Opening date, time and place.
- (2) For low value procurement, the Procurement Officer may allow the prospective Vendors to furnish the Submission by way of facsimile or may accept quotations via electronic means or orally. In this latter case, the Procurement Officer shall document the quotations received in a note to the file as per section 10.4.1 below.
- (3) The Solicitation Documents shall state that Submissions received via facsimile or electronic means will be rejected, unless such method of submission is specifically allowed.
- (4) For Request for Proposals, the Solicitation Documentation shall require the prospective Vendor to submit the technical proposal and the commercial/price proposal in two separate envelopes, clearly marking the content of each envelope.

9.9.25. Deviation from published Procurement Formalities

- (1) The solicitation documents may say that the UN reserves the right to deviate from, or waiver, any formalities of the procurement process, when such waiver is approved by the ASG/OCSS or CAO/DOA as appropriate, and is in the interest of the Organisation.

9.9.26. Bid Summary sheet

- (1) The Procurement Officer shall prepare, as part of the Solicitation Documents, an appropriate Bid Summary Sheet to be completed by the responsive prospective Vendors. This sheet shall contain the most essential data from the bid, including, but not limited to, price including any discounts, quantities, quality and high-level description of the deliverables.
- (2) The sheet will assist the Bid Opening Official in identifying and recording accurately and easily the data in the Solicitation Abstract Sheet.
- (3) The Procurement Officer shall, to the extent possible, indicate on the abstract sheet the recommendation of award when eventually made, in order to provide a cross-reference to the statement of award, to be issued in accordance with section 11.10.

**PROCUREMENT MANUAL****9.10. Issuance of Solicitation Documents****9.10.1. Letter**

- (1) Generally, the Solicitation Documents should be distributed by mail, preferably using high quality mail services, like first class priority/airmail or courier, with confirmation of delivery (or receipt) when appropriate. This is to ensure that all recipients will receive the Solicitation Documents at approximately the same time.
- (2) If the Solicitation Documents contain confidential or highly sensitive information, the distribution shall be through the use of registered mail or diplomatic pouch. The Procurement Officer should evaluate the necessity of requiring the recipient to return a notification of receipt for such Solicitation Documents.
- (3) If all invitees, as identified in accordance with section 10.3 below, prior to the issuance of the Solicitation Documentation, have accepted in writing that they accept the use of electronic distribution over traditional methods, the Solicitation Documentation can be distributed by way of the method accepted by the respective invitees, so that some may receive electronic transmission whilst others receive a facsimile transmission. If one of the invitees has not accepted such alternate delivery method, traditional means shall be used to such invitees. This policy shall not be used to remove Vendors from the list of invitees, or to limit competition.

9.10.2. Email/Electronic distribution

- (1) Mail distribution of the Solicitation Documentation may be replaced by means of electronic distribution. When using this supplemental method of distribution, due diligence shall be exercised to ensure that the Solicitation Documents are only routed to listed invitees.
- (2) Electronic distribution of Solicitation Documents should only be used taking into account the provisions of Financial Rule 105.18 (b), and if all invitees can be reached by these distribution methods, and they have accepted in writing that such method of distribution is acceptable to them.

9.11. Contract with Bidders**9.11.1. Points of Contact**

- (1) The Solicitation Documents shall clearly state that prior to Bid Closure no communication shall take place between the recipients of the Solicitation Documents and the UN, except with the issuing Procurement Officer designated as the UN's sole point of contact.

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9.11.2. Policies

- (1) Absolute impartiality shall be maintained with all prospective Vendors throughout the source selection process. The same information concerning the Solicitation Documents shall be made available to all prospective Vendors of the related Solicitation Documents.
- (2) All invitees shall receive the same information, and to the extent possible, simultaneously, to avoid the appearance of partiality, and to prevent the perception that other parties have received information that can offer them an advantage in winning UN contract awards.
- (3) Any significant change of information related to the solicitation process prior to Bid Closure shall be appended to the official Solicitation Document and shall constitute a part of the solicitation process.
- (4) The following are examples of information that shall be released to all prospective Vendors, if requested by one of the prospective Vendors:
 - (a) Additional information and/or clarification relative to a statement of work or specification;
 - (b) Clarification or interpretation of, a standard contract clause, solicitation provision or an alleged ambiguity in a Solicitation Document;
 - (c) Opinions on whether an alternative item is acceptable;
 - (d) Directions to site locations (pre-bid/pre-proposal conferences, and work sites); and
 - (e) General information and rules of conduct for UN bids and proposal opening procedures.
- (5) The following are examples of the category of information that shall not normally be released to any of the prospective Vendors. Requests for such information shall be rejected.
 - (a) Proprietary data, unless the UN has the right, confirmed in writing, to release said information from the data owner and it is deemed necessary by the UN to inform of such data to describe the requirement;
 - (b) UN cost estimate for the applicable solicitation; and
 - (c) Information from a prospective Vendor's Solicitation Response.

9.11.3. Bidders Conference

- (1) For technical, complex acquisitions solicited using a RFP, it may be prudent to conduct meetings with the recipients of the Solicitation Documents during the solicitation process. Such conferences may be in the form of pre-bid closing date conference, site surveys or inspections.
- (2) If it is foreseen that such meetings are necessary, the Solicitation Document should state a provisional date for such a meeting. Furthermore, the Solicitation Document should give a deadline for statement of interest of participation in said meeting, as well as a deadline for submission of questions to be discussed at said meeting.

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The Solicitation Document should clearly state whether participation, either in person or by representative, at said meeting is a requirement for submitting a response to the Solicitation Documents.

- (3) Pre-bid Closure meetings should be conducted in the following manner:
 - (a) Interested parties should state their interest in participation no later than seven (7) days prior to the provisional meeting date.
 - (b) Written questions should be forwarded to the Procurement Officer no later than seven (7) days prior to the provisional meeting date.
 - (c) At the meeting, only questions received in writing prior to the meeting should be discussed. However, the UN may present other clarifications. Under no circumstance shall the UN enter into an open-ended discussion on the written questions, an understanding of the Solicitation Documents, or the presentation. If such questions arise during the meeting, they shall be duly noted and be answered subsequently in writing to all recipients of the solicitation documents.
 - (d) As soon as possible after completion of the meeting, written answers to all questions received prior to, and during the meeting, as well as any presentations given at the meeting, shall be distributed to all recipients of the Solicitation Documents. However, if participation was mandatory, the documents shall only be distributed to those invitees represented at the meeting.
 - (e) Such written documentation normally should be included in the “Contract Documents” provision of the final contract.
- (4) If the reply from the meeting substantially alters the requirement, the Procurement Officer should consider whether the Bid Closure time should be amended in accordance with section 10.6, and whether the RFP should be amended or re-issued.

9.11.4. Bidders Clarification Request

- (1) During the Solicitation period, recipients of the Solicitation Documents may pose questions to UN staff members seeking clarification of said Documents. Such requests shall be handled as follows, in order to ensure a fair and transparent Solicitation process.
- (2) All clarification requests from recipients of Solicitation Documents shall be directed to the Procurement Officer. If the request is oral, or addressed to a person other than the responsible Procurement Officer, the UN staff member shall not engage in discussion, merely encourage the prospective Vendor to forward the question in writing to the responsible Procurement Officer.
- (3) The Procurement Officer shall, in cooperation with the requisitioner as appropriate, establish a written reply to the clarification request. Such reply shall be issued to all invitees, without divulging the source of the clarification request. If the clarification substantially alters the

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requirement, the Procurement Officer should consider whether the Bid Closure should be amended in accordance with section 9.6.

- (4) The Procurement Officer should evaluate whether a deadline for the receipt of Clarification Requests should be included in the Solicitation Document, in order to avoid unduly late requests that subsequently necessitates an extension of the Bid Closure.
- (5) Requests from third parties not recipients of the Solicitation Document shall be denied.

9.12. Use of INCOTERMS**9.12.1. Purpose of INCOTERMS**

- (1) The purpose of INCOTERMS is to provide a set of international rules for the interpretation of the most commonly used terms in foreign trade. Thus, the uncertainties of different interpretations of such terms in different countries can be avoided or at least reduced to a considerable degree.
- (2) That purpose can only be achieved if the parties use a common designation for the intended terms, i.e. the latest INCOTERMS adopted by the International Chamber of Commerce (ICC). Abbreviated INCOTERMS commonly used in procurement activities are set forth in section 9.12.4.

9.12.2. The Identification and Allocation of Responsibilities of the Buyer and Seller

- (1) The use of INCOTERMS establishes the respective responsibilities of the buyer and the seller with respect to a number of elements of the sales transaction. In particular, the definition of each of the INCOTERMS allocates responsibilities between the buyer and the seller, with respect to:
 - (a) Provision of goods;
 - (b) Payment of the price;
 - (c) Licences, authorization and formalities (e.g., import and export requirements);
 - (d) Contract of carriage;
 - (e) Insurance;
 - (f) Delivery;
 - (g) Transfer of risks;
 - (h) Division of costs;
 - (i) Notices;
 - (j) Proof of delivery;
 - (k) Transport document or equivalent electronic message;
 - (l) Checking, packing and marking of goods;
 - (m) Inspection of goods; and



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(n) Other obligations.

- (2) The use of INCOTERMS in a contractual instrument, allocates the responsibilities encompassed by the definition of each term, and establishes the respective contractual obligations of the buyer and the seller. Therefore, both parties should have a common understanding of the scope of each term, and how obligations are allocated between the parties.

9.12.3. International Chamber of Commerce – INCOTERMS 2000

- (1) At the time of this publication the latest standard commercial terms of the International Chamber of Commerce (ICC) are the INCOTERMS 2000, which entered into force on 1 January 2000.
- (2) In addition, the ICC has published “ICC official rules for the interpretation of trade terms Incoterms 2000”, a comprehensive and authoritative definition of each trade term of the INCOTERMS 2000, which are available through the ICC.
- (3) The United Nations Commission on International Trade Law (UNCITRAL) endorsed the use of INCOTERMS 2000, during their 33rd session.

9.12.4. Commonly used shipping terms

- (1) The abbreviated INCOTERMS 2000 that are commonly used in procurement actions are listed below for quick reference:

EXW	Ex Works (...named place)
FCA	Free Carrier (...named place)
FAS	Free Alongside Ship (...named port of shipment)
FOB	Free on Board (...named port of shipment)
CFR	Cost and Freight (...named port of destination)
CIF	Cost, Insurance and Freight (...named port of destination)
CPT	Carriage Paid to (...named place of destination)
CIP	Carriage and Insurance Paid to (named place of destination)
DAF	Delivered at Frontier (...named place)
DES	Delivered Ex Ship (...named port of destination)
DEQ	Delivered Ex Quay (...named port of destination)
DDU	Delivered Duty Unpaid (...named place of destination)
DDP	Delivered Duty Paid (...named place of destination)

9.12.5. Guidelines for you use

- (1) In general the Procurement Officer should use either FCA or DDU using these guidelines:
 - (a) FCA – Free Carrier, should be used for all air, land and sea-based transportation, i.e. when the transportation to the site of use can be

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reached by land, air or sea from the Vendor's production site. FCA will typically be used for most deliveries to the UN HQ from host-country Vendors or to furnish goods to OAHs/Missions when land or air transportation is the preferred transportation method. Once the goods are delivered to the Carrier, as designated by the UN, at the stated place, and the Vendor has duly notified the UN that delivery has taken place, the time for measuring when payment is due commences. Therefore, the UN may be obliged to pay for the goods before they reach the final place of use, which is in accordance with "normal commercial practise" and therefore acceptable under FRR Rule 105.19.

- (i) When the Procurement Officer uses the delivery term FCA, the contractual instrument shall clearly state "FCA <delivery place> (INCOTERMS 2000)".
 - (b) DDU – Delivered Duty Unpaid, should be used if the UN requires that the Vendor cover all risks and costs of transportation of the goods to the site of use. DDU will typically be used for mission critical deliverables, where it is especially essential that the goods arrive on time, such as emergency kits and parts for UN Missions. The use of DDU will normally add costs over and above what the UN HQ could arrange through its in-house freight forwarder, as the Vendor will have to pre-finance the cost of transportation as well as give the UN additional time to pay the invoice for the Goods, since the delivery time is later than it would have been had the goods been shipped FCA or FOB, thereby de facto prolonging the payment period. Then, the obligation of the UN to pay shall not start to run until the goods are placed at the disposal of the UN, but not unloaded, at the destination designated by the UN, and the Vendor has duly notified the UN that delivery has taken place.
 - (i) When the Procurement Officer uses the delivery term DDU, the contractual instrument shall clearly state "DDU <delivery place> (INCOTERMS 2000)".
- (2) The Procurement Officer may request a Post Delivery Inspection of the deliverables. However, such Post Delivery Inspection shall normally not be tied to the payment for the deliverables.
 - (a) For example, if FCA is the INCOTERM of choice, the UN cannot withhold payment until the deliverables have been inspected at the final place of use. At FCA, the time line for payment begins when proof is received that the goods have been delivered to the Carrier, and the UN shall normally pay 30 days later. If the deliverables arrive at their point of use two (2) months later, the UN cannot withhold payment solely because it did not have an opportunity to inspect the goods. If the UN uses FCA, the trade term requires

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inspection at the point of delivery or handover by the supplier, not when the deliverables finally reach the destination. To the extent feasible, the UN should perform an inspection when the goods are handed over to the carrier.

- (3) For Systems Contracts, the price comparison shall be based on a combination of FCA/FOB price and a “weighted” DDU price. The Procurement Officer shall request the price of the goods FCA/FOB as well as DDU. Using the estimated quantity needed for each Mission or office benefiting from the Systems Contract, an average shipping cost shall be established, which shall form the basis for the Commercial evaluation.

(a) EXAMPLE:

- (i) A System Contract requires delivery of Goods to three sites, with 100, 150 and 250 units respectively. Procurement Officer is required to obtain both FCA/FOB and DDU price.
- (ii) Assuming that Vendor A offers the items at US\$ 1,200 per item at FCA/FOB conditions with an additional cost for DDU shipping of US\$ 200, US\$ 300 and US\$ 400 respectively, the total additional shipping cost is US\$ 165,000 (20,000 + 45,000 + 100,000), which translates to an average cost increase of US\$ 330 per item. The total cost for the Organisation for said item including the average shipping is then US\$ 1,530 per item. If Vendor B offers the items at US\$ 1,230 per item at FCA/FOB conditions with an additional cost for DDU shipping of US\$ 160, US\$ 260 and US\$ 360, the total additional shipping cost is US\$ 145,000, for an average of US\$ 290 per item. The total cost for the Organisation for said item including the average shipping is then US\$ 1,520 per item. Therefore, using the combined cost (assuming the Vendors are technically equal) the award should go to Vendor B.
- (iii) The difference in shipping costs may reflect the relative geographical position of the Vendors to the various end user sites. A Vendor located close to the sites will have lower shipping costs, but may have a higher manufacturing cost leading to a higher item price. All things taken into consideration, said Vendor could still be the most economical for the Organisation. In the above example, had the DDU shipping cost for Vendor B been US\$ 180, US\$ 280 and US\$ 380, Vendor A would have been the lowest landed cost, as the total cost of Vendor B would be US\$ 1,540 per item.

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- (4) If the Procurement Officer decides to use the Vendor for shipping, the Solicitation Documents shall state the specific INCOTERM that is most advantageous to the UN.

9.12.6. Implications of Shipping Methods

- (1) Use of trade terms that extend the seller's obligations to delivery in the buyer's country or destination can result in additional costs for the seller, which the seller normally will attempt to pass on to the buyer through higher delivery price for the goods. However, in a competitive environment, the seller may risk that a high price for shipping will result in lost business.
- (2) For goods purchased by the UN, the risk of loss or damage to the goods during transportation should ordinarily be covered through the UN's standard cargo insurance ('warehouse-to-warehouse, London A plus war, state riot and civil commotion'). The UN may accept the generic risk before the actual transportation takes place depending on the INCOTERM used (e.g. under FCA, FAS or CFR clauses). If the seller bears these risks, he may attempt to pass the cost on to the buyer as noted above. Even if the seller does not carry this risk (e.g. under a CIF-clause), but has to ensure that the goods are transported to the buyer's country or destination, he/she will frequently try to pass this cost on to the buyer.
- (3) For delivery to UN Peacekeeping missions, the risk of cost increases and hindrances of various types, such as the imposition of duties, government interventions, labour action/strikes, war, (declared or undeclared) conflicts or warlike situations, may be substantial. The freight forwarder, whether selected by the UN or the Seller, as defined in the applicable trade term, may charge a substantial sum to cover such risk. If the UN takes delivery elsewhere and transports the goods itself, the UN takes a risk if it cannot inspect said goods before payment is due. The UN thereby exposes itself to unnecessary criticism from sellers that are not paid as the UN has yet to complete its internal procedures when payment is due. Therefore, inspection necessary for clearing payment of invoices shall be conducted at cargo origin if the deliverables are procured on FOB or FCA basis. The Procurement Officer shall take these factors into consideration when using shipping clauses.
- (4) The risks described above may be shared between the Parties under contractual terms other than the trade terms themselves; however, this requires that the contractual instrument clearly distribute such risk in the terms of the agreement. The Procurement Officer shall carefully evaluate use of trade terms for distribution of risk in light of all other terms and conditions in the contractual instrument. Furthermore, the UN



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General Conditions of Contract contain clauses on “force majeure” that may mitigate some of these issues.

**PROCUREMENT MANUAL****10. Treatment of Submissions**

10.1. Receipt and Safeguarding of Submissions

10.1.1. Written Submissions

- (1) At HQ, all Submissions sent by mail, courier service or hand delivered shall be received by the Support Service Section, during UN normal business hours, e.g. Monday to Friday, 9.00 AM to 5.00 PM New York time, excluding UN holidays. Such submissions shall be time and date stamped immediately upon receipt.
- (2) In Missions/OAHs, all Submissions sent by mail, courier service or hand delivered shall be received by the Tender Opening Committee (TOC), during that office's normal business hours, excluding UN holidays. Such submissions shall be time and date stamped immediately upon receipt.
- (3) The DOA/CAO in the relevant Mission shall appoint the TOC. The members of the TOC shall be staff members not part of the local Procurement Section or requisitioning office. The TOC shall, as a minimum, consist of two members from different offices.

10.1.2. Facsimile Submissions

- (1) Facsimile submissions, where allowed by the Solicitation Documentation, shall be received at a dedicated fax number, located in a secured area, to which only designated procurement personnel have access.
- (2) The facsimile submission shall be placed in a sealed envelope, or sealed in a similar manner, bearing the time and date of receipt of a referenced bid, name of the Vendor, the bid number, bid opening date and time, and the name of the Procurement Officer/Assistant, who issued the Solicitation.
- (3) The facsimile submission shall not exceed more than ten (10) pages unless otherwise requested in the Solicitation Documents. All Submissions that exceed the allowed number of pages shall be delivered by mail or courier service.
- (4) Facsimile Responses shall be rejected unless such delivery method has been requested and the submission was received at the dedicated facsimile number.
- (5) A facsimile Submission stating that a confirmation will follow shall not be considered, unless the confirming Submission is received by the designated means prior to Bid Closure.

**PROCUREMENT MANUAL****10.1.3. Electronic Submissions**

- (1) Any Submission received by electronic means shall be rejected, unless such type of Submission has been requested in the Solicitation Document. When such electronic Submission is requested, due regard shall be taken to ensure that the electronic submission can be authenticated, is sufficiently secure and have confidentiality preserved as provided for in Financial Rule 105.18.

10.1.4. Safeguarding of Submissions

- (1) Submissions received shall be placed in a secure area, until the stated opening date and time. Access to the secure area shall be limited to the personnel duly authorised by the Chief, UN/PS or CPO.
- (2) Personnel so designated shall take all necessary measures to ensure the confidentiality of all the Submissions received until the bid opening time.
- (3) A Submission that is inadvertently opened before the due date shall be brought to the attention of the Chief, UN/PS or CPO and be noted in the procurement file. If the Chief UN/PS or CPO decides to accept said submission, it shall immediately be placed in a sealed enveloped and be marked in accordance with section 10.1.2 (2).

10.1.5. Unsolicited Submissions

- (1) Unsolicited submissions, i.e. submissions from Vendors that the United Nations has not invited, shall be rejected. Bonafide unsolicited submissions may be accepted by the Chief, UN/PS or CPO as an exception, only in those cases where the unsolicited submission complies with all the requirements of the Solicitation Documents, and is from a registered Vendor who is replacing one of the invitees (e.g. local distributor) and the invitee informs the UN in writing that the unsolicited bidder has received the Solicitation Documents from this other invitee. The Procurement Officer shall request the Vendor submitting the unsolicited submission to document in writing its relationship with the invitee and the reasons for the substitution.

10.2. Withdrawal of Submission**10.2.1. Prior to Bid Closure**

- (1) The prospective Vendor may withdraw its Submission prior to the announced Bid Closure. Such withdrawal request shall be made in the form of a written notice to the UN. The UN is not obliged to accept withdrawals put forward in any other manner, e.g. telephonic, electronic distribution etc., unless followed up by proper communication to be received prior to the Bid Closure.

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- (2) Upon receipt of a proper withdrawal notice, the UN shall immediately separate said submission from other received submissions to ensure that it is not accidentally opened during the opening procedures. Unless instructed otherwise, the UN shall destroy said submission and provide the issuer notice thereof. However, the Submission may be returned unopened at the issuer's cost if so requested in the withdrawal notice

10.2.2. After Bid Closure

- (1) Requests to withdraw a submission after the announced Bid Closure shall not be honoured. The prospective Vendor shall be informed accordingly in writing.
 - (a) If the selected Vendor withdraws its submission, the UN shall duly register said submission and shall evaluate it alongside all other received submissions.
 - (b) If the selected Vendor has furnished a Bid Bond, the UN shall withhold such bond until the issue has been resolved. As necessary, OLA shall be consulted in dealing with the matter and collecting on the Bid Bond, or initiating any legal claim, if applicable. Also, the procedures of section 7.12 may be applicable.

10.3. Modification of Submissions**10.3.1. Prior to Bid Closure**

- (1) The prospective Vendor may modify its Submission prior to the Bid Closure. Any such modification shall be submitted in writing and in a sealed envelope, marked with the original submission number. Upon receipt by the UN, the modification shall be placed in a secure area together with submissions for the applicable solicitation process, in the same manner as for the original submission.

10.3.2. After the Bid Closure

- (1) Any alteration of the Submission after the opening shall not be accepted, unless such modification is in accordance with section 10.3.3 below. If the UN does not accept the request for modification, the prospective Vendor shall be informed accordingly in writing.

10.3.3. Alterations due to Errors and Omissions

- (1) The most frequent errors and omissions encountered in Submissions, and the results of such errors or omissions are discussed below:
 - (a) Errors in Totalling Prices.
 - (i) The unit prices quoted shall govern, when errors in totalling the cost of a group of items, or the entire total cost of the offer have been made.
 - (b) Apparent Errors in Price.

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- (i) The UN is not responsible for errors in price made by a prospective Vendor. However, if the Procurement Officer has reason to believe that the Submission received contains an error in price, e.g. unusually low prices, the Procurement Officer shall, (prior to completing the evaluation), request the prospective Vendor by facsimile to verify the prices as accurate, or, inaccurate, as the case may be.
 - (ii) The prospective Vendor shall be informed that revision of the original prices is prohibited and that non-compliance shall result in rejection of the Submission.
 - (iii) If the prospective Vendor replies that the prices are correct as quoted, the evaluation shall be completed without further question. However, if the prospective Vendor acknowledges that the prices are incorrect, the matter shall be submitted to the Chief, UN/PS or CPO for review and a decision with respect to the Submission.
 - (iv) The UN's facsimile query, together with the prospective Vendor's reply, shall be placed in the case file.
- (c) Failure of prospective Vendor to Furnish Data/Information:
- (i) Failure of a prospective Vendor to furnish requested information with the bid or proposal, which does not affect the price or the specifications in the Solicitation Documents shall not require immediate rejection of the submission, unless so stated in the Solicitation Document.
 - (ii) It is the responsibility of the Procurement Officer to request from the prospective Vendor, the missing information. If said prospective Vendor does not furnish the information within a specified period of time after the information has been requested, normally five (5) UN business days, the submission shall be rejected. The Vendor shall be notified accordingly in writing.
- (d) Errors in Affixing Signature.
- (i) All Submissions shall be signed in ink or pen, accompanied by the typed or printed name of the authorised representative.
 - (ii) If a Submission lacks the signature of an authorised representative, but the signature of such an authorized representative appears on a letter of transmittal or on another document attached thereto, or a bid bond is attached to the submission, the UN can assume that the omission was unintentional, and accept it for consideration. The Procurement Officer shall inform the prospective Vendor of the omission.

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- (iii) The authorised representative of the prospective Vendor shall be required to complete the Submission by signing the appropriate areas of said document. An unsigned Submission, submitted without accompanying evidence that the submission was authentic and made by the Vendor concerned, shall be rejected. The prospective Vendor shall be notified accordingly in writing.
- (iv) A signature evidently executed by someone other than the typed name, shall be verified. Whenever circumstances warrant, the Procurement Officer shall request evidence of the authority of any individual who has signed the Submission. When the individual who signs is an agent, attorney, receiver, or similar type of special representative, etc., evidence of documented legal authority is required and shall be provided in writing.
- (v) The Solicitation Documents shall state that the individual authorised representative who signs the Submission shall initial corrections or alterations made by a prospective Vendor during the preparation of said submission. If the requirement is not complied with, the prospective Vendor shall confirm each change in writing. The UN shall ensure that the representative does not make any other changes. Upon receipt of the confirmation, it shall constitute a part of the Submission.

10.4.Late Submissions

- (1) It is the responsibility of prospective Vendors to ensure timely receipt by the designated Bid Opening Official.
- (2) The Bid Opening Time shall be indicated in the Solicitation Documents, and on the envelope in which the Submission is to be returned. Late Submissions are those received after the Bid Closure.
- (3) When Submissions are received after the designated Bid Closure indicated in the Solicitation Documents, the date and time of receipt shall be indicated on the envelope.
 - (a) If received prior to the time of Bid Opening, the Chief, UN/PS or CPO may, at his or her own discretion, accept the late submission and decide that it shall be opened with the other submissions, provided the issuer provides evidence that the Submission was sent prior to the Bid Closure. The Chief, UN/PS or CPO shall document in writing the decision to accept a late Submission.
 - (b) If received after the Submission Opening, the Chief UN/PS or CPO, may exceptionally, in the interest of the Organisation, and at his or her own discretion, accept the late delivery, provided the issuer proves that Submission was sent in ample time prior to the

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Bid Closure and the delay in delivery could not be reasonable foreseen or was due to force majeure. The Chief, UN/PS or CPO shall document in writing the decision to accept a late Submission.

- (4) If the Chief, UN/PS or CPO, decide not to accept a late Submission, it shall remain unopened and be forwarded to the Procurement Officer concerned, who, upon decision by the Chief, UN/PS or CPO, shall reject the late Submission. The Vendor shall be advised in writing and said Submission shall be destroyed or returned to the respective prospective Vendor, at its own cost, if so requested.
- (5) The deadline for submissions may be extended at the discretion of the Chief, UN/PS or CPO in cases of force majeure by amending the solicitation documents in accordance with section 9.6 above. Prospective Vendors shall be notified accordingly in writing.

10.5. Release of Vendors on Grounds of Modification or Withdrawal of Submissions**10.5.1. Handling of Submissions in response to ITBs/RFPs**

- (1) No correction or other alteration in the prices or terms of a Submission shall be permitted after the time of opening, unless otherwise allowed in this Section. Any alterations so accepted, shall be effected by a separate document to be included as part of the Submission.
- (2) If the Vendor alleges that the Submission is erroneous and therefore requests modification or withdrawal, the Procurement Officer shall consider said request. The Procurement Officer shall perform a prima facie evaluation of the Submission, in order to verify whether it would be deemed unacceptable for other reasons than the erroneous part. If the Procurement Officer determines that, regardless of the erroneous portion of the Submission, the Submission would otherwise be rejected, the Procurement Officer concerned shall recommend to the Chief, UN/PS or CPO that the Submission shall be rejected without modification. If the Chief, UN/PS or CPO agrees with the recommendation, the Submission shall be rejected without the requested modification. The issuer of the Submission shall be notified accordingly in writing.
- (3) If the Procurement Officer determines that the Submission generally is acceptable, the Chief, UN/PS or CPO, may permit the Vendor to correct the erroneous portion of the Submission or to withdraw the Submission. Correction of errors requires the Vendor to provide information showing the data intended to be included in an error-free Submission.
- (4) If the error is clearly clerical in nature, such as a transposition in figures, an error in the placing of a decimal point, or in the unit of measure, the Procurement Officer in consultation with the Section Chief shall recommend to the Chief, UN/PS or CPO, the appropriate correction.

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- (5) Any alteration(s) of the Submission shall be effected by a separate document duly signed by the prospective Vendor. Said document shall be included as part of the Submission.

10.5.2. Handling of Submissions in response to RFQs

- (1) All Submissions in response to RFQs received prior to the deadline shall be duly filed and recorded in the PS Contract file. Submissions in response to RFQs do not need to be publicly opened. However, the procedures of section 10.1 shall be applied. Immediately after the deadline, the Procurement Officer shall review and evaluate the quotations in accordance with section 11.6.5. If Submissions are received after the deadline, but prior to the issuance of the Purchase Order/contract, and said Quotation offers a lower price, the Procurement Officer shall obtain the approval of the relevant Section Chief, prior to issuing a Purchase Order to the new and lower Quote.

10.6. Public Bid Opening Organisation**10.6.1. Overview**

- (1) At the UN HQ, the Bid Opening Organisation consists of the Bid Opening Official(s) as designated by the Chief, UN/PS.
- (2) In the field, the Bid Opening Organisation shall consist of members of the designated TOC.

10.6.2. Responsibility of the Officers

- (1) The Procurement Officer shall provide the authorised bid opening official with:
 - (a) The Bid Closure information specified in the Solicitation Documents;
 - (b) The Bid Opening Time as stated in the Solicitation Documents, as agreed and confirmed by the authorised Bid Opening Official;
 - (c) A Solicitation Abstract Sheet; and
 - (d) The list of invitees for the Solicitation Documents, included as the first page of the Solicitation abstract Sheet, covering a complete copy of the Solicitation Document. A Sample List of Invitees is attached as Annex D-23.
- (2) In the case of large or complex tenders The Procurement Officer shall, as he/she may deem appropriate, attend bid openings as an observer.
- (3) The Bid Opening Official Shall:
 - (a) Receive Submissions sent by mail, courier service, fax, hand delivered or other acceptable means, and time and date stamped by the applicable Registry.

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- (b) Facsimile Submissions are to be sealed in envelopes or similar manner to ensure that they will not be available until the Solicitation Opening. Record the time and date of receipt, the date and time of the opening, and the name of the prospective Vendor on the envelopes.
- (c) Record the receipt of Solicitation Documents against the invitee list provided by the Procurement Officer.
- (d) Secure the Submissions in a secure area, or place in a safe, until the specified bid opening time.

10.7. Disclosure of information prior to opening

- (1) No substantive information, save for Solicitation Documentation, subsequent amendment, questions, clarifications and answers to Vendor inquiries shall be disclosed by the Bid Opening Official, or other UN staff members, to any individual or otherwise made public, prior to the opening date and time of Submissions.
- (2) Any irregularities surrounding the opening and recording of bids or proposals shall be immediately reported by the Bid Opening Official or Procurement Officer as the case may be, to the Chief, UN/PS or CPO and recorded in writing.

10.8. Public opening procedure for Submissions under formal methods of solicitation**10.8.1. General**

- (1) Depending on the type of Solicitation Document utilized, see section 9.4.2, the opening of the Submissions shall be handled as set forth in 10.8.2 to 10.8.5 below.
- (2) Any modification to Submissions, see section 10.3, received prior to Bid Closure shall be handled together with the original submission during the applicable Submission opening. Upon completion of the opening, said modification shall be attached to the related submission.

10.8.2. Attendance at Submission Opening

- (1) Prospective Vendors who submit Submissions may designate one attendee to be present at the Submission Opening. Such attendee shall be advised to the Bid Opening Official in the required Acknowledgement letter furnished by the Vendor prior to Submission Opening. Attendees, who can be an employee of the prospective Vendor, from a Permanent Mission to the UN, from Trade Offices of the UN member states or from Diplomatic Missions, shall sign the Bid Opening Attendance Register, and supply the following information:
 - (a) Name of the prospective Vendor/Permanent Missions to the UN/trade offices/Diplomatic Mission;
 - (b) Name, signature and title of the representative;

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- (c) Date of Submission opening.
- (2) Members of Permanent or Diplomatic Missions to the UN may participate at the Submissions Openings. Such attendees shall supply the same information as requested from Vendors representative at the Opening.

10.8.3. Opening of Submissions to ITBs

- (1) All received Bid Submissions to ITBs shall be recorded, and publicly opened at the time and place specified in the Solicitation Documents.

10.8.4. Opening of Submissions to RFPs

- (1) All received Submissions to RFPs shall be recorded, and publicly opened for the sole purpose of registering the details as provided in the Solicitation Abstract, as furnished to the Bid Opening Official. The fundamental purpose of public opening of proposals is to record the names of Vendors who have submitted timely proposals.
- (2) Price information of proposals shall not be announced at the Solicitation opening, as the nature of the Solicitation Document and Submission does not lend itself to a direct comparison of prices. RFPs are used to ensure that the UN enters into Contracts, with vendors evaluated to be qualified, based on what the Procurement Officer determines is “responsive” to the requirements of the RFP and otherwise in accordance with a proper balancing of the four general principles of the Financial Regulation 5.12. As the upfront price may include complicated variables and other items that will only be apparent upon a detailed evaluation of the Proposal itself, distribution of the price at the opening can give a false picture of the actual cost to the Organisation.
- (3) If considered crucial by the Procurement Officer, with the approval of the Chief of Section, additional information or details of proposals shall be considered for public reading. The decision to divulge additional information shall have been made in advance of the opening.
- (4) Generally RFPs shall request prospective Vendors to submit financial proposals and technical proposals in separate envelopes. In these cases, only the technical proposals shall be opened at the public opening. The financial details of the proposals shall normally remain unopened, and the contents shall remain unread, until the Procurement Officer has received the completed technical evaluation. In order to ensure the integrity of the procurement process and ensure confidentiality of financial information during the technical evaluation stage, when an RFP has been issued using the two envelope system, the financial proposals shall be kept by the Bid Opening officials intact and unopened in the locked bid fax room pending completion of the technical evaluation. The bid opening officials will open the financial proposal together with case officers/Team leaders only upon receipt of

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notification from case officers confirming completion of technical evaluation. However, under exceptional circumstance as approved by the Chief, UN/PS, the financial details of the proposals may be opened and evaluated by the Procurement Officer prior to his or her receipt of the technical evaluation, provided that all measures will be taken to ensure the confidentiality of the financial details and that they are not shared with anyone until the receipt of the technical evaluation.

10.9. Rules of conduct for public opening of Submissions**10.9.1. Last minute verification of receipts of Submissions**

- (1) The Bid Opening Official shall record receipt of each Submission on the Submission itself.
- (2) The Bid Opening Official shall check the dedicated facsimile machine, ten (10) minutes prior to the specified Bid Submission opening time, provided fax submission has been allowed.

10.9.2. Role of attendees at Submission Opening

- (1) The Vendor representatives at the Submission Opening shall act as observers, and not as active participants in the opening process. However, the representatives may request the Bid Opening Officer to repeat information read aloud.
- (2) None of the UN personnel present at the Submission Opening shall engage in discussion with any representative of the prospective Vendors during the opening exercise.
- (3) The Bid Opening Official shall enter the information read aloud during the opening process on a Solicitation Abstract Sheet. The Solicitation Abstract may contain information of the following; price (except in the case of RFPs), quantity, objective, delivery time and schedule, compliance with specifications, discounts if any, and warranty and after sales service as applicable. A sample Solicitation Abstract Sheet is attached as Annex D-24.
- (4) Corrections of errors made during the recording process shall be initialled by the Bid Opening Officials, and countersigned by the immediate supervisor, after the completion of the bid recording process.

10.9.3. Opening Order

- (1) The authorized Bid Opening Official shall open bids in the order listed on the Invitee List, record information on the Solicitation Abstract Sheet, and read aloud the following:
 - (a) Vendor's name.
 - (b) Except for RFPs, unit price of each line item. However, if the Solicitation Documents requested more than twenty (20) line items only the grand total price shall be read.

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- (c) Delivery period indicated.
 - (d) Except for RFPs, total cost; (if feasible)
 - (e) Except for RFPs, payment terms and discounts offered, if any.
 - (f) Any other details specified by the Procurement Officer on the Solicitation Abstract Sheet.
- (2) After the tender opening process, the Bid Opening Officials shall perform the following tasks:
- (a) Ensure verification of the Solicitation Abstract. The authorized Bid Opening Official shall certify the recording process by signing said abstract in the presence of an authorised UN/PS member, acting as a witness.
 - (b) Mark or perforate all Submissions to identify the original copy.
 - (c) Deliver all Submissions, together with the Solicitation Abstract, to the relevant Procurement Officer immediately after completion of the aforementioned procedures.
 - (d) Retain a copy of the Solicitation Abstract Sheet in a drawer in a locked place.

10.9.4. Multiple Submissions by same prospective Vendor

- (1) Provided that the Submission allows that a Vendor may submit more than one bid or proposal, the Vendor shall clearly mark the order of preference, such as option 'A', or option 'B'. If multiple bids or proposals are submitted, and they are not ranked, the UN will only evaluate the one most advantageous to the organisation.

10.10. Availability of information after opening

- (1) The Solicitation Abstract for ITBs shall be available for viewing by Vendors who submitted offers, or by members of permanent or diplomatic missions for a period of thirty (30) days, from the date of the public opening.
- (2) Except as provided hereafter, no bid or proposal may leave the possession of the Bid Opening Officials at the opening. After bids or proposals have been opened, read, summarised, dated and signed by the Bid Opening Officials, all offers and related documents shall be delivered to the Procurement Officer, together with abstracts of the offers received.
- (3) The Procurement Officer should immediately call for a meeting with, or otherwise consult with, the Requisitioner to clarify the ensuing procedures to be followed in each specific requirement and the time deadlines for all concerned.

**PROCUREMENT MANUAL****11. Evaluation – Source Selection**

11.1.Introduction

- (1) The purpose of the source selection process is to identify the Vendor(s) to whom the contract(s) is to be awarded, i.e. the process from the receipt of Solicitation Submission, through the evaluation of such submission to the decision to award the contract. Vendors are qualified and evaluated as to their “Responsiveness” (see section 11.3 below). In order to ensure that the procurement process is fair, objective and transparent, the source selection process shall also give due consideration to a balancing of the following general principles set forth in Financial Regulation 5.12:
 - (2) Best value for money;
 - (3) Fairness, integrity and transparency;
 - (4) Effective international competition; and
 - (5) The interest of the United Nations
- (6) The Source Selection process shall be objective and documented throughout all its steps in order to verify that the Selection has been conducted in accordance with the above principles. However, the participants in the Source Selection process shall ensure that information provided to the UN is not released to any person or party outside the process. Therefore, in order to meet public scrutiny, the participants in the Source Selection process shall document how they perform the evaluation, without divulging the information that they are evaluating. This will aid those participants in ensuring that the UN is perceived as fair and reasonable in taking objective decisions regarding procurement.

11.2.Source Selection Plan

- (1) The Source Selection Plan must be finalized before the Solicitation is issued (see, e.g. Section 9.9.1 above). It provides an objective approach to the methodology of selecting the best source to fulfil the established need. Depending on the complexity of the acquisition, it may be summarized in a few lines, or consist of long and precise descriptions of the steps of the evaluation necessary to ensure best value to the Organisation.
- (2) Any rating system for Submission evaluation, both commercial and technical, shall include all relevant details determined appropriate by the Procurement Officer and Requisitioner. The Procurement Officer shall include a description of said rating system in the Solicitation Documents, (see, e.g. Section 9.9.17 above).

**PROCUREMENT MANUAL****11.3. Determination of Vendors as Qualified and Their Responsiveness**

- (1) “Qualified” The status of a prospective contractor that makes it “qualified” under Financial Regulations and Rules for award of a contract. Generally, to be considered “qualified” under Financial Rule 105.15 in respect of a particular procurement action, a prospective contractor usually must: (1) have or be able to obtain adequate financial resources to perform the contract; (2) be able to comply with the required or proposed delivery of performance schedule, taking into consideration all existing commercial and UN requirements; (3) have a satisfactory performance record; (4) have a satisfactory record of integrity and business ethics; (5) have or be able to obtain the necessary organization, experience, accounting and operational controls, and technical skills; (6) have or be able to obtain the necessary production, construction and technical equipment and facilities; and/or (7) be otherwise qualified and eligible to receive an award under applicable UN regulations, rules and directives. The Procurement Officer, who may consult the Requisitioner and others designated in the Source Selection Plan, shall record this determination prior to award of contract, for processing the procurement action as may be appropriate. Normally this is not a difficult discretionary and failure to be deemed “responsible” is usually based on a serious absence of something from one of the above factors.
- (2) “Responsiveness” An objective, non-discretionary determination by the UN officials designated in the Source Selection Plan (e.g. the Requisitioner, Procurement Officer and others so designated in the Plan), at the time of evaluating bids/proposals, that the bid/proposal conforms to the ITB or RFP as required by Financial Rule 105.15(a) or (b), and is otherwise in accordance with the guidelines in this Manual and the Financial Regulations and Rules. Responsiveness requires a substantive, objective analysis of the bids or proposal in accordance with the actual ITB or RFP duly prepared in accordance with this Manual.

11.4. Rejection of Submissions

- (1) After the opening of Submissions, if material variables in the Submissions can be attributed to discrepancies or ambiguities in the specifications in the Solicitation Documents, the requirement shall be re-advertised provided the discrepancy or ambiguity would impact the fairness of the Source Selection process. If it is deemed in the interest of the Organisation, Submissions may also be rejected. In either case, Vendors invited to participate in the source selection shall be informed in writing.
- (2) The UN may reject the Submission of a prospective Vendor who has previously failed to perform satisfactorily or complete similar contracts

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on time, or if said prospective Vendor, based on additional information, is judged to be unable to perform the contract. Such action shall be documented in writing and shall be subject to the approval of the relevant Section Chief, Chief UN/PS or CPO.

11.5. Prospective Vendors in Receivership, Liquidation or Bankruptcy

- (1) No procurement action shall be transacted with Vendors in receivership, liquidation or bankruptcy, unless exceptionally approved in writing by the Chief, UN/PS or CPO, for special circumstances, such as a liquidation sale of Vendor inventory by a court appointed Receiver. Otherwise, Submissions received from such prospective Vendors shall be rejected.

11.6. Source Selection Process**11.6.1. Objectives**

- (1) In accordance with a balance of the four principles set out in Financial Regulation 5.12, a primary objective of the procurement process is to ensure that the UN requirements are fulfilled at the “best value for money” to the Organisation within the time frame needed, in compliance with the specifications, and in full accordance with the FRR. The process shall be open and transparent, and the evaluation of the received Submissions shall at all times be fair, reasonable and objective.
- (2) If the submission is the result of an RFQ or an ITB, the best value for money shall consist in issuing an award “to the qualified bidder whose bid substantially conforms to the requirements set forth in solicitation documents and is evaluated to be the lowest cost to the UN” (Financial Rule 105.15(a)). No negotiation shall normally take place, since the price is the key basis for award of contract.
- (3) If the submission is the result of an RFP, the best value for money shall consist in issuing an award “to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation documents” (Financial Rule 105.15(b)). The guiding factors must be set forth in the solicitation documents for them to be valid. Price alone is not determinative.
- (4) If the submission is the result of an ITB or RFP based on Total Cost of Ownership, the total cost elements shall be identified in the ITB or RFP and may include the procurement cost, freight cost, spare parts, maintenance cost through the life of the goods and disposal cost.
- (5) In accordance with Financial Rule 105.15(c), bids/proposals may be rejected if this is considered in the interest of the Organization. The Chief, UN/PS or the CPO shall thereafter decide whether to issue a new ITB/RFP, resort to informal methods of solicitation (see section 9.4.2

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above), directly negotiate a contract or terminate or suspend the procurement action.

11.6.2. Procedures for the Source Selection Process

- (1) Prior to recommendation for contract award, it is the joint responsibility of the Procurement Officer, the requisitioning office, and programme managers, (Source Selection Committee), to ensure that the Submission of the selected Vendor fulfils all the requirements of the Solicitation Document. It should also be kept in mind that an award will only be made to a vendor that has successfully completed the vendor registration process.
- (2) The Procurement Officer shall evaluate whether the prospective Vendor has the capacity to satisfactorily perform the contract requirements, demonstrate financial soundness, integrity and proven reliability to ensure good faith performance. The Procurement Officer shall request the requisitioner and/or end-user to evaluate the technical compliance of the Submission with the specifications/ requirements. The technical assessment shall be in writing (and is independent of the commercial evaluations), and shall be performed without prior knowledge of cost, as specified in the respective Submissions. Under no circumstance shall any cost data furnished by the Vendors be released to the requisitioner prior to the finalization of the technical evaluation. Requisitioners may employ outside expertise to assist in the technical evaluation if the necessary expertise does not exist in-house.

11.6.3. Adherence to Solicitation Documents

- (1) Submissions that comply with, or, exceed the technical specifications of the Solicitation Document, shall be considered as acceptable. Samples may be required to determine conformity with the specifications. Based on the Procurement Officer's and the requisitioning offices' review of the technical submission, superficial characteristics which do not affect the quality of an item or service and which are not excluded by the Submission, shall not affect the acceptance of an item, or service.
- (2) A qualification by a prospective Vendor in the specifications of a Submission that is not provided for in the Solicitation Document shall be carefully examined to ensure that the Submission is compliant with the terms of the Solicitation Document. Such qualifications may concern the contractual Terms and Conditions, and if so, shall be solely evaluated by the Procurement Officer. The requisitioning offices shall evaluate qualifications concerning the technical specifications.

11.6.4. Requests for clarification and additional information

- (1) If the Submission is unclear or ambiguous, the Procurement Officer may, upon consultation with his/her supervisor, contact the

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prospective Vendor in writing requesting a clarification. Such clarification shall be limited to the actual material issue, and not be utilized to modify the Submission. If possible, the request shall state the possible understandings and request confirmation of this understanding.

11.6.5. Evaluation using the Solicitation Abstract Sheet

- (1) For Submissions received in response to RFQs, the Procurement Officer shall establish a written list of Quotes offered, to be included in the Contract file, and select the lowest acceptable Quote.
- (2) For Submissions received in response to ITBs, the Procurement Officer shall use the Solicitation Abstract Sheet or produce a separate commercial evaluation table to record the offer(s) received and indicate the lowest bid. The individual bid represented by each low bid item shall be closely examined. If the item as offered by the lowest bidder is compliant with the requirements of the ITB, the item and the name of the bidder shall be identified on the Solicitation Abstract Sheet or the commercial evaluation table. Submissions for certain ITBs, including Air Charters, necessitate a detailed evaluation. Prices as indicated in the Solicitation Abstract, are solely for the purpose of identifying Submissions as received. They are recorded subject to further review and without prejudice to the result of the final evaluation. Other factors recorded on the Solicitation Abstract Sheet may also be useful when evaluating offers in which quality, quantity and shipping methods are among the essential criteria for evaluation.
- (3) For Submissions in response to RFPs with an estimated value of products or services under \$200,000, the Solicitation Abstract shall not reflect price information. The Bid Opening Official shall only open the technical proposal. The Procurement Officer shall perform a detailed evaluation of all technical factors or, as appropriate, send the technical proposal to the Requisitioner to perform the technical evaluation. Evaluation factors, such as warranties, quality, shipping methods, etc., shall be included in the solicitation documents and should take into account the managerial and technical competence of the Vendor and the effectiveness of the proposal in meeting the technical requirements. Generally, once the technical evaluation is completed, the Procurement Officer shall open the price envelope. The Procurement Officer shall add the price information to the Solicitation Abstract, only after the technical evaluation has been completed. The Procurement Officer shall certify the recording process by signing said abstract in the presence of an authorised

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UN/PS member, acting as a witness. The Procurement Officer shall thereupon evaluate the price, including the TCO elements, if the case, and combine it with the results of the technical evaluation in order to decide which qualified bidder is the most responsive to the requirements set forth in the solicitation documents.

11.6.6. Evaluation of Requests for Proposals with an estimated value of goods or services of \$200,000 or more:

- (1) For Requests for Proposals for requirements whereby an estimated value exceeds the threshold for submission to the appropriate Committee on Contracts, the procedures set forth in this section shall be used. In such cases it is recommended that the solicitation documents indicate that discussions with a competitive range of the most responsive proposers may take place.
- (2) Normally, prior to the issuance of the RFP, but no later than the Bid Closure date, the Procurement Officer shall request a requisitioning office to establish a technical evaluation committee consisting generally of at least two members, where at least one is from the requisitioning office and another qualified staff member from the UN or an external consultant. The technical evaluation committee shall prepare a detailed and integrated Source Selection Plan in writing containing technical evaluation factors, the relative importance or weight of the factors, and reasonable minimum criteria that do not to unduly disqualify Vendors from developing countries and countries with economies in transition. The Source Selection Plan shall be completed before the Solicitation Documents are issued.
- (3) The Procurement Officer shall include in the RFP factors to be used in evaluating proposals in descending order of importance without identification of weights or adjectival descriptions and a statement that price/cost may not be the determining factor but that it may become more important when technical proposals are of relatively equal merit. The Procurement Officer shall also identify in the RFP any minimum requirements for each factor. Additionally, the Procurement Officer shall state in the RFP that the UN, at its sole discretion, may award a contract based on the initial proposals received and evaluated, or may negotiate with offerors determined by the UN based on the evaluation of the initial proposals received to have a reasonable chance of award with the correction of minor deficiencies that do not have a material impact on the vendors bid.
- (4) The Procurement Officer shall specify in the RFP that the offeror shall submit its proposal in two separate sealed envelopes, one containing the technical proposal and one containing the commercial/price proposal.
- (5) When the separate sealed proposals are received, only the technical proposal shall be opened during the Public Bid Opening. (The price/cost

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proposal shall remain sealed until completion and submittal of the technical evaluation and shall only then be opened). The Procurement Officer shall forward the technical proposal to the members of the evaluation committee for their technical evaluation.

- (6) The evaluation committee shall assess the ability of the potential Vendors to meet the UN's minimum needs and provide a basis for determining the relative merits of competing proposals and establish a competitive range of the most responsive proposers.
- (7) The evaluation committee performs advisory functions and the ultimate decision on the award rests with the Chief, UN/PS or the CPO.

11.6.7. General Evaluation Criteria

- (1) The specific number and types of evaluation criteria, as well as their relative importance, shall depend on the nature of the requirement and shall be developed by the evaluation committee. The evaluation criteria shall be determinant, not merely important. They shall be documented in writing prior to the release of the Solicitation Document. In general the relationship between the weight given to the price versus the technical factor should be determined by various several factors, e.g. the complexity of the requirement, the level of detail in the scoring matrix and objectively to be used for conducting the technical evaluations. Normally the weighting ratio should be 40% to 60% or 30% to 70% for commercial and technical respectively. Following are illustrative examples of such criteria (with the relative importance out of 100 in brackets):
 - (a) Price/Cost (35)
 - (i) Acquisition cost, i.e. the purchase price for the item (20)
 - (ii) Other cost (15)
 - (iii) Maintenance through life, i.e. the cost of maintenance whilst the UN uses the item. For a printer this may encompass toner, spare parts, service costs for repair/maintenance (e.g. estimated that average service time is one hour, necessary 3 times a year at a cost of x per occurrence) etc.
 - (iv) Disposal costs, i.e. the cost of disposing the item. This may be a positive number if UN is able to sell the item instead of disposing it
 - (b) Technical (35)
 - (i) Understanding of the requirement (15)
 - (ii) Adequacy of the technical plan to satisfy requirement (20)
 - (c) Management (15)
 - (i) Company experience on similar projects (4)
 - (ii) Company facilities and resources available for this undertaking (2)



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- (iii) Proposed subcontracting effort in connection with obtaining additional resources (3)
- (iv) Adequacy of management organisation and plan to satisfy requirements (6).
- (d) Personnel qualifications (15)
 - (i) Technical experience of principal personnel related to the performance of the requirement (8)
 - (ii) Education qualifications related to the performance of the requirement (3)
 - (iii) Qualifications of consultants (4)
- (2) The evaluation committee shall establish the relative weight of each of the factors.
- (3) The evaluation committee shall establish the minimum requirement for each factor as may be appropriate, for example:
 - (a) “The prospective Vendor shall have successfully completed a comparable project within the past two years.”
- (4) The evaluation committee shall devise the rating system in a manner that is consistent and fair to all prospective Vendors. The rating system shall be relevant to the procurement and involve numerical scoring or adjective rating defined in narrative form.
- (5) The evaluation committee shall conduct the technical evaluation and prepare a written report thereof, describing the relative weight of the competing proposals and ranking the competitors from best to worst in order to establish a competitive range of most responsive proposers and setting forth:
 - (a) The basis of evaluation, i.e. the previously agreed Source Selection Plan as applied to the factors and their relative weight as set forth in the RFP.
 - (b) An analysis of the technically acceptable and unacceptable proposals, including an assessment of each prospective Vendor’s ability to satisfy the technical requirement(s), to address each proposal’s strengths and weaknesses, to determine with respect to each proposal whether or not it is technically acceptable, and, if not, why not; also whether or not the proposal could reasonably be made acceptable if the weaknesses identified were corrected.
 - (c) A summary, matrix, or quantitative ranking of each technical proposal in relation to the best rating possible.
 - (d) A summary of the findings.
- (6) In the technical evaluation of each proposal, the following evaluation description could, for example, be used:

Score	Adjective	Description
10	Exceptional/Blue	Exceeds specified performance or capability in a beneficial way to the UN; high probability of success; no significant weakness noted.



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7	Acceptable/Green	Meets requirement/standard; good probability of success, weaknesses can be readily corrected.
4	Marginal/Yellow	Fails to meet requirements/standards; low probability of success, significant deficiencies but correctable.
1	Poor/red	Fails to meet a minimum requirement; require a major revision to the proposal to make it acceptable.

- (7) Upon completion, the technical evaluation report should be signed by all the members of the Committee and forwarded to the Procurement Officer.
- (a) The Procurement Officer shall open the price/cost proposals. The procurement officer shall evaluate the price/cost proposals and complete the overall evaluation, incorporating the technical evaluation.
- (8) If the Procurement Officer decides to seek clarifications before issuing a recommendation of award, the procedures of Section 11.6.4 shall be followed. Clarifications consist of communications with prospective Vendors for the sole purpose of eliminating minor deficiencies, informalities, or apparent clerical mistakes in a proposal. Clarifications shall not be used to cure proposals deficiencies or material omissions, materially alter the technical or price elements of the proposal and/or otherwise revise the proposal.
- (9) If the Procurement Officer, upon consultation with the Evaluation Committee and written clearance of the respective Section Chief or Chief of Procurement or CPO, determines that a material or substantial change in the statement of work or requirement would be required as a result of the evaluation of the proposals or that upon requesting clarifications from the Vendors a decision cannot be made, the Procurement Officer shall cancel the solicitation and proceed in accordance with Section 9.7.
- (10) If the Procurement officer determines that the technically qualified proposals within the competitive range can be improved and that additional information may be required to make a best value decision and decides to conduct discussions with the technically qualified Vendors in the competitive range in order to reduce costs, such discussion shall be in accordance with section 11.6.8. below and section 11.7 of this Manual.
- (11) If the Procurement Officer decides to recommend award, then the officer shall proceed directly in accordance with this Procurement Manual to obtain approval to award all follow the procedures of Section 11.7.2.
- (12) Opening of Financial bids for technically non compliant offers:
- (a) When undertaking an RFP, the general principle applied to the opening of financial bids is that if the bid has been evaluated as

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non compliant by the technical evaluation committee, Procurement Service (PS) does not evaluate or open the financial bids of those firms.

- (b) However, in some circumstances, in order to ensure that the organization is achieving a Best value for money outcome, it may be prudent to open the financial bids of a non compliant bidder to under take further due diligence and mitigate risk.
- (c) During the RFP process, if only one bidder has been identified as ‘Technically Compliant’, then the Procurement Officer, as an exemption may open one or more financial offers of any non compliant offer received in order to verify and ‘Bench Mark’ that pricing offered by the technically compliant bidder is fair and reasonable and represents a ‘Best value for Money’ outcome to the organization.
- (d) Opening of unsuccessful bidder’s financial offer must be done as an exception. As such, the Procurement Officer must seek authorization via the Section Chief from the Chief of Procurement in writing providing full details as to the reason for this exemption. If the exemption is granted, this must also be disclosed to the HCC.

11.6.8. Best and Final Offers

- (1) After establishing the competitive range of most responsive proposers and opening the price proposals, the Procurement Officer may decide, as an exception, and upon clearance of the respective Section Chief or Chief of Procurement or (CPO), to engage in discussions with a sufficient number (no less than two) of technically qualified proposers that have a reasonable chance for award, in order to obtain Best and Final Offers (BAFO). Sound professional judgement should be used in order to make this determination.
- (2) In order to ensure the integrity and fairness of the process, the Procurement Officer shall not conduct more than one round of Best and Final Offers and shall ensure that the original price proposals and any other price/cost/financial related information obtained during the commercial evaluation of all proposals remain confidential. The Procurement Officer shall ensure that the results of the commercial evaluation are not divulged outside the Procurement Office.
- (3) The Procurement Officer shall inform the Evaluation Committee of the decision to engage in communications in order to obtain Best and Final Offers and notify the proposers who have been eliminated at this stage. (See Section 11.9).
 - (a) During the oral or written communications the technically qualified proposers within the competitive range would be offered

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an opportunity to revise or modify their proposals. Oral discussions may consist of oral presentations made by the proposers. The Procurement Officer shall ensure that all proposers in the competitive range are offered equal opportunity to participate in communications and/or discussions with the UN and revise their proposals accordingly.

- (4) Any requirements, guidelines, documents, clarifications or other information communicated by the Procurement Officer to a proposer shall be fully documented in the procurement file.
- (5) Discussions shall be confidential, and one party to those discussions shall not reveal to any other person any technical, price or other market information relating to the discussions. The procedures of section 11.7 shall also apply.
- (6) The content and extent of the discussions is a matter of professional judgement based on the particular circumstances of each case. In certain cases, a request for BAFOs may be issued without engaging in prior oral or written discussions with proposers.
- (7) Following completion of the discussions, or directly after a decision to seek BAFOs has been made, the Procurement Officer shall conduct a mini-solicitation and request all proposers within the competitive range to submit a best and final offer (BAFO) by a specific date and time. The BAFOs should consist of complete revised proposals, submitted in two envelopes the first marked Technical and the second Commercial. The BAFO should clearly identify all changes in the revised offer. The proposers should be given a reasonable period of time to submit their BAFOs, taking into account the complexity of the Submission. The procedures of Chapter 10, "Treatment of Submissions" shall also apply.
- (8) Any deficiencies noted in proposals submitted will be noted and addressed to all invited proposers in the request for BAFO. Proposers may also offer other items such as, to prolong warranties, give additional discount, and shorten delivery time and other benefits to the Organization. The request for BAFOs shall not contain any information regarding chances for contract award that may impair the fairness of the process.
- (9) The request for BAFOs shall normally only allow proposers to lower their price if the statement of work has not been altered. (a) A proposer may decline to alter the price included in its original proposal and still remain acceptable. (b) In cases where the statement of work has been slightly modified due to a small scope change, which may impact on price (decreased or increased) then at the discretion of the Procurement Officer a slight change in the pricing may be acceptable. The acceptance of such change would need to be clearly highlighted and approved by either the Section Chief or Chief of Procurement or CPO.

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- (10) Upon receipt of the BAFOs from the proposers, the Evaluation Committee shall reconvene, if necessary, and update its technical evaluation. Upon receipt from the Evaluation committee of the updated technical evaluation report PS shall review and update the commercial evaluation and make a final comparison of the competing offers in accordance with the terms of the solicitation and the source selection plan and shall record its findings and advise the Evaluation Committee of the recommendation of award.
- (11) The Section Chief UN/PS, Chief UN/PS or CPO shall select the successful offer on the basis of PS's recommendation resulting from the final comparison of the competing offers.

11.6.9. Availability of Products

- (1) A prospective Vendor that does not carry a supply of materials on hand can be required to prove availability of a dependable source of supply prior to consideration of its Submission. Likewise, a manufacturer can be required to submit proof of its ability to manufacture or produce the required material within the required time frame.
- (2) Submissions that do not comply with this requirement shall be rejected. The rejected Submissions shall be destroyed, or returned at the submitter's cost, if so requested.

11.6.10. Evaluation of delivery terms and warranties in Bid/Proposal

- (1) When the delivery date is the primary factor in awarding a contractual instrument, it shall be so stated in the Solicitation Document. Any Submission that is not in compliance with the required delivery schedule shall be rejected. If all Submissions are disqualified, as stipulated in Financial Rule 105.15 (c), and, if re-advertising is not practical, it may be necessary to enter into direct negotiations with a prospective Vendor, in accordance with Financial Rule 105.16 (b).
- (2) When the Solicitation Document specifies an alternate delivery point, the Procurement Officer shall establish the transportation cost of the deliverables to the final destination, through the UN designated freight forwarder or the UN/PS Cargo Movements Team (CMT). Such freight cost shall be added on the Solicitation Abstract Sheet to establish the total landed cost to the Organisation at the site of use, and thereby the Submissions will be compared on an equal basis. If prices are given for various transportation scenarios, e.g. FCA and DDU, the Procurement Officer shall verify that the cost difference is acceptable, and select the best value offer to the Organisation.
- (3) Where DDU or DDP are requested, and an FOB, FCA, FAS or similar term is offered or vice versa, the Submission may be accepted or rejected at the discretion of the Procurement Officer, taking the following into account:

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- (a) Generally, a Submission of FOB, FCA, FAS or similar term shall be accepted, provided the cost of transportation can be established and the addition of said transportation to the price is less than for other Submissions. If the total price is similar or higher than other Submissions, all other factors being alike, the Submission of DDU or DDP shall be accepted, as book-keeping and accounting costs are avoided and title to the shipment and risks of damage rest with the Vendor up to the point of delivery.
 - (b) Occasionally, a prospective Vendor will offer a discount for acceptance of its offer on an FOB, FCA, FAS or similar basis, by naming a DDU or DDP price, as required, with a greater difference between the two prices than the actual transportation costs involved. The FOB, FCA, FAS or similar price can be accepted, if it is the lowest of all received Submissions ex transportation to place of delivery.
- (4) The Submission shall be scrutinized to ensure that the offered warranties are in accordance with the requested warranties set forth in the Solicitation Document. The warranties are essential for equipment and service contracts, particularly, for OAHs/Missions where ‘after service’ agents may not be readily available. For systems Contracts, warranties may therefore merit a higher weight in the “best value” evaluation.

11.6.11. Evaluation by Grouping

- (1) When a Submission offers an “all or none” stipulation, the evaluation of the Submission shall proceed as follows:
 - (a) The unit prices of the lowest acceptable offer for each line item shall be totalled to determine the cost of each line item.
 - (b) The total cost shall be compared with the total cost of other bids, in order to determine the lowest cost to the Organisation, and determine whether to accept the “All or none offer”, or, “split” the award among separate prospective Vendors.
- (2) When the Solicitation Document permits the award of separate contracts for individual items or categories of items, the Procurement Officer shall ensure that the proposed contract award, when the prices are substantially the same, is based on cost effectiveness, including estimated savings on administrative and contract management costs (e.g. cost of labour for Procurement personnel, archives, requisitioner and document maintenance).
- (3) If otherwise acceptable, Submissions for the supply of fewer items than specified in the Solicitation Document can be accepted on a case-by-case basis. However, if the Submission specified the total requirement, the Contract Award to the applicable Vendor shall not be split or partially awarded unless:

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- (a) The Solicitation Documents allows split or partial award; or
 - (b) The parties accept the proposed split award in writing.
- (4) When the Solicitation Document allows for split award, such award shall be based on the acceptance of the lowest offer for the maximum quantity offered, then the next lowest offer for the maximum quantity offered, until the requirement is fulfilled, provided that this is the most cost-beneficial to the Organisation.

11.6.12. Payment Discounts, including time element

- (1) If a discount is offered, the Procurement Officer shall carefully consider the rate of discount and the time required an order to determine whether the discount is cost-effective, and can be realistically availed of within the period specified by the prospective Vendor.
- (2) The payment discount period is a consideration in the contract award. When two offers are equal, an offer of “two percent, twenty days” is of greater advantage to the Organisation than an offer of “two percent, ten days”, since the time allowed for payment is longer, and therefore the expediting action required to obtain the discount is less significant.
- (3) The Solicitation Documents shall state, as applicable, that the payment discount period is calculated from the date of the delivery of the item, or the date of receipt of an accurate invoice, whichever is later.

11.6.13. Tie Bids for ITBs (Rare for RFPs)

- (1) Two or more Submissions, alike in price and terms are referred to as “tie bids”. However, normally a factor in one of the Submissions is deemed more favourable to the UN, and said Submission shall therefore be selected, provided the decision is explained to both Vendors, and a written record kept on file.
- (2) If after taking such factors into account a tie Submission is encountered, the Procurement Officer shall request the Best and Final Offer (BAFO) from the ‘tie-bidders’ in a formal exercise, as elaborated in section 11.6.8 above.
- (3) If the BAFO-exercise is without result, and a split-award is not feasible in accordance with section 11.6.11 above, then the award shall be made through a public drawing, to which the Vendors with tie bids shall be invited to attend. Such drawing shall, to the extent possible, be through mechanical means to ensure that the selection is random and by chance. The Chief, UN/PS or CPO, or a designated representative, in the presence of two other UN/PS officials, shall conduct the drawing. A written record of the drawing, and the result thereof shall be duly recorded and kept in the subject case file.

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11.6.14. Multiple offers by same prospective Vendor

- (1) If the Submission contains multiple offers, and the prospective Vendor has not ranked them, the UN shall consider the offer that is most advantageous to the Organisation.

11.6.15. Authorized Costs Exceeded

- (1) Whenever the cost of a contemplated purchase exceeds the estimated cost, or some other maximum amount fixed by the Requisitioning Officer, the Requisitioning Officer shall be informed thereof and further instructions requested. The award shall be withheld until receipt of an amendment to increase funds, or cancellation of the requisition. If because of the interests of the UN under Financial Rule 5.12, the requirement needs to be reduced or changed, the Procurement Officer shall seek authorization as how to proceed.

11.7. Discussions with Prospective Vendors

11.7.1. General

- (1) Discussions with the prospective Vendors shall only take place where the Solicitation Document was a Request for Proposal.
- (2) Discussions with potential sources shall be performed taking into consideration the principle of equality and fair treatment of the prospective Vendors.
- (3) The purpose of such discussions is to clarify the requirements in the Solicitation Documents and the content of the Submission, not to add or delete requirements in the Solicitation Documents. The Solicitation Documents shall not be altered through the discussions, thereby skewing the foundation for the source selection.
- (4) If the Vendor is selected based on "Sole Source", the Procurement Officer shall conduct discussions in order to obtain the best terms and conditions for the Organisation.
- (5) As a minimum, the Procurement Officer assigned to the case and a representative from the requisition office shall normally represent the UN in the discussions. In addition, other procurement staff as well as advisors from other offices, e.g. OLA, may be represented. The Procurement Officer shall lead the UN team, and determine how to conduct the discussions.
- (6) The discussion should preferably be conducted within UN premises, either in person or through electronic means such as telephone or videoconference etc., provided adequate security may be ensured. If electronic means are used, the UN shall be represented by the Procurement Officer, and if feasible a representative from the requisition office.

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- (7) During the discussion, no information obtained from other prospective Vendors shall be divulged to the selected source or used by the UN.
- (8) All discussions shall be summarized in 'Discussion Notes' to be included in the case file. All clarifications shall be stated in writing and included in said notes.

11.7.2. Recommendation of Award

- (1) If the award is for an amount that exceeds the individual authority of the Procurement Officer, the case shall be forwarded for review and approval in writing to a Procurement Officer who has the appropriate delegation of authority, such as Team Leader, Chief of Section or the Chief, UN/PS or CPO.
- (2) For procurement in excess of the threshold value for the HCC, currently US\$200,000 at the UN/HQ, the written approval of the ASG/DM shall be obtained, subsequent to the recommendation of the HCC. For procurement in excess of the authorised amount of a field mission, the written approval of the CAO/DOA shall be obtained subsequent to the recommendation of the LCC, and the additional written approval of the ASG/DM subsequent to the recommendation of the HCC.

11.8. Advance Notice of Awards

- (1) An Advance Notice of Award form or a letter shall be used when a notification of award in the usual format of a purchase order or contract cannot be delivered in time. An example of an Advance Notice of Award is included in Annex D-25.
- (2) Such advance notice may be used if the expiration of the time limit for the acceptance of an offer is imminent, or immediate notice to a contractor to proceed is desirable for other reasons. However, to the extent possible, the use of advance notice of award shall be avoided, to protect the legal interests of the Organisation in the event a contractual instrument cannot be agreed upon.
- (3) An advance notice of award for cases in excess of the threshold value for the HCC, currently US\$200,000 at the UN/HQ, shall only be used after the procedures of section 12.7.2(2) above have been followed.
- (4) An advance award is subject to negotiation and execution of a written contract document, or written acceptance of the UN purchase order or contract. The advance notice may be transmitted by facsimile.
- (5) The issuance of an advance notice of award does not constitute a contract and does not entitle the contractor to start providing any goods or services. The Procurement Officers should make this clear to the contractor and inform them that any actions taken in expectation of the signature of a contract or the receipt of a purchase order are at their own risk and that this will not create any obligations on the part of the UN.

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11.9. Request for information from bidders/proposers

- (1) Prior to making an award, no information with respect to probable acceptance or rejection of any offer may be made available to any individual. The reasons for any delay in making the award can be made known upon request, if the provision of such information is not prejudicial to the interest of the UN or does not compromise the confidentiality of the source selection process.
- (2) Unsuccessful bidders/proposers shall be informed of the result of the solicitation exercise. The information shall be limited to:
 - (a) The name of the successful bidder/proposer,
 - (b) The value at which the award was made, and
 - (c) The basis of the award.
- (3) If the Submission of the bidder making the inquiry was rejected for any other reason other than price, a brief reason for the rejection shall be given. The information made available to such Vendors can also be provided to UN officials involved in the solicitation, permanent missions to the UN and diplomatic missions.

11.10. Statement of Award

- (1) For contract awards exceeding US\$2,500 the Procurement Officer shall include in the case file a written record, in the form of a Statement of Award, of the facts on which the decision to make the particular award was based. The record can be brief but shall clearly explain the justification for the award. If quotations were obtained from a number of Vendors, an abstract of those quotations shall appear in the record.
- (2) In addition, for contract awards exceeding US\$30,000, in respect of a single contract, the Procurement Officer shall record the facts on which the decision to make the particular award was based on the Statement of Award, a copy of which is enclosed in Annex D26. The Procurement Officer shall place a check mark in the appropriate box on the Statement of Award to indicate the type of award. Explanation shall be given for all types of awards except when the award is based on the lowest quotation, bid or proposal or lowest acceptable quotation or bid. For awards based upon best value evaluation, the Statement of Award shall list the main evaluation factors and their weighting. For awards reviewed and recommended by the Committee on Contracts, the meeting number and the date shall be indicated. The Statement of Award shall include as an attachment a copy of the draft contract expected to be signed by the UN for the clearance of the Chief, PS or the CPO.
- (3) The explanations required on the Statement of Award shall be in sufficient detail to show clearly and easily the basis on which the award was made.

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- (4) A Solicitation Abstract Sheet is not required when a sole bid is received and an award is made to the sole bidder. In such a case, the justification for the proposed award including confirmation on what basis the cost is considered fair and reasonable should be shown in a Statement of Award and attached to the bid.
- (5) The selected Vendor shall be informally notified at the earliest possible date, once the award has been approved through a recommendation of the HCC/LCC where applicable, and the PO shall be issued or the Contract shall be signed before the expiration of the offer or its extension as per guidelines in this Manual.
- (6) If the Vendor requires a formal written notification of award, the text of the letter sent to the Vendor shall be cleared with the Chief UN/PS or the CPO.

11.11.Award

- (1) When a written contract has been prepared, a copy should be presented to the Chief, PS or CPO for review and clearance together with the Statement of Award before sending it to the contractor. Once the contract has been cleared, initialled by the Procurement Officer on each page, and, as applicable, the appropriate funds have been obligated, the Procurement Office shall send a minimum of two (2) copies to the Vendor under a cover letter requesting the Vendor to sign and return all copies to UN/PS or the Mission as applicable, a copy of which is enclosed as Annex D-31A. In order to ensure the integrity of the contractual documents issued by the PS, each and every page of a contract must be initialled by the respective Procurement Officer prior to forwarding to the vendor for signature. Such contractual instrument may be distributed electronically, provided applicable security routines are in place to ensure that the document will not be tampered with.
- (2) Upon receipt of signed copies from the Vendor, the Procurement Officer shall, as soon as possible thereafter, ensure that a duly authorized UN staff official signs the copies, and returns one (1) countersigned copy to the Vendor. The procedure requires the contractor to sign the contract first and UN Procurement subsequently. Any request to reverse the aforementioned procedure, or have the parties sign simultaneously, shall require approval by the respective Chief of Section, the Chief, UN/PS or the CPO.
- (3) If a Purchase Order is issued as an acceptance of the bid or quotation of the Vendor, and electronic means of data interchange are not being used, a copy of the Purchase Order should be presented to the Chief, PS or CPO for review and clearance together with the Statement of Award before sending it to the contractor. Once the Purchase Order has been cleared, and, as applicable, the appropriate funds have been obligated, the Procurement Officer shall sign at least two copies of the Purchase

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Order prior to sending one signed copy to the Vendor under a cover letter requesting the Vendor to sign and return all copies to UN/PS or the Mission as applicable, a copy of which is enclosed as Annex 31-B. . Acceptance of the Purchase Order shall conclude a contract between the parties. As indicated on the reverse of the UN Purchase Orders (Annex D-13), the Purchase Order “may only be accepted by the Vendor’s signing and returning an acknowledgement copy of it or by timely delivery of the goods as herein specified”. In order to ensure the interests of the organisation, the Procurement Officer shall obtain proof that the Purchase Order has been received by the Vendor, either by copy of fax transmittal receipt, proof of postal delivery to the Vendor or, preferably, Vendor acknowledgement of the Purchase Order through a countersigned copy of the said order. Such proof shall be attached to the Procurement Case File.

11.12. Legal Review**11.12.1. At HQ level**

- (1) Prior to entering into a contract the UN/PS may submit a draft contract to the Office of Legal Affairs, (OLA) for review or request OLA assistance in the preparation of the contract. If the contracts introduce novel or policy issues of a legal nature, it may also be submitted to OLA for review. The decision as to whether such a contract is to be submitted to OLA rests with each Section Chief, upon consultation with the Chief, UN/PS, if appropriate.
- (2) OLA review shall not normally be sought if the contract is to extend or renew an existing contract without significant changes to the terms and conditions, or if the contract does not differ substantively from another contract previously reviewed by the OLA. In such circumstances, attention should be paid to ensure that the proposed contract is up to date with current procurement policy, guidelines and UNGCC.

11.12.2. In Field Mission

- (1) Prior to entering into a contract the Mission Procurement Office, may submit a draft contract to the Mission’s legal office for review or request the assistance of said representative in the preparation of the contract. The CPO or the Mission’s legal office may, as applicable, request the assistance of the OLA at UN HQ in reviewing the contract. If the contracts introduce novel or policy issues of a legal nature, it may also be submitted to OLA for review. The decision as to whether such a contract is to be submitted to OLA rests with each CPO or the Mission’s legal office.
- (2) Review by the Mission’s legal office shall not normally be sought if the contract is to extend or renew an existing contract without significant

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changes to the terms and conditions, or if the contract is identical to another contract previously reviewed by the OLA or the Mission's legal office. In such circumstances, attention should be paid to ensure that the proposed contract is up to date with current procurement policy, guidelines and UNGCC.

11.13.Contract Number

- (1) At the HQ, the UN/PS SSS shall maintain a register of Contracts and shall assign a number to all Contracts executed by UN/PS.
- (2) In the field, the CPO shall ensure that the Mission maintains a register of written Contracts and that all Contracts executed by the Mission are assigned a contract number.

11.14.Obligation of funds

- (1) Whenever payment is to be processed at HQ, UN/PS shall ensure that minimum funding to meet the contractual obligation of the Organisation has been obligated prior to entering into the contract.



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12. Contract Award

12.1. Review by Committees on Contracts

12.1.1. Cases to be reviewed by the Headquarters Committee on Contracts are subject to the general principles of Financial Regulations 5.12 and 5.13 as well as the applicable Financial Rules.

- (1) When any of the following categories of procurement actions, irrespective of whether the action originated at HQ or in a Mission/OAH, is applicable to a proposed award, in accordance with the UN FRR the recommendation of the Headquarters Committee on Contracts (HCC) and the prior approval of the ASG/OCSS shall be obtained prior to any contractual commitment being made:
 - (a) Any proposed award to a single contractor in respect of a single or a series of related requisitions which in total exceeds US\$200,000 (“HCC threshold”) during a calendar year, or such amount as determined from time to time by the ASG/OCSS. For purposes of determining if the HCC threshold has been reached, there shall be no aggregation of multiple awards and proposed awards in a calendar year;
 - (b) Any proposed amendment, modification or renewal of a contract previously reviewed by the HCC, where the amendment, modification, or renewal, increases the contractual amount more than twenty (20) percent (hereinafter the “20% rule”) or US\$ 200,000 whichever is lower;
 - (c) Any proposed amendment or modification of a contract previously reviewed by the HCC where, in the judgement of the Procurement Officer, such amendment in relation to the criteria on which the original award was made may significantly affect the procurement process or the original contractual terms;
 - (d) Any proposed amendment, modification or renewal of a contract not previously submitted to the HCC where, during a calendar year, the aggregate amount now exceeds the HCC threshold;
 - (e) Any other matter relating to a contract referred to the HCC by the USG/DM, ASG/OCSS or other officials duly authorized under Financial Rule 105.13.
- (2) When any of the following categories of procurement action, irrespective of whether the action originated at HQ or in Mission/OAH, affect a proposed contract which involves income to the Organisation, the recommendation of the HCC and the prior approval of the ASG/DM shall be obtained, prior to any contractual commitment being made:
 - (a) Any proposed contract or series of related contracts which involve income to the Organisation during a calendar year of US\$40,000

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or more; provided however, income resulting from implementation of approved recommendations of the Headquarters Property Survey Board shall not be included;

- (b) Any proposed contract related to activities where the estimated annual income from the same purchaser, during a calendar year amounts to US\$40,000 or more; provided however that income resulting from implementation of approved recommendations of the Headquarter Property Survey Board, shall not be referred to the HCC;
- (c) Any proposed amendment, modification or renewal of a contract which involves income to the Organisation previously reviewed by the HCC, where any contract amendment(s) in the aggregate increases the income during a calendar year by the lower of twenty (20 %) percent of the contract income, or has a contract income of US\$40,000;
- (d) Any proposed amendment or modification of a contract which involves income to the Organisation previously reviewed by the HCC, where in the judgement of the Chief UN/PS the significance of the contract amendment in relationship to the criteria on which the original award was made would have significantly affected the transaction generating income;
- (e) Any proposed amendment, modification or renewal of a contract which involves income to the Organisation not previously submitted to the HCC, where the combined amount now exceeds US\$40,000 during a calendar year;
- (f) Any other matter relating to a contract, which involves income to the Organisation, referred to the HCC by the USG/DM, the ASG/OCSS or other officials duly authorized under Financial Rule 105.13.

12.1.2. Cases to be reviewed by Local Committee on Contracts

(1) The LCC shall render written recommendation to the CAO/DOA on:

- (a) Any proposed award to a single contractor in respect of a single or a series of related requisitions which in total exceeds the annual threshold value delegated to the OAH/Mission (“LCC threshold”), or such amount as determined from time to time by the ASG/OCSS. For purposes of determining if the LCC threshold has been reached, there shall be no aggregation of multiple awards and proposed awards in a calendar year;
- (b) Any proposed amendment, modification or renewal of a contractual instrument previously reviewed by the LCC, where the amendment, modification or renewal, either increases the

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- contractual amount more than twenty (20) percent or the LCC threshold, whichever is lower;
- (c) Any proposed amendment or modification of a contractual instrument previously reviewed by the LCC where, in the judgement of the Procurement Officer, such amendment in relation to the criteria on which the original award was made may significantly affect the procurement process or the original contractual terms;
 - (d) Any proposed amendment, modification or renewal of a contractual instrument not previously submitted to the LCC where, during a calendar year, the aggregate amount now exceeds the LCC threshold;
 - (e) Any other matter relating to a contract referred to the LCC by the CAO/DOA or other officials duly authorized under Financial Rule 105.13.
- (2) When any of the following categories of procurement action affect a proposed contract which involves income to the Organisation, the recommendation of the LCC and the prior approval of the CAO/DOA shall be obtained, prior to any contractual commitment being made:
- (a) Any proposed contract or series of related contracts which involve income to the Organisation during a calendar year of US\$10,000 or more; provided however, income resulting from implementation of approved recommendations of the Local Property Survey Board shall not be included;
 - (b) Any proposed contract related to activities where the estimated annual income from the same purchaser, during a calendar year amounts to US\$10,000 or more; provided however that income resulting from implementation of approved recommendations of the Local Property Survey Board, shall not be included as provided in Financial Rule 105.22;
 - (c) Any proposed amendment, modification or renewal of a contract which involves income to the Organisation previously reviewed by the LCC, where any contract amendment(s) in the aggregate increases the income during a calendar year by the lower of twenty (20 %) percent of the contract value or US\$10,000 or more;
 - (d) Any proposed amendment or modification of a contract which involves income to the Organisation previously reviewed by the LCC, where in the judgement of the CAO/DOA the significance of the contract amendment in relationship to the criteria on which the original award was made would have significantly affected the transaction generating income;
 - (e) Any proposed amendment, modification or renewal of a contract which involves income to the Organisation not previously

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submitted to the LCC, where the combined amount now exceeds US\$10,000 during a calendar year;

- (f) Any other matter relating to a contract, which involves income to the Organisation, referred to the LCC by the CAO/DOA or other officials duly authorized under Financial Rule 105.13.

12.1.3. Submission to LCC/HCC

- (1) For all procurement actions that require HCC consideration, see section 2.3, the Chief, UN/PS, or a duly designated representative, shall sign each presentation, and shall submit it to the HCC. However, for procurement actions related to 'LOAs' applicable to the Missions, the Director, LSD/DPKO, will submit presentations to the HCC, through the Chief, UN/PS in accordance with Section 13.9.2.
- (2) For procurement cases in the Mission/OAHs, the case shall be submitted to the LCC if the monetary value exceeds the threshold value so delegated to the CPO. The procedures for consideration of procurement cases by the LCC are essentially the same as for HCC considerations at the HQs. However, if the monetary value exceeds the monetary value requiring HCC consideration, the procurement action shall first be the subject to a recommendation by the LCC and upon approval by the CAO/DOA forwarded to the UN HQ for HCC consideration. The presentation of the procurement case that has been subject of a recommendation by the LCC, and accepted by the CAO/DOA, shall be sent to the Chief, UN/PS (Missions are also required to concurrently forward a copy of the LCC presentation to LSD/DPKO for their review and recommendation), who can request the LCC or the CPO for clarification, return the presentation to LCC for reconsideration and clarification or submit the LCC presentation to the HCC at their next meeting.
- (3) All submissions to the LCC and/or HCC shall, unless otherwise approved by the secretariat of the relevant Committee on Contracts, be provided in eleven (11) copies. However, if the submission is fifteen (15) pages or less, it may be submitted electronically. At HQs, electronic submissions shall be made via the e-HCC system following the e-HCC guidelines. Submissions shall be submitted no later than two (2) working days prior to the Committee on Contracts meeting in which the procurement action is to be tabled for consideration. At the UN HQ, they shall be submitted to the Committee on Contracts secretariat by 1:00 PM, each Thursday, for the following Tuesday's regularly scheduled weekly meeting.
- (4) Procurement Officers shall ensure that submissions to the Committee on Contracts are comprehensive, factually accurate and clear in order to facilitate the review of the procurement action. Submissions shall be in sufficient detail to enable the Committee on Contracts to obtain an

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accurate and complete description of procurement actions taken and the basis of the proposed award. All exceptions to the guidelines in this Manual shall be justified in writing.

- (5) The “basis of award and applicable financial regulation or rule” to be quoted in the HCC form should fall within one of the categories listed in the “Statement of Award” form that can be found as Annex D-26.

12.1.4. Role of Procurement Offices with respect to Committees on Contracts

- (1) The Procurement Offices, Chief, UN/PS or CPO and their procurement staff, are responsible for the following:
 - (a) Ensuring, in co-operation with the requisitioning office, accurate, timely and comprehensive presentations to the HCC/LCC, including a written justification for the proposed award(s) and a brief description of the purpose of the deliverables to be acquired;
 - (b) Providing to the HCC/LCC, as requested by its Chairperson, clarifications, and/or additional information in connection with a case presentation prior to a meeting;
 - (c) During or after a meeting of the HCC/LCC, promptly providing clarifications and/or additional information in connection with a presentation if so requested by the Committee on Contracts; and,
 - (d) Ensuring that procurement action is undertaken in accordance with the FRR, established procurement practices and procedures, and applicable SGBs and AIs.

12.1.5. Pre-clearance and other Time-saving Measures by the HCC/LCC

- (1) In accordance with the provisions of SGB/6/Add.1 dated 26 November 1946, the HCC is authorised to establish such procedures as may be necessary for the proper discharge of its functions.
- (2) In accordance with that SGB, in the year 2000, the HCC established a procedure (sometimes referred to as the “pre-clearance procedure”) whereby prior to a scheduled meeting, members would, using e-mail, exchange views, seek clarification and/or provide comments on a given written procurement case presentation. If, by using this procedure, the members reach a full consensus recommendation on the case, the case need not be presented and deliberated upon during a physical (i.e. face to face) meeting of the HCC. Recommendations arising from this procedure shall be duly noted in the HCC Minutes for the meeting and the Secretary, HCC shall ensure that copies of all e-mail exchanges utilising this procedure are kept in the relevant HCC meeting files as they constitute part of the official records thereof. In establishing this procedure, the HCC expressly noted that it was doing so with a view to achieving operational efficiencies and to make greater use of modern information technology.

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- (3) The HCC may also develop other procedures from time to time, which ensure that applicable review is performed in accordance with the UN FRR and this Manual, to expedite the review and recommendation process. This Manual will be revised to reflect these new procedures as and when necessary.

12.1.6. Meetings of the Committee on Contracts

- (1) The HCC/LCC shall meet at such times and frequency as decided by the Chairperson. The minimum frequency of HCC/LCC meetings shall be once a week, subject to there being cases to review or other business for the Committee.
- (2) The Chairperson of the HCC/LCC shall introduce all agenda items for consideration and advice by the Committee on Contracts.
- (3) It should be noted that the HCC/LCC recommends to the ASG/DM or the CAO/DOA, as appropriate, for their approval of the recommendations made at each Committee meeting. One (1) copy of the approved recommendations and meeting minutes shall be distributed within ten (10) business days, after conclusion of the meeting, as follows:
 - (a) ASG/DM or CAO/DOA;
 - (b) Members of the HCC/LCC;
 - (c) Chief, UN/PS or CPO;
 - (d) Requisitioning offices; and
 - (e) OIOS.
- (4) In general, the HCC/LCC shall meet in open session. However, when deemed necessary by the Committee, it may convene in closed session (“executive session”), and the deliberations shall be limited to its members and the Secretary.

12.1.7. Special Procedures for emergency situations

- (1) The Chairperson of the HCC/LCC may at his/her discretion, and in accordance with guidelines established by the ASG/DM, accept the late submission of presentations (i.e. after the established time for submission of cases for regularly scheduled meetings) of procurement actions, arising out of emergency, exigent situations or operational urgency.
- (2) Such submissions are usually considered as “Walk-In”, “Special meeting” or “Telephonic” presentations. The terms of reference and responsibilities set forth in section 12.1.4 apply equally to such submissions.
- (3) The Chief, UN/PS or CPO, shall ensure that the need for a “Walk-In”, “Special meeting” or “Telephonic” review is fully justified by the relevant Requisitioner and supported by the procurement office. Such justification shall be set forth in writing, in the request by UN/PS or



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CPO to the HCC Chairperson for “walk-in”, “special” or “telephonic” meetings.

- (4) A complete submission in accordance with standard requirements shall be presented to the Committee prior to a meeting.
- (5) For urgent procurement actions, the Chairperson may submit the Committee’s recommendation on an expedited basis to the ASG/DM or CAO/DOA for consideration and approval prior to finalisation of the meetings minutes using a specially designed and annotated rubber stamp (hereinafter “expedited approval procedure”). However, the expedited approval procedure shall only be used to meet the Organisations urgent needs, as justified by the Requisitioner and supported by the Chief, UN/PS or the CPO.

12.1.8. “Ex post facto” – Presentations

- (1) There are two special types of cases that require presentation to the HCC/LCC, namely, (a) fully “ex post facto”-cases and (b) partially “ex post facto”-cases, defined as follows:
 - (a) A procurement action, whether a written contract exists or not, in which deliverables have already been fully furnished prior to submission of the procurement action to the HCC/LCC for its advice, or the approval of all other appropriate authorities, is a “Fully ex post facto”-case.
 - (b) A procurement action, whether a written contractual instrument exists or not, in which deliverables have been commenced and furnished in part prior to obtaining the advice of the HCC/LCC and/or the approval of all other appropriate authorities is a “Partial ex post facto”-case.
- (2) The “ex post facto”-cases may patently contradict the letter of the FRR, but may be accepted by the Organisation under exceptional circumstances, provided all other UN procurement practices and procedures have been followed. However, “ex post facto”-cases shall be rare exceptions; and when they occur, written justification shall be provided to explain the reasons why timely presentation was not possible.
- (3) All “ex post facto”-cases (including those which are partially ex post facto) originating at Missions shall be presented to the respective LCC, regardless of the dollar amount. If the monetary value exceeds the threshold for the applicable LCC, the case shall be forwarded to the UN HQ for presentation to the HCC subsequent to the presentation to the relevant LCC.
- (4) Due to the serious financial implications of “ex post facto”-presentations, and in order to ameliorate the potential adverse consequences of “ex post facto”-cases, the following shall apply:

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- (a) The heads of respective offices shall inform the appropriate officials that they may be held personally accountable and financially liable pursuant to financial Rule 101.2 for authorizing any “ex post facto”-case that cannot be properly justified. If considered warranted, the ASG/DM may refer “ex post facto”-cases to the USG/DM for further action. The following conditions should be taken into account in reviewing such cases:
- (i) Not taking action on the “ex post facto” procurement action would have seriously jeopardized the operational capability of the Field Mission/OAH or endangered the lives, health and safety of UN or other personnel;
 - (ii) The matter was beyond the reasonable control of the Mission/OAH. Detailed facts substantiating these conditions shall be provided, without which the presentation may not be accepted; and
 - (iii) For Missions, the action occurred during Mission start-up.
- (b) UN/PS, Missions and OAH shall submit with each presentation to the HCC, the following:
- (i) A reasonably detailed written explanation for the necessity of the procurement action personally signed by the Head of the Department or Office (DOA/CAO in the case of Peacekeeping Missions or Tribunals), indicating whether one or more of the conditions for exigency as defined by the General Assembly have been met (See Section 9.5.6 of the Manual);
 - (ii) Copies of relevant documents pertaining to the procurement action, including, the requisition, the list of invitees, the Solicitation Documents, all Submissions received; the comparative statement and evaluation documents; the written contract, if applicable; the LCC presentation, with the relevant minutes attached; and
 - (iii) For Missions, LSD/DPKO’s detailed facts substantiating the exceptional conditions.

12.1.9. Procedures for “Ex-post facto” – cases submitted to the HCC

- (1) “Ex post facto” presentations submitted to the HCC, in accordance with 12.1.8 above, shall be furnished to the UN/PS, save for cases from Missions, which shall be vetted by the ASG/OMS/DPKO. LSD/DPKO shall submit cases to the UN/PS through the ASG/OMS/DPKO.
- (2) If UN/PS determines that the presentation is in conformance with the “ex post facto”-procedure, the case shall then be presented to the HCC. The HCC can reject the presentation as non-compliant, or note and

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forward the submission to the ASG/DM for consideration. If UN/PS determines that the case is non-compliant, the case should be presented to the ASG/DM to decide on how to proceed.

- (3) Submission of “ex post facto”-cases to the HCC and subsequent action by the Committee does not imply that the ASG/OCSS approves or accepts responsibility for the actions of the officer or officers who committed the UN contractually without obtaining all necessary approvals. The HCC may take note of such cases, duly request clarification and issue observations on the propriety of the action taken.
- (4) The notation of an “ex post facto”-case by the LCC, the DOA/CAO or head of office, the HCC and the acceptance of the HCC advice by the ASG/DM, does not constitute retroactive “approval” of the presentation. The officials concerned who authorized the “ex post facto”-case remain personally accountable for the decision, unless otherwise determined, as set forth in 12.1.8 (4) a. above.

**PROCUREMENT MANUAL****13. Contractual Instruments**

13.1. Procurement

- (1) At HQ, the UN/PS is responsible for purchasing products and services in accordance with the relevant Financial Regulation and Rules (Regulations 5.12 through 5.13 and Rules 105.13 through 105.19). For purchasing at OAH/Missions, this responsibility can be delegated to specific officers.
- (2) In accordance with UN Financial Rule 105.18(a), all procurement actions over the established financial threshold value as established by the ASG/OCSS, currently \$2,500, shall be in writing. That Rule also provides that certain minimum details be included in such written contracts.
- (3) Every UN contractual instrument for the purchase or rental of services, products, and other requirements shall include the appropriate standard form of the UN General Conditions of Contract (UNGCC). The appropriate version to be used depends upon the deliverables to be acquired. The various standard forms of the UNGCC are found in Annexes D-9 through D-12.
- (4) The different documents are the following:
 - (a) United Nations General Conditions of Contract, (Annex D-9);
 - (b) United Nations General Conditions of Contract (Peacekeeping Operations), (Annex D-10);
 - (c) United Nations General Conditions of Contract for Purchase of Goods, (Annex D-11); and,
 - (d) Special Conditions for Construction Work, (Annex D-12).
- (5) The Solicitation Document shall require the prospective Vendor to specify, as part of its response to the solicitation (hereinafter Submission) that they have read, understood and agreed, without qualification, to comply with the UNGCC, as applicable for the specific deliverables, which shall be incorporated into the contractual instrument by reference.

13.2. Contractual instruments in use by the United Nations

- (1) The UN uses the following contractual instruments:
 - (a) Blanket Purchase Order
 - (b) Purchase Orders
 - (c) Systems Contracts
 - (d) Written Contracts
 - (e) Institutional Contract Agreement (ICA)
 - (f) Internal Purchase Orders
 - (g) Letter of Assist

**PROCUREMENT MANUAL****13.3. Blanket Purchase Order**

- (1) Through Direct Ordering the Procurement Office (UN/PS or CPO and staff) can arrange for certain departments and offices to order limited products and specific services directly from selected vendors. The procedure is reserved for repetitive orders of relatively low value, when non-stock items and services are required, where limited time is an important factor, or where prices may conform to a set pattern in the trade.
- (2) The procedure requires the Procurement Office to establish Blanket Purchase Orders (BPO), on a calendar year basis, for specific items based on requisitions received from the department concerned, upon which said department or office issues direct orders.
- (3) The total sum drawn upon a BPO shall not exceed the face value of said BPO, and shall be limited to a maximum of US\$50,000 in each calendar year. The BPO shall specify the duration of the contract, which under no circumstance shall be longer than 31 December of the year the BPO was issued. In order to replace an expired BPO, a new BPO shall be issued, if so requested by the department or office. The relevant UN/PS Section Chief or CPO shall approve issuance of a BPO to the same Vendor for up to three consecutive years without substantive interruption.
- (4) Each BPO shall be re-evaluated by the Procurement Officer at reasonable intervals, and, as a minimum, at the end of each contract period. After a BPO is issued, the department or office may proceed to order from the Vendor, in accordance with the terms of the BPO, provided that all direct orders to the Vendor includes the BPO number.

13.4. Purchase Order

- (1) A Purchase Order (PO) is a “contract”. It is generally used for acquisitions that follow the issuance of a request for quotation or an invitation to bid, such as for goods, standardised items or simple services (e.g. subscription services). POs can also be used to draw upon Systems Contracts (see section 13.5).
- (2) The PO serves as the formal order to, or the means to achieve acceptance of an offer from, the Vendor to furnish the deliverables. The initial provision on the reverse of the PO explains how “acceptance” is achieved by the UN (see also 11.11(3) above). The issuance of a PO obligates the funds against the appropriate Budget Account Codes (BAC). A sample PO is enclosed in Annex D-13.
- (3) The terms and conditions and the general conditions printed on the back, including any attachments, govern all PO’s. The Procurement Officer may add special instructions to the PO. A list of the most common used special instructions is enclosed in Annex D-13-A. No additional or inconsistent provisions proposed by the Vendor shall bind the UN unless agreed to in writing by a duly authorized official of the

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UN. Any modification to the UNGCC shall be in accordance with the procedure set forth in 13.6.3 (3)(n).

- (4) A PO shall, as a minimum, be issued in two original copies, one for the Vendor and one for the Case file. Both copies shall be signed and distributed to the Vendor for countersignature, requesting return of one countersigned original unless an electronic means of data interchange is being used.
- (5) The returned countersigned copy shall be distributed in electronic format to the requisitioner and the Accounts Division.
- (6) For purchases under \$2,500, the Procurement Officer or other authorized official with proper delegation of procurement authority should follow the procedures of section 9.4.1 above, directly issuing a short Purchase Order, and forward a copy thereof to the Procurement Office

13.5. Systems Contract

- (1) Systems Contracts are used when it is determined, based on previous experience and project needs, that the deliverables to be procured are required on a recurring basis, for an extended period of time. They facilitate prompt processing of procurement requirements. Furthermore, the number of time-consuming and repetitive solicitation processes for the same items is minimized and the unit price should be lower due to the consolidated volumes. "Performance Based Contracting" and other techniques may be useful in developing system contracts.
- (2) Systems Contracts can be issued for a broad range of deliverables. The simplest Systems Contracts are the BPOs, which are established on an annual basis for low value items (see section 13.3 above). At UN HQ, the contract for the provision of office products and equipment and computer and related help-desk services are Systems Contracts. A more complex version is the Direct Provisioning Contracts for the Missions, whereby a mission can order directly from several Vendors.
- (3) Systems Contracts shall be awarded after competitive bidding, generally using the Request for Proposal ("RFP") procedure. The Systems Contracts shall be based on clear and precise specifications as well as a Scope of Work in order to ensure fair competition among prospective Vendors. The Procurement Officers shall work closely with the requisitioning offices to develop a work plan in order to establish a sound Systems Contract.
- (4) The use of long term Systems Contracts reduces the number of times Vendors are invited to participate in a competition for the deliverables needed. Therefore, the initial duration of the Systems Contract shall normally not exceed three (3) years, and the contract shall not be extended for more than two consecutive terms of one (1) year each.

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Deliverables on long term Systems Contracts shall, as a minimum, be competed every five (5) years.

- (5) The intent of Systems Contracts is to secure competitive prices for the duration of the contracts. The Contract can include terms and conditions to review the price during the validity of the Contract, provided this is included in the Solicitation Documents.
- (6) The UN is not obliged to forecast the precise quantities that it will order under a Systems Contract during the contract term. However, in order to maximise the benefit of using Systems Contracts, the Solicitation Document shall, to the extent possible, include a minimum number and a maximum number of deliverables to be procured during the term of the contract. These values shall be included in the Systems Contract. Generally, better prices are available if the UN can guarantee a minimum number of deliverables, preferably for immediate delivery.
- (7) Systems Contracts require intensive monitoring and administrative support, primarily by the requisitioning office to ensure that contractors perform satisfactorily and in accordance with the terms and conditions of the contract. However, once a Systems Contract is in place, it can improve efficiency and lower cost, due to economies of scale. Therefore, this method of procurement shall be explored wherever possible and practical with the full support and co-operation of the substantive offices concerned, provided, however, that they are not issued unless it will provide tangible benefits to the Organisation.
- (8) In order to place an actual order to obligate the funds and facilitate the processing of invoices against deliverables provided under Systems Contracts, Purchase Orders shall be issued for the requested deliverable, clearly referring to the Systems Contract and the prices contained therein. Furthermore, the Purchase Order shall clearly make reference to the Systems Contract under which it is issued, in order to track the expenditure under said Systems Contract.
- (9) The System Contracts shall generally be available for the entire UN System, unless the Requisitioner provides valid reasons why they should be limited to certain parts of the UN System. Accordingly, UN HQ, OAHs/Missions as well as other UN entities benefit from such contracts. When any offices outside UN/PS issue Purchase Orders under system contracts, a copy thereof shall be furnished to the originating requisitioner at the UN HQ. This requisitioner shall monitor the utilisation of the Systems Contract, and inform UN/PS in writing when more than 75% of the allocated funds have been committed.

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13.6. Written Contracts

13.6.1. General

- (1) A written contract with originally prepared wording, rather than a printed set of standardised provisions, shall be used when the terms and conditions are complicated or require detailed written elaboration to ensure proper understanding between the UN and the contractor in respect of the obligations of both parties.
- (2) Procurement Officers shall ensure that funds have been approved and obligate them by issuing an internal purchase order (see section 13.8 below). If all procurement activities related to the acquisition have been conducted at Headquarters, but payment for goods or services is arranged by another office, such as a peacekeeping mission, any purchase order against such contract requires a prior certified and funded requisition.
- (3) Techniques such as “Best Value Source Selection”, “Performance Based Contracting”, “Incentive Contracting” will require special provisions in the solicitations which will then be carried forward into the contract document.
- (4) While formalizing a contract, Financial Rule 105.18 (b) should be taken into account, in order to determine whether electronic means of data interchange could be used to conclude the contract.

13.6.2. Standard Contract documentation:

- (1) A written contract shall normally consist of the following documents:
 - (a) Special Provisions (originally prepared wording), including the result of any negotiations prior to contract award, if applicable;
 - (b) UN General Conditions of Contract;
 - (c) Solicitation Documents, including specifications and Statement of Work and any written clarifications provided by the UN during the Solicitation period; and
 - (d) Submission (i.e. Quotation, Bid or Proposal).
- (2) Other documents may be incorporated as necessary, e.g. written records of bid conferences, best value source selection discussions, letters, samples, bonds, etc.

13.6.3. Standard Contract elements

- (1) As the wording is tailored to the deliverables, there is no fixed standard format for said contracts, as the contents will depend upon the complexity of the acquisition. Therefore, the relevant Procurement Officer shall prepare each written contract in a form deemed appropriate, subject to clearance by the OLA, as appropriate, in accordance with the terms of section 11.12.

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- (2) As a minimum, the contract shall clearly identify the Parties to the agreement, including the legal name, type of entity as applicable, and the state or other jurisdiction under whose law the entity is incorporated.
- (3) The following elements are illustrative of what can be included in the contract, as applicable:
 - (a) Statement of Work (a description of work that frequently needs to be updated beyond what may have been provided in the RFP, especially when best value source selection is used).
 - (i) Summary, giving the background and a general description of the services to be supplied, the goods to be delivered, or the work to be performed.
 - (ii) Detailed description of elements and all phases of the services to be provided, the goods to be delivered or the work to be performed, including definitions and specifications. The terms of reference and/or specifications should be annexed to the contract, as a self-contained document forming part of the contract.
 - (iii) Quantities being procured.
 - (b) Documents - Order of Precedence
 - (i) Order of precedence among the various documents forming part of the contract. The contract terms and then the UNGCC should prevail over the rest of the documents.
 - (c) Period of Contract
 - (i) Starting and completion dates of the contract. Unless otherwise agreed in the contract, the starting date shall be the date of last signature of the contract. Completion date can be a specific date, or a given period after the starting date, e.g. one (1) year.
 - (d) Responsibilities of the Contractor
 - (i) Personnel inputs including provision for specific personnel or changes or substitution of personnel.
 - (ii) Equipment inputs, including provision for equipment changes and/or substitutions.
 - (iii) Quality of performance, including schedules of operations/implementation etc.
 - (iv) Maintenance of records and availability of records for inspection by the UN.
 - (v) Special responsibilities of the contractor.
 - (vi) Schedule of operations and/or implementation.
 - (vii) Provision for allowing fluctuations in the schedule of operations to cover unforeseen developments or to better fulfil the requirements of the UN.
 - (e) Responsibilities of the UN

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- (i) Provide facilities or office space, as necessary and in accordance with standard terms and conditions, for contractor.
- (ii) Provide relevant items or information to contractor as required.
- (iii) Special responsibilities of the UN.
- (f) Contract Monitoring and/or Supervision
 - (i) Method of supervision and monitoring of the contractor's performance.
 - (ii) Authority of the UN to monitor or supervise.
 - (iii) Periodic contract reviews.
- (g) Reports
 - (i) Schedule of progress reports or other reports to be submitted by the contractor.
 - (ii) Review and approval of reports.
- (h) Payments
 - (i) Total price.
 - (ii) Cost breakdown (daily rates, unit costs, etc. as applicable).
 - (iii) Payment schedule. If there are multiple payments, it is recommended to withhold approximately 10% of the total cost until all deliverables have been furnished.
 - (iv) A provision that final acceptance by the UN will be a pre-condition for final payment.
 - (v) A provision to indicate that payment against an invoice does not imply acceptance of the deliverables.
 - (vi) All payments are made by cheque or electronic funds transfers. Cash disbursements are an exception to the FRR and can only be made in unavoidable and exceptional cases, and only after obtaining prior written clearance from the office of the Controller.
- (i) Liquidated Damages Clause
 - (i) An appropriate liquidated damages clause is issued as a protection against failure of the contractor to perform, complete the work or deliver the goods and services on time. A reasonable amount per day shall be established in the contract, up to a ceiling, normally 10% of the contract value. Instead of a 'per diem' compensation, fixed rates can be agreed for certain failures, e.g. x% price reduction if artistic product is not acceptable.
 - (ii) Liquidated damages are compensatory, not punitive. Therefore, they shall, to the extent possible, be supported by other clauses to secure the economic interests of the organisation, such as payment withholding, performance bonds, etc.

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- (j) Performance Bond Clause
 - (i) A performance bond clause providing for a formal notice of bond, usually ranging from 10% to 30% of the contract price, is generally required from the Contractor on signing of the contract in cases above \$100,000, subject to forfeit if the Contractor fails to correct satisfactorily a performance failure within 30 days following receipt of such notice. The Bond is the UN's "lien" against Contractor performance. A sample Performance Bond is enclosed in Annex D-22.
- (k) Insurance
 - (i) In certain cases, additional terms on insurance shall be included in the Contract. For example, construction contracts, air charter contracts, provision of fuel, or contracts for the provision of services for events taking place at the UN premises, require that the Vendor obtain additional insurance.
 - (ii) The Procurement Officer shall use his/her best judgement to determine whether the scope of the contract will require additional insurance. In this case, the UN Insurance Section and OLA/GLD, if appropriate, shall be consulted for instructions on the drafting of the particular clause.
- (l) Warranties
 - (i) If the Purchase Order or a Contract is for the provision of goods, and in certain cases, for provision of services, a warranty clause shall always be included. This clause shall require the Vendor to provide the UN with all manufacturers' warranties, including but not limited to the warranty that the goods shall be free of defects. The Vendor shall warrant to the UN that the goods shall conform to the Contract Documents, and in particular to the specifications, and shall be fit for the purposes for which such goods are ordinarily used and for purposes expressly made known to the Vendor by the UN, shall be of good quality, free from faults and defects in design, material and workmanship. The Vendor shall also warrant that the goods are contained or packaged in a manner adequate to protect the goods. Generally the warranty shall be for at least 12 months.
- (m) Amendment of the Contract
 - (i) Procedures for amending the contract. No amendments or change orders shall be permitted without the prior written approval of a duly authorised representative of the UN.
 - (ii) Unauthorized work shall be precluded and no compensation shall be paid for such work.
- (n) General Conditions

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- (i) A statement that the attached dated UNGCC is part of the contract. The UN General Conditions of Contract are an essential contract element and shall be attached to the solicitation documents and also shall be part of the contract. Exceptionally, after the notification of the Statement of Award, the successful bidder may seek to amend the terms of the UN GCC. In this case, negotiations should only be conducted with the support of the Office of Legal Affairs/General Legal Division (OLA/GLD) in order to successfully sign a contract while preserving the interests of the Organization, and the Chief of the respective UN/PS Section, as per section 11.12, shall agree to any change to the UNGCC in writing. Such notifications can be set out in “special conditions” as may be approved for the particular contract.
- (o) Special Conditions
 - (i) A statement that the attached Special Conditions (if any) are part of the contract.
- (p) Agreement of Parties
 - (i) Authorized representatives of the parties, including their titles, business addresses, telephone, facsimile number and e-mail address.
 - (ii) The last item on the contract is a statement of agreement to the terms and conditions thereof followed by the signatures of the parties and the date of signature. The name of the contractor and the name and title of the authorized individual who will sign the contract on behalf of the contractor shall be printed. The name and title of the authorized official who will sign on behalf of the UN shall also be printed.

13.7. Institutional or Corporate Contractor Agreement**13.7.1. Introduction**

- (1) The Institutional or Corporate Contractor Agreement (ICA) is a “contract”. It is used by UN/PS to contract with institutions or corporate bodies for the provision of outside expertise or professional services. Issuance of an ICA also obligates funds.
- (2) Detailed provisions for contracting with institutional or corporate contractors for individual temporary services are contained in Administrative Instruction ST/AI/327 dated 23 January 1985. See the standard form of such a contract in Annex D-14.

**PROCUREMENT MANUAL****13.7.2. Institutional or corporate contractors**

- (1) The temporary services of individuals required by the Organisation from time to time may be obtained by their engagement as contractors under a contract entered into directly with an institution or a corporation. The functions to be performed by the contractor and a time schedule for execution shall be specified in the contract.
- (2) An ICA is equivalent to a contract for the provision of professional services and the selection of the institution or corporation shall follow all the policies and procedures contained in the FRR and in this Manual for the selection of Vendors, including competitive bidding and submission to the HCC or LCC, if required.

13.7.3. Submission of the ICA request to UN/PS

- (1) For each ICA request generated in the IMIS and dispatched electronically to UN/PS, an equivalent paper file shall be transmitted to UN/PS. The file shall include the following:
 - (a) A copy of the IMIS document (screen print), including the requisition number, scope of work, or terms of reference and schedule of performance. Once the Procurement Officer has received the requisition, he/she shall issue the proper Solicitation Documents and conduct a competitive bidding exercise as per the FRR and this Manual.
 - (b) As an exception, the Requisitioner may require a specific contractor or institution to perform the work. In this case, all the conditions for sole source procurement shall be met and a completed and signed PT.141B form, including a detailed justification for the choice of the Contractor and any other available supporting documentation.
 - (c) If the request is for renewal of an existing ICA, or a modified PT141B, a detailed justification for the extension shall be provided, including the previous requisition number.
 - (d) If the request is an amendment or a cancellation of an existing ICA, or ICA request in IMIS, reference shall be made to the appropriate Obligation document numbers.
- (2) ICA request cases that are submitted to UN/PS without the necessary supporting documentation shall not be processed. The ICA request cases shall be returned in IMIS to the Substantive Office. In addition, the Procurement Case Officer shall send a memorandum to the requisitioning office, and indicate the reason for the return of the request.

**PROCUREMENT MANUAL****13.7.4. Functions**

- (1) Corporate contracts may involve the provision of interpretation, translation, editing, language training, public information, secretarial, clerical, guidance services etc. In addition, consultancy services, which in general involve analyses of substantive issues, directing seminars or training courses, preparing documents for conferences, or writing reports on the matters within the area of expertise on which advice or assistance is sought, may be obtained from institutional or corporate contractors.

13.7.5. Budgetary Policy

- (1) Corporate contractors may be engaged against funds authorized for the purpose of temporary assistance, contractors or consultancy. In some departments and offices, where the use of contractors is expected to be heavy, an identifiable provision may be made for this purpose under institutional or corporate contractual services.

13.7.6. Legal Status

- (1) The corporate contractor shall be considered as having the legal status of an independent contractor. The contractor's personnel and subcontractors shall not be considered in any respect as employees or agents of the UN.

13.7.7. Obligations of the Contractor

- (1) Corporate contractors shall neither seek nor accept instructions from any authority external to the UN in connection with the performance of their services under a contract. Contractors shall refrain from any action that may adversely affect the UN and shall fulfil their commitments with fullest regard for the interests of the UN.
- (2) Contractors shall not advertise or otherwise make public the relationship between the contractor and the UN. Furthermore, contractors shall not use the name, emblem or official seal of the UN, or any abbreviation of the name of the UN in association with the contractor's business activities or any other pursuit.
- (3) Contractors shall not communicate at any time to any other person, Government or authority external to the UN, any information known to them by reason of their association with the UN which has not been made public, except with the authorization of the UN; nor shall contractors at any time use such information to private advantage.
- (4) These obligations shall not lapse upon termination of their agreement with the UN.

**PROCUREMENT MANUAL****13.7.8. Commencement of Assignment**

- (1) No corporate contractor shall commence work on an assignment until a valid contract, duly signed and dated by the contractor and countersigned and dated by the authorized representative of the United Nations, has been established. I

13.7.9. Procedures

- (1) The IMIS ICA report and its conditions of service attached as Annex D-14 shall be the contract document between the parties and form PT.141 B shall be used where appropriate. The Chief, UN/PS, shall approve any change to the terms of the ICA or its conditions of service in writing. The Procurement Officer may supplement the IMIS ICA report with a Contract for the Provision of Professional Services
- (2) Requisitioning offices shall be responsible for maintaining a current log of all expenditures for corporate contractors that they engage each year. The log shall indicate the work assignment and its purpose, the body or programme for which it is intended, the name and nationality of the contractor, the commencement and date of expiration of the contract, the estimated work months required to complete the contract, the fee or other remuneration and the basis for its payment, the travel costs and an evaluation of the contractor's services under the contract.

13.7.10. Information to be included in the ICA report

- (1) Each ICA shall include in the electronic document transmitted from IMIS to UN/PS, a detailed scope of work (to explain the functions to be performed by the Contractor), an estimated time frame for the service, the total lines representing the various stages of the contract, details of any staggered payments and the total contract price.
- (2) The name of the requisitioner's contact person and the telephone extension shall appear in the electronic document.

13.8. Internal Purchase Order

- (1) Internal purchase orders are issued internally within the UN to obligate funds against contracts for future payment of services of goods received under the contract, and are not sent to Vendors. An original shall be signed by the duly authorised Procurement Officer and be placed in the Contracts file. A copy thereof, shall be distributed to the requisitioner and the Accounts Division, as applicable.

13.9. Letter of Assist**13.9.1. Conditions for use of a Letter of Assist**

- (1) Subject to compliance with the FRR, in particular rules 105.13 through 105.18 pertaining to contracts and purchases, Letters of Assist (LOA)

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may be issued for Peacekeeping Missions only in respect of goods and services to be provided by a government that are:

- (a) Of a strictly military pattern or nature; or
 - (b) Not of strictly military pattern or nature, but are:
 - (i) Goods that are required in such volume that, except through a government, are not available other than by piecemeal purchases and the exigencies of the Peacekeeping Operation render piecemeal procurement impractical;
 - (ii) Transportation services for the movement of UN military personnel or goods to or from a mission area which are not readily available commercially, or which if provided commercially, are more expensive or the schedule is unacceptable and would likely cause operational disruptions;
 - (iii) Dietary or other requirements unique to a contingent, which are available only from the country of the individual contingent, and procurement of which is facilitated or expedited by procurement through the national government of the contingent, provided that the cost to the UN of such procurement is not higher than the cost of the same items if procured through commercial sources; or
 - (iv) Ammunition
- (2) Under exceptional circumstances and subject to compliance with the FRR, in particular rules 105.13 through 105.18 pertaining to contracts and purchases, the ASG/DM may delegate authority to the head of individual missions to issue Letters of Assist (LOA) for such missions, only in respect of goods and services, to be provided by a government:
- (a) When the government can facilitate or expedite the delivery and the costs to the United Nations of such procurement are no higher than those that would have been incurred if the procurement had been effected commercially;
 - (b) When the goods or services are not readily available commercially;
- (3) Concurrence to use a LOA shall be obtained from the Chief UN/PS and a submission to the HCC is required including all cases over \$70,000.
- (4) The use of LOA shall be discontinued when the circumstances or conditions that gave rise to their use no longer exist.
- (5) A standard LOA is enclosed in Annex D-15.

13.9.2. Procedures for use of Letters of Assist

- (1) The ASG/OMS and the Executive Chairman, UNMOVIC are authorized pursuant to Financial Rule 105.13 to sign and issue LOAs. Before issuing a LOA, the ASG/OMS and the Executive Chairman, UNMOVIC shall ensure that:



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- (a) The Requisitioning UN department has sent a Memorandum to UN/PS proposing the entering into of a LOA as an exception to the use of a formal method of solicitation. The Memorandum to UN/PS shall detail the following:
 - (i) whether the conditions set forth in section 13.9.1 are met;
 - (ii) why a formal method of solicitation would not give satisfactory results;
 - (iii) attach all related documentation, including a detailed description of the requirement, the reasons for the selection of a government, the name of the proposed government counterpart, the government's proposal and a draft LOA; and,
 - (iv) the basis of the costs to the UN, including a statement that budgetary provisions for the LOA are available, and an obligating document is issued as required under Financial Rule 105.7.
- (b) That the requisitioning department keeps on file all documents related to the issuance of a LOA;
- (c) PS has concurred positively in writing to the requisitioning department.
 - (i) The Memorandum and its attachments shall permit UN/PS to evaluate the prices offered by the government and determine whether they are fair market prices.
- (d) If the UN/PS determines that bids or proposals are not to be requested, the reasons for the award without competitive bidding shall be recorded in the file, in accordance with Financial Rule 105.16, including, if applicable, a comparative cost estimate of what the commercial cost would have been.
- (e) If the UN/PS determines that bids or proposals are to be requested, if applicable, the Government Roster should be consulted and a competitive process should be followed, ensuring that, whenever possible, adequate cost comparison and analysis is undertaken.
- (f) The proposed LOA, if its value is above US\$ 70,000, has been submitted to the HCC for review after being reviewed positively by UN/PS and a recommendation by the HCC and approval for issuance of the LOA has been granted by the ASG/OCSS.
- (g) The LOA or an attachment to it:
 - (i) Properly describes the goods or services being procured;
 - (ii) States the cost to the UN; and,
 - (iii) Accurately and comprehensively describes the basis for the issuance of a letter of assist.

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- (h) The LOA should be expeditiously prepared and once all the procedures set out above have been followed, should be promptly submitted for Government signature.
- (i) No government shall commence work or shall be paid until a valid LOA, duly signed and dated by the authorized government representative and countersigned and dated by the authorized representative of the United Nations, has been established.
- (j) In the exceptional case where any of the above conditions cannot be met, the reasons shall be fully documented and the authorization of the UN Controller shall be requested prior to issuing a LOA or prior to making any payment.

13.10. Outsourcing Practices

- (1) Competitive bidding must be followed in connection with the outsourcing of non-core activities or services and a written contract including the UN General Conditions of Contract for services must be signed.
- (2) Pursuant to General Assembly resolution GA/RES/55/232, programme managers shall be guided by the following four basic reasons for outsourcing:
 - (a) To acquire technical skills not readily available within the Organization, including accessing state-of-the-art technologies and expertise or acquiring needed flexibility to meet quickly changing circumstances;
 - (b) To achieve cost savings;
 - (c) To provide a source more effectively, efficiently or expeditiously;
 - (d) To provide an activity or service not needed on a long-term basis.
- (3) Furthermore, at least the following three significant goals shall be considered with regard to the use of outsourcing:
 - (a) To respect the international character of the Organization;
 - (b) To avoid possible negative impact on staff; and,
 - (c) To ensure appropriate management and/or control over the activities or services that have been outsourced.
- (4) Programme Managers shall satisfy the following criteria in their assessment of whether or not an activity of the Organization could be fully, or partially, outsourced:
 - (a) Cost-effectiveness and efficiency;
 - (b) Safety and security: activities that could compromise the safety and security of delegations, staff and visitors may not be outsourced;
 - (c) Maintaining the international character of the Organization; and,
 - (d) Maintaining the integrity of procedures and processes.



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- (5) “Performance Based Contracting” and “Best Value Source Selection” techniques could be useful in developing such procurement related actions.

**PROCUREMENT MANUAL****14. Delivery, Receiving Products, Equipment and Services**

14.1.Procedures

- (1) The Procurement Office is responsible for co-ordinating the receipt, inspection, and the certification of acceptance or rejection of delivered products, equipment or services with the requisitioning offices. The requisitioning offices are directly responsible for performing the corresponding receiving, inspecting and certifying procedures. Products and equipment that have been received, inspected and accepted or rejected are so certified on a Receiving and Inspection (R&I) Report. (See sample R&I Report as Annex D-27).
- (2) No payment shall be effected for products, equipment or services that have been rejected, provided such rejection takes place prior to the UN's obligation to pay under the terms and conditions of the Contractual Instrument. (See, e.g. general conditions A(5), D, E, and F on the reverse of the purchase order form in Annex D-13). However, the UN cannot unduly withhold inspection in order to prolong the payment terms. Therefore, such Inspection shall be performed as soon as possible after the delivery, as defined in the contractual terms and conditions, since this action commences the payment obligation.
- (3) When deliverables are satisfactorily furnished, a receipt and/or inspection are required to "certify" complete delivery or partial delivery of the order or contract. With regard to purchase orders for goods, both "RECEIPT" and "INSPECTION" (R&I) of the items are required. For Contracts for Services issued at the UN HQ, only "INSPECTION" in IMIS is required.
- (4) Receipts and/or Inspections are recorded in IMIS by using the 'Update Receipt/Inspection Actions' and the 'Maintain Receipt/Inspection details Options'. Receipts in UN/PS's computerized procurement management system are recorded in the Purchase Order 'receipts' area of the screen.
- (5) The procedures to be followed for receipt and/or inspection for various deliverables are set forth in section 14.2 through 14.4 below.

14.2.Goods

14.2.1. Goods received in Receiving Sub-Unit, Travel and Transportation service, UN HQ

- (1) The Receiving Sub-Unit of the Travel and Transport Service enters the receiving information into UN/PS computerized procurement management system (R&I Report) and IMIS.
- (2) After receipt of goods, the requisitioners "inspect" the items in IMIS.

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14.2.2. Goods received directly by the Requisitioner

- (1) The requisitioners are solely responsible for the entry of the “Receipt” and “Inspection” information into IMIS, for items received directly by the Requisitioner at his or her office premises.

14.2.3. External Printing – Goods

- (1) At the UN HQ, the Documents Receiving Unit (DRU) is responsible for receiving complete or partial deliveries of publications. Subject to the specifications and individual requirements, the goods may be delivered directly to the requisitioning office or shipped overseas to the designated location. The DRU shall record the number of copies received at Headquarters and the number of copies for the United Nations Office at Geneva (UNOG). Furthermore, the DRU shall issue the R&I Report with copies distributed to the appropriate offices including the Sales Section, the Coordinating & Records Unit, (CRU) and the Production and Coordination Unit (PCU).
- (2) Based on said R&I Report, the CRU shall then prepare the manifest of shipment to UNOG.
- (3) The Sales Section is responsible for the ‘inspection’ in IMIS of items purchased from the SPA account.

14.2.4. Goods received for Headquarters Liaison Offices

- (1) For goods received on behalf of UN Agency Liaison Offices at UN Headquarters (e.g., ECA, ECLAC, IAEA, WIPO, and other OAHs, which are without access to IMIS, and therefore are dependant on UN/PS to enter requisitions into IMIS), the Receiving Sub-Unit (TTS) shall record the receipt information into both the UN/PS computerized procurement management system and IMIS. Upon confirmation from the respective Liaison offices that the goods received are satisfactory, SSS is responsible for the ‘inspection’ in IMIS

14.2.5. Goods to be shipped overseas and received by the UN freight forwarder

- (1) The Freight Forwarding Team (FFT), UN/PS, shall upon receipt of the “Arrival Notice” from the Freight Forwarding Contractor, record the receipt information in the UN/PS computerized procurement management system and IMIS, and conduct the “inspection” in IMIS.
 - (a) If payment for goods is not against shipping documents, LSD/DPKO and UN/PS shall establish immediate procedures to ensure prompt advice on the status of goods received at the final destination in the Mission/OAH or project. The payment terms in the contract shall state “Payment - upon receipt at final destination”, i.e. that UN will pay when the Goods are received at the final destination.

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- (b) The UN may also decide to use a Surveillance company to perform the inspection of the delivered goods. A surveillance company is an independent third party representing UN, verifying that the received goods are in accordance with the packing lists. The use of such companies should be considered for Goods where the UN is not represented at the port of entry after overseas shipment, especially for goods of sensitive nature, such as medicines, computers, vehicles and similar high-value goods.

14.2.6. Receipt & Inspection of Goods when multiple offices are involved

- (1) The principal office that co-ordinated the provision of goods across multiple offices, e.g., provision of Reuters Information Services; maintenance of data processing equipment; replacement of office automation equipment (Information Technology Services Division/ITSD) and cable-television services (Facilities Management Division/FMD), shall inspect the relevant documents and accordingly “inspect” the respective BAC in IMIS.

14.3. Services**14.3.1. Services required at the United Nations Headquarters, New York**

- (1) The requisitioners shall “inspect” in IMIS that the service has been provided satisfactorily.

14.3.2. External Printing Services

- (1) The PCU shall inspect samples of publications for payment purposes and establish that the samples are in accordance with PCU specifications. Upon receipt of the R&I Report, database information, and certification of invoice by the printing officer, the ‘inspection’ is conducted in IMIS.
- (2) The Sales Section is responsible for the sale of documents and publications that are printed by external sources. In addition, that Section is responsible for verification of the R&I Report of the number of publications received on behalf of UN Headquarters and UNOG. The relevant invoices of publications for both locations are then certified and ‘inspection’ is completed in IMIS.
- (a) Note: For some printing requirements, a Purchase Order for Services may be selected as appropriate. However, it should be noted that this document is amount based, and does not require the recording of quantities in IMIS, except as a remark, in the ‘description field’.

**PROCUREMENT MANUAL****14.3.3. Services for Liaison Offices at Headquarters, New York**

- (1) For services for UN Agency Liaison Offices at UN HQ (e.g. IAEA and WIPO who do not have access to IMIS, and are dependant on UN/PS to enter requisitions into IMIS), the UN/PS SSS, shall “inspect” in IMIS, after written confirmation from the respective Offices that the services have been provided to their satisfaction.

14.3.4. Services required for field missions

- (1) The logistics and Communications Service, LSD, shall “inspect” in IMIS after receipt of written confirmation from the peacekeeping Mission that the services have been provided satisfactorily.

14.3.5. Services required for Regional commissions

- (1) The UN/PS SSS shall “inspect”, after receipt of written confirmation from the Regional Commission that the service has been provided to their satisfaction.

14.3.6. Services required by projects administered by DESA

- (1) Procurement for projects administered by DESA may be performed by UN/PS at the request of DESA. A sample DESA requisition can be found in Annex D-8-A.
 - (a) DESA should submit a request to UN/PS which should contain information similar to an HCC presentation; and,
 - (b) Written justification and background documentation should be presented in those cases in which DESA wishes to recommend an exception to conduct a formal method of solicitation.
- (2) DESA may also request PS for authorization to conduct local procurement following the same procedures as the ones established for the Missions.
- (3) DESA procurement activities are subject to the review of the LCC/HCC, as appropriate, as per the provisions of Chapter 13 of this Manual. All DESA submissions to the HCC shall be transmitted via UN/PS.

14.4. Receipt of “Overshipments”

- (1) In all instances of “overshipment”, the TTS (or for externally printed items the DRU) shall contact the Procurement Officer, who shall inform the Requisitioner thereof.
- (2) If the total monetary value of said “overshipment” is less than US\$1,000, the TTS shall record the quantity received, and the excess quantity, in the UN/PS computerized procurement management system, if acceptable to the Requisitioner. The total amount of the obligation is recorded in IMIS, and the “overshipped” quantity is registered in the

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‘Description field’ area, located at the end of the “Receipt/Inspection Detail” screen.

- (3) The Requisitioner shall “inspect” in the ‘Description field’ section of IMIS details of the “overshipped” quantity and approve acceptance of the “overshipment”. The Accounts Payable Unit may then process the payment for the total amount of the obligation and the “overshipped” amount.
 - (a) UN/PS is obliged to advise the Requisitioner of the “overshipment”, prior to recording the receipt information into the UN/PS computerized procurement management system, or IMIS. If the Requisitioner rejects the “overshipment”, UN/PS shall record in both UN/PS computerized procurement management system and IMIS that the “overshipment” is rejected, and arrange for the return of the goods to the Vendor. For externally printed items, the DRU shall inform the Procurement Officer responsible for the subject case file, of the “overshipment”. The Procurement Officer shall advise the requisitioner of the “overshipment” before the receipt is recorded in IMIS.
- (4) For ‘overshipments’ with a value greater than US\$1,000, the TTS shall record the items in the UN/PS computerized procurement management system, including the overshipment. The Receiving Unit shall advise the appropriate Procurement Officer to contact and request the requisitioner to amend the pre-encumbrance document, and increase funds to cover the additional costs, or await the requisitioner’s advise on appropriate action.

14.5. Returning Material to Vendor

- (1) When it is necessary to return items to a Vendor, the Procurement Officer shall issue a ‘Return to Vendor’ (Form PT.4 - see sample enclosed as Annex D-28). This form shall be used both at UN HQ and in the Missions/OAHs.
- (2) The ‘Return to Vendor’ form shall include:
 - (a) A reference to the original Purchase Order number;
 - (b) A description of the item to be returned;
 - (c) The value of the items as shown in the Purchase Order;
 - (d) An indication of the reason for the return of the items;
 - (e) Additional remarks, if required, to explain the reason(s) for the return of the items;
 - (f) Instruction to Vendor on the action required by the UN, i.e., replacement of the returned material or the issue of an appropriate credit or refund in respect of its value;
 - (g) The shipping method by which the item is returned to the Vendor, and whether the cost is to be borne by the UN or the Vendor; and

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- (h) The location of the item to be returned is indicated on the internal copies of the “Return to Vendor” form together with instructions to the TTS.
- (3) The Return to Vendor form shall be distributed as follows:
 - (a) The original copy to the Vendor;
 - (b) One copy to the relevant Receiving Sub-Unit, preferably electronically;
 - (c) One copy to the Accounts Payable Unit, preferably electronically;
 - (d) One copy to the applicable UN/PS case file.

14.6. Issues from Stores**14.6.1. Expendable stock items**

- (1) Issues of expendable items should not exceed a quantity sufficient to meet the requirements of a user over a period of two weeks. At the HQ, TTS establishes auxiliary supply units in various departments from which daily stationery requirements may be drawn. Such supply units are normally replenished every two weeks. A similar regime shall be implemented in the Missions under the Technical Service Branch.

14.6.2. Non-Expendable stock items

- (1) At the HQ, non-expendable items (other than office machines) held in stores consist primarily of office furniture and attractive items. Issuance takes place upon the approval, outside IMIS, by Facilities Management Service (FMS) and the requisitioner needs to raise in IMIS either a stock or goods requisition depending on FMS’ advice. The majority of such items are for periodic special requirements, such as for temporary staff during General Assembly sessions, and are not for general use.
- (2) For stock of similar nature held in the field, the applicable Technical Service Branch shall control such stock in a manner consistent with FMS practices.

**PROCUREMENT MANUAL****15. Contract administration****15.1. Amendment of Contract**

- (1) Amendments of a contract, if required, shall be numbered serially, commencing with Amendment No. 1. Each amendment shall identify the Contract to which it refers by number, subject and date. The nature of the amendment shall be clearly described and include a statement that all other terms and conditions of the contract shall remain unchanged. The procedures for signing an amendment are the same as that of an original contract.
- (2) The amendment shall be submitted to the HCC/LCC, as appropriate.
- (3) The Procurement Officer shall ensure, before amending a contract that:
 - (a) A satisfactory Vendor Performance Report in accordance with Section 7.11 is on file and that any guarantee document (e.g. performance bond) issued at the time of the original contract is re-issued.
 - (b) If appropriate, a comparative cost estimate has been undertaken, to determine if the costs are still competitive and to find out what the commercial cost would have been if the UN were to engage in formal competitive bidding.
 - (c) Standardization of this product or service or issuance of a system contract would not provide better results.

15.2. Vendor Performance Evaluation

- (1) The Procurement Officer in cooperation with the Requisitioner and SSS, or similar entity in the Mission/OAH, shall ensure that adequate Vendor Performance Evaluation is conducted in accordance with section 7.11 of this Manual.

15.3. Close-out

- (1) Upon final delivery and payment, the PS Registry, or similar entity in the Mission, shall close out the Contract in IMIS or similar electronic system in the Mission.
- (2) Once the Contract has been closed in IMIS or similar electronic system in the Mission, it shall not be reopened for any cause. If the Requisitioner would like additional deliveries of goods and services, a new requisition shall be forwarded to the relevant Procurement Office.

15.4. Storage of files

- (1) All procurement contractual files shall be stored, either by the Procurement Office or by the archive facility of the UN HQ or Mission,

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for a minimum of 7 years after the date of the close out of the Contract in accordance with section 15.3.

- (2) The following parts of the contractual file to be stored for this period, shall as a minimum be:
 - (a) Solicitation Documentation, including list of Invitees and list of Vendors that submitted a response;
 - (b) Documents related to the approval process;
 - (c) Contractual Instrument including amendments, if any; and
 - (d) Correspondence with the Vendor on contractual matters.
- (3) The following parts of a contractual file may be destroyed prior to this date:
- (4) Submissions from Vendors that were not awarded a contract may be destroyed 120 days after the Contract Award.

15.5.Tracking of files

- (1) Once a contract has been issued, the original contract file shall be deposited at the UN/PS archives or similar archives in the Field. The contract file shall as a minimum contain:
 - (a) Solicitation Documentation
 - (b) Correspondence related to the internal approval process
 - (c) The Contractual Instrument including amendments, if any;
 - (d) Correspondence with the Vendor on contractual matters;
- (2) If a member of the Procurement Staff, or other duly authorised UN staff member (e.g. auditors), requests access to a case file, the staff member shall sign the file out in the archive logbook or digital equivalent. Any damage to the file while in the custody of such staff member shall be the responsibility of the staff member who signed out the file. The archive staff shall regularly follow up on contract files removed from the archives, and request the applicable staff member to return such files or amend the anticipated date of return, as applicable.



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16. Disposal of Property through Sale

16.1. Property Survey Boards

- (1) Financial Rule 105.21 reads as follows:
 - (a) “The USG/DM shall establish Property Survey Boards for headquarters and other locations, to render written advice to him/her in respect of loss, damage or other discrepancy regarding the property of the United Nations. The USG/DM shall establish the composition and terms of reference of such boards, which shall include procedures for determining the cause of such loss, damage or other discrepancy, the disposal action in accordance with Rules 105.22 and 105.23, and the degree of responsibility, if any, attaching to any official of the United Nations or other party, for such loss, damage or other discrepancy”.
 - (b) Where the advice of a Property Survey Board is required, no final action in respect of United Nations property loss, damage or other discrepancy may be taken before such advice is received. In cases where the USG/DM decides not to accept the advice of such a Board, he or she shall record in writing the reasons for that decision”.
- (2) Financial Rule 105.22 reads as follows:
 - (a) “Sales of supplies, equipment or other property declared surplus or unserviceable shall be based on competitive bidding, unless the relevant Property Survey Board:
 - (i) Estimates that the sales value is less than an amount to be specified by the USG/DM;
 - (ii) Considers that the exchange of property in partial or full payment for replacement equipment or supplies is in the best interests of the Organization;
 - (iii) Deems it appropriate to transfer surplus property from one project or operation for use in another and determines the fair market value at which the transfer(s) shall be effected;
 - (iv) Determines that the destruction of the surplus or unserviceable material will be more economical or is required by law or by the nature of the property;
 - (v) Determines that the interests of the United Nations will be served by disposal by gift or at nominal prices to an intergovernmental organisation, a Government or government agency or some other non-profit organisation”.

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16.2. Sale on the basis of payments on or before delivery

- (1) In accordance with Financial Rule 105.22, Property declared surplus or unserviceable shall be sold using competitive bidding, provided the relevant Property Survey Board (PSB) has decided that it is to be sold. Such sale shall be on the basis of payments on or before delivery to the purchaser, except as otherwise provided for in Financial Rule 105.22 and 105.23.

16.3. Procedures

16.3.1. Development of Solicitation Document

- (1) The Procurement officer shall issue a Solicitation Document to prospective purchasers, ensuring adequate competition. Generally, the minimum number of bidders should be established using the guidelines set forth in section 9.3.4. Such a Solicitation Document shall refer to the relevant approved PSB recommendation authorising disposal through sale.
- (2) The Property may be sold individually or in lots in order to maximise the return for the UN.
- (3) At a minimum, the Solicitation Document shall include:
 - (a) An itemized list of the Property;
 - (b) A complete description of the Property;
 - (c) The location of the Property and place of inspection to encourage the potential purchaser to inspect the Property;
 - (d) The condition of the Property, hereunder as to whether it is damaged, useable, serviceable or in need of repairs;
 - (e) Reference to the relevant approved Property Survey Board recommendation;
 - (f) Terms of the Bid (see Sample Sale of Surplus Property Form, Annex D-29); and
 - (g) Date and time of opening.
 - (h) A statement that the Property shall be sold on an “as-is, where-is” basis, and without recourse or warranties express or implied of any kind;
 - (i) The requirement to deposit upon submission of a bid an amount of no less than ten percent of the total bid value, to be, if made in an amount exceeding US\$1,000, submitted as a certified check;
 - (j) Time period within which invoice issued to successful bidder shall be settled;
 - (k) Time period within which successful bidder shall remove the Property; and,
 - (l) Any other relevant matters.

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16.3.2. Treatments of Bids

- (1) The UN shall treat bids for the purchase of UN Property in the same manner as Submissions for UN purchase of goods. Chapter 10 of this Manual applies, mutatis mutandi.
- (2) The Bids shall be itemised, and the property shall be sold to the bidder offering the best value to the organisation.
- (3) Successful bidders shall be notified in writing and items awarded shall be listed in a Contractual Sale Instrument.

16.3.3. Contractual Instruments for the Sale of Goods

- (1) The disposal by Sale shall be effected by the issuance of a Contract for the Sale of Goods. The Contract for the Sale of Goods shall list and describe the Property to be sold, the agreed price, and any deposit paid.
- (2) The UN may elect to enter into a Systems Contract if it foresees a continuing sale of items over a period time, provided that this is more advantageous to the Organisation. In that case, separate Notice of Sale or Disposal Action Forms shall be issued for each underlying sale, with a reference to the applicable Systems Contract.

16.3.4. Exceptions to the main rule

- (1) Negotiation or “Spot Sales”
 - (a) When the sales value is estimated to be under the threshold amount as specified by the USG/DM, currently US\$ 2,500, sale can take place without formal issuance of a Solicitation Document. Prospective bidders can be invited to survey the property and thereafter submit bids, either oral or written, within a set time limit. Sales shall be through a Notice of Sale or Disposal Action Form
- (2) Trade-In
 - (a) If there is an offer to exchange the Property in partial or full payment for replacement Property, provided it is in the best interest of the Organisation, the disposal may be effected by the issuance of a Contract for the Sale of Goods by the UN or Contract for the Procurement of the replacement Goods, as required by FRR 105.22(b).

16.4. Deposits

- (1) The prospective bidders shall be requested to deposit with the submission of any bid an amount of not less than ten percent of the total bid value. Any deposit exceeding US\$ 1,000, shall be submitted to the UN as a certified check.
- (2) Upon bid acceptance by the UN, the deposit shall not be returned to the bidder except with the written approval of the Controller.

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- (3) All received deposits shall, save for the deposit of the successful bidder, be returned to unsuccessful bidders with a letter indicating that the bidder was not successful.

16.5. Notice of award billing

- (1) The Chief, UN/PS, or the relevant CPO shall sign the PO recording the sale, prior to issuance to the successful purchaser. The Chief UN/PS or CPO shall also sign the final bill, as issued to the successful purchaser. Such bill shall be settled no later than five (5) business days after bid opening unless otherwise set forth in the Solicitation Documents.

16.6. Removal of property

- (1) A limited time shall be allowed following the sale for removal of property, usually five (5) business days, unless otherwise set forth in the Solicitation Documents.

16.7. Disposition of assets of Peacekeeping operations

- (1) United Nations Financial Regulation 5.14 reads as follows:
 - (a) "Following the liquidation of a peacekeeping operation, equipment and other property shall be disposed of in accordance with the Financial Regulations and Rules and the manner indicated below:
 - (i) Equipment in good condition that conforms to established standardisation or is considered compatible with existing equipment can be redeployed to other Peacekeeping operations or can be placed in reserve to form the start-up kit for use by future missions;
 - (ii) Equipment not required for current or future Peacekeeping operations may be redeployed to other UN activities funded from assessed contributions providing that there is a demonstrated need for this equipment;
 - (iii) Equipment not required for current or future Peacekeeping operation, or other UN activities funded from assessed contributions, but which may be useful for the operations of other UN agencies, international organisations or non-governmental organisations can be sold to these agencies or organisations;
 - (iv) Any equipment or property not required or which it is not feasible to dispose of in the above manner or which is in poor condition will be subject to commercial disposal in accordance with standard UN regulations and procedures;
 - (v) Any assets that have been installed in a country and which, if dismantled, would set back the rehabilitation of that country, shall be provided to the duly recognized Government of that country in return for compensation in a form to be agreed by

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the Organisation and the Government. This refers in particular to airfield installations and equipment, buildings, bridges, and mine-clearing equipment. Where the assets cannot be disposed of in this manner, or otherwise, they will be contributed free-of-charge to the Government of the country concerned. Such contributions require the prior approval of the General Assembly.

- (2) A report on the final disposition of assets for each such liquidated peacekeeping operation shall be submitted to the General Assembly”.

16.8.Sale of Real Property

- (1) Any proposed sale of real or immovable property owned by the United Nations shall be referred to the Office of Legal Affairs for advice, whenever appropriate.

16.9.Accounting for proceeds from sales

- (1) United Nations Financial Rule 106.6 reads as follows:
 - (a) “The proceeds from the sale of property shall be credited as miscellaneous income except:
 - (b) Where a PSB has recommended the application of these proceeds directly against the purchase price of replacement equipment or supplies any balance shall be taken into account as miscellaneous income;
 - (c) When the trade-in of property is not considered to be a sale, and the allowance shall be applied against the cost of the replacement property;
 - (d) Where normal practice is to secure and use certain material or equipment in connection with a contract and to salvage and sell such material or equipment at a later stage;
 - (e) When the proceeds from the sale of surplus project equipment shall be credited to the accounts of that project provided that they have not been closed;
 - (f) When equipment is transferred from one project to another and the accounts of the releasing project are open, the fair value of such equipment shall be credited to the accounts of the releasing project and charged to the accounts of the project receiving the equipment;
 - (g) Where the alternative modalities governing the disposition of assets of peacekeeping operations outlined in United Nations Financial Regulation 5.14 apply.



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Part D. -Annexes and Forms

PLEASE SEE SEPARATE WORD DOCUMENTS

D-1.	United Nations Financial Rules and Regulations (excerpt on Procurement)
D-2.	Organization of the Procurement Service
D-3.	HQ Delegation of Authority
D-3.A	Field Delegation of Authority
D-4	Removed
D-4.A	Removed
D-5.	Vendor Roster Application
D-5.A	PS List of Products and Services
D-6.A	Short Form Specialist Report (vendor performance evaluation)
D-6.B	Vendor Performance Report (vendor performance evaluation)
D-6.C	Contractor Performance Report (vendor performance evaluation)
D-7.	Acquisition Plan Form
D-7.A	Guidelines on Acquisition Plan
D-8.	Sample Requisition
D-8.A	Sample Requisition for DESA Projects
D-9.	United Nations General Conditions of Contract
D-10.	United Nations General Conditions of Contract (peacekeeping operations)
D-11.	United Nations General Conditions of Contracts for Purchase of Goods
D-12.	Special Conditions for Construction Work
D-13.	Sample Purchase Order
D-13.A	Special Instructions for Purchase Orders
D-14.	Institutional Contract Arrangements
D-15.	Letter of Assists
D-16.	Sample Request for Quotation
D-17.	Sample Invitation to Bid
D-18.A	Invitation to Bid for Short-Terms Air Charter Services
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D-19.	Sample Request for Proposal
D-20.	Examples of timelines for various requisitions
D-21.	Sample Bid Bond
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D-27.	Sample Receipt & Inspection (R&I) Report
D-28.	Sample of Return to Vendor Forms
D-29.	Sale of Surplus Property
D-30	Sample request for technical evaluation
D-31.A	Sample Notice of Award for Contract
D-31.B	Sample Notice of Award for Purchase Order

C. PROCUREMENT

General principles

Regulation 5.12: Procurement Function include all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works. The following general principles shall be given due consideration when exercising the procurement functions of the United Nations:

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

Regulation 5.13: Tenders for equipment, products and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organisation, a departure from the rule is desirable.

Authority and responsibility

Rule 105.13

- (a) No procurement contract shall be entered into on behalf of the United Nations except by the USG/M. The USG/M is responsible for the Procurement Function of the United Nations, shall establish all United Nations procurement systems and designate the officials responsible for performing procurement functions.**
- (b) The USG/M shall establish review committees, at headquarters and other locations, to render written advice to the USG/M on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these Regulations and Rules, includes agreements or other written instruments such as purchase orders, and contracts that involve income to the United Nations. The USG/M shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review.**
- (c) Where the advice of a review committee is required, no final action leading to the award or amendment of a procurement contract may be taken before such advice is received. In cases where the USG/M decides not to accept the advice of such a review committee, he/she shall record in writing the reasons for that decision.**

Competition

Rule 105.14

Consistent with the principles in Regulation 5.12 and except as otherwise provided in Rule 105.16, procurement contracts shall be awarded on, the basis of effective competition, and to this end, the competitive process shall, as necessary, include:

- (a) Acquisition planning for developing an overall procurement strategy and procurement methodologies;
- (b) Market research for identifying potential suppliers;
- (c) Consideration of prudent commercial practices;
- (d) Formal methods of solicitation, utilising invitations to bid or requests for proposals on the basis of advertisement or direct solicitation of invited suppliers; or informal methods of solicitation, such as requests for quotations. The USG/M shall issue administrative instructions concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used.

Formal methods of solicitation

Rule 105.15

- (a) When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the lowest cost to the United Nations.
- (b) When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal is the most responsive to the requirements set forth in the solicitation documents.
- (c) The USG/M may, in the interest of the United Nations, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The USG/M shall then determine whether to undertake a new solicitation, or to directly negotiate a procurement contract pursuant to Rule 105.16, or to terminate or suspend the procurement action.

Exceptions to the use of formal methods of solicitation

Rule 105.16

- (a) The USG/M may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of the United Nations:

- (i) When 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;
 - (ii) When there has been a previous determination or there is a need to standardise the requirement;
 - (iii) When the proposed procurement contract is the result of co-operation with other organisations of the United Nations system, pursuant to Rule 105.17;
 - (iv) When offers for identical products and services have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive;
 - (v) When, within a reasonable prior period, a formal solicitation has not produced satisfactory results;
 - (vi) When the proposed procurement contract is for the purchase or lease of real property;
 - (vii) When there is a genuine exigency for the requirement;
 - (viii) When the proposed procurement contract relates to obtaining services that cannot be objectively evaluated;
 - (ix) When the USG/M otherwise determines that a formal solicitation will not give satisfactory results;
 - (x) When the value of the procurement is below the monetary threshold established for formal methods of solicitation.
- (b) When a determination is made pursuant to sub-paragraph (a) above, the USG/M shall 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 a directly negotiated contract, to a qualified vendor whose offer substantially conforms to the requirement at an acceptable price.

Co-operation

Rule 105.17

- (a) The USG/M may co-operate with other organisations of the United Nations system to meet the procurement requirements of the United Nations, provided that the regulations and rules of those organisations are consistent with those of United Nations. The USG/M may, as appropriate, enter into agreements for such purposes. Such co-operation may include carrying out common procurement actions together, or the United Nations entering into a contract in reliance on a procurement decision of another United Nations organisation, or requesting another United Nations

organisation to carry out procurement activities on behalf of the United Nations.

- (b) The USG/M may, to the extent authorised by the General Assembly, cooperate with a government, non-governmental organisation, or other public international organisation, in respect of procurement activities, and, as appropriate, enter into agreements for such purposes.

Written contracts

Rule 105.18

- (a) Written procurement contracts shall be used to formalise every procurement for a monetary value over specific thresholds established by the USG/M. Such arrangements shall, as appropriate, specify in detail:
 - (i) The nature of the products or services being procured;
 - (ii) The quantity being procured;
 - (iii) The contract or unit price;
 - (iv) The period covered;
 - (v) Conditions to be fulfilled, including the United Nations general conditions of contract;
 - (vi) Terms of delivery and payment;
 - (vii) Name and address of supplier.
- (b) The requirement for written procurement contracts shall not be interpreted to restrict the use of any electronic means of data interchange. Before using any electronic means of data interchange the USG/M shall ensure that the electronic data interchange system is capable of ensuring authentication and confidentiality of the information.

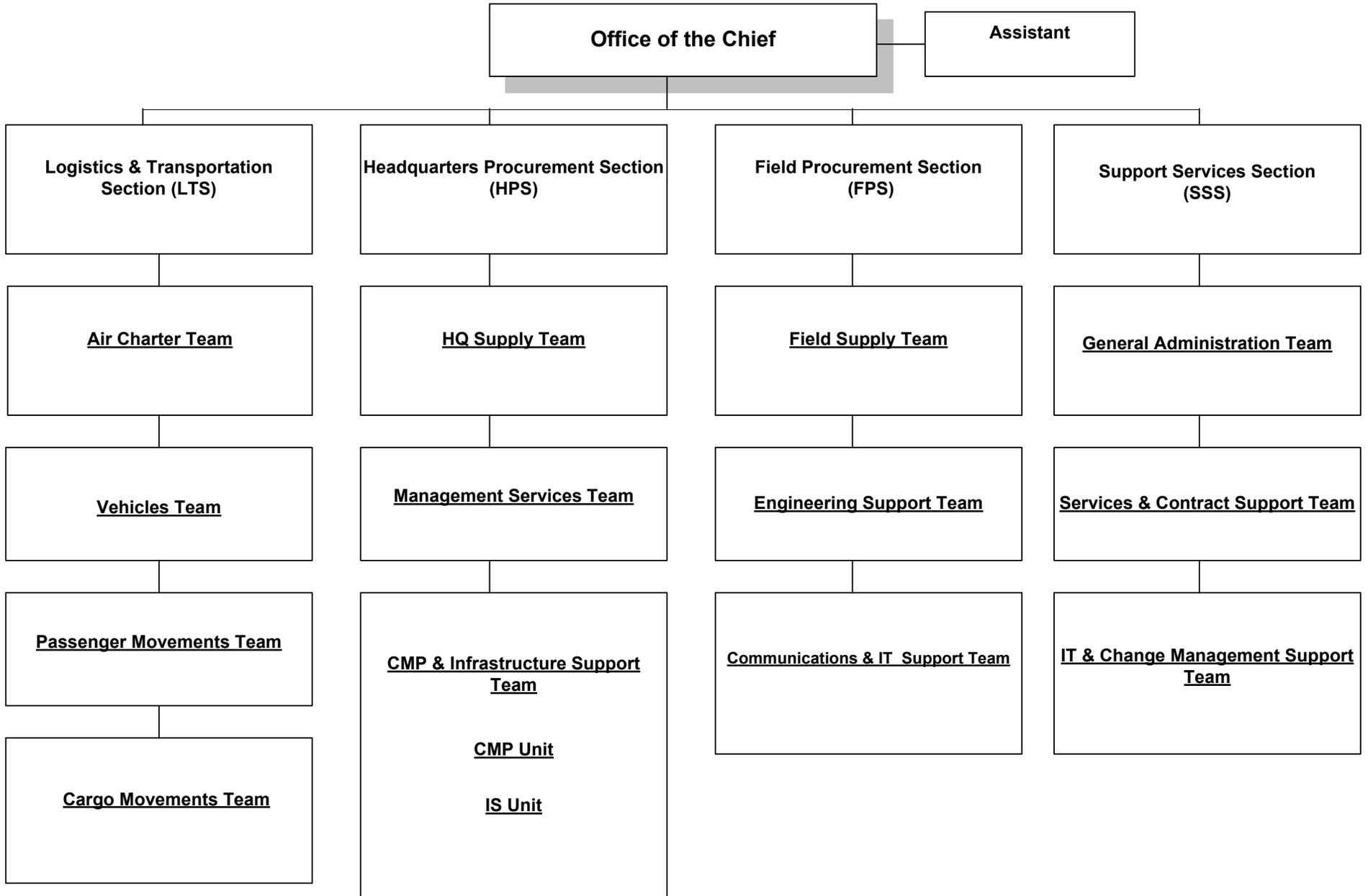
Advance and progress payments

Rule 105.19

- (a) Except where normal commercial practice or the interests of the United Nations so require, no contract or other form of undertaking shall be made on behalf of the United Nations which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to, the reasons therefore shall be recorded.
- (b) In addition to the above, and notwithstanding Rule 105.2, the USG/M may, where necessary, authorise progress payments.

PROCUREMENT SERVICE

As of August 2006



UNITED NATIONS
Interoffice Memorandum



NATIONS UNIES
Memorandum Interieur

TO:
A:

DATE:
REF:

FROM:
DE:

SUBJECT: **Delegation of Procurement Authority and Assignment of Duties**
OBJET:

1. Under the authority granted to me by the Under-Secretary-General for Management by his memorandum dated 15 August 2005, pursuant to the provisions of ST/AI/2004/1 dated 8 March 2004, and in accordance with Financial Rule 105.13, I hereby appoint you to be an official duly authorized to enter into contracts for the purchase or rental of services, equipment or other requirements, in accordance with the Charter of the United Nations, the UN Financial Regulations and Rules, the Staff Regulations and Rules, Administrative Instructions, the UN Procurement Manual and all other Procurement Service guidelines. Your functional title shall be . Your grade is . In discharging your responsibilities under this authorization, you shall primarily perform the functions described in the Generic Job Profile for .
2. Your delegated procurement authority shall be . Accordingly, you are authorized to enter into contracts on behalf of the United Nations with a single contractor in respect of a single requisition or series of related requisitions in any calendar year up to the aggregate maximum amount of . Your delegated procurement authority may be increased or decreased in writing at any time and from time to time, at my discretion. Any contract in excess of your delegated procurement authority must be approved by your supervisor or the Chief of PS and submitted to the Headquarters Committee on Contracts (HCC), if applicable for advice pursuant to Financial Rule 105.13.
3. This delegation of authority is granted to you personally. You shall be personally held fully accountable and responsible for your performance under this delegation of authority. You shall exercise your duties and responsibilities with the utmost care, competency, efficiency, fairness and integrity. You must ensure that all applicable UN Financial Regulations and Rules, procurement policies, procedures, practices, issuances and instructions are adhered to strictly. Should you have any difficulty regarding the interpretation or enforcement of the Financial Regulations and Rules and the Procurement Manual, the Chief of PS should be consulted immediately. Should any other question(s) arise in connection with your procurement activities, you may, if necessary, request written instructions from your supervisor. If such instructions are received, responsibility for the action will rest with the officer issuing the instruction and you should qualify your action to that effect.
4. This delegation of authority shall take effect immediately and shall remain in full force and effect unless hereafter amended or withdrawn.
5. Please sign and return to confirm your understanding of the above provisions and your commitment to follow them as stipulated.

Date

cc:



United Nations **Nations Unies**

 INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

TO:

DATE:

A:

REFERENCE:

FROM:

DE:

SUBJECT: **Delegation of authority under the Financial Regulations and Rules of the United Nations**
 OBJET: **Nations**

1. This delegation of authority supersedes all previous delegations of authority to officials of _____ under the Financial Regulations and Rules. Its purpose is to further delegate the authority vested in me by the Under-Secretary-General for Management by his memorandum of 15 August 2005, pursuant to the provisions of ST/AI/2004/1 of 8 March 2004 and in accordance with Financial Rule 105.13. The authority delegated herein as _____ is personal; you do not possess this authority solely by virtue of your office. While you may assign in writing an alternate to exercise the authority described herein, you remain accountable for the appropriate use of this authority. Your alternate must work in your immediate office and have been cleared to perform significant financial management functions in accordance with ST/SGB/2005/7.

2. You may further delegate procurement and property management authority and responsibility, as appropriate, to qualified staff under your supervision in _____; however you shall remain ultimately accountable for its use. A sample memorandum for this purpose and the financial thresholds are attached hereto as **Annexes A and B**, respectively. All delegations of authority must be issued in writing and a signed copy promptly submitted to me with a copy to the Chief, Procurement Service for monitoring and compliance purposes.

I. Procurement Authority

3. You are hereby granted the authority to enter into contracts for the purchase or rental of services, supplies, equipment or other requirements up to a financial limit of US\$ 200,000 on a calendar year basis, involving commitments to a single contractor in respect of a single requisition or series of related requisitions in accordance with Financial Rules 105.13 through 105.19, with the exception of 105.17, and in compliance with established procedures described in detail in the Procurement Manual available in the Procurement Service intranet website (<http://extranet.unsystem.org/pd>).

II. Establishment of Local Committee on Contracts

4. Pursuant to this delegation and Financial Rule 105.13 (b), you are hereby authorized to establish a Local Committee on Contracts (LCC) for _____ which shall be comprised of the following members or those with comparable responsibilities:

Member: Finance Officer
 Member: Legal Officer
 Member: Programme Officer
 Member: Programme Officer
 Attendant: Secretary of LCC (*Ex-Officio*)
 Attendant: Chief Section (Responsible for procurement) (*Ex-Officio*)

5. The Chairperson of this Committee, members and alternates shall be appointed by you and their names and any changes in the membership shall be promptly communicated to the Chairman, HCC for monitoring and compliance purposes.

6. The Local Committee on Contracts of shall render written advice to you or your delegate on:

(a) All contracts to be entered into which involve commitments to a single contractor in respect of a single requisition or a series of related requisitions for supplies (expendable and non-expendable) rental agreements, and service contracts in excess of US\$75,000 but less than US \$200,000;

(b) Proposals for modification which exceed the amount of the previously approved contract by more than 20%, or \$75,000, whichever is the lower amount; and

(c) Such other matters as may be referred by you, or your authorized delegate, to the LCC of, including such matters as may require referral to the HCC for advice.

7. Intended transactions which are estimated by you to exceed US \$200,000 shall be submitted to the Chief, Procurement Service at the Headquarters for review of the proposed requisition in order to determine whether appropriate procurement action should be taken at Headquarters or locally. Such intended transactions which the Chief, Procurement Service determines should be taken locally shall be handled as follows: (i) procurement actions shall be initiated locally, (ii) the proposed award shall be submitted to the LCC of for its review and written advice to you or your delegate (iii) and, if favourably approved by you or your delegate, then referred and presented to the HCC through the Chief, Procurement Service, for written advice to the Assistant Secretary-General for Central Support Services, for approval before a commitment is made by you with respect to such requisition.

III. Property Management Authority and Inventory Control

8. The authority and accountability for property management specified under Financial Rule 105.20(a), and the responsibility for the maintenance of property records and controls in respect of the United Nations property in is delegated to you.

9. Pursuant to this delegation and Financial Rule 105.21, you are hereby authorized to establish a Local Property Survey Board (LPSB) at which shall be comprised of the following members or those with comparable responsibilities:

Member: Finance Officer
 Member: Programme Officer
 Member: Legal Adviser

Attendant: Property Control Officer
Ex-Officio: Secretary of LPSB

10. The Chairperson of this Board, members and alternates shall be appointed by you, and their names and any changes of the membership shall be promptly communicated to the Chairman, Headquarters Property Survey Board (HPSB) for monitoring and compliance purposes.

11. The Board shall investigate and report on Category "A" and Category "SB" cases, described below, on loss, shortage, damage, overage, unserviceability and other irregularity in equipment, supplies and property entrusted to your charge and indicate the degree of responsibility in connection with such property discrepancy, if any, attaching to UN personnel. A copy of all approved minutes of the meetings of the LPSB shall be transmitted on a semi-annual basis to the Chairman, HPSB for monitoring and compliance purposes.

IV. Categorization of Cases for the Write-off Property

12. Category "AW" cases: You are authorized to act directly and finally on administrative write-off cases referred to as Category "AW" without any property survey board review and advice. "AW" cases include property with an individual inventory value of less than \$1,500, provided the case is not covered by the definitions of category "A" and "SB" cases below. Category "AW" cases shall also include de-minimis cases. In accordance with the de-minimis policy established by the Controller, no financial assessment shall be considered where the residual value of the asset or the repair cost is less than US\$500 and there is no evidence of gross negligence or repeated violations of administrative instructions by UN personnel. In such cases, the cost is absorbed by the Organization. Summary listings of Category "AW" cases should be produced semi-annually and retained in .

13. Category "A" cases: Category "A" cases shall include property with an individual inventory value of more than \$1,500 but not exceeding \$25,000. For such cases, you are authorized to act directly and finally on the recommendations of the LPSB. Category "A" cases shall also include the following cases:

- (a) Cases involving loss or damage to UN property by contractor personnel, based on the value limits established above;
- (b) Cases involving the write-off of assets already approved for donation by the General Assembly, regardless of value; and
- (c) Cases involving the write-off of United Nations vehicles (other than by donation, gift, other free transfer or a sale at nominal price), regardless of value.

14. Category "SB" cases: Category "SB" cases shall include property with an individual value in excess of \$25,000. Category "SB" cases shall also include the following cases:

- (a) Cases involving instances of loss or damage that might result in the financial assessment of UN personnel, regardless of value (except de-minimis cases, as outlined in paragraph 12, above);
- (b) Cases involving gift, donation, other free transfer or sale at a nominal price; and

(c) Cases involving loss or damage to UN property by contractor personnel, with an individual inventory value in excess of \$25,000.

15. "SB" cases, together with the LPSB's recommendation, shall be forwarded to the HPSB for its review and recommendation. The recommendations of the HPSB shall be transmitted to me and the Controller for our approval, on the basis of which the submitting office shall take appropriate action.

V. Special Provisions

16. Cases involving claims: Cases for the write-off of property that include a possible claim against a contractor are separated into an inventory case and a claim pursuant to the terms and conditions set forth in the contract. Contract claims should be expeditiously handled and not await the processing or approval of the inventory write-off case. In such cases the inventory case is classified as an "A", "SB", or "AW" case depending on the inventory value.

VI. Accountability

17. If any difficulty is experienced interpreting or enforcing the Financial Regulations and Rules of the United Nations governing procurement, property management or inventory control, related instructions, or this delegation of authority, I should be consulted immediately. In accordance with Financial Rule 101.2, any staff member who contravenes the Financial Regulations and Rules or administrative instructions may be held personally accountable and financially liable for his or her actions.

18. Any exceptions to the provisions of this delegation of authority, must be referred to me for prior approval. Failure to abide by the provisions of this delegation may result in its withdrawal.

19. This delegation of authority will enter into effect upon receipt of your confirmation, through your signature below, that you understand, accept and will abide by the provisions outlined above.

20. This Delegation of Authority shall remain in full force and effect until the expiration of your assignment as, unless hereafter amended or withdrawn.

I have read the foregoing and agree to accept the delegation set forth herein.

Date

cc:

United Nations  Nations Unies
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

ANNEX A

TO: Name of Staff Member
A: [Chief Section, [Procurement Officer (P---)]

DATE: 2005
REFERENCE:

FROM:
DE:

SUBJECT: **Delegation of procurement authority under the Financial Regulations and Rules of the United Nations**
OBJET:

1. The purpose of this memorandum is to further delegate the procurement authority granted to me by in accordance with ST/AI/2004/1 of 8 March 2004. The authority delegated herein as [Chief Section/ Procurement Officer (P---)], is personal: you do not possess this authority solely by virtue of your office. The delegation cannot be sub-delegated.

I. Procurement Authority

2. You are hereby granted the authority to enter into contracts for the purchase or rental of services, equipment or other requirements, in accordance with the UN Financial Regulations and Rules, the Staff Regulations and Rules, Administrative Instructions, the UN Procurement Manual and all other Procurement Service guidelines.

3. You are hereby granted the authority to enter into contracts for the purchase or rental of services, supplies, equipment or other requirements up to a financial limit of [COMPLETE WITH RESPECTIVE FINANCIAL THRESHOLD DEPENDING ON THE LEVEL OF UN STAFF MEMBER, SEE ANNEX B] on a calendar year basis, involving commitments to a single contractor in respect of a single requisition or series of related requisitions in accordance with Financial Rules 105.13 through 105.19 with the exception of 105.17, and in compliance with established procedures described in detail in the Procurement Manual available in the Procurement Service intranet website (<http://extranet.unsystem.org/pd>). Your delegated procurement authority may be increased or decreased in writing at any time and from time to time, at my discretion. Any contract in excess of your delegated procurement authority must be approved by an authorized official whose delegated authority is up to, or greater than, the proposed contract amount or approved by me or [Chief..... Section] as appropriate and submitted to the Local Committee on Contracts (LCC) and Headquarters Committee on Contracts (HCC) if applicable for advice pursuant to Financial Rule 105.13.

4. You are required to refer to the Local Committee on Contracts (LCC) for its written advice on the following:

(a) All contracts to be entered into which involve commitments to a single contractor in respect of a single requisition or a series of related requisitions for supplies (expendable and non-expendable) rental agreements, and service contracts in excess of US \$75,000 but less than US \$200,000;

(b) Proposals for modification which exceed the amount of the previously approved contract by more than 20% or \$75,000, whichever is the lower amount; and

(c) Such other matters as may be referred by you to the LCC of, including such matters as may require referral to the HCC for advice.

5. Intended transactions which are estimated by you to exceed US \$200,000 shall be submitted to the Chief, Procurement Service at the Headquarters for review of the proposed requisition in order to determine whether appropriate procurement action should be taken at Headquarters or locally. Such intended transactions which the Chief, Procurement Service determines should be taken locally shall be handled as follows: (i) procurement actions shall be initiated locally, (ii) the proposed award shall be submitted to the LCC of _____ for its review and written advice to me (iii) and, if favourably approved by me, then referred and presented to the HCC through the Chief, Procurement Service, for written advice to the Assistant Secretary-General for Central Support Services, for approval before a commitment is made by you with respect to such requisition.

II. Accountability

6. You shall be personally held fully accountable and responsible for your performance under this delegation of authority. You shall exercise your duties and responsibilities with the utmost care, competency, efficiency, fairness and integrity. You must ensure that all applicable UN Financial Regulations and Rules, procurement policies, procedures, practices, issuances and instructions are adhered to strictly.

7. If any difficulty is experienced interpreting or enforcing the Financial Regulations and Rules of the United Nations governing procurement, related instructions, or this delegation of authority, I should be consulted immediately. Should any other question(s) arise in connection with your procurement activities, you may, if necessary, request written instructions from your supervisor. If such instructions are received, responsibility for the action will rest with the officer issuing the instruction and you should qualify your action to that effect.

8. Any exceptions to the provisions of this delegation of authority must be referred to me for prior approval. Failure to abide by the provisions of this delegation may result in its withdrawal.

9. This delegation of authority will enter into effect upon receipt of your confirmation, through your signature below, that you understand, accept and will abide by the provisions outlined above.

10. This Delegation of Authority shall remain in full force and effect until the expiration of your assignment as [Chief / Procurement Officer] of _____, unless hereafter amended or withdrawn.

I have read the foregoing and agree to accept the delegation set forth herein.

TYPE FULL NAME OF UN STAFF MEMBER

Date

cc:

ANNEX B

Financial Thresholds of delegated procurement authority

Officials to whom authority may be further delegated	Financial thresholds of delegated Procurement Authority
Director/Chief of Administration, D-1 and above	\$200,000; exercise of authority is subject to review by the LCC for procurement actions in excess of \$75,000 and the HCC for procurement actions in excess of \$200,000
Chief/ Senior Procurement Officer, P-5	\$150,000
Procurement Officer, P-4	\$75,000
Procurement Officer, P-3	\$50,000
Associate Procurement Officer, P-2	\$25,000
Procurement Assistant, G-5 and above	\$7,500

SUPPLIER REGISTRATION FORM

Section 1: Company Details and General Information

1. Name of Company: _____
(Max. of 34 characters pls.)

2. Office Address: _____ City: _____ Zip Code: _____ State: _____ Country: _____	3. Contact Person & Title (for communications regarding bids/proposals) _____ _____
---	---

4. Tel.: _____ Country code City code Number	5. Fax: _____ Country code City code Number
6. Email: _____	7. WWW Address: _____

8. Parent Company (Full legal Name), if any: _____

9. Subsidiaries and Overseas Representative(s): State if partially, fully owned or agent and attach a list if necessary.

10. Type of Business (Mark one only):
Corporate / Limited: Partnership: Other (specify): _____

11. Nature of Business:
Manufacturer: Authorized Agent: Trader: Consulting Firm: Other (specify): _____
If Trader, Agent or Representative Company, not directly involved in the manufacture of the product, please provide:
1) Certification from your principals that you are authorized to deal with their products or to act on their behalf.
2) A list of business transacted in the last year for the products you wish to register, giving names and address of customers and value of contracts in section 4 item 25.

13. Year Established (Minimum of 3 years establishment required): _____	14. Number of Full-time Employees: _____
---	--

15. License No. (if applicable) / Place - State or Province - where registered (Privately held companies are requested to attach copy of certificate of incorporation, balance sheet and income statement, or copy of income tax statement (US applicants only). Publicly traded companies are required to provide audited financial statement or annual report to shareholders.

16. TAX / VAT ID Number: _____

Section 2: Financial Information (Please attach a certified / audited copy of your latest Balance Sheet and Income Statement or your Annual Report to Shareholders)

17. Annual Value of Total Sales for the last 3 Years:
 Year _____ : US\$ _____ million Year _____ : US\$ _____ million Year _____ : US\$ _____ million

18. Annual Value of Export Sales for the last 3 Years:
 Year _____ : US\$ _____ million Year _____ : US\$ _____ million Year _____ : US\$ _____ million

19. Bank Name: _____ Swift / BIC Address: _____
 Address: _____

20. Bank Account Number: _____ Account Name: _____

21. Please attach i) a listing of a minimum of three (3) reference sources for services rendered by your firm within the last 12 months and ii) original of recommendation letter from the reference sources describing the nature of services rendered by your firm. The recommendation letter must be prepared in the reference sources' letterhead and signed by their representatives, who awarded an order to your firm or who administered your contract. **Please also indicate fax numbers and contact person for your reference sources so that the United Nations can contact them as and when required. If you list any references under Section 4, item 25 below, you must also include the details here.**

	<u>Name of Company</u>	<u>Address</u>	<u>Phone</u>	<u>Fax Number</u>
1)				
2)				
3)				

Section 3: Technical Capability and Information on Goods / Services Offered

22. Quality Assurance Certification (e.g. ISO 9000 certification **or its equivalent** International and / or national certification for quality assurance). Please list any quality assurance certificates that have been issued to your company and provide a copy of your latest certificates:

23. List below up to seven (7) of your Core Goods/Services offered (Authorized agents and Traders must submit proof or certificate(s) from manufacturers that they are authorized to deal with the products. Listed Item(s), which are not accompanied by proof or certificate(s) from manufacturers, will not be recorded in our supplier database):

PD Code	PD Description (one line for each item)	For PD Office use only

D-5. Vendor Roster Application

24. For your core goods / services specified in item 23 above, please provide details of the largest sales in the last financial year including name of company, name of contact person, address and fax number of customer and value of sales.

PD Code and Description	Details of Sale	
	Company: Address: Value:	Contact Person: Fax Number:
	Value: Company: Address:	Contact Person: Fax Number:

Section 4: Experience

25. Recent Contracts with the UN and / or public organization such as national / state / local government and public service organization / department:

Note: You must include these Contracts as references under item 21 above.

<u>Organization:</u>	<u>Value:</u>	<u>Year:</u>	<u>Goods / Services Supplied:</u>	<u>Destination:</u>
_____	USD _____	_____	_____	_____
_____	USD _____	_____	_____	_____
_____	USD _____	_____	_____	_____
_____	USD _____	_____	_____	_____

26. To which Countries has your Company exported and / or managed Projects over the last 3 Years?

Section 5: Other

27. Please list any current legal disputes in which your company may be involved.

28. List any national or International Trade or Professional Organizations of which your Company is a Member.

29. Acceptance of payment terms and other discounts (Mark all that apply)

Net 30 days: Prompt payment discounts: Other discounts:

Specify discount terms

30. Tender Documents:

Do you prefer to receive tender documents (Mark your preference)

By facsimile: By electronic mail: Download from an Internet web site:

31. The United Nations may require a contractor to provide the United Nations with a Performance Bond (to guarantee fulfillment of terms and conditions) when contracts are awarded. Please indicate the maximum amount of Performance Bond your company is able to support:

US\$ _____

32. Certification:

I, the undersigned, warrant that the information provided in this form is correct, and in the event of changes details will be provided as soon as possible:

Name

Functional Title

Signature

Date

IMPORTANT:

Please note that your company will be automatically de-registered if you do not provide any response to tender invitations by returning the Acknowledgement Letter, which is attached to the Invitation To Bid, on three consecutive occasions.

Companies interested in being considered for the provision of Air Transportation Services to the United Nations must also follow the instructions in the Technical and Operational Evaluation Criteria section.

Please return completed form to:

UNITED NATIONS
Attn: Procurement Division
Vendor Registration Unit, FF-245
304 East 45th Street
New York, NY 10017

Tel: 1-212-963-1718
Fax: 1-212-963-3503
E-mail: register@un.org

Revised in August 2001

Section 6: Additional

1. List the firm's members, include qualifications of the principal partners and their heading of particular areas of practice.

2. Location of Offices, Jurisdiction, and Areas of Significant Practice Experience.

<u>Location</u>	<u>Jurisdiction</u>	<u>Area of experience</u>
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3. List affiliations with other law firms.

<u>Name</u>	<u>Location</u>	<u>Nature of affiliation</u>
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-----	-----	-----
-----	-----	-----
-----	-----	-----
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4. Professional Indemnity Coverage

<u>Geographic area</u>	<u>Amount</u>
------------------------	---------------

-----	USD -----

UNITED NATIONS PROCUREMENT SERVICE (PS)

List of Goods and Services Procured by PS

Page #

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GOODS

2	Audio-Visual Equipment
2	Building Maintenance and Supplies
3	Communications Equipment and Parts
3-4	Electrical Equipment and Supplies
4-5	Field Supplies
5	IT - Computers. - Peripherals - consumables
6	Journals, Books, Magazines and Periodicals
6-7	Machinery and equipment
7	Medical Supplies
7	Office Furniture
7-8	Paper Products - Printing supplies - Office supplies
8	Security Equipment and supplies
8-10	Transportation Vehicles and parts
10	Uniforms, clothing

SERVICES

10	Advertisements
10	Air Charter Services
11	Audio-visual services
11	Building construction, maintenance/repair/renovation
11-12	Consulting Services
12	Communication Services
12	IT/EDP Maintenance, repair& software design services
12	Leasing/Renting Office equipment – furniture
12	Leasing of Premises & Rental of Office Space
13	Mailing & delivery services, domestic & international
13	Other Ancillary Services
13-14	Printing-Publishing, Graphics Design and Layout Services
14	Transportation – Multi-modal - services
14	Training Services

Code #	<u>GOODS</u>
	Audio-Visual Equipment
G0100	Art supplies
G0101	Audio Equipment - Sound systems
G0102	Exhibition display screens
G0103	Photographic cameras
G0104	Photographic film
G0105	Video cameras
G0106	Video Conferencing Systems (also portable)
G0107	Video Projector, (VHS & Digital)
G0108	Video tapes (VHS & Digital)
G0109	Audio-Visual equipment n.e.c.
	Building Maintenance and Supplies
G0200	Batteries
G0201	Bottled alcoholic beverages (beer, wine, spirits)
G0202	Carbon monoxide detectors
G0203	Carpets and other floor coverings incl. installation
G0204	Cement
G0205	Chair mats, from nylon or rubber
G0206	Cleaning products/detergents
G0207	Cordage, rope, string
G0208	Diplomatic pouch bags, seals and crimpers
G0209	Doors, made from wood or other materials
G0210	Draperies, from textile and other materials
G0211	Fire Extinguishers
G0212	Flags, various sizes, incl. Miniatures
G0213	Floor mats, from nylon or rubber
G0214	Frames, for pictures and maps
G0215	Gabions
G0216	Gardening, Ornamental potted plants and flowers
G0217	Gardening, Peat moss - horticultural
G0218	Gardening, Plant and flower fertilizer/fungicides/insecticides
G0219	Glass cups and pitchers
G0220	Glues and epoxies
G0221	Hand trucks, trolleys and carts
G0222	Heaters
G0223	Industrial Gases & Refrigerants (oxygen, acetylene, freon, etc.)
G0224	Locker
G0225	Lumber, plywood and studs

- G0226 Mirrors
- G0227 Oils and lubricants
- G0228 Paints and varnishes
- G0229 Panel Boards made of gypsum and other materials
- G0230 Parquet panels, wood floorings
- G0231 Seals for diplomatic bags, lead type
- G0232 Smoke Detectors
- G0233 Soap, liquid and in bars
- G0234 Tiles
- G0235 Tools -hand, including tool kits
- G0236 Upholstery materials, from textile and vinyl
- G0237 Venetian blinds & mini-blinds
- G0238 Wood moldings
- G0239 Plumbing supplies, n.e.c.
- G0240 Textile fabric n.e.c.
- G0241 Building and Maintenance Supplies, n.e.c.
- G0242 Building maintenance chemicals, n.e.c.

Communications Equipment and Parts

- G0300 Communication spare parts
- G0301 Communications cabling systems
- G0302 Digital multiplexers
- G0303 Encryption machines and supplies
- G0304 Fax machine
- G0305 Inmarsat portable telephone satellite systems
- G0306 Microwave systems
- G0307 PABX telephone systems
- G0308 Radio equipment - HF
- G0309 Radio equipment - VHF/UHF and air band
- G0310 Rural telephone links
- G0311 Satellite control, test equipment and other misc. equipment
- G0312 Satellite Systems
- G0313 Specialized masts/antennas
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Electrical Equipment and Supplies

- G0400 Cable and wire, electrically insulated
- G0401 Chargers/Inverters
- G0402 Circuit breakers
- G0403 Circuit-mini

G0404 Conductors
G0405 Control Boards
G0406 Distributors
G0407 Electrically insulated plastic ladders
G0408 Freezers
G0409 Fuses
G0410 Generators
G0411 Industrial batteries
G0412 Insulators
G0413 Lightning Arrestors
G0414 Microwave Oven
G0415 Motors -electric
G0416 Panel Boards
G0417 Power transformers
G0418 Power plants diesel/gasoline
G0419 Power supplies and distribution equipment
G0420 Refrigerators
G0421 Relays
G0422 Street lightning equipment
G0423 Switchgear
G0424 Transformers
G0425 Vacuum Cleaners
G0426 Voltage converters
G0427 Voltage regulators
G0428 Wind turbines
G0429 Electrical appliances, n.e.c.
G0430 Electrical equipment, n.e.c.
G0431 Electrical supplies, n.e.c.

Field Supplies

G0500 Airfield operation equipment
G0501 Beds and Bedding
G0502 Coffee Makers
G0503 Containers ISO 20/40 ft (offices, fitted)
G0504 Containers ISO 20/40 ft (standard, empty)
G0505 Containers ISO 20/40 ft(ablutions, fitted)
G0506 Containers ISO 20/40 ft(accommodation , fixed)
G0507 Containers ISO 20/40 ft(medical, fitted)
G0508 Containers ISO 20/40 ft(workshop, fitted)
G0509 Containers-refrigerated
G0510 Cots

- G0511 Flashlights
- G0512 Food Rations (MRE) beef-less
- G0513 Food Rations (MRE) pork-less
- G0514 Food Rations (MRE) vegetarian
- G0515 Food Rations, (MRE) regular
- G0516 Fuel/Water tanks (hard wall and flexible bladder)
- G0517 Kettles
- G0518 Kits-Tool
- G0519 Maps and charts
- G0520 Mess kits
- G0521 Petroleum and petroleum products for field operations
- G0522 Pipes and fittings
- G0523 Prefabricated building (Hardwall, flat-pack)
- G0524 Prefabricated building/Softwall (ablutions, fitted)
- G0525 Prefabricated building/Softwall (medical, fitted)
- G0526 Prefabricated building/Softwall (offices, fitted)
- G0527 Prefabricated building/Softwall (workshop, fitted)
- G0528 Prefabricated building/Softwall(accommodation, fitted)
- G0529 Pumps - water
- G0530 Pumps-centrifugal
- G0531 Pumps-couplings
- G0532 Sandbags
- G0533 Sleeping Bags
- G0534 Tents (4-Man)
- G0535 Tents (Marquee Type)
- G0536 Tents (Ridge Type)
- G0537 Tubes and hoses
- G0538 Tubular steel poles
- G0539 Valves-water
- G0540 Watch-Tower kit
- G0541 Water dispensers
- G0542 Water purification systems/plants
- G0543 Water sample analysis chemicals
- G0544 Water, potable/distilled bottled
- G0545 Field Supplies, n.e.c.

IT - Computers. - Peripherals - consumables

- G0600 CD-Rom & CDRW (internal-external)
- G0601 CD-Rom/CDRW diskette supplies
- G0602 Computer Server
- G0603 Computer/Internet Routers and Switches

- G0604 Floppy disks
- G0605 Keyboard
- G0606 Laptop/Notebook computers
- G0607 Modem
- G0608 Monitors
- G0609 Mouse
- G0610 Network Routers & ports
- G0611 Parts and accessories (Hard disks - Video cards - others)
- G0612 Personnel Computers (PCs)
- G0613 Photocopiers
- G0614 Printer Supplies (non-paper), ink cartridges, etc.
- G0615 Printers - laserjet / inkjet / bubblejet
- G0616 RAM Memory
- G0617 Scanner
- G0618 Server racks
- G0619 Software programs
- G0620 Specialized computer cable (USB, fiber-optic, network, etc.)
- G0621 Tape/Disk Network backup systems
- G0622 Toners for photocopiers - printers - fax
- G0623 Uninterruptible power supplies (UPS)
- G0624 Wireless Local and Wide Area Network Systems
- G0625 IT, Computer & Peripherals, n.e.c.
- G0626 Magnetic-optical media, n.e.c.

Journals, Books, Magazines and Periodicals

- G0700 Books
- G0701 Journals
- G0702 Newspapers, periodicals
- G0703 Publications, n.e.c.

Machinery and equipment

- G0800 Diesel engines
- G0801 Steam engines
- G0802 Water engines
- G0803 Drilling equipment
- G0804 Fuel management equipment
- G0805 Laboratory equipment
- G0806 Lifting and handling equipment (Warehouse use)
- G0807 Purifying and filtering equipment
- G0808 Solar energy equipment
- G0809 Weighting equipment

- G0810 Welding equipment
- G0811 Machinery and Equipment, n.e.c.

Medical Supplies

- G0900 Antimalarial drugs: paludrine, chloroquine, mefloquine, etc
- G0901 Blood products and plasma substitutes
- G0902 Clinical laboratory chemicals
- G0903 CPR Training materials
- G0904 Diagnostic kits
- G0905 Disposable gloves, latex
- G0906 Disposable gowns
- G0907 Disposable stretcher sheets
- G0908 Drugs & medicines
- G0909 First aid kits
- G0910 Glass pipettes, culture tubes, flasks, vials, etc.
- G0911 Laboratory reagents
- G0912 Oral rehydration kits
- G0913 Tetanus and diphtheria toxoids
- G0914 Vaccines: Yellow fever, encephalitis, polio, hepatitis, etc.
- G0915 Medical equipment, n.e.c.
- G0916 Medical supplies, n.e.c.

Office Furniture

- G1000 Bookcases, wood or metal
- G1001 Chairs: executive, managerial, typist, visitor
- G1002 Chairs: orthopedic
- G1003 Coat rack
- G1004 Computer furniture, specific
- G1005 Desks: executive, managerial, typist
- G1006 Document carts
- G1007 Exhibit/stand/display furniture
- G1008 Lamp -desk
- G1009 Modular workstations
- G1010 Sofas
- G1011 Tables: work or conference
- G1012 Other furniture n.e.c.

Paper Products - Printing supplies - Office supplies

- G1100 Cardboard boxes
- G1101 Envelopes (messenger, brown, regular white, etc.)

- G1102 Ink for offset printing
- G1103 Labels: all sizes
- G1104 Office Supplies: pens, pencils, rulers, staplers, tape, post-it notes, etc
- G1105 Paper - hygienic (hand towels, toilet, facial tissues)
- G1106 Paper covers (various sizes and weights)
- G1107 Paper for printing (color, laser, photocopier, photo quality)
- G1108 Paper, continuous for computing
- G1109 Paper, recycled - for printing
- G1110 Paper: Thermal receipt rolls
- G1111 Stamps-rubber
- G1112 Stationary: envelopes, file folders, etc.
- G1113 Supplies-library
- G1114 Paper, other, n.e.c.

Security Equipment and supplies

- G1200 Ammunitions and pistols
- G1201 Barricade tape, printed
- G1202 Barricade, angular iron pickets
- G1203 Barricade, barbed wire, concertina wire
- G1204 Barricade, corrugated galvanized iron sheets
- G1205 Batons
- G1206 Chemical sprays, defensive
- G1207 Ear protection, ear muffs
- G1208 Firearm cleaning kits
- G1209 Gun belt & holsters
- G1210 Handcuffs
- G1211 Helmet - ballistic
- G1212 Metal Detector (walk-thru)
- G1213 Metal Detector, Baggage type
- G1214 Optical equipment (binoculars/night vision)
- G1215 Remote sensing equipment
- G1216 Security and surveillance equipment
- G1217 Security ID Card Badging Systems
- G1218 Vest, fragmentation (Flak Jacket)
- G1219 Vest, reflective
- G1220 Vest, Soft body armor
- G1221 Security equipment, n.e.c.
- G1222 Bulletproof clothing, n.e.c.

Transportation Vehicles and parts

- G1300 Aerial working vehicle

D-5.A PS List of Goods and Services

G1301	Airport baggage dollies
G1302	Airport baggage loader
G1303	Airport fire fighter
G1304	Airport ground power unit
G1305	Airport main deck loader
G1306	Airport mobile stairs
G1307	Airport pallet-container dolly
G1308	Airport tow motor
G1309	Ambulance (4x2 and 4x4)
G1310	Ambulance APC
G1311	Armored Personnel Carrier (APC)
G1312	Armored Vehicle, 4x4 heavy patrol (mine protected/hardened)
G1313	Armored Sedan
G1314	Backhoe loader
G1315	Bicycles
G1316	Bulldozer
G1317	Bus (Minibus 4x2, 4x4; 16-39 pax; over 40 pax)
G1318	Crane
G1319	Delivery van (4x2, 4x4)
G1320	Detainee van
G1321	Excavator
G1322	Forklift (all categories)
G1323	Forklift electric - light
G1324	Front end loader (tracked/wheeled)
G1325	Moped/scooter
G1326	Motorcycle
G1327	Road grader-wheeled
G1328	Road roller
G1329	Sedan (light/medium/heavy)
G1330	Snow vehicle
G1331	Spare Parts
G1332	Tractor
G1333	Trailer-cargo (heavy/medium/light)
G1334	Trailer-fuel (heavy/medium/light)
G1335	Trailer-specialized
G1336	Trailer-water (heavy/medium/light)
G1337	Truck-aviation fuel (heavy/medium/light)
G1338	Truck-cargo (heavy/medium/light)
G1339	Truck-cargo with crane (heavy/medium/light)
G1340	Truck-fire
G1341	Truck-fuel (heavy/medium/light)

- G1342 Truck-mobile workshop
- G1343 Truck-panel van
- G1344 Truck-pls
- G1345 Truck-recovery (heavy/medium/light)
- G1346 Truck-recovery -vehicle carrier
- G1347 Truck-refrigerator
- G1348 Truck-sewage
- G1349 Truck-specialized
- G1350 Truck-tipper (heavy/medium/light)
- G1351 Truck-Tractor
- G1352 Truck-water (heavy/medium/light)
- G1353 Tires
- G1354 Vehicles, 4x4 general purpose
- G1355 Vehicles, 4x4 tcv-patrol
- G1356 Vehicles, 4x4 utility-pudc
- G1357 Vehicles, 4x4 utility-pusc
- G1358 Workshop Tools and Equipment

Uniforms, clothing

- G1400 Berets and other headwear
- G1401 Uniforms - for Medical, Security Officers, UN Tour Guides, others
- G1402 Accoutrements: belt, neckties, gloves, insignia, badges, medals, etc.
- G1403 Clothing, n.e.c.

SERVICES

Advertisements

- S0100 Advertisement (philatelic magazines)
- S0101 Advertisement (vacancy announcement and others)

Air Charter Services

- S0200 Aircraft - Fixed Wing (Light Utility)
- S0201 Aircraft -Fixed Wing (Medium Utility)
- S0202 Aircraft -Fixed Wing (Medium Cargo)
- S0203 Aircraft -Fixed Wing (Heavy Cargo)
- S0204 Air Cargo Movers (Non-operators)
- S0205 Aircraft -Fixed Wing (Liaison Jet)
- S0206 Airline Operators
- S0207 Helicopter - Light Utility
- S0208 Helicopter - Medium to Heavy Utility
- S0209 Air-Charter Services n.e.c.

Audio-visual services

- S0300 Film and video production services
- S0301 Radio broadcast production services
- S0302 Film and video duplication services
- S0303 Standard broadcast conversion (NTSC-PAL-SECAM-MESCAM)
- S0304 Editing for audio-video-print services
- S0305 Exhibits
- S0306 Radio writers
- S0307 Photographic services
- S0308 Translation services
- S0309 Audio-Visual services n.e.c.

Building construction, maintenance - repair - renovation

- S0400 Architectural Design Services
- S0401 Building repair and renovation services
- S0402 Civil Engineering (Operate/ Maintain)
- S0403 Civil Engineering (Build/Install/Repair)
- S0404 Civil Engineering (Design)
- S0405 Cleaning Services for Office premises
- S0406 Construction services: carpentry, masonry, electrical circuits, etc.
- S0407 Electrical Engineering (Operate/ Maintain)
- S0408 Electrical Engineering (Build/Install/Repair)
- S0409 Electrical Engineering (Design)
- S0410 Gardening Services
- S0411 HVAC services
- S0412 Inspection (all types)
- S0413 Maintenance contract (All types)
- S0414 Plumbing services
- S0415 Public Utility services: Electricity, Gas, Oil, Water
- S0416 Supervision of equipment installation
- S0417 Installation services, n.e.c.

Consulting Services

- S0500 Business Analysts
- S0501 Consultant - IT related only
- S0502 Risk management consulting
- S0503 Feasibility studies
- S0504 Management Consulting (including office management)
- S0505 Project management & evaluation
- S0506 Economic research
- S0507 Environmental research

- S0508 Financial research
- S0509 Non-conventional energy research
- S0510 Social issues research
- S0511 Solar energy research
- S0512 Legal services
- S0513 Remote sensing - site selection studies
- S0514 Insurance needs evaluation
- S0515 Consulting services n.e.c.

Communication Services

- S0600 Global positioning services
- S0601 Satellite communications services
- S0602 Telephone services
- S0603 Cable TV services
- S0604 Internet ISP services
- S0605 Web hosting services
- S0606 Video-conferencing services
- S0607 Communication services n.e.c.

IT/EDP Maintenance/repair, software design/support

- S0700 EDP design, installation and repair services (hardware and software)
- S0701 LAN/WAN maintenance and support
- S0702 PC Hardware maintenance and support
- S0703 PC Software maintenance and support
- S0704 Database maintenance systems support
- S0705 IT Consulting Services (program., systems analysis, web design, etc.)
- S0706 IT Service Personnel
- S0707 LAN/WAN/EDI based applications design and support
- S0708 IT/EDP services n.e.c.

Leasing/Renting Office equipment – furniture

- S0800 Leasing of Office Equipment (photocopiers, fax, printing eqpt., etc.)
- S0801 Rental of furniture
- S0802 Rental of Mailing postage meters
- S0803 Rental or lease of building equipment
- S0804 Rental/leasing of special purpose equipment n.e.c.

Leasing of Premises & Rental of Office Space

- S0900 Leasing of Premises & Rental of Office Space
- S0901 Rental of booths at trade shows
- S0902 Rental- of conference centers

Mailing & delivery services, domestic & international

- S1000 Mailing services - Bulk (local and international)
- S1001 Mailing services - courier (local and international)
- S1002 Fulfillment services - Handling/packaging/affixing labels, mailing
- S1003 Delivery services for small packages, local
- S1004 Other Mailing and Delivery Services n.e.c.

Other Ancillary Services

- S1100 Banking/ Financial
- S1101 Catering Services
- S1102 Field Food supply contracts
- S1103 Insurance Services
- S1104 Laundry/dry-cleaning services
- S1105 Records management/archiving/disposal
- S1106 Removal of hazardous waste
- S1107 Security services: protective services
- S1108 Security services: demining, explosive detection
- S1109 Security measures n.e.c.
- S1110 Subscriptions to information services (D&B, Reuters, Bloomberg, etc.)
- S1111 Travel agency services
- S1112 Vehicle - operate/maintain
- S1113 Vehicle disposal
- S1114 Vehicle parking services
- S1115 Vehicle Rental (International/regional chain)
- S1116 Vehicle Rental (local only)
- S1117 Warehouse Management (field)

Printing-Publishing, Graphics Design and Layout Services

- S1200 Binding only (books, treaties)
- S1201 Graphic design & layout services
- S1202 Kits-GA
- S1203 Kits-Press
- S1204 Mailers
- S1205 Paper reproduction (UN logo, envelopes w/logo & address, etc.)
- S1206 Posters
- S1207 Pouch tags
- S1208 Printing of business cards, invitations, etc.
- S1209 Printing (of envelopes, stationary, labels)
- S1210 Printing (of paper bags)
- S1211 Printing (of philatelic bulletin/annual collection folder)
- S1212 Security Printing (postal stamps)

- S1213 Security Printing (cheques)
- S1214 Printing, General
- S1215 Stamp designing
- S1216 Typesetting
- S1217 Printing services, n.e.c.

Transportation – Multi-modal - services

- S1300 Freight Forwarding (all modes -for Bulk Cargo use Air Cargo above)
- S1301 Shipping (ship owners and operators only)
- S1302 Airfield Operation Services

Training Services

- S1400 Communications skills training
- S1401 Computer skills training
- S1402 Environmental issues training
- S1403 Management issues training
- S1405 Procurement training
- S1404 Radio writer/ production training
- S1406 Seminars-business training
- S1407 Telecommunication training
- S1408 Web design training
- S1409 Training, n.e.c.



SHORT FORM SPECIALIST REPORT (SSR)
STRICTLY CONFIDENTIAL, NOT FOR RELEASE OUTSIDE OF THE UNITED NATIONS

(For use in evaluating performance of specialists such as architects, consultants, etc.)

REPORT DATE: (d/m/y) _____

SPECIALIST'S NAME: _____

P.O. NO./CONTRACT NO.: _____ CONTRACT PERIOD: _____

CONTRACT TITLE AND BRIEF DESCRIPTION: _____

UN RECEIVING OFFICER AND OFFICE: _____

Where appropriate, attach a supplementary sheet, related documentation or correspondence giving details.

A. CONTRACT COMPLIANCE		Yes	No
1. Were documents required to be prepared by the specialist complete, understandable and in accordance with the requirements of the contract?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Did the specialist's final recommendation/report/design/etc. meet the requirements of the contract?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Were the contractual phases, if any, completed on time?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Unless the budget was exceeded at UN's direction, was the project kept within the contracted budget?	<input type="checkbox"/>	<input type="checkbox"/>	
5. If the specialist's work included supervision of a separate contractor or sub-contractor, was the specialist successful in controlling cost/quality of the latter in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>	
6. Were problems resolved quickly, and in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>	
7. Was the supervised work, if any, completed on time? Did the UN have to provide additional resources?	<input type="checkbox"/>	<input type="checkbox"/>	
8. Would you use the specialist again? If not, attach an explanation.	<input type="checkbox"/>	<input type="checkbox"/>	
Comments by the Requisitioning Office, if different from those of the UN Receiving Officer:			

Name and signature of the evaluating official		Date	
B. PROCUREMENT DIVISION ACTION			
Reviewed by PD Officer:	_____	_____	_____
	Name	Signature	Date
Comments/action, if any:	_____		
Noted by PD Section Chief:	_____	_____	_____
	Name	Signature	Date
If required due to unsatisfactory performance, date of review by Supplier Review Committee:	_____		
Action taken:	_____		
	Chief, Procurement Division:		Date
Specialist records updated by Supplier Roster Officer:	_____	_____	_____
	Name	Signature	Date



SUPPLIER PERFORMANCE REPORT

STRICTLY CONFIDENTIAL, NOT FOR RELEASE OUTSIDE OF THE UNITED NATIONS

(For use in evaluating performance of suppliers supplying goods, materials or equipment and not contracted services)

REPORT DATE: (d/m/y) _____

SPECIALIST'S NAME: _____

P.O. NO./CONTRACT NO.: _____ CONTRACT PERIOD: _____

CONTRACT TITLE AND BRIEF DESCRIPTION: _____

UN RECEIVING OFFICER AND OFFICE: _____

Where appropriate, attach a supplementary sheet, related documentation or correspondence giving details.

A. CONTRACT COMPLIANCE	Yes	No
1. Was delivery made in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the supplier supply in conformity with specifications?	<input type="checkbox"/>	<input type="checkbox"/>
3. Were shipping and related documents in conformity with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
4. Has the supplier performed in accordance with any post-delivery service or support arrangements or warranty provisions incorporated in the contract?	<input type="checkbox"/>	<input type="checkbox"/>
5. Was the supplier responsive to queries during supply period?	<input type="checkbox"/>	<input type="checkbox"/>
6. Would you use the specialist again? If not, attach an explanation.	<input type="checkbox"/>	<input type="checkbox"/>
Comments by the Requisitioning Office, if different from those of the UN Receiving Officer:		
_____	_____	_____
Name and signature		Date
B. PROCUREMENT DIVISION ACTION		
Reviewed by PD Officer:	_____	_____
	Name	Signature
		Date
Comments, action, if any:	_____	
Noted by PD Section Chief:	_____	_____
	Name	Signature
		Date
If required due to unsatisfactory performance, date of review by Supplier Review Committee:	_____	
Action taken:	_____	
	Chief, Procurement Division:	Date
Specialist records updated by Supplier Roster Officer:	_____	_____
	Name	Signature
		Date

UNITED NATIONS



NATIONS UNIES

 Progress Evaluation
 Final Evaluation

CONTRACTOR PERFORMANCE REPORT

STRICTLY CONFIDENTIAL, NOT FOR RELEASE OUTSIDE OF THE UNITED NATIONS

For use in evaluating performance of prime contractors who signed the United Nations contracts and have a legal contractual relationship with the United Nations. (For specialists such as architects, consultants, etc., use SSR PD.1 (10-00))

REPORT DATE: (d/m/y) _____

CONTRACTOR'S NAME: _____

P.O. NO./CONTRACT NO.: _____ CONTRACT PERIOD: _____

CONTRACT TITLE AND BRIEF DESCRIPTION: _____

UN RECEIVING OFFICER AND OFFICE: _____

Where appropriate, attach a supplementary sheet, related documentation or correspondence giving details.

A. CONTRACT COMPLIANCE	Yes	No
1. Was the service completed according to the schedule contained in the contract?	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the contractor and its sub-contractors, if any, provide a sufficient work force to undertake contracted work at all times?	<input type="checkbox"/>	<input type="checkbox"/>
3. Were problems resolved quickly and in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
4. Did all material and equipment arrive on time? If not, please provide details.	<input type="checkbox"/>	<input type="checkbox"/>
5. If changes in scope/schedule were required by the UN, were they handled by the contractor to avoid or minimize delays?	<input type="checkbox"/>	<input type="checkbox"/>
6. Was the contractor's field representative responsible in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
B. ADHERENCE TO SCOPE OF WORK, SPECIFICATIONS, DRAWINGS, ETC.	Yes	No
1. Were the scope of work, specifications, drawings, etc., complied with?	<input type="checkbox"/>	<input type="checkbox"/>
2. Did substitutions of personnel, material and/or equipment create any problems? If yes, please provide details.	<input type="checkbox"/>	<input type="checkbox"/>
3. Did the contractor maintain records, print-outs, or drawings, etc., as required under the contract?	<input type="checkbox"/>	<input type="checkbox"/>
4. On completion of contract, did the contractor submit all required records, print-outs, drawings, etc.?	<input type="checkbox"/>	<input type="checkbox"/>
C. QUALITY OF WORK AND MATERIAL	Yes	No
1. Were the personnel used by the contractor and sub-contractors adequately qualified in accordance with the contract, to ensure quality of work? If no, please provide details.	<input type="checkbox"/>	<input type="checkbox"/>
2. Did materials used meet all specifications?	<input type="checkbox"/>	<input type="checkbox"/>
3. Did field tests of results of the work, if any, yield satisfactory results in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
4. Were operational tests made of all tangible work product before being released to the UN, as required under the contract?	<input type="checkbox"/>	<input type="checkbox"/>
6. Were all manuals and operating procedures delivered to the UN in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
7. Were discrepancies, omissions or poor workmanship, if any, corrected promptly, satisfactorily, and in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>

D-6.C Contractor Performance Report

D. GENERAL	Yes	No
1. Would you use the contractor again? If not, attach an explanation.	<input type="checkbox"/>	<input type="checkbox"/>
E. COMPLIANCE WITH SECURITY/ACCESS REQUIREMENTS (where applicable)	Yes	No
1. Did the contractor submit for review all sub-contractors, materials and equipment in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
2. Did the contractor submit requests for passes for all sub-contractors and vehicles in ample time for the UN Project Manager to process the request with UN Security in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
3. Was the contractor present when all sub-contractors were obtaining their passes and did the contractor adequately inform all sub-contractors of the security conditions and requirements in accordance with the contract?	<input type="checkbox"/>	<input type="checkbox"/>
4. If required under the contract, were all workers wearing uniforms and/or identification cards?	<input type="checkbox"/>	<input type="checkbox"/>
5. Did the contractor give the United Nations the contractually required number of hours or days notice of all changes in personnel and/or working hours?	<input type="checkbox"/>	<input type="checkbox"/>
6. Did the contractor keep his equipment and material in designated areas?	<input type="checkbox"/>	<input type="checkbox"/>
COMMENTS, IF ANY:		
UN Project Manager: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Name and Signature Date </div>		
Comments by the Requisitioning Office, if different from those of the UN Receiving Officer:		
<div style="display: flex; justify-content: space-between; width: 100%; margin-top: 20px;"> _____ _____ </div> <div style="display: flex; justify-content: space-between; width: 100%;"> Name and signature of the evaluating official Date </div>		
E. PROCUREMENT DIVISION ACTION		
Reviewed by PD Officer: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Name Signature Date </div>		
Comments, action, if any: _____		
Noted by PD Section Officer: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Name Signature Date </div>		
If required due to unsatisfactory performance, date of review by Supplier Review Committee: _____		
Action taken:		
<div style="display: flex; justify-content: space-between; width: 100%; margin-top: 20px;"> _____ _____ </div> <div style="display: flex; justify-content: space-between; width: 100%;"> Chief, Procurement Division: Date </div>		
Specialist records updated by Supplier Roster Officer: _____ <div style="display: flex; justify-content: space-between; width: 100%;"> Name Signature Date </div>		

United Nations  Nations Unies

Interoffice Memorandum

Memorandum Interieur

TO: Distribution List :
A

DATE:
REF:

THROUGH:
S/C DE:

FROM: Procurement Service

SUBJECT: Procurement Planning

1. In its resolution A/RES/52/226, the General Assembly requested the Secretary-General to ensure that all departments and offices at Headquarters and in the field develop, in cooperation with the Procurement Service, annual procurement plans, which are to be made publicly available. Following this resolution, the Procurement Service has been in contact with your office on an annual basis to request your annual procurement plan.

2. Projection of requirements received from offices and departments has substantially aided the Procurement Service to plan its procurement activities and achieve timely and cost-effective acquisition of goods and services. It also allows the Procurement Service to maximize commonality in requirements and to place the procurement plan in the public domain with a view to generating maximum interest among potential suppliers to participate in procurement opportunities available in the Organization.

3. Accordingly, the Procurement Service would like to request your anticipated procurement requirements for the year and to provide your response in the form attached not later than . In order to facilitate compilation of data received from individual offices, it would be appreciated if you could follow the nomenclature of goods and services shown in the list attached to the highest extent possible. Please indicate goods and services with an estimated value greater than US\$30,000 for each category of goods and services required. In other words, you do not need to include items with a unit price of less than US\$30,000 unless you require multiple units of such items exceeding US\$30,000 in total.

4. Should you require a soft copy of the form, please contact .

5. Your attention and cooperation is highly appreciated.

D-8. Sample Requisition

UNITED NATIONS

Requisition for Goods

REQUISITION NUMBER: RQSNXXXXX AMENDMENT NUMBER: 0 TOTAL REQUISITION AMOUNT: XX,XXX.00

REQUISITION DATE: 29/07/2003 REQUESTED BY: <Requisitioner>, 3-XXXX, <Department/Office>
 REQUIRED BY DATE: 30/09/2003

DESCRIPTION: Computer Equipment

APPROVED BY: <Approving Officer>
 APPROVED DATE: 11/09/2003

DELIVER TO: <Requisitioner>
 DELIVER DATE: 30/09/2003

DELIVERY ADDRESS: United Nations
 Two United Nations Plaza, <Office>
 New York NY
 10017

SUPPLIER:

REQ ITEM	BAC ORG	PROP SER NUM	CLASS ITEM CODE	ITEM DESCRIPTION	QTY	UOM	UNIT PRICE	AMOUNT
1	XXXX	XXXXXX	NP 452110	Personal computers (PC), Compaq EVO D510 as per system contract RFPG-147	9	EACH	X,XXX.000	X,XXX.00
2	XXXX	XXXXXX	NP 452110	Personal computers (PC), Compaq EVO D510 as per system contract RFPG-147	3	EACH	X,XXX.000	X,XXX.00
3	XXXX	XXXXXX	NP 452110	Personal computers (PC), Compaq EVO D510 as per system contract RFPG-147	4	EACH	X,XXX.000	X,XXX.00

See attached for Instructions.
Instructions for Completing Project Requisitions

1. The requisition should be completed by the requesting office to the extent possible and submitted to DESA for action.
2. Requisitions must be serially numbered by the requesting office starting with the year (01/1, 01/2, etc.) in the space marked "Field Req. No."
3. Requisitions should be submitted only for those items for which funds have been made available in approved budget documents.
4. All shipments are forwarded in care of the UNDP Resident Representative. To expedite correct delivery, complete the project title, project symbol number and ensure that the full mailing address is indicated.
5. Shipments are normally made via surface transportation. Urgently required items may be shipped airfreight but only if detailed justifications are provided under Special Instructions.
6. Indicate by check mark Headquarters or Local procurement. Local purchase may be authorized only if it is found to be in the best interest of the Organization and if based upon competitive prices as determined by the Contracts and Procurement Service. Please include justification for local purchase and *attach proforma invoices* to obtain prior financial authorization in the form of a Miscellaneous Obligating Document. Local purchase of vehicles or other major items of equipment can be authorized only if the item is immediately available from stock locally, for payment in local currency, and free of taxes and duties.
7. Indicate under Special Instructions if special packing, multiple invoices, bills of lading or shipping documents are required. Also include a realistic and specific target date showing month and year. Do not indicate "immediate" or "as soon as possible".
8. The project requisition is used for computer input date and the list of equipment for a project is derived directly from this form. Please number each item in sequence. Quantities should be numerical and refer to units, i.e. 1 each, 2 doz., 6 sets, 5 tons, 3 ounces, etc. Due to space limitations, only forty letters and spaces can be reproduced on the machine listing of equipment under description. Please identify the equipment briefly, indicating that part of the description which is to appear on the machine listing in capital letters, followed by detailed specifications to permit proper procurement. For example LANDROVER (followed by detailed specifications), DRILL RIG COMPLETED (followed by all necessary specifications), CHEMICALS (followed by list) or CAMPING EQUIPMENT (followed by a list of expendable equipment).
9. The detailed specifications should include, as appropriate, range and accuracy tolerance of instruments, colour finish, style, metric or linear scale, portable or fixed installation, battery or electrical power, voltage and cycle requirements. For vehicles, include left or right hand drive, kilometres or miles, two or four wheel drive and any modifications or optional equipment required. Where possible you may include brand names and catalogue numbers but only as a guide to procurement. Please note that all items costing over \$25,000 are submitted for competitive bidding unless proprietary purchases (specific brand names) are justified in detail. (After-sales service, compatibility, vendor representation, repairs and availability of spare parts are factors to be considered when specific brand names are required.)
10. To facilitate procurement and to the extent that it is possible, a separate requisition should be issued for items to be purchased from a single supplier. Separate requisitions should also be used for expendable and non-expendable items even when procurement is expected to be made from the same source.
11. The estimate cost must be included and should always be shown in US dollar equivalent when another currency is expected to be used. Do not include the cost of freight in the estimated cost.
12. Requisitions for publications must include the author's full name, title, number of volumes, publisher, place and year of publications and estimated cost.
13. Specialized Agency publications must be ordered by the Field directly from the Agency Headquarters

UNITED NATIONS GENERAL CONDITIONS OF CONTRACT

- 1.0 LEGAL STATUS:** The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of the United Nations.
- 2.0 SOURCE OF INSTRUCTIONS:** The Contractor shall neither seek nor accept instructions from any authority external to the United Nations in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect the United Nations and shall fulfill its commitments with the fullest regard to the interests of the United Nations.
- 3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:** The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.
- 4.0 ASSIGNMENT:** The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of the United Nations.
- 5.0 SUB-CONTRACTING:** In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of the United Nations for all sub-contractors. The approval of the United Nations of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.
- 6.0 OFFICIALS NOT TO BENEFIT:** The Contractor warrants that no official of the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.
- 7.0 INDEMNIFICATION:** The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, the United Nations, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

8.4.1 Name the United Nations as additional insured;

8.4.2 Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the United Nations;

8.4.3 Provide that the United Nations shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

8.5 The Contractor shall, upon request, provide the United Nations with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS: The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the United Nations against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT: Title to any equipment and supplies that may be furnished by the United Nations shall rest with the United Nations and any such equipment shall be returned to the United Nations at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to the United Nations, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate the United Nations for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS:

11.1 Except as is otherwise expressly provided in writing in the Contract, the United Nations shall be entitled to all intellectual property and other proprietary rights including, but not limited to, patents, copyrights, and trademarks, with regard to products, processes, inventions, ideas, know-how, or documents and other materials which the Contractor has developed for the United Nations under the Contract and which bear a direct relation to or are produced or prepared or collected in consequence of, or during the course of, the performance of the Contract, and the Contractor acknowledges and agrees that such products,

documents and other materials constitute works made for hire for the United Nations.

- 11.2** To the extent that any such intellectual property or other proprietary rights consist of any intellectual property or other proprietary rights of the Contractor: (i) that pre-existed the performance by the Contractor of its obligations under the Contract, or (ii) that the Contractor may develop or acquire, or may have developed or acquired, independently of the performance of its obligations under the Contract, the United Nations does not and shall not claim any ownership interest thereto, and the Contractor grants to the United Nations a perpetual license to use such intellectual property or other proprietary right solely for the purposes of and in accordance with the requirements of the Contract.
- 11.3** At the request of the United Nations, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring or licensing them to the United Nations in compliance with the requirements of the applicable law and of the Contract.
- 11.4** Subject to the foregoing provisions, all maps, drawings, photographs, mosaics, plans, reports, estimates, recommendations, documents, and all other data compiled by or received by the Contractor under the Contract shall be the property of the United Nations, shall be made available for use or inspection by the United Nations at reasonable times and in reasonable places, shall be treated as confidential, and shall be delivered only to United Nations authorized officials on completion of work under the Contract.
- 12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF THE UNITED NATION:** The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with the United Nations, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of the United Nations, or any abbreviation of the name of the United Nations in connection with its business or otherwise.
- 13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION:** Information and data that is considered proprietary by either Party and that is delivered or disclosed by one Party (“Discloser”) to the other Party (“Recipient”) during the course of performance of the Contract, and that is designated as confidential (“Information”), shall be held in confidence by that Party and shall be handled as follows:
- 13.1** The recipient (“Recipient”) of such information shall:
- 13.1.1** use the same care and discretion to avoid disclosure, publication or dissemination of the Discloser’s Information as it uses with its own similar information that it does not wish to disclose, publish or disseminate; and,
- 13.1.2** use the Discloser’s Information solely for the purpose for which it was disclosed.
- 13.2** Provided that the Recipient has a written agreement with the following persons or entities requiring them to treat the Information confidential in accordance with the Contract and this Article 13, the Recipient may disclose Information to:
- 13.2.1** any other party with the Discloser’s prior written consent; and,

13.2.2 the Recipient's employees, officials, representatives and agents who have a need to know such Information for purposes of performing obligations under the Contract, and employees officials, representatives and agents of any legal entity that it controls, controls it, or with which it is under common control, who have a need to know such Information for purposes of performing obligations under the Contract, provided that, for these purposes a controlled legal entity means:

13.2.2.1 a corporate entity in which the Party owns or otherwise controls, whether directly or indirectly, over fifty percent (50%) of voting shares thereof; or,

13.2.2.2 any entity over which the Party exercises effective managerial control; or,

13.2.2.3 for the United Nations, a governing organ or subsidiary organ of the United Nations established in accordance with the Charter of the United Nations.

13.3 The Contractor may disclose Information to the extent required by law, *provided that*, subject to and without any waiver of the privileges and immunities of the United Nations, the Contractor will give the United Nations sufficient prior notice of a request for the disclosure of Information in order to allow the United Nations to have a reasonable opportunity to take protective measures or such other action as may be appropriate before any such disclosure is made.

13.4 The United Nations may disclose Information to the extent as required pursuant to the Charter of the United Nations, resolutions or regulations of the General Assembly, or rules promulgated by the Secretary-General.

13.5 The Recipient shall not be precluded from disclosing Information that is obtained by the Recipient from a third party without restriction, is disclosed by the Discloser to a third party without any obligation of confidentiality, is previously known by the Recipient, or at any time is developed by the Recipient completely independently of any disclosures hereunder.

13.6 These obligations and restrictions of confidentiality shall be effective during the term of the Contract, including any extension thereof, and, unless otherwise provided in the Contract, shall remain effective following any termination of the Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the United Nations, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the United Nations of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the United Nations shall take such action as, in its sole discretion; it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

- 14.2** If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the United Nations shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 14.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.
- 14.4** The Contractor acknowledges and agrees that, with respect to any obligations under the Contract that the Contractor must perform in or for any areas in which the United Nations is engaged in, preparing to engage in, or disengaging from any peacekeeping, humanitarian or similar operations, any delays or failure to perform such obligations arising from or relating to harsh conditions within such areas or to any incidents of civil unrest occurring in such areas shall not, in and of itself, constitute *force majeure* under the Contract..

15.0 TERMINATION

- 15.1** Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16.2 ("Arbitration"), below, shall not be deemed a termination of this Contract.
- 15.2** The United Nations may terminate forthwith this Contract at any time should the mandate or the funding of the Mission/Agency be curtailed or terminated, in which case the Contractor shall be reimbursed by the United Nations for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- 15.3** In the event of any termination by the United Nations under this Article, no payment shall be due from the United Nations to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- 15.4** Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the United Nations may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UN of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

- 16.1 Amicable Settlement** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 Arbitration: Any dispute, controversy, or claim between the Parties arising out of the Contract or the breach, termination, or invalidity thereof, unless settled amicably under Article 19.1, above, within sixty (60) days after receipt by one Party of the other Party's written request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The decisions of the arbitral tribunal shall be based on general principles of international commercial law. For all evidentiary questions, the arbitral tribunal shall be guided by the Supplementary Rules Governing the Presentation and Reception of Evidence in International Commercial Arbitration of the International Bar Association, 28 May 1983 edition. The arbitral tribunal shall be empowered to order the return or destruction of goods or any property, whether tangible or intangible, or of any confidential information provided under the Contract, order the termination of the Contract, or order that any other protective measures be taken with respect to the goods, services or any other property, whether tangible or intangible, or of any confidential information provided under the Contract, as appropriate, all in accordance with the authority of the arbitral tribunal pursuant to Article 26 ("Interim Measures of Protection") and Article 32 ("Form and Effect of the Award") of the UNCITRAL Arbitration Rules. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in the Contract, the arbitral tribunal shall have no authority to award interest in excess of the London Inter-Bank Offered Rate ("LIBOR") then prevailing, and any such interest shall be simple interest only. The Parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such dispute, controversy, or claim.

17.0 PRIVILEGES AND IMMUNITIES: Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the United Nations to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes the United Nations to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the United Nations before the payment thereof and the United Nations has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the United Nations with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

- 19.0 OBSERVANCE OF THE LAW:** The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.
- 20.0 SEXUAL EXPLOITATION:** The Contractor represents and warrants that it has taken all appropriate measures to prevent sexual exploitation or abuse of anyone by it or by any of its employees or any other persons who may be engaged by the Contractor to perform any services under the Contract. For these purposes, sexual activity with any person less than eighteen years of age, regardless of any laws relating to consent, shall constitute the sexual exploitation and abuse of such person. In addition, the Contractor represents and warrants that it shall refrain from, and that it has taken all appropriate measures to prohibit its employees or other persons engaged by the Contractor from, exchanging any money, goods, services, offers of employment or other things of value, for sexual favors or activities, or from engaging in any sexual activities that are exploitive or degrading to any person. The Contractor acknowledges and agrees that the provisions hereof constitute an essential term of the Contract and that any breach of this representation and warranty shall entitle the United Nations to terminate the Contract immediately upon notice to the Contractor, without any liability for termination charges or any other liability of any kind.
- 21.0 AUTHORITY TO MODIFY:** Pursuant to the Financial Regulations and Rules of the United Nations, only the Procurement Division at New York possesses the authority to agree on behalf of the United Nations to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against the United Nations unless provided by an amendment to this Contract signed by the Contractor and the Chief, United Nations Procurement Service, or his or her authorized delegatee.

(To be used only in contracts under Peacekeeping Operations)

UNITED NATIONS GENERAL CONDITIONS OF CONTRACT

- 1.0 LEGAL STATUS:** The Contractor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of the United Nations.
- 2.0 SOURCE OF INSTRUCTIONS:** The Contractor shall neither seek nor accept instructions from any authority external to the United Nations in connection with the performance of its services under this Contract. The Contractor shall refrain from any action that may adversely affect the United Nations and shall fulfill its commitments with the fullest regard to the interests of the United Nations.
- 3.0 CONTRACTOR'S RESPONSIBILITY FOR EMPLOYEES:** The Contractor shall be responsible for the professional and technical competence of its employees and will select, for work under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.
- 4.0 ASSIGNMENT:** The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of the United Nations.
- 5.0 SUB-CONTRACTING:** In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance of the United Nations for all sub-contractors. The approval of the United Nations of a sub-contractor shall not relieve the Contractor of any of its obligations under this Contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.
- 6.0 OFFICIALS NOT TO BENEFIT:** The Contractor warrants that no official of the United Nations has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

7.0 INDEMNIFICATION: The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, the United Nations, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, officers, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter alia, to claims and liability in the nature of workmen's compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Contractor, its employees, officers, agents, servants or sub-contractors. The obligations under this Article do not lapse upon termination of this Contract.

8.0 INSURANCE AND LIABILITIES TO THIRD PARTIES

8.1 The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.

8.2 The Contractor shall provide and thereafter maintain all appropriate workmen's compensation insurance, or the equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.

8.3 The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.

8.4 Except for the workmen's compensation insurance, the insurance policies under this Article shall:

- i. Name the United Nations as additional insured;
- ii. Include a waiver of subrogation of the Contractor's rights to the insurance carrier against the United Nations;
- iii. Provide that the United Nations shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.

8.5 The Contractor shall, upon request, provide the United Nations with satisfactory evidence of the insurance required under this Article.

9.0 ENCUMBRANCES/LIENS: The Contractor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the United Nations against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the Contractor.

10.0 TITLE TO EQUIPMENT: Title to any equipment and supplies that may be furnished by the United Nations shall rest with the United Nations and any such equipment shall be returned to the United Nations at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to the United Nations, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate the United Nations for equipment determined to be damaged or degraded beyond normal wear and tear.

11.0 COPYRIGHT, PATENTS AND OTHER PROPRIETARY RIGHTS: The United Nations shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract. At the United Nations' request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to the United Nations in compliance with the requirements of the applicable law.

12.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF THE UNITED NATION: The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with the United Nations, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of the United Nations, or any abbreviation of the name of the United Nations in connection with its business or otherwise.

13.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION

13.1 All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of the United Nations,

shall be treated as confidential and shall be delivered only to United Nations authorized officials on completion of work under this Contract.

13.2 The Contractor may not communicate at any time to any other person, Government or authority external to the United Nations, any information known to it by reason of its association with the United Nations which has not been made public except with the authorization of the United Nations; nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

14.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

14.1 In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to the United Nations, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify the United Nations of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the United Nations shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.

14.2 If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the United Nations shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 15, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.

14.3 Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

14.4 Notwithstanding anything to the contrary in this Contract, the Contractor recognizes that the work and services will be performed under harsh or hostile conditions caused by civil unrest. Consequently, delays or failure to perform caused by events arising out of, or in connection with, such civil unrest shall not, in and of itself, constitute force majeure under this Contract.

15.0 TERMINATION

15.1 Either party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Article 16 "Arbitration" below shall not be deemed a termination of this Contract.

15.2 The United Nations may terminate forthwith this Contract at any time should the mandate or the funding of the Mission/Agency be curtailed or terminated, in which case the Contractor shall be reimbursed by the United Nations for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.

15.3 In the event of any termination by the United Nations under this Article, no payment shall be due from the United Nations to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.

15.4 Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, the United Nations may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UN of the occurrence of any of the above events.

16.0 SETTLEMENT OF DISPUTES

16.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 Arbitration

Any dispute, controversy or claim between the Parties arising out of this Contract or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred

by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in this Contract, the arbitral tribunal shall have no authority to award interest [*in excess of _____ (___%) percent, and any such interest shall be simple interest only*]. Any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute shall bind the parties.

17.0 PRIVILEGES AND IMMUNITIES: Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Contractor shall immediately consult with the United Nations to determine a mutually acceptable procedure.

18.2 Accordingly, the Contractor authorizes the United Nations to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with the United Nations before the payment thereof and the United Nations has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide the United Nations with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

19.0 OBSERVANCE OF THE LAW: The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

20.0 AUTHORITY TO MODIFY: Pursuant to the Financial Regulations and Rules of the United Nations, only the Procurement Division at New York possesses the authority to agree on behalf of the United Nations to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against the United Nations unless provided by an amendment to this Contract signed by the Contractor and the Chief or Deputy Chief of the Procurement Division.

**UNITED NATIONS GENERAL CONDITIONS FOR CONTRACTS FOR
PURCHASE OF GOODS**

- 1.0 LEGAL STATUS:** The Vendor shall be considered as having the legal status of an independent contractor vis-à-vis the United Nations. The Vendor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of the United Nations.
- 2.0 SOURCE OF INSTRUCTIONS:** The Vendor shall neither seek nor accept instructions from any authority external to the United Nations in connection with the performance of this Contract. The Vendor shall refrain from any action that may adversely affect the United Nations and shall fulfill its commitments with the fullest regard to the interests of the United Nations.
- 3.0 ASSIGNMENT:** The Vendor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Vendor's rights, claims or obligations under this Contract except with the prior written consent of the United Nations.
- 4.0 OFFICIALS NOT TO BENEFIT:** The Vendor warrants that no official of the United Nations has received or will be offered by the Vendor any direct or indirect benefit arising from this Contract or the award thereof. The Vendor agrees that breach of this provision is a breach of an essential term of this Contract.
- 5.0 WARRANTIES AND INDEMNIFICATION:**
- 5.1** The Vendor shall provide the United Nations with all manufacturers' warranties, including but not limited to the warranty that the Goods shall be free of defects. Without any limitation of the foregoing, the Vendor warrants to the United Nations that the Goods, including their packaging, shall conform to the Contract Documents, and in particular to the specifications in Annex B, and shall be fit for the purposes for which such Goods are ordinarily used and for purposes expressly made known to the Vendor by the United Nations, and shall be of good quality, free from faults and defects in design, material and workmanship. The Vendor also warrants that the Goods are contained or packaged in a manner adequate to protect the Goods. All such warranties shall remain in effect for a period of [one (1) year] after receipt of the Goods by the Mission (the "Warranty Period").
- 5.2** If, during the Warranty Period, the Goods or any part thereof purchased under this Contract are found by the United Nations to be defective or not

to conform with the Contract Documents, upon written notification to the Vendor by the United Nations, the Vendor shall, promptly and at its own expense correct all such defects and non-conformities. If the defects and non-conformities cannot be corrected, the Vendor shall, at the choice of the United Nations, either replace the defective Goods or promptly reimburse the United Nations.

- 5.2** The Vendor warrants that the use by the United Nations of the Goods furnished under this Contract do not infringe any patent, trade name or trademark. The Vendor shall indemnify, hold and save harmless, and defend, at its own expense, the United Nations, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, pertaining to the alleged infringement of any patent, design, trade-name or trade-mark arising from this Contract. The obligations under this Article do not lapse upon termination of this Contract.
- 6.0 ENCUMBRANCES/LIENS:** The Vendor shall not cause or permit any lien, attachment or other encumbrance by any person to be placed on file or to remain on file in any public office or on file with the United Nations against any monies due or to become due for any Goods furnished under this Contract, or by reason of any other claim or demand against the Vendor.
- 7.0 USE OF NAME, EMBLEM OR OFFICIAL SEAL OF THE UNITED NATIONS:** The Vendor shall not advertise or otherwise make public the fact that it is furnishing goods or services to the United Nations, nor shall the Vendor, in any manner whatsoever use the name, emblem or official seal of the United Nations, or any abbreviation of the name of the United Nations in connection with its business or otherwise.
- 8.0 CONFIDENTIAL NATURE OF DOCUMENTS AND INFORMATION**
- 8.1** All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Vendor under this Contract shall be the property of the United Nations, shall be treated as confidential and shall be delivered only to United Nations authorized officials on completion of this Contract.
- 8.2** The Vendor may not communicate at any time to any other person, Government or authority external to the United Nations, any information known to it by reason of its association with the United Nations which has not been made public except with the authorization of the United Nations; nor shall the Vendor at any time use such information to private

advantage. These obligations do not lapse upon termination of this Contract.

9.0 FORCE MAJEURE; OTHER CHANGES IN CONDITIONS

- 9.1** In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Vendor shall give notice and full particulars in writing to the United Nations, of such occurrence or change if the Vendor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Vendor shall also notify the United Nations of any other changes in conditions or the occurrence of any event that interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Article, the United Nations shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Vendor of a reasonable extension of time in which to perform its obligations under this Contract.
- 9.2** If the Vendor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, the United Nations shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Article 10, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- 9.3** Force majeure as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

10.0 TERMINATION

- 10.1** Either Party may terminate this Contract for cause, in whole or in part, upon thirty (30) days notice, in writing, to the other Party. The initiation of arbitral proceedings in accordance with Article 16.2 "Arbitration" below shall not be deemed a termination of this Contract.
- 10.2** The United Nations may terminate forthwith this Contract at any time should the mandate or the funding of the Mission be curtailed or terminated, in which case the Vendor shall be reimbursed by the United Nations for all reasonable costs incurred by the Vendor prior to receipt of the notice of termination.

- 10.3** In the event of any termination by the United Nations under this Article, no payment shall be due from the United Nations to the Vendor except for Goods satisfactorily delivered in conformity with the express terms of this Contract.
- 10.4** Should the Vendor be adjudged bankrupt, or be liquidated or become insolvent, or should the Vendor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Vendor, the United Nations may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Vendor shall immediately inform the United Nations of the occurrence of any of the above events.
- 11.0 OBSERVANCE OF THE LAW:** The Vendor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.
- 12.0 AUTHORITY TO MODIFY:** Pursuant to the Financial Regulations and Rules of the United Nations, only the Purchase and Transportation Division at New York possesses the authority to agree on behalf of the United Nations to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Vendor. Accordingly, no modification or change in this Contract shall be valid and enforceable against the United Nations unless provided by an amendment to this Contract signed by the Vendor and the Chief or Deputy Chief of the Purchase and Transportation Division.
- 13.0 EXPORT LICENCES:** If an export license or licenses are required for the Goods, the Vendor shall obtain that license or licenses.
- 14.0 RISK OF LOSS:** Notwithstanding anything to the contrary in this Contract, risk of loss, injury or destruction to the Goods shall be borne by the Vendor until physical delivery of the goods has been completed in accordance with this Contract.
- 15.0 RIGHTS OF THE UNITED NATIONS:** In case of failure by the Vendor to perform under the terms and conditions of this Contract, including but not limited to failure to obtain necessary export licenses or to make delivery of all or part of the Goods by the agreed delivery date or dates, the United Nations may, after giving the Vendor reasonable notice to perform and without prejudice to any other rights or remedies, exercise one or more of the following rights:

- i. Procure all or part of the Goods from other sources, in which event the United Nations may hold the Vendor responsible for any excess cost occasioned thereby;
- ii. Refuse to accept delivery of all or part of the Goods;
- iii. Terminate this Contract.

16.0 SETTLEMENT OF DISPUTES

16.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.

16.2 Arbitration

Any dispute, controversy or claim between the Parties arising out of this Contract or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph of this Article within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive damages. In addition, unless otherwise expressly provided in this Contract, the arbitral tribunal shall have no authority to award interest [in excess of ____ (___%) percent, and any such interest shall be simple interest only]. Any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute shall bind the parties.

17.0 PRIVILEGES AND IMMUNITIES: Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations, including its subsidiary organs.

18.0 TAX EXEMPTION

18.1 Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, *inter-alia*, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official

use. In the event any governmental authority refuses to recognize the United Nations exemption from such taxes, duties or charges, the Vendor shall immediately consult with the United Nations to determine a mutually acceptable procedure.

- 18.2** Accordingly, the Vendor authorizes the United Nations to deduct from the Vendor's invoice any amount representing such taxes, duties or charges, unless the Vendor has consulted with the United Nations before the payment thereof and the United Nations has, in each instance, specifically authorized the Vendor to pay such taxes, duties or charges under protest. In that event, the Vendor shall provide the United Nations with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

Annex 1

UNITED NATIONS SPECIAL CONDITIONS FOR CONSTRUCTION WORKS

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ANNEX 1

UNITED NATIONS SPECIAL CONDITIONS FOR CONSTRUCTION WORKS

1. DEFINITIONS

(1) (Intentionally omitted)

(2) "Condition of Default" means any failure of any kind whatsoever by a party to the Contract to perform its obligations or responsibilities under the Contract, whether or not such failure is of a material or substantial nature, except where such failure is caused by Force Majeure. If after receiving notice of a Condition of Default, the defaulting party fails to cure it within a reasonable time, a Condition of Default becomes an Event of Default.

(3) (Intentionally omitted)

(4) "Drawings", and "Specification" mean the drawings, and specification referred to in the Proposal and any modification thereof or addition thereto as may from time to time be furnished or approved in writing by the Engineer.

(5) "Event of Default" means any material or substantial failure by a party to the Contract to perform its obligations or responsibilities under the Contract giving rise to the remedies provided in the Contract.

(6) As used in these Special Conditions, the term "Owner" means the United Nations.

(7) (Intentionally omitted)

(8) "Site" means the at the premises of the United Nations the address of which is First Ave., corner of 42nd Street, New York, NY 10017.

(9) (Intentionally omitted)

(10) (Intentionally omitted)

2. SINGULAR AND PLURAL AND GENDER

Words importing persons or parties shall include firms or companies and words importing the singular only shall also include the plural, and vice versa, where the context so requires. Use of pronouns or other words indicating the male gender shall also mean the female gender, and vice versa, where the context so requires.

3. HEADINGS OR NOTES

The headings or notes in the Contract Documents shall neither be deemed to be part thereof nor be taken into consideration in the interpretation or construction thereof.

4. LEGAL RELATIONSHIPS

The Contractor and the Engineer shall have the status of independent contractors vis-à-vis the Owner. The Contract Documents shall not be construed to create any contractual relationship of any kind between the Engineer and the Contractor. Nothing contained in the Contract Documents shall create any contractual relationship between the Owner or the Engineer and any subcontractor or sub-subcontractor.

5. DUTIES AND POWER OF ENGINEER

(1) The Engineer shall provide advice to the United Nations in administering the Contract as hereinafter described. Exercise by the Engineer of the powers set forth herein, and those set forth in Articles 44, 45, 51 (2) and 52, is subject to prior consultation with, and approval of, the Owner.

(2) The Engineer shall be the Owner's representative during construction and until final payment is due. The Engineer shall advise and consult with the Owner. Unless the Owner decides otherwise, the Owner's instructions to the Contractor shall be forwarded through the Engineer. The Engineer shall have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise modified by written instrument.

(3) The Engineer shall visit the Site at intervals appropriate to the stage of construction to familiarize himself generally with the progress and quality of the Services and to determine in general if the Services are proceeding in accordance with the Contract Documents. On the basis of his on-site observations as an Engineer, he shall keep the Owner informed of the progress of the Services, and shall endeavor to guard the Owner against defects and deficiencies in the work of the Contractor.

(4) The Engineer shall not be responsible for and will not have control or charge of construction means, methods, techniques, sequences or procedures, or for safety precautions and programmes in connection with the Services, and he shall not be responsible for the Contractor's failure to carry out the Services in accordance with the Contract Documents. The Engineer shall not be responsible for or have control or charge over the acts or omissions of the Contractor, Sub-contractors or any of their agents or employees, or any other persons performing services for the Services.

(5) (Intentionally omitted)

(6) Based on the Engineer's observations and an evaluation of the Contractor's invoices, the Engineer shall determine the amounts owing to the Contractor and shall certify Contractor's invoices for payment as appropriate.

(7) The Engineer shall review and approve or take other appropriate action upon Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for conformity with the design concept of the Services and with the information given in the Contract Documents. Such action shall be taken with reasonable promptness so as to cause no delay. The Engineer's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

(8) The Engineer shall render interpretation of the Contract Documents necessary for the proper execution of the Services, with reasonable promptness and in accordance with any time limit agreed upon. All interpretations and orders of the Engineer shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. Either party may make written request to the Engineer for such interpretation.

(9) Except as otherwise provided in the Contract Documents, the Engineer shall have no authority to relieve the Contractor of any of his obligations under the Contract nor to order any work involving delay in completion or any extra payment to the Contractor by the Owner.

(10) Any claim or dispute arising from the interpretation of the Contract Documents or relating to the execution or progress of the Services shall be settled in accordance with the provisions of Article 16 of the United Nations General Conditions of Contract (Annex F to the RFP).

(11) In case of the termination of the employment of the Engineer, the Owner shall appoint another suitable professional to perform the Engineer's duties.

(12) As judge of the Contractor's performance thereunder, the Engineer shall have authority to reject work that does not conform to the Contract Documents. Whenever, in his opinion, he considers it necessary or advisable for the implementation of the intent of the Contract Documents, he will have authority to require special inspection or testing of the work whether or not such work be then fabricated, installed or completed. However, neither the Engineer's authority to act nor any reasonable decision made by him in good faith either to exercise or not to exercise such authority shall give rise to any duty or responsibility of the Engineer to the Contractor, any subcontractor, any of their agents or employees, or any other person performing services hereunder.

(13) The Engineer shall have authority to order minor "no additional cost" changes (i.e., changes that do not increase the total fixed contract NTE Amount) in the Services.

(14) The Engineer shall conduct inspections to determine the dates of Substantial Completion and Completion, shall receive and forward to the Owner for the Owner's review written warranties and related documents required by the Contract and assembled by the Contractor, and shall issue a Certificate of Completion upon compliance with the requirements of Clause 44 hereof.

(15) (Intentionally omitted)

(16) The duties, responsibilities and limitations of authority of the Engineer as the Owner's representative during construction as set forth in the Contract Documents shall not be modified or extended without the written consent of the Owner.

(17) (Intentionally omitted)

6. CUSTODY OF DRAWINGS

(1) The original construction drawings shall remain in the sole custody of the Engineer but the Owner free of charge shall furnish one transparency set to the Contractor. The Contractor shall provide and make at his own expense any further copies required by him.

(2) One copy of the Drawings furnished to the Contractor shall be kept by the Contractor on the Site and the same shall at all reasonable times be available for inspection and use by the Engineer and by any other person authorized in writing by the Engineer.

(3) The Contractor shall submit in triplicate to the Engineer at the end of each month signed copies of explanatory Drawings or any other material showing the progress of the Services.

(4) The Contractor shall give written notice to the Engineer, with a copy to the Owner, whenever planning or progress of the Services is likely to be delayed or disrupted unless the Engineer issues any further drawing or order, including a direction, instruction or approval, within a reasonable time. The notice shall include details of drawing or order required and of why and by when it is required and of any delay or disruption likely to be suffered if it is late.

7. FURTHER DRAWINGS AND INSTRUCTIONS

The Engineer shall have full power and authority to supply to the Contractor from time to time during the progress of the Services such further drawings and instructions as shall be necessary for the purpose of the proper and adequate execution and maintenance of the Services. The Contractor shall carry out and be bound by the same. However, in the event the carrying out of the further drawings and instructions would increase the total NTE Amount, the Contractor shall notify the Owner and obtain the Owner's consent prior to any action being taken.

8. (Intentionally omitted)

9. (Intentionally omitted)

10. INSPECTION OF SITE

The Contractor shall be deemed to have inspected and examined the Site and its surroundings and to have satisfied himself before submitting his Proposal as to all matters relative to the nature of the work and materials necessary for the completion of the Services, the means of access to the Site, and in general to have himself obtained all necessary information as

to risk contingencies and other circumstances which may influence or affect his performance of the Services, and no claims against the Owner or the Engineer will be entertained in this connection.

11. SUFFICIENCY OF PROPOSAL

The Contractor shall be deemed to have satisfied himself before tendering as to the correctness and sufficiency of his Proposal for the performance of the Services and of the rates and prices that rates and prices shall, except in so far as it is otherwise provided in the Contract, cover all his obligations under the Contract and all matters and things necessary for the proper execution and maintenance of the Services.

12. WORK TO THE SATISFACTION OF ENGINEER

The Contractor shall execute complete and maintain the Services in strict accordance with the Contract and to the satisfaction of the Owner, and shall comply with and adhere strictly to the Engineer's instructions and directions on any matter, whether mentioned in the Contract or not, in connection with or concerning the Services.

13. (Intentionally omitted)

14. CONTRACTOR'S SUPERINTENDENCE

The Contractor shall give or provide all necessary superintendence during the execution of the Services and as long thereafter as the Engineer may consider necessary for the proper fulfillment of the Contractor's obligations under the Contract. The Contractor or a competent and authorized agent or representative approved in writing by the Engineer, which approval may at any time be withdrawn, shall be constantly on the Site and shall give his whole time to the superintendence of the Services. If the Engineer shall withdraw approval of the Contractor's authorized agent or representative, the Contractor shall as soon as practicable after receiving notice of such withdrawal remove the agent or representative from the Site. The Contractor shall replace him by another agent or representative approved by the Engineer.

15 through 34 (intentionally omitted)

35. ACCESS TO SITE

The Owner and the Engineer and any persons authorized by either of them shall, at all times, have access to the Services and to the Site.

36. EXAMINATION OF WORK BEFORE COVERING UP

No work shall be covered up or put out of view without the approval of the Engineer and the Contractor shall afford full opportunity for the Engineer to examine and measure any work, which is about to be covered up or put out of view and to examine foundations before

permanent work is placed thereon. The Contractor shall give due notice to the Engineer whenever any such work or foundations is or are ready or about to be ready for examination and the Engineer shall without unreasonable delay unless he considers it unnecessary and advises the Contractor accordingly, attend for the purpose of examining and measuring such work or of examining such foundations.

37. REMOVAL OF IMPROPER WORK AND MATERIALS

(1) The Engineer shall during the progress of the Services have authority to order in writing from time to time, and the Contractor shall execute at his cost and expense, the following operations:

- (a) The removal from the Site within such time or times as may be specified in the order of any materials that in the opinion of the Engineer are not in accordance with the Contract;
- (b) The substitution of proper and suitable materials; and
- (c) The removal and proper re-execution (notwithstanding any previous test thereof or interim payment therefore) of any work which in respect of materials or workmanship is not in the opinion of the Engineer in accordance with the Contract.

(2) Default of Contractor in carrying out the Engineer's Instructions

In case of an Event of Default on the part of the Contractor in carrying out an instruction of the Engineer, the Owner shall be entitled to employ and pay other persons to carry out the same and all expenses consequent thereon or incidental thereto shall be borne by the Contractor and shall be recoverable from him by the Owner and may be deducted by the Owner from any monies due or which may become due to the Contractor.

38 and 39 intentionally omitted.

40. TIME FOR SUBSTANTIAL COMPLETION

(1) Subject to any requirement in the Contract as to Substantial Completion of any section of the Services before completion of the whole, the whole of the Services shall be completed by the Completion Date.

(2) The Substantial Completion time includes weekly rest days, official holidays, and days of inclement weather.

41. EXTENSION OF TIME FOR SUBSTANTIAL COMPLETION

If the Owner or the Engineer orders alterations or additions in the Services in accordance with Clause 45 hereof, or if circumstances constituting Force Majeure have occurred, or in case of any occurrence of the events amounting to Special Risks, the Contractor shall be entitled to apply for an extension of the time for Substantial Completion of the Services.

The Owner shall, upon application of the Contractor, determine the period of any such extension of time; provided that in the case of alterations or additions in the Services, the application for such an extension must be made before the Contractor undertakes the alterations or additions in the Services.

42. RATE OF PROGRESS

The whole of the materials, plant and labour to be provided by the Contractor under the Contract and the mode, manner and speed of execution and maintenance of the Services are to be of a kind and conducted in a manner to the satisfaction of the Owner. Should the rate of progress of the Services or any part hereof be, at any time, in the opinion of the Engineer, too slow to ensure the completion of the Services by the prescribed time or extended time for completion, a Condition of Default will have occurred, and the Engineer shall so notify the Contractor in writing and the Contractor shall thereupon take such steps as the Contractor may think necessary and the Engineer may approve to expedite progress so as to complete the Services by the prescribed time or extended time for completion. If the work is not being carried on by day and by night and the Contractor shall request permission to work by night as well as by day, then, if the Engineer shall grant such permission, the Contractor shall not be entitled to any additional payment. All work at night shall be carried out without unreasonable noise and disturbance. The Contractor shall indemnify the Owner from and against any claims or liability for damages on account of noise or other disturbance created while or in carrying out the Services and from and against all claims, demands, proceedings, costs, charges and expenses whatsoever in regard or in relation to such noise or other disturbance.

43. CERTIFICATE OF SUBSTANTIAL COMPLETION

When the whole of the Services have been Substantially Completed and have satisfactorily passed any final test that may be prescribed by the Contract, the Contractor may give a notice to that effect to the Engineer accompanied by an undertaking to finish any outstanding work during the Defects Liability Period (hereinafter defined). Such notice and undertaking shall be in writing and shall be deemed to be a request by the Contractor for the Engineer to issue a Certificate of Substantial Completion in respect of the Services. The Engineer shall, within twenty-one (21) days of the date of delivery of such notice either issue to the Contractor, with a copy to the Owner, a Certificate of Substantial Completion stating the date on which, in his opinion, the Services were substantially completed in accordance with the Contract or give instructions in writing to the Contractor specifying all the work which, in the Engineer's opinion, requires to be done by the Contractor before the issue of such Certificate. The Engineer shall also notify the Contractor, with a copy to the Owner, of any defects in the Services affecting Substantial Completion that may appear after such instructions and before completion of the work specified therein. The Contractor shall be entitled to receive such Certificate of Substantial Completion within twenty-one (21) days of completion, to the satisfaction of the Engineer, of the work so specified and making good any defects so notified. Upon issuance of the Certificate of Substantial Completion of the Services, the Contractor shall be deemed to have undertaken to complete with due diligence any outstanding work of the Services during the Defects Liability Period.

44. DEFECTS LIABILITY

(1) Defects Liability Period

In this Contract the expression "Defects Liability Period" shall mean the period of twelve (12) months, calculated from the date of the Certificate of Substantial Completion of the Services issued in accordance with Clause 43 hereof, during which time the Contractor must complete all outstanding work and remedy any defects in the Services.

(2) Completion of Outstanding Work and Remedying Defects

During the Defects Liability Period, the Contractor shall finish the work, if any, outstanding at the date of the Certificate of Substantial Completion, as certified under Clause 43 hereof, and shall execute all such work of repair, amendment, reconstruction, rectification and making good defects, imperfections, shrinkages or other faults as may be required of the Contractor in writing by the Engineer during the Defects Liability Period or within fourteen (14) days after its expiration, as a result of an inspection made by or on behalf of the Engineer prior to expiration of the Defects Liability Period.

(3) Cost of Execution of Work of Repair, etc.

All such work outstanding on the Services shall be carried out by the Contractor at his own expense if the necessity thereof shall, in the opinion of the Engineer, be due to the use of material or workmanship not in accordance with the Contract, or to neglect or failure on the part of the Contractor to comply with any obligation expressed or implied, on the Contractor's part under the Contract.

(4) Remedy on Contractor's Failure to Carry Out Work Required

If the Contractor shall fail to do any such work outstanding on the Services, an Event of Default will have occurred, and the Owner shall be entitled to employ and pay other persons to carry out the same, and all expenses consequent thereon or incidental thereto shall be recoverable from the Contractor by the Owner, and may be deducted by the Owner from any monies due or which may become due to the Contractor.

(5) Certificate of Completion

Upon satisfactory completion of the work outstanding on the Services, the Engineer shall within thirty (30) days of the expiration of the Defects Liability Period, issue a Certificate of Completion to the Contractor. The Contract shall be deemed completed upon issuance of such Certificate, provided that the provisions of this Contract, which remain, unperformed, and in particular the Settlement of Disputes provision shall remain in force for as long as is necessary to dispose of any outstanding work or issues between the Parties.

45. ALTERATIONS, ADDITIONS AND OMISSIONS

(1) Variations

Subject to paragraph 2 of this Clause, the Engineer may within his powers introduce any variations which he considers necessary and for that purpose or if for any other reasons it shall, in his opinion be desirable, he shall have power to order the Contractor to do and the Contractor shall do any of the following:

- (a) Increase or decrease the quantity of any work under the Contract;

- (b) Change the character or quality or kind of any such work
- (c) Change the levels, lines, positions and dimensions or any part of the Services
- (d) Execute additional work of any kind necessary for the completion of the Services; and no such variation shall in any way vitiate or invalidate the Contract.

(2) Variations Increasing Cost of Contract

The Engineer shall, however, obtain the written approval of the Owner before making any variations that will result in an increase in the cost of the Contract. No increase in the cost of the Contract shall be valid or enforceable against Owner except as provided in a written amendment to the Contract signed by the Parties.

(3) Orders for Variations to be in Writing

The Contractor shall make no variations without an order in writing from the Engineer. Variations requiring the written approval of the Owner under paragraph (2) of this clause shall be made by the Contractor only upon written order from the Engineer accompanied by a copy of such approval. Provided that no order in writing shall be required for any increase or decrease in the quantity of any work where such increase or decrease does not result in an increase to the total fixed contract NTE Amount.

46 through 49 (intentionally omitted).

50. CESSATION OF OWNER'S LIABILITY

(1) The Services shall not be considered as completed until the Engineer shall have signed a Certificate of Completion and delivered to the Owner stating that the Services have been completed and maintained to his satisfaction.

(2) The Owner shall not be liable to the Contractor for any matter or thing arising out of or in connection with the Contract or the execution of the Services unless the Contractor shall have made a claim in writing in respect thereof before the giving of the Certificate of Completion.

(3) Unfulfilled Obligations

Notwithstanding the issuance of the Certificate of Completion, the Contractor shall remain liable for the fulfillment of any obligation incurred under the provisions for the Contract prior to the issuance of such Certificate and which remains unperformed at the time such Certificate is issued. For the purpose of determining the nature and extent of any such obligation the Contract shall be deemed to remain in force between the parties hereto.

51. AUTHORITIES

(1) Owner's Right of Re-Entry

The Owner shall have the right to enter upon the Site and expel the Contractor there from without thereby voiding the Contract or releasing the Contractor from any of his obligations or liabilities under the Contract or affecting the rights and powers conferred on the Owner and the Engineer by the Contract, if any of the following Conditions or Events of default have occurred:

- (a) The Contractor is declared bankrupt or claims bankruptcy or if the Contractor is a company or member of a company which was dissolved by legal action;
- (b) The Contractor makes arrangements with his creditors or agrees to carry out the Contract under an inspection committee of his creditors;
- (c) The Contractor withdraws from the Services or assigns the Contract to others without the Owner's approval;
- (d) The Contractor fails to commence the Services or shows insufficient progress to the extent that in the opinion of the Owner or the Engineer will not enable him to meet the Substantial Completion date of the Services;
- (e) (Intentionally omitted)
- (f) The Contractor fails to comply with any of the Contract Conditions or fails to fulfill his obligations and does not remedy the cause of his failure within fifteen (15) days after being notified in writing to do so;
- (g) The Contractor is not executing the Services in accordance with standards of workmanship specified in the Contract;
- (h) The Contractor gives or promises to give a present or loan or reward to any employee of the Owner or engages during the term of this Contract any employee or workman of the Owner who has any relation with the Contract;

Then the Owner may himself complete the Services or may employ any other contractor to complete the Services and the Owner or such other contractor may use for such completion so much of constructional plant and materials, which have been deemed to be reserved exclusively for the construction and completion of the Services under the provision of the Contract as he or they may think proper and the Owner may at any time sell any of the said constructional plant, and unused materials and apply the proceeds of sale in or towards the satisfaction of any sums due or which may become due to him from the Contractor under the Contract.

(2) Evaluation at Date of Re-Entry

The Engineer shall as soon as may be practicable after any such entry and expulsion of the Contractor by the Owner notify the Contractor to attend the necessary evaluation of the Services. In the event that for any reason the Contractor does not attend such evaluation the Engineer shall undertake the evaluation in the absence of the Contractor and shall issue a certificate stating the sum, if any, due to the Contractor for work done in accordance with the Contract up to the time of entry and expulsion by the Owner which has been reasonably accumulated to the Contractor in respect of the Services he has executed in such case in accordance with the Contract. The Engineer shall indicate the value of the said materials whether unused or partially used and the value of construction equipment.

(3) Payment After Re-Entry

If the Owner shall enter and expel the Contractor under this clause he shall not be liable to pay the Contractor any money on account of the Contract until the expiration of the Defects Liability Period, and thereafter until the costs of completion and maintenance, damages for delay in completion (if any), and all other expenses incurred by the Owner have been ascertained and their amount certified by the Engineer. The Contractor shall then be entitled to receive only such sum or sums (if any) as the Engineer may certify would have been due to him, upon due completion by him after deducting the said amount. If such amount shall exceed the sum which would have been payable to the Contractor on due completion by him then the Contractor shall upon demand pay to the Owner the amount of such excess. The Owner in such case may recover this amount from any money due to the Contractor from the Owner without the need to resort to the Settlement of Disputes provisions of the Contract.

52. URGENT REPAIRS

If by reason of any accident or failure or other event occurring to, in, or in connection with the Services or any part thereof either during the execution of the Services or during the Defects Liability Period any remedial or other work or repair shall in the opinion of the Engineer be urgently necessary for security and the Contractor is unable or unwilling at once to do such work or repair, an Event of Default will have occurred, and the Owner may by his own or other workmen do such work or repair as the Engineer may consider necessary. If the work or repair so done by the Owner is work which in the opinion of the Engineer the Contractor was liable to do at his own expense under the Contract, all costs and charges properly incurred by the Owner shall, on demand, be paid by the Contractor to the Owner or may be deducted by the Owner from any monies due or which may become due to the Contractor provided that the Engineer shall as soon after the occurrence of any such emergency as may be practicable notify the Contractor thereof in writing.

53 through 59 intentionally omitted.

60. DATE FALLING ON HOLIDAY

Where under the terms of the Contract any act is to be done or any period is to expire upon a certain day and that day or that period fall on a day of rest or recognized holiday, the Contract shall have effect as if the act were to be done or the period to expire upon the working day following such day.



UNITED NATIONS

PROCUREMENT SERVICE

PURCHASE ORDER

PROCUREMENT SERVICE ROOM FF-295 UNITED NATIONS NEW YORK, N.Y. 10017, USA		Page of PURCHASE ORDER DATE Day Month Year	PURCHASE ORDER NUMBER AMEDMT		
SHIP TO? SHIP VIA:	Maximum Overhead Clearance For Truck Deliveries at UN Receiving Area, NY 11 FEET 8 INCHES	CROSS REFERENCE ALLOTMENT ACCOUNT CODES	ALL SHIPMENTS CORRESPONDENCE DOCUMENTS AND INVOICES MUST SHOW THIS NUMBER US \$ AMOUNT		
VENDOR CODE ATTN:	SHIP VIA:	FREIGHT ACCOUNT CODE DELIVERY POINT AND TERMS PAYMENT TERMS	US \$ AMOUNT DELIVERY DATE Day Month Year EXPECTED AT FINAL DESTINATION Day Month Year		
ITEM NO	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION
INQUIRIES TO:		CURRENCY		TOTAL (Amendmt Not Change)	
LOCAL REQUISITION CODE		<input type="checkbox"/> INTERNAL ONLY		On Behalf Of The United Nations Procurement Service	
INTERNAL NOTES					

UNITED NATIONS PURCHASE ORDER SPECIAL INSTRUCTIONS

Revised 30-Nov-04

(D1) – SHIPMENT BY SURFACE (with appropriate packing to ensure safe delivery of the goods - steel or nylon strap for rough handling via SURFACE).

(D2) – SHIPMENT BY AIR (with appropriate packing to ensure safe delivery of the goods - nylon, shrink wrap or other protective packing for rough handling via AIR).

(D3) – AIR PARCEL POST / COURIER CHARGES

Prepay Air Parcel Post or Courier charges and include actual cost in the invoice as a separate item, attaching a copy of the Postal Receipt to the invoice submitted for payment to the UN.

(F1) – DELIVERY TO BE ARRANGED BY UN FREIGHT FORWARDING UNIT

Provide to the UN Freight Forwarding Unit (i.e. Fax 1-212-963-3503 / 8911 or E-mail: forwarding@un.org), clearly indicating this Purchase Order Number, the following information:

1. copy of the summary packing list, including weight and dimensions of each piece or package, as applicable
2. confirmed cargo readiness date or period (the "delivery date")
3. special handling instructions of goods as packed, if any
4. Indication on presence of dangerous goods (the class), if any.

Delivery arrangements for the goods purchased under this Purchase Order will be initiated only upon receipt and acceptance of the complete information as detailed above.

The freight-forwarder appointed by the UN for the shipment of the goods purchased under this particular Purchase Order (the "freight-forwarder"), or its agents, will contact you to confirm the delivery date, weight & dimensions of the cargo as well as special handling instructions. If the delivery date previously provided to the UN Freight Forwarding Unit cannot be met, please advise the freight forwarder and the UN Freight Forwarding Unit of the earliest delivery date, and the UN Procurement Officer responsible of the reason for the delay.

If you are not contacted by the UN freight-forwarder regarding this shipment or for any reason you are unable to obtain satisfactory response from the UN freight forwarder, please immediately notify:

UN Freight Forwarding Unit
Tel: 1 (212) 963-6308, 963-6245, 963-1282 or 963-3501
Fax: 1 (212) 963-3503 / 8911
Email: forwarding@un.org

When the goods are available for delivery, you should follow the freight forwarder's instructions and supply them with a minimum of three copies each of the invoice and packing list in order for the company or its agent to complete the export documentation and to issue a FCR (Forwarder's Certificate of Receipt), which you must obtain and provide along with your invoice to allow payment by the UN.

(P1) – SURFACE SHIPMENT PACKING

Pack and steel or nylon strap for rough handling via SURFACE.

(P2) – AIR SHIPMENT PACKING

Pack for rough handling via AIR (nylon, shrink wrap or other protective packing where applicable).

(M1) – MARKING INSTRUCTIONS

Mark each carton or other type of container with the UN Purchase Order Number, item numbers and consignee, and follow additional instructions as stated in this Purchase Order. Attach one (1) copy of the packing list to the outside of package No. 1 of the shipment. Identify items shipped according to item numbers appearing on the Purchase Order and package number.

(M2) – BILL OF LADING/AIRWAY BILL MARKINGS - IMPORTANT

To avoid delay in Customs clearance and delivery, all markings on Bill of Lading or Air Waybill must be exactly the same as on the packages. State weight and volume (cubic measurements) clearly.

(C1) – PROOF OF SHIPMENT

UNITED NATIONS PURCHASE ORDER SPECIAL INSTRUCTIONS

Send one (1) original Bill of Lading or any other pertinent proof of shipment together with five (5) copies of the commercial invoice(s) and packing list(s) to the consignee by courier, to enable prompt customs clearance.

(H1) – HAZARDOUS AND/OR RESTRICTED MATERIALS

Hazardous and/or restricted materials must be properly packed, marked and documented to conform to IMO (International Maritime Organization), IATA (International Air Transport Association), and/or any other governing regulations.

Goods entering or leaving the United States must additionally comply with the US Government Code of Federal Regulations, Title 49, parts 100-199. It is mandatory, effective 2 April 1990 that all hazardous material shipments are accompanied by an Emergency Response Plan and 24 Hour Emergency Phone Contact as required by the US Department of Transportation, EPA and OSHA. Material Safety Data Sheets do not always satisfy this new requirement. Therefore, the following documents are required in addition to Bill of Lading and Dangerous Goods Declaration:

1. Description of Dangerous Goods;
2. Immediate Health Hazard Information;
3. Risks of Fire or Explosion;
4. Immediate precautions to be taken in the event of accident or incident;
5. Immediate methods of handling large and small fires;
6. Initial methods of handling of spills or leaks;
7. Preliminary First Aid measures; and
8. 24 Hour Phone Contact for information about the specific product that is being shipped or stored.

Please note that the Dangerous Goods delivered to freight forwarders without the above-mentioned documents, will not be accepted by them and will be returned to the vendor at the vendor's expense.

It is your responsibility to comply with the above regulations. Advise the UN Freight Forwarding Unit and/or the freight forwarder by properly annotating the packing list covering any hazardous, dangerous or restricted articles.

(E1) – EXPORT LICENSE/GENERAL EXPORT LICENSE

If an export license(s) are required for the goods, the vendor shall obtain that license(s). If this is not possible, provide one copy of Proforma Invoice for those items with their Export Control Commodity Numbers and processing Codes to the UN Freight Forwarding Unit, UN Procurement Service, 304 East 45th Street, New York, NY 10017, to allow for application of a license(s). When applicable, licenses from the US Department of State must be obtained by the vendor.

(S1) – PARTIAL SHIPMENT ACCEPTABLE

(S2) – PARTIAL SHIPMENTS WILL NOT BE ACCEPTED

(I1) – INSURANCE

Insure the goods against all risks warehouse to warehouse and mail the original insurance certificate quoting the UN Purchase Order Number to the consignee and one copy to the UN Freight Forwarding Unit, UN Procurement Service, 304 East 45th Street, New York, NY 10017.

(I2) – DO NOT INSURE GOODS

(B1) – BILLING INSTRUCTIONS (for Purchase Orders, where shipment is taken care of by the vendor)

Forward the original and one (1) copy each of your invoices(s) accompanied by the Bill of Lading/Air Waybill, or other Transportation Waybill, whichever is applicable, packing list(s) and any other documents specified in the Purchase Order to the **Travel and Vendor Claims Processing Unit, Accounts Division, United Nations, Room FF-331, 304 East 45th Street, New York, NY 10017**. Payment(s) will be made within the specified period and discounts, if any, will be computed from the date of receipt of goods (arrival of cargo to the destination), or from the date of arrival of receipt of all of the above-mentioned documents by the UN, whichever is later.

Please ensure that the documents submitted for payment include the following information:

1. On Packing List(s), please reference the following:
 - (a) Purchase Order Number
 - (b) Shipping Marks and Package Numbers
 - (c) Type of Packing, Gross and Net Weights, Measurements and Cube of each package

UNITED NATIONS PURCHASE ORDER SPECIAL INSTRUCTIONS

2. On all invoice(s), **please reference this Purchase Order Number;**

(B2) – BILLING INSTRUCTIONS (For Purchase Orders, where shipment is arranged by the UN Freight Forwarding Unit)
Forward the original and one (1) copy each of your invoices(s) **accompanied by the Forwarder's Cargo Receipt (FCR)**, Bill of Lading/Air Waybill, or other Transportation Waybill, whichever is applicable, packing list(s) and any other documents specified in the Purchase Order to the **Travel and Vendor Claims Processing Unit, Accounts Division, United Nations, Room FF-331, 304 East 45th Street, New York, NY 10017**. Payment(s) will be made within the specified period and discounts, if any, will be computed from the date of receipt of cargo by the freight-forwarder appointed by the UN for the shipment of the goods, or its agents, or from the date of receipt of all of the above-mentioned documents by the UN, whichever is later.

Please ensure that the documents submitted for payment include the following information:

1. On Packing List(s), please reference the following:
 - (d) Purchase Order Number
 - (e) Shipping Marks and Package Numbers
 - (f) Type of Packing, Gross and Net Weights, Measurements and Cube of each package
2. On all invoice(s), **please reference this Purchase Order Number;**

CONDITIONS OF SERVICE - CONTRACTORS

1. LEGAL STATUS

The contractor shall be considered as having the legal status of an independent contractor. Agents or employees of the contractor shall not be considered in any respect as being officials or staff members of the United Nations.

2. OBLIGATIONS

The contractor shall neither seek nor accept instructions from any authority external to the United Nations in connection with the performance of its services under this Contract. The contractor shall refrain from any action which may adversely affect the United Nations and shall fulfil its commitments with fullest regard for the interest of the United Nations. The contractor shall not advertise or otherwise make public the fact that it is a contractor with the United Nations. Also the contractor shall, in no other manner whatsoever use the name, emblem or official seal of the United Nations or any abbreviation of the name of the United Nations in connection with its business or otherwise. Contractors may not communicate at any time to any other person, Government or authority external to the United Nations or any information known to them by reason of their association with the United Nations which has not been made public, except in the course of their duties or by authorization of the Secretary-General or his designate; nor shall contractors at any time use such information to private advantage. These obligations do not lapse upon termination of their agreement with the United Nations.

3. TITLE RIGHTS

(a) The United Nations shall be entitled to all property rights including but not limited to patents, copyrights and trademarks, with regard to material which bears a direct relation to or is made in consequence of, the services provided to the Organization by the contractor. At the request of the United Nations, the contractor shall assist in securing such property rights and transferring them to the Organization in compliance with the requirements of the applicable law. At the request of the United Nations, the contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such property rights and transferring them to the Organization in compliance with the requirements of the applicable law.

(b) Title to any equipment and supplies which may be furnished by the United Nations shall rest with the United Nations and any such equipment shall be returned to the United Nations at the conclusion of this Contract or when no longer needed by the contractor. Such equipment when returned to the United Nations, shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear.

4. TERMINATION OF CONTRACT

This Contract may be terminated by either party before the expiry date of the Contract by giving notice in writing to the other party. The period of notice shall be five days in the case of contracts for a total period of less than two months and fourteen days in the case of contracts for a longer period.

In the event of the Contract being terminated prior to its due expiry date in this way, the contractor shall be compensated on a *pro rata* basis for no more than the actual amount of work performed to the satisfaction of the United Nations. Additional costs incurred by the United Nations resulting from the termination of the Contract by the contractor may be withheld from any amount otherwise due to the contractor from the United Nations.

5. ASSIGNMENT OF PERSONNEL

The contractor shall not assign any persons other than those accepted by the United Nations for work performed under this Contract.

6. INDEMNIFICATION AND INSURANCE

The contractor shall indemnify, hold and save harmless and defend, at its own expense, the UN, its officers, agents, servants and employees from and against all suits, claims, demands and liability of any nature or kind, including costs and expenses arising out of acts or omissions of the contractor or his employees or sub-contractors in the performance of this Contract. This clause shall extend to claims and liability in the nature of workmen's compensation claims or liability or those arising out of the use of patented inventions or devices.

In compliance with this clause, the contractor shall obtain and maintain adequate liability and property damage insurance in respect of any tort act on or tort claim arising out of contractor's acts or omissions related to this Contract. The contractor shall, upon request, provide proof of such insurance.

The Contractor shall not permit any lien, attachment or other encumbrance by any person to remain on file in any public office or on file with the UN against any monies due or to become due for any work done or materials furnished under this Contract, or by reason of any other claim or demand against the contractor.

7. UNITED NATIONS PRIVILEGES AND IMMUNITIES

Nothing in or relating to this Contract shall be deemed a waiver of any of the privileges and immunities of the United Nations.

8. ARBITRATION

Any controversy or claim arising out of, or in accordance with this Contract or any breach thereof, shall, unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

9. AMENDMENTS AND ASSIGNMENTS

No change in or modification of this Contract shall be made except by prior written agreement between the Chief, Procurement Division, OCSS, United Nations, and the contractor. The contractor shall not assign, transfer, pledge, sub-contract or make other disposition of this Contract or any part thereof, or of any of the contractor's rights, claims or obligations under this Contract except with the prior written consent of the United Nations.

10. OFFICIALS NOT TO BENEFIT

The contractor represents and warrants that no official of the United Nations has been, or shall be, admitted by the contractor to any direct or indirect benefit arising from this contract or the award thereof. The contractor agrees that breach of this provision is a breach of an essential term of this Contract.

[Date]

Dear:

Subject: **Letter of Assist No. _____ (Requisition No. _____)**
for [name of peace-keeping mission]

I have the honour to request the agreement by the Government of _____ (hereinafter referred to as the “Government”) to provide the _____ (insert general description of services/supplies/equipment) in accordance with the following terms and conditions of this letter and its attachments, if any (hereinafter referred to as the “Letter of Assist” or “LOA”).

Requirements (services/supplies/equipment)

Your Government shall provide the _____ (insert detailed description of services/supplies/equipment; if services are described in the Special Conditions attached hereto, e.g., air transportation services, insert reference to the attachment) in accordance with the terms and conditions herein set forth in support of _____ (insert name of peace-keeping mission). Such services/supplies/equipment shall be (a) delivered by _____ (insert time frame) or (b) performed for a term of _____ to _____ (choose (a) or (b) as applicable).

Reimbursement

The United Nations shall reimburse your Government up to _____ (insert the not-to-exceed amount) for the satisfactory performance of the services/delivery of the supplies/equipment (choose applicable wording) under this LOA. (Insert the following where applicable: The United Nations shall reimburse your Government in accordance with the rates set out in the Special Conditions attached hereto.) Reimbursement by the United Nations shall be made in your national currency, unless your Government requests reimbursement in U.S. dollars.

Title/Name of Addressee
Permanent Mission of _____
to the United Nations
Address

Reimbursement by the United Nations under this LOA shall be made upon receipt of your Government’s invoices and certification by the authorized United Nations official that the services were satisfactorily performed/supplies or equipment was satisfactorily delivered (choose applicable wording). Invoices should show freight and handling costs,

if any, separately and cite the LOA and requisition numbers and the name of the peacekeeping mission). Your Government's invoices shall be sent to _____ (insert title of UN official and office).

Tax exemption

Section 7 of the Convention on the Privileges and Immunities of the United Nations exempts the United Nations from payment of direct taxes and duties other than taxes and duties that are no more than charges for public utility services. Accordingly, the Government authorizes the United Nations to deduct from the Government's invoice any amount representing such taxes or duties charged by the Government to the United Nations. Payment of such corrected invoiced amount shall constitute full payment by the United Nations. In the event that any taxing authority refuses to recognize the United Nations exemption from such taxes, the Government shall immediately consult with the United Nations to determine a mutually acceptable procedure.

Recovery

Your Government will reimburse the United Nations for loss of or damage to United Nations-owned equipment and property caused by the personnel or equipment provided by the Government if such loss or damage (a) occurred outside the performance of services or any other activity or operation under this LOA, or (b) arose or resulted from gross negligence or wilful misconduct of the personnel provided by the Government.

Termination

(a) Either party may terminate the Letter of Assist for cause upon 7 days written notice to the other party. In the event of termination pursuant to this clause, no costs relating to termination shall be reimbursable by the terminating party to the other party.

(b) Either party may also terminate the Letter of Assist, in whole or in part, upon 30 days written notice to the other party. In the event of termination pursuant to this clause, the United Nations shall only be responsible for reimbursement to the Government for services satisfactorily performed in accordance with this Letter of Assist prior to the effective date of termination. In the event of termination by the Government, except due to an event of force majeure, the United Nations shall be entitled to reimbursement by the Government for all reasonable costs relating to such termination. In the event of partial termination, the price shall be proportionately reduced.

(c) The United Nations may also terminate this Letter of Assist at any time for convenience in the interest of the Organization should the mandate or the funding be curtailed or terminated, in which case the Government shall be entitled to reimbursement by the United Nations for all reasonable costs relating to such termination.

Forward commitments (if applicable)

The Government shall, upon receipt of notice of termination of the Letter of Assist as provided above, bring the services to a close in a prompt and orderly manner, reduce all expenses to a minimum and shall not undertake any forward or further commitments in connection with the Letter of Assist.

Modifications

No changes in, or modifications to, this Letter of Assist shall be made except by mutual agreement, in writing, between the United Nations and the Government.

Settlement of disputes

Disputes between the United Nations and the Government concerning the interpretation or application of this Letter of Assist that are not settled by negotiation or other agreed mode of settlement shall be submitted to arbitration at the request of either party. Each party shall appoint one arbitrator, and the two arbitrators so appointed shall appoint a third, who shall be the Chairman. If within thirty days of the request for arbitration either party has not appointed an arbitrator or if within fifteen days of the appointment of two arbitrators the third arbitrator has not been appointed, either party may request the President of the International Court of Justice to appoint an arbitrator. The procedure of the arbitration shall be fixed by the arbitrators, and the expenses of the arbitration shall be borne by the parties as assessed by the arbitrators. The arbitral award shall contain a statement of the reasons on which it is based and shall be accepted by the parties as the final adjudication of the dispute.

Force majeure

(a) In the event of and as soon as possible after the occurrence of any event constituting force majeure, the Government shall immediately give notice and full particulars in writing to the United Nations of such event if the Government is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Letter of Assist.

(b) Upon receipt of such notice, the United Nations shall have the right to take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including suspension or termination of this Letter of Assist.

(c) Force majeure as used in this Letter of Assist means acts of God, war, insurrection or other acts of a similar nature or force.

(d) Notwithstanding anything to the contrary in this Letter of Assist, your Government recognizes that the services/supplies/equipment will be performed/delivered under harsh or hostile conditions caused by civil unrest. Consequently, delays or failure to perform caused by events arising out of, or in connection with, such civil unrest will not, in and of itself, constitute force majeure under this Letter of Assist.

If your Government agrees to this Letter of Assist, please countersign where indicated below and return a copy of the signed Letter of Assist to _____ (insert title of UN official and office). No services shall be performed/no supplies or equipment shall be provided (choose applicable wording) until receipt by the United Nations of the countersigned copy of this Letter of Assist.

I take this opportunity to thank your Government for its continued support to the United Nations peacekeeping operations.

Yours truly,

(Name and title)

(Name of office)

Department of Peace-keeping Operations

Accepted on behalf of the Government

Name:

Title:

Date:

Signature:



3 September 2003

Procurement Service

REQUEST FOR QUOTATION

RFQG-XXXX

Subject: <Subject>
Ref: RQSN-XXXXX/XXX

1. The United Nations requests your price quotation for the item(s) specified in this Request for Quotation (RFQ).

2. We would appreciate receiving your quotation on or before **DD mmmm yyyy** via fax by close of business. Your quotation must be valid for at least 30 days. Your quotation will be reviewed by the United Nations in accordance with its financial rules and regulations as well as the Considerations contained herein.

3. Financial rules and regulations of the United Nations preclude advance payments or payments by letter of credit. Such provisions in a quotation will be prejudicial to its evaluation by the United Nations. The normal payment terms of the United Nations is net 30 days (or similar discounted payment terms if offered by your company) upon satisfactory delivery of merchandise and acceptance thereof by United Nations. You must therefore clearly specify in your quotation if our payment term is acceptable.

4. Please note that the United Nations has tax and duty exemption status and can provide documentation for same. Hence, your pricing should take this status into account (USA vendors only).

5. It has been officially established that the United Nations is eligible under the Foreign Assistance Act of 1961 to receive full benefits under GSA contracts. Your quotation must state if the items which you are supplying are currently subject to GSA Federal Supply pricing and indicate the GSA Contract Number and expiration date, where applicable (USA vendors only).

<Name>
PROCUREMENT ASSISTANT
Fax Number: (XXX) XXX-XXXX
Telephone Number: (XXX) XXX-XXXX



United Nations Nations Unies

3 September 2003

Procurement Service

Requirement

	Unit Cost	Ext. Cost
1. Film, adhesive. 3M SCOTCH TINT PLUS ALL SEASON WINDOW FILM LE20SIAR, 50" X 100'/ROLL.	5 ROLL _____	_____
	Total of all Items	_____
	Net Total of all items	_____
	Add: Misc. Charge, if any	_____
	Freight, if applicable	_____
	Grand Total	_____

Delivery Point

United Nations (Maximum overhead clearance for truck -12 FT)
 48th Street and 1st Ave
 New York, N.Y. 10017

Payment Terms: _____

Discount Offered: _____

Delivery Point and Terms *(if different from the preferred* _____

Delivery Point indicated above)

Shipping Mode: _____

Delivery Date: (After Receipt of Order) _____

Currency Stated in: _____

3 September 2003

Procurement Service



Appendix A

INFORMATION TO UNITED NATIONS VENDORS

The United Nations encourages all vendors to the United Nations to participate in the Global Compact by:

1. Issuing a clear statement of support for the Global Compact and its nine principles, and publicly advocating the Global Compact. The nine principles of the Global Compact are contained in page 2 of this Appendix. Businesses wishing to participate in the Global Compact should visit the UN web site at www.unglobalcompact.org/gc/UNWeb.nsf/content/participate.htm. For more general information on the Global Compact, visit www.unglobalcompact.org.

The other means by which businesses can support the Global Compact include the following:

- Informing employees, shareholders, customers and suppliers
- Integrating the Global Compact and nine principles into the corporate development and training program
- Incorporating the Global Compact principles in the company's mission statement
- Including the Global Compact commitment in the company's Annual Report and other public documents
- Issuing press-releases to make the commitment public

2. Providing, once a year, a concrete example of progress made or a lesson learned in implementing the principles, for posting on the Global Compact website.

This letter should be sent to:

Kofi A. Annan
Secretary-General
United Nations
New York, NY 10017

In addition, within the framework of the Global Compact, a company may wish to:

- actively support the principles and broad United Nations goals by initiating and participating in projects in partnership with the United Nations.
- participate in result-oriented Issue Dialogues related to the critical problems facing our world, e.g. The Role of Business in Zones of Conflict (March 2001)

3 September 2003

Procurement Service



The Nine Principles of the Global Compact

At the World Economic Forum, Davos, on 31 January 1999, UN Secretary-General Kofi A. Annan challenged world business leaders to “embrace and enact” the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. These principles cover topics in human rights, labour and environment:

Human Rights

The Secretary-General asked world business to:

Principle 1: support and respect the protection of international human rights within their sphere of influence; and

Principle 2: make sure their own corporations are not complicit in human rights abuses.

Labour

The Secretary-General asked world business to uphold:

Principle 3: freedom of association and the effective recognition of the right of 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.

Environment

The Secretary-General asked world business to:

Principle 7: 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.

(See < www.unglobalcompact.org/UNWeb.nsf/content/thenine.htm >.)

Procurement Service

INVITATION TO BID

ITBG-XXXX

Subject: <Subject>

1. The United Nations hereby solicits your bid for the above subject, in accordance with this document and the annexes attached. Bids are required to be submitted to the United Nations no later than **dd mmmm yyyy at hh:00 HRS (New York Time)**.

2. This Invitation to Bid (ITB) consists of this document and the following annexes:

- Annex A: Bid Form
- Annex B: Terms and Conditions to Bid
- Annex C: Acknowledgement Letter
- Annex D: General Conditions of Purchase Order

***Please note that Annex C and Annex D, though an integral part of this ITB, are attached only for those vendors who are participating in a Long-Term Air Charter Invitation to Bid for the first time. These documents may be also downloaded from our website www.un.org/Depts/ptd/.**

3. Bids must be submitted in the English language strictly using the attached Annex A – Bid Form in **THREE COPIES** (any attachments or appendices and annexes thereto must also be submitted in **THREE COPIES**).

4. a. Your bid must be submitted in a sealed envelope/package clearly marked and addressed as follows:

**United Nations
Procurement Service
Attn: Bid Opening Unit, Registry, Ext. 4816
304 East 45th Street, Room FF-295
New York, New York 10017, U.S.A.**

**ITB Number: ITBG-XXXX
<Name of Case Officer>
Closing Date & Time: dd mmmm yyyy hh:00 HRS(New York Time)
Name of Your Company**

Please note that Extension 3-4816 should not be used for queries concerning this ITB. This number is only for facilitating receipt of bids delivered by hand or by courier.

Procurement Service

b. Outer envelope/package of your bid must clearly indicate ITB number, name of the United Nations official indicated in paragraph 4.a and 6 of this ITB, date and closing time and name of your company so that the United Nations can identify your bid at the time of receipt. Each bid for each ITB must be submitted in a separate envelope. Please do not combine different bids in the same envelope.

c. It is the exclusive responsibility of the bidders to ensure that the sealed envelope/package containing the bid reaches the above address before the time and date indicated in paragraph 4.a. so that it is time stamped and acceptable for opening. Bids must be delivered to the designated address during the United Nations working hours from 9:00 a.m. to 5:00 p.m. Monday through Friday except for the United Nations holidays. Delivery to any other United Nations office location will be at the risk of bidders and will not constitute timely delivery. Written proof of receipt will not be given unless a Postal/Courier service receipt or other form of receipt is presented for signature by the United Nations. *Bids received after the above mentioned opening time will be invalidated.*

d. The United Nations Procurement Service strongly encourages you to deliver your bid by hand or via courier so that you can track delivery and ensure receipt by the United Nations Procurement Service in time for the deadline specified in this ITB. Please note that mail sent via postal service will be processed at the United Nations central mail processing facility regardless of address shown on envelope/mail package and may take a few weeks to reach the addressee through its internal distribution system. Please allow three (3) or more business days for courier delivery since some courier firms deliver your bid only once a day and may miss the deadline.

5. A public opening of bids will take place on **dd mmmm yyyy hh:00 HRS (New York Time)** in the Bid Room of the Procurement Service on the second floor of 304 East 45th Street, New York, New York 10017, U.S.A. Companies submitting offers are welcome to send one (1) representative with proper authorization to observe the opening of bids received.

6. For queries on this ITB, please contact <**Case Officer**> in writing at facsimile no. **(212) 963-xxxx** by **dd mmmm yyyy**. Please notify the United Nations immediately if any part of this ITB is missing and/or illegible. Bidders are reminded that this facsimile number may be used only to send queries and acknowledgement letter requested in paragraph 7 below. *Bids must NOT be sent to this facsimile number.*

7. You are kindly requested to return the attached Annex C — Acknowledgement Letter duly signed by an authorized representative to the United Nations via facsimile advising whether or not your company intends to submit a bid prior to the designated closing date for receipt of bids. Please indicate the reason if you do not intend to submit a bid at this time. The United Nations will review the registration status of companies which have failed to return the completed acknowledgement letter. Failure to return the completed acknowledgement letter may result in removal of your company from the roster of registered suppliers.

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8. Bidders are requested to submit bids in compliance with the terms and conditions specified in Annex B - Instructions to Bidder attached to this ITB.

<Name of authorized Officer>

<Title of authorized Officer>

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Annex A
Bid Form

Unit Cost **Ext. Cost**

1.HP-UNIX L3000 Server/4x5501 Each
(Please see attached "Annex A" for specifications)

Vendor's offer must be fully compliant with
Annex A-Specifications, and
Annex B -Support Services

Please note: In regards to Pre-Sales Consultation,
Alternatives constitute minor product changes
that do not affect the total cost of the
entire project (not to exceed 10% of the
vendor's initial offer).

Total of all Items _____
Add: Misc. Charge, if any _____
Freight, if applicable _____
Grand Total _____

Delivery Point

DDU United Nations Headquarters New York

Payment Terms: _____

Discount Offered: _____

**Delivery Point and Terms (if different from the preferred
Delivery Point indicated above)** _____

Shipping Mode: _____

Delivery Date: (After Receipt of Order) _____

Currency Stated in: _____

Vendor Name and Vendor ID

Name of Authorized Official

Signature

Date

Procurement Service

Annex BTerms and Conditions to BidSubmission of bids

Bids must be submitted in the English language on the Requirement specified in this Invitation to Bid (ITB). Bidders must provide all requisite information under this ITB and clearly and concisely respond to all points set out in this ITB. However, unnecessarily elaborate brochures and other presentations beyond those sufficient to present complete and effective Bids, are not encouraged.

Technical Specification of Requirement

No changes, substitutions or other alterations to the technical specifications of requirement stipulated in this ITB document will be accepted unless approved in writing by the United Nations (UN).

Performance Bond

Within 5 business days of the signature of contract, the successful contractor, unless expressly waived by the UN, shall at its own cost and expense, furnish to the UN a Performance Bond in the form attached as Annex F, or a similar guarantee, such as a letter of credit, acceptable to the UN in a sum equal to [___%] _percent of the total contract price. The Performance Bond shall be valid for the entire period of the contract and for at least 90 days after the expiration date of the contract.

Liquidated Damages

The Contract or Purchase Order concluded with the only successful contractor will provide that if the successful contractor fails to supply the specified goods/services within the lead time stipulated by his or her Bid, or within a period specified by a Purchase Order or a Contract, the UN shall, without prejudice to its other remedies under the Purchase Order or Contract, deduct from the Purchase Order or Contract price, as liquidated damages a sum equivalent to point five percent (0.5%) per week of delay calculated on the value of the Purchase Order or Contract until actual delivery, up to a maximum deduction of ten percent (10%) of the value of the Purchase Order or Contract.

Bid Bond

Procurement Service

The UN reserves the right to request Bidders to submit a Bid Bond in the form attached as Annex xx, at their own cost, or a similar guarantee, such as a certified check, acceptable to the UN, in a sum equal to [insert¹ %] percent of the total proposed cost. The Bid Bond shall be valid for the same period as the Bid, plus ninety (90) days after the validity date of the bid. The UN reserves the right to extend the validity of the Bid Bond if the contractual instrument is not yet in place.

No Commitment

This ITB does not commit the UN to award a contract or to pay any costs incurred in the preparation or submission of bids, or costs incurred in making necessary studies for the preparation thereof, or to procure or contract for services or goods. Any bid submitted will be regarded as an offer made by the bidder and not as an acceptance by the bidder of the offer made by the UN. No contractual relationship will exist except pursuant to a written contract document signed by the duly authorized official of the UN Procurement Service and by the selected bidder. This ITB does not commit the UN to consider any bid or to award a contract. If the bid is submitted on a “all or none” basis, it should clearly state so.

Criteria for Evaluation

All bids will be evaluated in accordance with the provisions of the UN Financial Regulations and Rules and established procedures of the UN, as well as the requirements of this ITB. The following criteria will be considered in evaluating the bids:

- a. compliance with technical requirement;
- b. earliest delivery time;
- c. discounts offered; and
- d. Lowest cost to the UN.

Payment Terms

The UN Financial Regulations and Rules preclude advance payments or payments by letter of credit. Such provisions in a bid will be prejudicial to its evaluation by the UN. The normal terms of payment by the UN are 30 (thirty) days (or similarly discounted payment terms if offered by bidders) upon satisfactory delivery of goods or performance of services, acceptance thereof by the UN and certification by the UN of the Contractor's invoice. Bidders must therefore clearly specify in their bids the payment terms being offered.

GSA Clause (for USA vendors only)

¹ INTERNAL NOTE: ranging from 5% up to 20%

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The UN is eligible under the United States Foreign Assistance Act of 1961 to receive full benefits under General Services Administration (GSA) Contracts. Accordingly, all bid must specify whether or not items quoted by the bidder are currently subject to GSA Federal Supply pricing and indicate the GSA Contract Number and Expiration Date, wherever applicable.

Validity of Bids

Bids shall remain open and valid for acceptance for a period of at least _____ days from the date of opening specified in this ITB.

Rejection of Bids and Split Awards

The UN reserves the right to reject any and all bids if they, inter alia:

- i. are received after the deadline stipulated in the ITB;
- ii. are not properly marked or addressed as required in the ITB;
- iii. are delivered to another UN office location than the one required in the ITB;
- iv. are transmitted by facsimile unless specifically indicated in the ITB;
- v. are unsolicited;
- vi. contain an alternate bid; or
- vii. are not otherwise in compliance with this ITB.

The UN also reserves the right to split an award between any bidders in any combination as it may deem appropriate and the bidders must be willing to accept partial awards.

Withdrawal and Modification of Bids

Bids may be modified or withdrawn in writing, prior to the bid closing time specified therein. Bids may not be modified or withdrawn after that time.

Errors in Bids

Bidders or their authorized agents are expected to examine any maps, drawings, specifications, circulars, schedules and other instructions pertaining to the work, made available by the UN to the bidders for inspection. Failure to do so will be at the bidder's own risk. In case of error in the totaling of prices, the unit price will govern.

Public Opening

Public opening of bids will take place at the address and time specified in this ITB. Bidders may send one (1) representative with proper authorization to observe the opening of bids at the time and location specified in the ITB.

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Confidentiality

This ITB or any part thereof, and all copies thereof must be returned to the UN upon request. It is understood that this ITB is confidential and proprietary to the UN, contains privileged information, part of which may be copyrighted, and is communicated to and received by bidders on the condition that no part thereof, or any information concerning it may be copied, exhibited, or furnished to others without the prior written consent of the UN, except that bidder may exhibit the specifications to prospective sub-contractors for the sole purpose of obtaining offers from them. Notwithstanding the other provisions of the ITB, bidders will be bound by the contents of this paragraph whether or not their company submits a bid or responds in any other way to this ITB.

Non-Disclosure Agreement

The UN may require bidders to execute a Non-Disclosure Agreement in the form of Annex G before being provided with some or all of the information included in the ITB.

Collusive Bidding and other Anti-competitive Conduct

Bidders and their employees, officers, advisers, agents or sub-contractors must not engage in any collusive bidding or other anti-competitive conduct, or any other similar conduct, in relation to:

- a. the preparation or submission of Bids;
- b. the clarification of Bids; and
- c. the conduct and content of negotiations, including final contract negotiations,

in respect of this ITB or procurement process, or any other procurement process being conducted by the UN in respect of any of its requirements.

For the purposes of this clause, collusive bidding, other anti-competitive conduct, or any other similar conduct may include, among other things, the disclosure to, exchange or clarification with, any other Bidder, person or entity, of information (in any form), whether or not such information is commercial information confidential to the UN, any other Bidder, person or entity in order to alter the results of a solicitation exercise in such a way that would lead to an outcome other than that which would have been obtained through a competitive process.

In addition to any other remedies available to it, the UN may, at its sole discretion, immediately reject any Bid submitted by a Bidder that, in the UN's sole opinion, has engaged in any collusive bidding, other anti-competitive conduct, or any other similar conduct with any other Bidder, person or entity in relation to the preparation or lodgment of Bids, whether in respect of this ITB or procurement process, or any other procurement process being conducted by the UN in respect of any of its Requirements.

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Improper Assistance

Bids that, in the sole opinion of the UN, have been compiled:

- a. with the assistance of current or former employees of the UN, or current or former contractors of the UN in violation of confidentiality obligations or by using information not otherwise available to the general public or which would provide a non-competitive benefit;
- b. with the utilization of confidential and/or internal UN information not made available to the public;
- c. in breach of an obligation of confidentiality to the UN; or
- d. contrary to these terms and conditions for submission of a Bid,

shall be excluded from further consideration.

Use of former UN employee in the preparation of Bids and process

Without limiting the operation of the above clause, a Bidder must not, in the absence of prior written approval from the UN, permit a person to contribute to, or participate in, any process relating to the preparation of a Bid or the procurement process, if the person:

- a. at any time during the six months immediately preceding the date of issue of this ITB was an official, agent, servant or employee of, or otherwise engaged by, the UN;
- b. at any time during the 12 months immediately preceding the date of issue of this ITB was an employee of the UN personally engaged, directly or indirectly, in the planning or performance of the requirement, project or activity to which the ITB relates; or
- c. at any time, was an employee of the UN involved, directly or indirectly, in the preparation of this ITB including any earlier versions or the management of this procurement process.

Corrupt Practices

All UN vendors shall adhere to the highest ethical standards, both during the procurement process and throughout the performance of a contract.

Conflict of Interest

A Bidder must not, and must ensure that its employees, officers, advisers, agents or sub-contractors do not, place themselves in a position that may, or does, give rise to an actual,

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potential or perceived conflict of interest between the interests of the UN and the Bidder's interests during the procurement process.

If during any stage of the procurement process or performance of any UN contract a conflict of interest arises, or appears likely to arise, the Bidder must notify the UN immediately in writing, setting out all relevant details of the situation, including those cases in which the interests of the Bidder conflict with the interests of the UN, or cases in which any UN official, employee or person under contract with the UN may have, or appear to have, an interest of any kind in the Bidder's business or any kind of economic ties with the Bidder. The Bidder must take such steps as the UN may reasonably require to resolve or otherwise deal with the conflict to the satisfaction of the UN.

Vendor Registration

UN vendors shall keep current the information required for them to be registered as a UN vendor via the UN Global Marketplace (UNGM) at www.ungm.org by means of electronic updates. UN vendors shall inform the UN immediately and in writing, setting out all relevant details, about any material change in the information provided to the UN in their vendor application, including, but not limited to, change of name due to merger, acquisition or otherwise; change of address; material claims against the vendor, or any litigation or arbitration in which the vendor is a party; any investigation or inquiry by any governmental regulatory, licensing or other authority into the conduct of the vendor or any officer or employee thereof that could materially adversely affect the financial or other standing of the vendor, or the ability of the vendor to provide to the UN any goods or services the subject of this ITB; criminal convictions of any employee, officer, adviser or agent of the vendor; civil judgments; the most recent financial statements or financial standing of the vendor including any filing for bankruptcy, or entry into receivership, by the vendor; abusive, unethical or unprofessional conduct of the vendor including corrupt practices and submission of false information; any assignment of assets by the vendor or other financial acts, and any acts of financial impropriety committed or suffered by the vendor; any of the aforementioned factors in relation to a holding, parent, subsidiary, or affiliated company of the vendor which could materially adversely affect the financial or other standing of the vendor, or the ability of the vendor to provide to the UN any goods or services the subject of this ITB. The submission, which may be in the form of a letter, fax or other electronic means, shall include all relevant documentation with regard to the changes. Upon receipt of such information, the UN will make an assessment and determine whether the changes require a re-evaluation of the vendor's status as a registered UN vendor. Vendors which fail to so inform the UN about such material changes or fail to submit their latest financial statements may risk suspension or removal from the UN vendor database.

Rights of the UN

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If the UN determines that a vendor has engaged in collusive bidding, has received improper assistance, engaged in corrupt practices, or conflict of interest situations, then notwithstanding any other legal rights or remedies it may have, the UN reserves the right, at its sole option, to:

- i. reject any bid or recommendation to award a contract to such vendor; and/or
- ii. declare a company or firm or ineligible, either indefinitely or for a stated period of time, to become a UN registered vendor; and/or
- iii. terminate any contract entered into with such vendor.

Contract

All firms responding to this ITB shall acknowledge in their Bid that the UN's General Conditions on Contract (Annex E) are acceptable. In addition, all firms responding to this ITB are required to acknowledge in their Bid, by submission of Annex B-1, that the above terms and conditions are acceptable. However, if any of the UN's General Conditions of Contract or any of the above terms and conditions is not acceptable, the Bidder is required to indicate in the Bid with specificity any reservation(s) it has in respect of any of them and must provide alternative language to the particular clause.. Please note, however, that such reservation(s) or deviation(s) will be taken into account, in the sole discretion of the UN, in the evaluation of the Bid, including the comparative evaluation with other Bids.

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Annex B-1
Declaration by Bidder and Disclosure Requirement

The undersigned represents to the UN as follows (check as appropriate)²:

- 1. Bidder accepts the Terms and Conditions in Annex B and agrees to do all acts required in Annex B.
- 2. Bidder also acknowledges that Bids may be partially awarded between different Bidders, in accordance with Annex B.
- 3. Bidder shall submit a performance bond as stated in Annex B if required in the ITB.
- 4. Bidder, if awarded a contract, may be liable for liquidated damages if provided for in this ITB or the contract.
- 5. Bidder is aware that the UN is not committed to award a contract, or to reimburse any costs incurred by the Bidder in connection with the ITB process, as stated in Annex B.
- 6. Bidder is aware that neither the ITB, nor any of its annexes, including this Annex B-1, constitutes any agreement or contractual relationship between the UN, or any of its entities, and the Bidder. Bidder acknowledges that the sole purpose of the ITB and its annexes is to enable vendors to submit a Bid; Bidder will not regard or seek to rely upon the ITB or any of its annexes as an offer on the part of the UN capable of acceptance by the Bidder.
- 7. Bidder acknowledges that Bids are evaluated according to the UN Financial Regulations and Rules.
- 8. Bidder is familiar with and accepts the payment terms in Annex B.
- 9. In the event the Bidder is a U.S. entity, Bidder will indicate in its Proposal whether or not the prices specified therein are currently subject to GSA Federal Supply pricing and state the GSA Contract Number and Expiration Date.
- 10. Bidder's Bid will be valid for the period stipulated in Annex B.

² **Terms used in this declaration shall have the meanings ascribed to them in the Terms and Conditions in Annex B.**

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- 11. Bidder is familiar with and accepts the UN’s conditions for the withdrawal and modification of Bids and the UN’s rules governing errors in Bids and public opening of Bids.
- 12. Bidder accepts the Confidentiality terms stated in Annex B; and is aware that in the event the UN requires Bidders to execute a non-disclosure agreement, as stated in Annex B, and Bidder refuses to sign, Bidder will not be invited to participate further in the ITB.
- 13. Bidder accepts the Collusive Bidding and other Anti-competitive Conduct terms stated in Annex B and represents that the Bid has been compiled without the improper assistance of employees or former employees of the UN, in accordance with Annex B.
- 14. Bidder has not, and is not, engaged in any corrupt practices.
- 15. Bidder is not aware of any existing or potential conflict of interest as specified in Annex B. If during the procurement process a conflict of interest arises, or appears likely to arise, Bidder will notify the UN immediately in accordance with Annex B.
- 16. Bidder agrees to immediately update its vendor profile in UNGM (www.ungm.org) with new information in accordance with Annex B.
- 17. Bidder acknowledges that any costs it may incur in connection with the submission of a Bid to the UN are at the sole expense of the Bidder.
- 18. Bidder shall promptly inform the UN in writing of any bid submitted, or likely to be submitted, by a holding, parent, subsidiary, or affiliated company of the Bidder in response to this ITB of which it is aware, or ought reasonably to be aware.
- 19. Bidder shall submit a bid bond as stated in Annex B if required in the RFP.

REGISTERED OFFICE
OR OTHER ADDRESS
OF BIDDER:

POSTAL ADDRESS:

TELEPHONE NUMBERS:

FACSIMILE NUMBERS

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Signature of authorized official of Bidder or person otherwise authorized to sign the bid on behalf of the Bidder

SIGNATURE:

DATE OF SIGNATURE:

NAME (Block Letters):

POSITION HELD:

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ANNEX C
ACKNOWLEDGEMENT LETTER

Dear Sir,

Subject: **<Subject>**

We, the undersigned, acknowledge receipt of your Invitation to Bid (ITB) No. ITBS-XXXX dated 03 September 2003 and hereby confirm that we:

INTEND DO NOT INTEND

to submit a bid to the United Nations by the deadline date of 03 September 2003 13:00 HRS (New York Time) and that we:

INTEND DO NOT INTEND

to send one (1) authorized representative to observe the public opening procedure.

We acknowledge that this ITB is confidential and proprietary to the United Nations, and contains privileged information. Upon request, we will return this ITB or any part thereof, and all copies thereof, to the United Nations.

Name & Title of Authorized: _____
Representative: _____
Signature: _____
Company Name and Address : _____
Telephone No.: _____ Facsimile No.: _____

IMPORTANT: In order for your company to remain as a registered vendor, you must return a completed copy of this acknowledgement letter by fax even if you do not intend to submit a bid at this time. Failure to submit a completed copy of this acknowledgement letter for three consecutive times will be understood to mean that you no longer wish to receive such invitations and you will be suspended from the roster automatically.

If you do not intend to submit a bid to the United Nations, please indicate the reason:

- We do not have the capacity to submit a bid at this time.
- We cannot meet the technical requirement for this ITB.
- We do not think we can make a competitive offer at this time.
- Others: (Please specify _____)

Kindly return this acknowledgement immediately via fax (212) 963-1140

*Procurement Service
United Nations
Attention: **Bid Opening Official***

NOTE: Due to the current security arrangements, your authorized representative must present a completed copy of this letter in order to observe the public opening procedure.

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ANNEX D

UNITED NATIONS GENERAL CONDITIONS FOR PURCHASE ORDER

A. PAYMENT

1. In the case of goods to be delivered to the United Nations (hereafter referred to as the UN) in New York, the UN shall make payment within 30 days of receipt of (a) the goods and (b) the invoice and other documents specified in this Contract, whichever (a) or (b) is the later.

2. In the case of goods to be delivered elsewhere, the UN shall, unless otherwise specified in this Contract, make payment within 30 days of receipt of (a) the Vendor's invoice for the goods and (b) copies of the customary shipping documents and other documents specified in this Contract, whichever (a) or (b) is the later.

3. Unless otherwise authorized by the UN, a separate invoice must be submitted in respect of each shipment under this Contract and such Invoice must bear the Purchase Order Number appearing on the top right hand corner of the face of this document.

4. The prices shown herein may not be increased except by express written agreement of the UN. The UN will not pay any charge for late payments unless expressly agreed to in writing.

5. The UN shall have a reasonable time after delivery of the goods to inspect them and to reject and refuse acceptance of goods not conforming to this Contract; payment for any goods pursuant to this Contract shall not be deemed an acceptance of the goods.

B. TAX EXEMPTION

Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, *inter alia*, that the UN, including its subsidiary organs, is exempt from all direct taxes and is exempt from customs duties in respect of articles imported or exported for its official use. Accordingly, the Vendor authorizes the UN to deduct from the Vendor's invoice any amount representing such taxes or duties charged by the Vendor to the UN. Payment of such corrected invoiced amount shall constitute full payment by the UN. In the event any taxing authority refuses to recognize the UN exemption from such taxes, the Vendor shall immediately consult with the UN to determine a mutually acceptable procedure.

C. EXPORT LICENCES

If an export licence or licences are required for the goods, the Vendor shall obtain that licence or licences.

D. RISK OF LOSS

Risk of loss, injury or destruction to the goods shall be borne by the Vendor until physical delivery of the goods has been completed in accordance with this Contract.

E. FITNESS OF GOODS INCLUDING THEIR PACKAGING

Vendor warrants that the goods, including their packaging, conform to specifications and are fit for the purposes for which such goods are ordinarily used and for purposes expressly made known to the Vendor by the UN, and are free from defects in workmanship and materials. The Vendor also warrants that the goods are contained or packaged in a manner adequate to protect the goods.

F. RIGHTS OF THE UN

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In case of failure by the Vendor to perform under the terms and conditions of this Contract; including but not limited to failure to obtain necessary export licences or to make delivery of all or part of the goods by the agreed delivery date or dates, the UN may, after giving the Vendor reasonable notice to perform and without prejudice to any other rights or remedies, exercise one or more of the following rights:

1. Procure all or part of the goods from other sources, in which event the UN may hold the Vendor responsible for any excess cost occasioned thereby. In exercising such rights the UN shall mitigate its damages in good faith;

2. Refuse to accept delivery of all or part of the goods;

3. Terminate this Contract.

G. ASSIGNMENT AND INSOLVENCY

1. The Vendor shall not, except after obtaining the written consent of the UN, assign, transfer, pledge or make other disposition of this contract, or any part thereof, or any of the Vendor's rights or obligations under this Contract.

2. Should the Vendor become insolvent or should control of the Vendor change by virtue of insolvency, the UN may, without prejudice to any other rights or remedies, terminate this Contract by giving the Vendor written notice of termination.

H. USE OF UN NAME AND EMBLEM

The Vendor shall not use the name, emblem or official seal of the United Nations or any abbreviation of the name United Nations for any purpose.

I. PROHIBITION ON ADVERTISING

The Vendor shall not advertise or otherwise make public that the Vendor is furnishing goods or services to the UN.

J. ARBITRATION

Any controversy or claim arising out of or in connection with this Contract or any breach thereof, shall, unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

K. PRIVILEGES AND IMMUNITIES

Nothing in or relating to these General Conditions or this Contract shall be deemed a waiver of any of the privileges and immunities of the UN, including its subsidiary organs.

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Appendix A

INFORMATION TO UNITED NATIONS VENDORS

The United Nations encourages all vendors to the United Nations to participate in the Global Compact by:

1. Issuing a clear statement of support for the Global Compact and its ten principles, and publicly advocating the Global Compact. The ten principles of the Global Compact are contained in page 2 of this Appendix. Businesses wishing to participate in the Global Compact should visit the web site at www.unglobalcompact.org/HowToParticipate/index.html. For more general information on the Global Compact, visit www.unglobalcompact.org.

The other means by which businesses can support the Global Compact include the following:

- Informing employees, shareholders, customers and suppliers
 - Integrating the Global Compact and nine principles into the corporate development and training program
 - Incorporating the Global Compact principles in the company's mission statement
 - Including the Global Compact commitment in the company's Annual Report and other public documents
 - Issuing press-releases to make the commitment public
2. Providing, once a year, a concrete example of progress made or a lesson learned in implementing the principles, for posting on the Global Compact website.

This letter should be sent to:

Kofi A. Annan
Secretary-General
United Nations
New York, NY 10017

In addition, within the framework of the Global Compact, a company may wish to:

- Actively support the principles and broad United Nations goals by initiating and participating in projects in partnership with the United Nations.
- Participate in result-oriented Issue Dialogues related to the critical problems facing our world, e.g. The Role of Business in Zones of Conflict (March 2001)

Procurement Service**The Ten Principles of the Global Compact**

The Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- [The Universal Declaration of Human Rights](#)
- [The International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [The Rio Declaration on Environment and Development](#)
- [The United Nations Convention Against Corruption](#)

The Global Compact 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:

Human Rights

Principle 1: Businesses 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.

Labour Standards

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.

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

Anti-Corruption

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[Principle 10](#): Businesses should work against all forms of corruption, including extortion and bribery.

(See < <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html> >



THE FOLLOWING ANNEXES ARE AVAILABLE UPON REQUEST

- D-18.A** Invitation to Bid for Short-Terms Air Charter Services
- D-18.B** Invitation to Bid for Long-Term Air Charter Services
- D-18.C** Short-Terms Air Charter Agreement
- D-18.D** Long-Term Air Charter Agreement
- D-18.E** General Conditions for Air Charter Services

United Nations  Nations Unies

Procurement Service <i>Facsimile Cover Sheet</i>	
To:	From:
Attention:	Date:
Fax:	Fax:

Total Number of Pages including this page: _____

Attached are Request for Proposal No.: RFPG-86 and all related documentation. Please notify the United Nations immediately if any part of this Request for Proposal is missing and/or illegible at the above facsimile number. Please be advised that this facsimile number may be used only to send queries.

NOTICE OF CONFIDENTIALITY

This facsimile transmission contains United Nations proprietary information that is strictly confidential and/or legally privileged, and is intended strictly for the use by the Officials of the United Nations and/or the named recipient hereof. ANY UNAUTHORIZED DISCLOSURE, COPYING, DISTRIBUTION OR OTHER USE OF THE INFORMATION HEREIN IS STRICTLY PROHIBITED. If you have erroneously received this facsimile transmission, please notify the United Nations immediately. Thank you.

United Nations  Nations Unies

12 May 2006

Procurement Service

Request for Proposal

RFPG-86

Subject: Provision of Sound-Proof and Weather-Proof Diesel Generating Sets for United Nations Peacekeeping Missions

1. The United Nations hereby solicits your proposal for the above subject, in accordance with this document and annexes attached. Proposals are required to be submitted to the United Nations no later than **16 April 2001 at 14:00 HRS (New York Time)**.
2. This request for Proposal (RFP) consists of this document and the following annexes:

Annex A: Statement of Work/Specification
Annex B: Terms and Conditions to Submit a Proposal
Annex C: Acknowledgement Letter
Annex D: Evaluation Criteria and Special Instructions
Annex E: General Conditions of Purchase Order
Annex F: Performance Bond Form

Please note that this document is an **RFP** and *not an invitation to bid*. You should also note that that the terms set forth in this RFP, including the contents of Statement of Work/Specifications set forth in Annex A and the United Nations General Conditions will form a part of any contract should the United Nations accept your proposal. Any such contract will require compliance with all factual statements and representations made in the proposal, subject to any modifications to the proposal agreed to by the United Nations in the context of negotiations, should negotiations be entered into.

3. Proposals must be submitted in English language in **THREE COPIES** (any attachments or appendices and annexes thereto must be submitted in **THREE COPIES**). Your proposal must include information in sufficient scope and detail to allow the United Nations to consider whether the company has the necessary capability, experience, knowledge, expertise, finance strength, and the required capacity to perform the work specified satisfactorily.

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Procurement Service

4. a. Your proposal must be submitted in a sealed envelope/package clearly marked and addressed as follows:

United Nations
Procurement Service
Attn: Bid Opening Unit, Registry, Ext. 4816
304 East 45th Street, Room FF-295
New York, New York 10017, U.S.A.

RFP Number: RFPG-86
Procurement Officer
Closing Date & Time: 16 April 2001 14:00 HRS (New York Time)
Name of Your Company

Please note that Extension 4816 should not be used for queries concerning this RFP. This number is only for facilitating receipt of bids delivered by hand or by courier.

b. It is the exclusive responsibility of the proposers to ensure that the sealed envelope/package containing the proposal reaches the above address before the time and date indicated in paragraph 4.a. so that it is time stamped and acceptable for opening. Proposals must be delivered to the designated address during the United Nations working hours from 9:00 a.m. to 5:00 p.m., Monday through Friday except for the United Nations holidays. Delivery to any other United Nations office location will be at the risk of proposer and will not constitute timely delivery. Written proof of receipt will not be given unless a Postal/Courier service receipt or other form of receipt is presented for signature by the United Nations. Proposals received after the above-mentioned closing time or deadline will be invalidated.

c. Outer envelope/package of your proposal must clearly indicate RFP number, name of the United Nations official indicated in paragraph 4.a and 6 of this RFP, deadline and name of your company so that the United Nations can identify your proposal at the time of receipt. Each proposal for each RFP must be submitted in a separate envelope. Please do not combine different proposals in the same envelope.

d. Alternatively, you may submit your proposal via facsimile to the United Nations dedicated facsimile at **(212) 963-1140**. A maximum of **ten (10) pages** may be transmitted to this number. Should your bid exceed this limit; please ensure delivery of the same by mail. Your complete proposal must be received by the United Nations at the above-designated facsimile number.

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Proposals received by the United Nations at any other facsimile number will be invalidated. Technical proposals and financial proposals must be submitted under the separate cover with all marking information requested in paragraph 4.

e. Proposals submitted via facsimile must clearly indicate the marking as specified in paragraph 4.a. and a total number of pages transmitted on the cover page. The United Nations does not assume any responsibility for problems resulting from transmission of proposals via facsimile. The United Nations will only consider proposals as received by the United Nations at its designated facsimile number prior to the deadline for opening of proposals. Any missing and/or illegible pages of proposals may result in rejection of proposals.

5. A public opening of proposals will take place on **16 April 2001 at 15:00 HRS (New York Time)** in the Bid Room of the Procurement Service on the second floor of 304 East 45th Street, New York, New York 10017, U.S.A. The purpose of public opening is to record the proposals submitted by the due date and time. No price will be extrapolated or announced at the time of public opening. Therefore, only technical proposals will be opened to record the name of proposers. Financial proposals will not be opened at the public opening. Companies submitting offers are welcome to send one (1) representative with proper authorization to observe the recording of proposals received.

6. For queries on this RFP, please contact the Procurement Officer in writing at facsimile no. **(212) 963-0377** by **13 April 2001**. Please also notify the United Nations immediately if any part of this RFP is missing and/or illegible. Proposers are reminded that this facsimile number may be used only to send queries and acknowledgement letter requested in paragraph 7 below. *Proposals must NOT be sent to this facsimile number.*

7. You are kindly requested to return the attached Annex C --- Acknowledgement Letter duly signed by an authorized representative to the United Nations via facsimile advising whether or not your company intends to submit a proposal prior to the designated closing date for receipt of proposals. Please indicate the reason if you do not intend to submit a proposal at this time. The United Nations will review the registration status of companies, which have failed to return the completed acknowledgement letter. Failure to return the completed acknowledgement letter may result in removal of your company from the roster of registered suppliers.

PROCUREMENT ASSISTANT
TEL:
FAX:

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Annex A- Statement of Work/Specifications

	<u>Unit Cost</u>	<u>Ext. Cost</u>
1 Generators	1 EACH _____	_____
	Total of all Items	_____
	Add: Misc. Charge, if any	_____
	Freight, if applicable	_____
	Grand Total	_____

Delivery Point

United Nations (Maximum overhead clearance for truck deliveries 12Ft.) 48th Street and 1st Avenue New York, N.Y. 10017
--

Payment Terms: _____

Discount Offered: _____

Delivery Point and Terms (*if different from the preferred*

Delivery Point indicated above) _____

Shipping Mode: _____

Delivery Date: (*After Receipt of Order*) _____

Currency Stated in: _____

Procurement Service

Annex B

Terms and Conditions to Submit a Proposal

Submission of Proposals

Proposals must be submitted in the English language on the Requirement specified in this Request for Proposal (“RFP”). Proposers must provide all requisite information under this RFP and clearly and concisely respond to all points set out in this RFP. Any Proposal which does not fully and comprehensively address this RFP may be rejected. However, unnecessarily elaborate brochures and other presentations beyond those sufficient to present complete and effective Proposals, are not encouraged.

Following submission of the Proposals and final evaluation, the United Nations (“UN”) will have the right to retain unsuccessful Proposals. It is the proposer's responsibility to identify any information of a confidential or proprietary nature contained in its Proposal, so that it may be handled accordingly.

Technical Specifications of Requirement

Proposers must adhere strictly to all requirements of this RFP. No changes, substitutions or other alterations to the technical specifications of the Requirement stipulated in this RFP document will be accepted unless approved in writing by the UN.

Performance Bond

Within 5 business days of the signature of contract, the successful contractor, unless expressly waived by the UN, shall at its own cost and expense, furnish to the UN a Performance Bond in the form attached as Annex F, or a similar guarantee, such as a letter of credit, acceptable to the UN in a sum equal to [___%]___ percent of the total contract price. The Performance Bond shall be valid for the entire period of the contract and for at least 90 days after the expiration date of the contract.

Liquidated Damages

The Contract or Purchase Order concluded with the only successful contractor will provide that if the successful contractor fails to supply the specified goods/services within the lead time stipulated by his or her Proposal, or within a period specified by a Purchase Order or a Contract, the UN shall, without prejudice to its other remedies under the Purchase Order or Contract, deduct from the Purchase Order or Contract price, as liquidated damages, a sum equivalent to point five percent (0.5%) per week of delay calculated on the value of the Purchase Order or Contract until actual delivery, up to a maximum deduction of ten percent (10%) of the value of the Purchase Order or Contract.

Bid Bond

The UN reserves the right to request Proposers to submit a Bid Bond in the form attached as Annex xx, at their own cost, or a similar guarantee, such as a certified check, acceptable to the UN, in a sum equal to [insert¹ %] percent of the total proposed cost. The Bid Bond shall be valid for the same period as the proposal, plus ninety (90) days after the validity date of the proposal. The UN reserves the right to extend the validity of the Bid Bond if the contractual instrument is not yet in place.

No Commitment

This RFP does not commit the UN to award a contract or to pay any costs incurred in the preparation or submission of Proposals, or costs incurred in making necessary studies for the preparation thereof, or to procure or contract for services or goods. The UN reserves the right to reject any or all Proposals received in response to this RFP and to negotiate with any of the proposers or other firms in any manner deemed to be in the best interest of the UN. The UN also reserves the right to negotiate and award only a portion of the Requirement; to negotiate and award separate or multiple contracts for the elements covered by this RFP in any combination it may deem appropriate, in its sole discretion; to add new considerations, information or requirements at any stage of the procurement process, including during negotiation with proposers; and to reject a Proposal submitted by any proposer that has previously failed to perform properly, or on time, contracts of a similar nature, or of a proposer that, in the opinion of the UN, is not in a position, or is not sufficiently qualified, to perform the contract. If a Proposal is submitted on an "all or none" basis, it should clearly state so.

This RFP contains no contractual proposal or offer of any kind; any Proposal submitted will be regarded as an offer by the proposer and not as an acceptance by the proposer of any proposal or offer by the UN. No contractual relationship will exist except pursuant to a written contract document signed by the authorized official of the Procurement Service and by an authorized officer of the successful proposer(s).

Criteria for Evaluation

All Proposals will be evaluated in accordance with the provisions of the UN Financial Regulations and Rules and established procedures of the UN, and the evaluation criteria specified in Annex D.

The evaluation procedure will consist of a formal, substantive and financial assessment of the Proposals received. Price is an important factor; however, it is not the only consideration in evaluating responses to this RFP. Detailed evaluation leading to a final selection or award may take several weeks.

Payment Terms

The UN Financial Regulations and Rules preclude advance payments or payment by Letters of Credit. Such provisions in a Proposal will be prejudicial to its evaluation by the UN. The normal terms of payment by the UN are 30 (thirty) days (or similarly discounted payment terms if offered by proposers) upon satisfactory delivery of goods or performance of services, acceptance

¹ INTERNAL NOTE: ranging from 5% up to 20%

thereof by the UN and certification by the UN of the Contractor's invoice. Proposers must therefore clearly specify in their Proposals the payment terms being offered.

GSA Clause (for USA vendors only)

The UN is eligible under the United States Foreign Assistance Act of 1961 to receive full benefits under General Services Administration (GSA) Contracts. Accordingly, all Proposals must specify whether or not items quoted by the proposer are currently subject to GSA Federal Supply pricing and indicate the GSA Contract Number and Expiration Date, wherever applicable.

Validity of Proposals

All Proposals shall remain valid and open for acceptance for a period of at least _____ days from the designated closing date indicated for receipt of Proposals in this RFP. Proposers must confirm in their Proposal that it will remain valid for this period. Once a Proposal has been accepted during this period, the price quoted in the Proposal must remain unchanged for the entire period of the resulting contract unless otherwise specified in this RFP or unless the UN agrees otherwise in writing.

Rejection of Proposals and Split Awards

The UN reserves the right to reject any and all Proposals if they, inter alia:

- i. are received after the deadline stipulated in the RFP;
- ii. are not properly marked or addressed as required in the RFP;
- iii. are delivered to another UN office location than the one required in the Request for Proposal;
- iv. are transmitted by facsimile unless specifically indicated in the RFP;
- v. are unsolicited;
- vi. contain an alternate Proposal; or
- vii. are not otherwise in compliance with the RFP.

The UN also reserves the right to split an award between proposers in any combination, as it may deem appropriate.

Withdrawal and Modification of Proposals

Proposals may be modified or withdrawn in writing, prior to the closing time specified in the RFP. Proposals may not be modified or withdrawn after that time.

Errors in Proposals

Proposers or their authorized agents are expected to examine any maps, drawings, specifications, circulars, schedules and other instructions pertaining to the work, made available by the UN to the proposers for inspection. Failure to do so will be at the proposer's own risk. In case of error in the totaling of prices, the unit price will govern.

Public Opening

Public opening of Proposals will take place at the address and time specified in this RFP. Proposers may send one (1) representative with proper authorization to observe the opening of Technical Proposal envelopes at the time and location specified in the RFP.

Confidentiality

This RFP or any part thereof, and all copies thereof must be returned to the UN upon request. It is understood that this RFP is confidential and proprietary to the UN, contains privileged information, part of which may be copyrighted, and is communicated to and received by proposers on the condition that no part thereof, or any information concerning it may be copied, exhibited, or furnished to others without the prior written consent of the UN, except that the proposer may exhibit the specifications to prospective sub-contractors for the sole purpose of obtaining Proposals from them in relation to the RFP. Notwithstanding the other provisions of the RFP, proposers will be bound by the contents of this paragraph whether or not they submit a Proposal or respond in any other way to this RFP.

Non-Disclosure Agreement

The UN may require proposers to execute a Non-Disclosure Agreement in the form of Annex G before being provided with some or all of the information included in the RFP.

Collusive Bidding and other Anti-competitive Conduct

Proposers and their employees, officers, advisers, agents or sub-contractors must not engage in any collusive bidding or other anti-competitive conduct, or any other similar conduct, in relation to:

- a. the preparation or submission of Proposals;
- b. the clarification of Proposals; and
- c. the conduct and content of negotiations, including final contract negotiations,

in respect of this RFP or procurement process, or any other procurement process being conducted by the UN in respect of any of its requirements.

For the purposes of this clause, collusive bidding, other anti-competitive conduct, or any other similar conduct may include, among other things, the disclosure to, exchange or clarification with, any other proposer, person or entity, of information (in any form), whether or not such information is commercial information confidential to the UN, any other proposer, person or entity in order to alter the results of a solicitation exercise in such a way that would lead to an outcome other than that which would have been obtained through a competitive process.

In addition to any other remedies available to it, the UN may, at its sole discretion, immediately reject any Proposal submitted by a proposer that, in the UN's sole opinion, has engaged in any collusive bidding, other anti-competitive conduct, or any other similar conduct with any other proposer, person or entity in relation to the preparation or lodgment of Proposals, whether in respect of this RFP or procurement process, or any other procurement process being conducted by the UN in respect of any of its Requirements.

Improper Assistance

Proposals that, in the sole opinion of the UN, have been compiled:

- a. with the assistance of current or former employees of the UN, or current or former contractors of the UN in violation of confidentiality obligations or by using information not otherwise available to the general public or which would provide a non-competitive benefit;
- b. with the utilization of confidential and/or internal UN information not made available to the public;
- c. in breach of an obligation of confidentiality to the UN; or
- d. contrary to these terms and conditions for submission of a Proposal,

shall be excluded from further consideration.

Use of former UN employee in the preparation of Proposals and process

Without limiting the operation of the above clause, a proposer must not, in the absence of prior written approval from the UN, permit a person to contribute to, or participate in, any process relating to the preparation of a Proposal or the procurement process, if the person:

- a. at any time during the six months immediately preceding the date of issue of this RFP was an official, agent, servant or employee of, or otherwise engaged by, the UN;
- b. at any time during the 12 months immediately preceding the date of issue of this RFP was an employee of the UN personally engaged, directly or indirectly, in the planning or performance of the requirement, project or activity to which the RFP relates; or
- c. at any time, was an employee of the UN involved, directly or indirectly, in the preparation of this RFP including any earlier versions or the management of this procurement process.

Corrupt Practices

All UN vendors shall adhere to the highest ethical standards, both during the procurement process and throughout the performance of a contract.

Conflict of Interest

A proposer must not, and must ensure that its employees, officers, advisers, agents or sub-contractors do not, place themselves in a position that may, or does, give rise to an actual, potential or perceived conflict of interest between the interests of the UN and the proposer's interests during the procurement process.

If during any stage of the procurement process or performance of any UN contract a conflict of interest arises, or appears likely to arise, the proposer must notify the UN immediately in writing, setting out all relevant details of the situation, including those cases in which the interests of the proposer conflict with the interests of the UN, or cases in which any UN official, employee or person under contract with the UN may have, or appear to have, an interest of any kind in the proposer's business or any kind of economic ties with the proposer. The proposer must take such

steps as the UN may reasonably require to resolve or otherwise deal with the conflict to the satisfaction of the UN.

Vendor Registration

UN vendors shall keep current the information required for them to be registered as a UN vendor via the UN Global Marketplace (UNGM) at www.ungm.org by means of electronic updates. UN vendors shall inform the UN immediately and in writing, setting out all relevant details, about any material change in the information provided to the UN in their vendor application, including, but not limited to, change of name due to merger, acquisition or otherwise; change of address; material claims against the vendor, or any litigation or arbitration in which the vendor is a party; any investigation or inquiry by any governmental regulatory, licensing or other authority into the conduct of the vendor or any officer or employee thereof that could materially adversely affect the financial or other standing of the vendor, or the ability of the vendor to provide to the UN any goods or services the subject of this RFP; criminal convictions of any employee, officer, adviser or agent of the vendor; civil judgments; the most recent financial statements or financial standing of the vendor including any filing for bankruptcy, or entry into receivership, by the vendor; abusive, unethical or unprofessional conduct of the vendor including corrupt practices and submission of false information; any assignment of assets by the vendor or other financial acts, and any acts of financial impropriety committed or suffered by the vendor; any of the aforementioned factors in relation to a holding, parent, subsidiary, or affiliated company of the vendor which could materially adversely affect the financial or other standing of the vendor, or the ability of the vendor to provide to the UN any goods or services the subject of this RFP. The submission, which may be in the form of a letter, fax or other electronic means, shall include all relevant documentation with regard to the changes. Upon receipt of such information, the UN will make an assessment and determine whether the changes require a re-evaluation of the vendor's status as a registered UN vendor. Vendors which fail to so inform the UN about such material changes or fail to submit their latest financial statements may risk suspension or removal from the UN vendor database.

Rights of the UN

- i. If the UN determines that a vendor has engaged in collusive bidding, has received improper assistance, engaged in corrupt practices, or conflict of interest situations, then notwithstanding any other legal rights or remedies it may have, the UN reserves the right, at its sole option, to:
- ii. reject any proposal or recommendation to award a contract to such vendor; and/or
- iii. declare a company or firm ineligible, either indefinitely or for a stated period of time, to become a UN registered vendor; and/or
- iv. terminate any contract entered into with such vendor.

Contract

All firms responding to this RFP shall acknowledge in their Proposal that the UN's General Conditions on Contract (Annex E) are acceptable. In addition, all firms responding to this RFP

are required to acknowledge in their Proposal, by submission of Annex B-1, that the above terms and conditions are acceptable. However, if any of the UN's General Conditions of Contract or any of the above terms and conditions is not acceptable, the proposer is required to indicate in the Proposal with specificity any reservation(s) it has in respect of any of them and must provide alternative language to the particular clause. Please note, however, that such reservation(s) or deviation(s) will be taken into account, in the sole discretion of the UN, in the evaluation of the Proposal, including the comparative evaluation with other Proposals.

Annex B-1

Declaration by Proposer and Disclosure Requirement

The undersigned represents to the UN as follows (check as appropriate)²:

- 1. Proposer accepts the Terms and Conditions in Annex B and agrees to do all acts required in Annex B.
- 2. Proposals. Proposer also acknowledges that Proposals may be partially awarded between different proposers, in accordance with Annex B.
- 3. Proposer shall submit a performance bond as stated in Annex B if required in the RFP.
- 4. Proposer, if awarded a contract, may be liable for liquidated damages if provided for in this RFP or the contract
- 5. Proposer is aware that the UN is not committed to award a contract, or to reimburse any costs incurred by the proposer in connection with the RFP process, as stated in Annex B.
- 6. Proposer is aware that neither the RFP, nor any of its annexes, including this Annex B-1, constitutes any agreement or contractual relationship between the UN, or any of its entities, and the proposer. Proposer acknowledges that the sole purpose of the RFP and its annexes is to enable vendors to submit a proposal; proposer will not regard or seek to rely upon the RFP or any of its annexes as an offer on the part of the UN capable of acceptance by the proposer.
- 7. Proposer acknowledges that Proposals are evaluated according to the UN Financial Regulations and Rules and the evaluation criteria specified in Annex D.
- 8. Proposer is familiar with and accepts the payment terms in Annex B.
- 9. In the event the proposer is a U.S. entity, proposer will indicate in its Proposal whether or not the prices specified therein are currently subject to GSA Federal Supply pricing and state the GSA Contract Number and Expiration Date.
- 10. Proposer's Proposal will be valid for the period stipulated in Annex B.
- 11. Proposer is familiar with and accepts the UN's conditions for the withdrawal and modification of Proposals and the UN's rules governing errors in Proposals and public opening of Proposals.
- 12. Proposer accepts the Confidentiality terms stated in Annex B; and is aware that in the event the UN requires proposers to execute a non-disclosure agreement, as stated

² **Terms used in this declaration shall have the meanings ascribed to them in the Terms and Conditions in Annex B.**

in Annex B, and proposer refuses to sign, proposer will not be invited to participate further in the RFP.

- 13. Proposer accepts the Collusive Biding and other Anti-competitive Conduct terms stated in Annex B and represents that the Proposal has been compiled without the improper assistance of employees or former employees of the UN, in accordance with Annex B.
- 14. Proposer has not, and is not, engaged in any corrupt practices.
- 15. Proposer is not aware of any existing or potential conflict of interest as specified in Annex B. If during the procurement process a conflict of interest arises, or appears likely to arise, proposer will notify the UN immediately in accordance with Annex B.
- 16. Proposer agrees to immediately update its vendor profile in UNGM (www.ungm.org) with new information in accordance with Annex B.
- 17. Proposer acknowledges that any costs it may incur in connection with the submission of a Proposal to the UN are at the sole expense of the proposer.
- 18. Proposer shall promptly inform the UN in writing of any proposal submitted, or likely to be submitted, by a holding, parent, subsidiary, or affiliated company of the proposer in response to this RFP of which it is aware, or ought reasonably to be aware.
- 19. Proposer shall submit a bid bond as stated in Annex B if required in the RFP.

REGISTERED OFFICE
OR OTHER ADDRESS
OF PROPOSER:

POSTAL ADDRESS:

TELEPHONE NUMBERS:

FACSIMILE NUMBERS

Signature of authorized official of proposer or person otherwise authorized to sign the proposal on behalf of the proposer

SIGNATURE:

DATE OF SIGNATURE:

NAME (Block Letters):

POSITION HELD:

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ANNEX C
ACKNOWLEDGEMENT LETTER

Dear Sir,

Subject: Provision of Sound-Proof and Weather-Proof Diesel Generating Sets for United Nations Peacekeeping Missions

We, the undersigned, acknowledge receipt of your Request for Proposal (RFP) No. **RFPG-86** dated **16 April 2001** and hereby confirm that we:

INTEND DO NOT INTEND

to submit a proposal to the United Nations by the deadline date of **16 April 2001 14:00 HRS (New York Time)** and that we:

INTEND DO NOT INTEND

to send one (1) authorized representative to observe the public opening procedure.

We acknowledge that this RFP is confidential and proprietary to the United Nations, and contains privileged information. Upon request, we will return this RFP or any part thereof, and all copies thereof, to the United Nations.

Name & Title of Authorized Representative: _____

Signature: _____

Company Name and Address _____

Telephone No.: _____ Facsimile No.: _____

IMPORTANT. In order for your company to remain as a registered vendor, you must return this acknowledgement letter even if you do not intend to submit a proposal at this time.

If you do not intend to submit a proposal to the United Nations, please indicate the reason:

- We do not have the capacity to submit a proposal at this
- We cannot meet the technical requirement for this RFP.
- We do not think we can make a competitive offer at this
- Others: (Please specify

Kindly return this acknowledgement immediately via fax (212) 963-1140

Procurement Service

United Nations

*Attention: **Bid Opening Official***

NOTE: Due to the current security arrangements, your authorized representative must present a completed copy of this letter in order to observe the public opening procedure.



Procurement Service

Annex D

Evaluation Criteria and Special Instructions

1. Evaluation Factors for Award include:

- (a) Price
- (b) Technical compliance
- (c) Relative capability of the offer or
- (d) Ability to meet urgent and demanding delivery schedules
- (e) Company experience on similar projects

2. While price is an important factor, however, it shall not be the primary consideration in evaluating responses to this RFP.

3. Special Instructions:

- a) The United Nations intends to award a one-year Requirements type contract, with the option to extend the contract for two 1-year periods. The estimates of GENSETS as set forth in Annex A is not a representation to an offer or that the estimated quantities will be required or ordered.
- b) Delivery: Please note that delivery of GENSETS will be considered incomplete if all quantity of spare parts package as per purchase order is not supplied with the GENSETS.
- c) Offer or shall provide the following information with their commercial proposal:
 - i) Payment terms;
 - ii) Discount offered;
 - iii) Delivery point and terms;
 - iv) Shipping mode;
 - v) Delivery date (after receipt of order); and
 - vi) Currency (preferred currency is US\$)

Procurement Service

ANNEX E

UNITED NATIONS GENERAL CONDITIONS FOR PURCHASE ORDER

A. PAYMENT

1. In the case of goods to be delivered to the United Nations (hereafter referred to as the UN) in New York, the UN shall make payment within 30 days of receipt of (a) the goods and (b) the invoice and other documents specified in this Contract, whichever (a) or (b) is the later.

2. In the case of goods to be delivered elsewhere, the UN shall, unless otherwise specified in this Contract, make payment within 30 days of receipt of (a) the Vendor's invoice for the goods and (b) copies of the customary shipping documents and other documents specified in this Contract, whichever (a) or (b) is the later.

3. Unless otherwise authorized by the UN, a separate invoice must be submitted in respect of each shipment under this Contract and such Invoice must bear the Purchase Order Number appearing on the top right hand corner of the face of this document.

4. The prices shown herein may not be increased except by express written agreement of the UN. The UN will not pay any charge for late payments unless expressly agreed to in writing.

5. The UN shall have a reasonable time after delivery of the goods to inspect them and to reject and refuse acceptance of goods not conforming to this Contract; payment for any goods pursuant to this Contract shall not be deemed an acceptance of the goods.

B. TAX EXEMPTION

Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter alia, that the UN, including its subsidiary organs, is exempt from all direct taxes and is exempt from customs duties in respect of articles imported or exported for its official use. Accordingly, the Vendor authorizes the UN to deduct from the Vendor's invoice any amount representing such taxes or duties charged by the Vendor to the UN. Payment of such corrected invoiced amount shall constitute full payment by the UN. In the event any taxing authority refuses to recognize the UN exemption from such taxes, the Vendor shall immediately consult with the UN to determine a mutually acceptable procedure.

C. EXPORT LICENCES

If an export license or licenses are required for the goods, the Vendor shall obtain that license or licenses.

D. RISK OF LOSS

Risk of loss, injury or destruction to the goods shall be borne by the Vendor until physical delivery of the goods has been completed in accordance with this Contract.

E. FITNESS OF GOODS INCLUDING THEIR PACKAGING

Vendor warrants that the goods, including their packaging, conform to specifications and are fit for the purposes for which such goods are ordinarily used and for purposes expressly made known to the Vendor by the UN,

Procurement Service

and are free from defects in workmanship and materials. The Vendor also warrants that the goods are contained or packaged in a manner adequate to protect the goods.

F. RIGHTS OF THE UN

In case of failure by the Vendor to perform under the terms and conditions of this Contract; including but not limited to failure to obtain necessary export licenses or to make delivery of all or part of the goods by the agreed delivery date or dates, the UN may, after giving the Vendor reasonable notice to perform and without prejudice to any other rights or remedies, exercise one or more of the following rights:

1. Procure all or part of the goods from other sources, in which event the UN may hold the Vendor responsible for any excess cost occasioned thereby. In exercising such rights the UN shall mitigate its damages in good faith;
2. Refuse to accept delivery of all or part of the goods;
3. Terminate this Contract.

G. ASSIGNMENT AND INSOLVENCY

1. The Vendor shall not, except after obtaining the written consent of the UN, assign, transfer, pledge or make other disposition of this contract, or any part thereof, or any of the Vendor's rights or obligations under this Contract.
2. Should the Vendor become insolvent or should control of the Vendor change by virtue of insolvency, the UN may, without prejudice to any other rights or remedies, terminate this Contract by giving the Vendor written notice of termination.

H. USE OF UN NAME AND EMBLEM

The Vendor shall not use the name, emblem or official seal of the United Nations or any abbreviation of the name United Nations for any purpose.

I. PROHIBITION ON ADVERTISING

The Vendor shall not advertise or otherwise make public that the Vendor is furnishing goods or services to the UN.

J. ARBITRATION

Any controversy or claim arising out of or in connection with this Contract or any breach thereof, shall, unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

K. PRIVILEGES AND IMMUNITIES

Nothing in or relating to these General Conditions or this Contract shall be deemed a waiver of any of the privileges and immunities of the UN, including its subsidiary organs.

Procurement Service

Annex F
Performance Bond Form

Know all men by these presents, that we a company incorporated in and under the laws of, the principal shareholders of which areas Principal (hereinafter called "the Supplier") and the a corporation organized under the laws of and duly organized to transact business in as Surety (hereinafter called "the Surety") are held and firmly bound unto the United Nations, an international intergovernmental organization with its headquarters at New York, New York, USA, as Obligee (hereinafter called "the Employer") in the amount of ----- (USD), for the payment whereof which sum, well and truly to be made, the Supplier and the Surety bind themselves, their successors and assigns, jointly and severally, firmly by these presents.

Whereas the Supplier has entered into a written contract with the Employer dated the day of, 19..... for the said Contract being by reference made part hereof and hereinafter referred to as "the Contract".

Now, therefore, for valuable consideration, the receipt whereof is hereby acknowledged by the Surety, the Surety hereby irrevocably undertakes to, whenever Supplier shall be declared by Employer to be in default under the Contract, without any objection, opposition or recourse, promptly pay the Employer the amount required by Employer to remedy the default and complete the Contract in accordance with its terms and conditions, any amount up to a total not exceeding the amount of the Bond, or remedy the default and complete the Contract in accordance with its terms and conditions.

The Surety shall not be liable for a greater sum than the specified penalty of the Bond.

The Condition of this obligation is such that if the Employer shall notify the Surety in writing that the Supplier has promptly and faithfully performed the said Contract (including any amendment thereto) then this obligation shall be null and void, otherwise it shall remain in full force and effect until the Employer shall by written instrument declare the obligation discharged, except that the obligation shall continue for at least three months following termination of the Contract.

This Bond shall be enforceable without the need to have recourse to any judicial or arbitral proceedings.

No right of action shall accrue on this Bond to or for the use of any person or corporation other than the Employer named herein or the heirs, executors, administrators or successors of the Employer.

Nothing herein or related hereto shall be deemed a waiver or an agreement to waive any of the privileges or immunities of the United Nations.

Signed on
on behalf of
by
in the capacity of
in the presence of

Signed on
on behalf of
by
in the capacity of
in the presence of

Procurement Service



Appendix A

INFORMATION TO UNITED NATIONS VENDORS

The United Nations encourages all vendors to the United Nations to participate in the Global Compact by:

1. Issuing a clear statement of support for the Global Compact and its nine principles, and publicly advocating the Global Compact. The nine principles of the Global Compact are contained in page 2 of this Appendix. Businesses wishing to participate in the Global Compact should visit the UN web site at www.un.globalcompact.org/gc/UNWeb.nsf/contelit/participate.htm. For more general information on the Global Compact, visit www.un.globalcompact.org.

The other means by which businesses can support the Global Compact include the following:

Informing employees, shareholders, customers and suppliers
Integrating the Global Compact and nine principles into the corporate development and training program
Incorporating the Global Compact principles in the company's mission statement
Including the Global Compact commitment in the company's Annual Report and other public documents
Issuing press releases to make the commitment public

2. Providing, once a year, a concrete example of progress made or a lesson learned in implementing the principles, for posting on the Global Compact website.

This letter should be sent to:

Kofi A. Annan
Secretary-General
United Nations
New York, NY 10017

In addition, within the framework of the Global Compact, a company may wish to:

- actively support the principles and broad United Nations goals by initiating and participating in projects in partnership with the United Nations.
- participate in result-oriented Issue Dialogues related to the critical problems facing our world, e.g. The Role of Business in Zones of Conflict (March 2001)

Procurement Service



The Nine Principles of the Global Compact

At the World Economic Forum, Davos, on 31 January 1999, UN Secretary-General Kofi A. Annan challenged world business leaders to "embrace and enact" the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. These principles cover topics in human rights, labour and environment:

Human Rights

The Secretary-General asked world business to:

Principle 1: support and respect the protection of international human rights within their sphere of influence; and

Principle 2: make sure their own corporations are not complicit in human rights abuses.

Labour

The Secretary-General asked world business to uphold:

Principle 3: freedom of association and the effective recognition of the right of 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.

Environment

The Secretary-General asked world business to:

Principle 7: 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.

(See < www.unglobalcompact.org/UNWeb.nsf/content/thenine.htm >.)

Examples of timelines for various requisitions

The table below shows typical timelines for various requirements, using estimate working days for each activity, and the related procurement actions:

Activity	RFQ	ITB	RFP
Identification of Need	1-5	1-5	1-5
Development of requirement	5-10	5-10	5-60
Distribute requisition to PD	1	1	1
Analysis of requirement(s)	1-3	1-5	1-10
Development of Solicitation Documents	1-5	20-30	20-40
Submission time for prospective Vendors	10-25	30	30-60
Opening of submissions	1	1	1
Evaluation of submissions, technical and commercial	5-10	5-10	10-30
Establishment of Contractual instrument	1-5	5-10	10-30
Evaluation by HCC	N/A	10	10-15
Evaluation by OLA/GLD	N/A	20-60	20-60
Discussion with prospective Vendor	1-5	5-35	10-60
Final internal approval	1-10	3-10	5-15
Contract Award	1	1	1
TOTAL	29-81	108-218	125-388

UNITED NATIONS NATIONS UNIES

UNITED NATIONS – FORM OF BID BOND – PAGE 1 OF 3

FORM OF BID BOND

KNOW ALL PERSONS BY THESE PRESENTS, that we, _____ [insert name of Surety] a _____ [specify type of entity] organized under the laws of _____ [insert relevant jurisdiction] and duly licensed or authorized to transact business in _____ [insert relevant jurisdiction] as surety (hereinafter referred to as the “Surety”) are held and firmly bound unto the United Nations, an international intergovernmental organization, established by its Member States pursuant to the Charter of the United Nations, signed in San Francisco on 26 June 1945, and having its Headquarters in New York, New York 10017, U.S.A., as obligee (hereinafter referred to as the “United Nations”), in the amount of _____ [insert relevant amount both alphabetically and numerically, together with the applicable currency] (hereinafter referred to as the “Bond Value”), for the payment whereof which sum, well and truly to be made, the Surety bind itself, its successors, permitted assigns, executors and administrators, jointly and severally, firmly by these presents.

WHEREAS, in response to a [insert form of solicitation, e.g. RFP, ITB] by the United Nations for the provision of _____ [specify purpose of the requirement] (“Tender”), and pursuant to the solicitation documents issued by the United Nations in connection with the Tender (“Solicitation Documents”), _____ [insert name of Bidder] a _____ [specify type of entity] organized under the laws of _____ [insert relevant jurisdiction], as principal (hereinafter referred to as, the “Principal” or “Bidder”) has submitted a written [insert form of submission, e.g. proposal, bid] to the United Nations, dated the ____ day of _____, 20____ [insert applicable date information], (hereinafter referred to as the “Bid”).

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency whereof is hereby acknowledged by the Surety, the Surety irrevocably undertakes the following:

1. (a) The condition of this Bid Bond is such that if the Principal:
 - (i) withdraws its Bid, without the consent of the United Nations, during the period of Bid validity specified in Article 1 (b), below (“Bid Bond Validity Period”); or
 - (ii) having been notified of the acceptance of its Bid by the United Nations during the Bid Bond Validity Period, (a) unreasonably fails, delays or refuses, when required, in accordance with the terms specified in the Solicitation Documents, to execute the contract, or (b) fails, delays or refuses to furnish the Performance Bond or Labor and Materials Bond or any other bond in accordance with the terms specified in the Solicitation Documents;

UNITED NATIONS  NATIONS UNIES

UNITED NATIONS – FORM OF BID BOND – PAGE 2 OF 3

then the Surety undertakes to immediately pay to the United Nations the Bond Value, upon first written demand by the United Nations, provided that in its demand the United Nations states that the demand arises from the occurrence of any of the above events, specifying which event(s) has occurred. The parties acknowledge and agree that the Surety's obligations under this Article 1 shall be enforceable without the need to have recourse to any judicial or arbitral proceedings and the Surety's obligation to pay the United Nations shall be fulfilled by the Surety without any objection, opposition or recourse. The Surety and the Principal acknowledge and agree that the terms and conditions of the Bid Bond shall remain unchanged for the duration of the Bid Bond Validity Period.

(b) The Surety hereby agrees that its obligation under the Bid Bond shall remain in full force and effect until such time as the United Nations notifies the Principal in writing that all of its obligations in relation to the Tender, as specified in the Solicitation Documents, have been fulfilled. Without prejudice to the foregoing, or limiting the generality of the foregoing, the Bid Bond shall remain in full force and effect for at least [30 days] following the expiration of the Bid Bond Validity Period specified in the Solicitation Documents (or any extensions thereof) or, otherwise, until such time that the United Nations has notified the Principal that the Bid Bond is no longer required and the United Nations has confirmed this fact in writing to the Surety upon request therefor. The Principal and the Surety acknowledge and agree that the United Nations may, at its sole discretion, extend the Bid Bond Validity Period prior to its expiration, notice of which extension(s) to the Surety being hereby waived.

2. The parties acknowledge and agree that neither this Bid Bond nor any obligations hereunder are transferable or assignable. No right of action shall accrue on this Bid Bond to or for the use of any person or corporation other than the United Nations.

3. Nothing in or relating to this Bid Bond shall be deemed a waiver, express or implied, of any of the privileges or immunities of the United Nations, including its subsidiary organs.

4. All notices required or contemplated under this Bid Bond shall be in writing and shall be delivered either by: (i) personal delivery; (ii) recognized overnight delivery service; and (iii) first-class, certified mail, return-receipt requested, and postage prepaid.

IN WITNESS WHEREOF, the authorized representatives of the parties have indicated their agreement to be firmly bound by these presents by having signed below on the date first written above:

For the Surety:
by: _____

UNITED NATIONS  NATIONS UNIES

UNITED NATIONS – FORM OF BID BOND – PAGE 3 OF 3

[signature on line] [insert name]
in the capacity of: _____
[insert title]
in the presence of: _____
[signature on line] [insert witness name]

FORM OF PERFORMANCE BOND

Know all men by these presents, that we, a company incorporated in and under the laws of, the principal shareholders of which are
..... as Principal (hereinafter called "the Supplier") and the
..... a corporation organized under the laws of and duly organized to transact
business in as Surety (hereinafter called "the Surety") are held and firmly bound unto the United
Nations, an international intergovernmental organization with its headquarters at New York, New York,
USA, as Obligee (hereinafter called "the Employer") in the amount of -----(USD), for the
payment whereof which sum, well and truly to be made, the Supplier and the Surety bind themselves,
their successors and assigns, jointly and severally, firmly by these presents.

Whereas the Supplier has entered into a written contract with the Employer dated the
day of 19.... for the said Contract being by reference made part hereof and
hereinafter referred to as "the Contract".

Now, therefore, for valuable consideration, the receipt whereof is hereby acknowledged by the
Surety, the Surety hereby irrevocably undertakes to, whenever Supplier shall be declared by Employer to
be in default under the Contract, without any objection, opposition or recourse, promptly pay the
Employer the amount required by Employer to remedy the default and complete the Contract in
accordance with its terms and conditions, any amount up to a total not exceeding the amount of the Bond.

The Surety shall not be liable for a greater sum than the specified penalty of the Bond.

The Condition of this obligation is such that if the Employer shall notify the Surety in writing
that the Supplier has promptly and faithfully performed the said Contract (including any amendment
thereto) then this obligation shall be null and void, otherwise it shall remain in full force and effect until
the Employer shall by written instrument declare the obligation discharged, except that the obligation
shall continue for at least three months following termination of the Contract.

This Bond shall be enforceable without the need to have recourse to any judicial or arbitral
proceedings.

No right of action shall accrue on this Bond to or for the use of any person or corporation other
than the Employer named herein or the heirs, executors, administrators or successors of the Employer.

Nothing herein or related hereto shall be deemed a waiver or an agreement to waive any of the
privileges or immunities of the United Nations.

Signed on
on behalf of
by
in the capacity of
in the presence of

Signed on
on behalf of
by
in the capacity of
in the presence of

[ON THE LETTER HEADING OF THE ISSUING BANK]

ISSUE DATE:

BENEFICIARY: United Nations, United Nations Headquarters, New York, NY

APPLICANT: [insert contractor's name and address]

IRREVOCABLE LETTER OF CREDIT NUMBER: S-_____

1. We, [insert full name of issuing bank], hereby issue our confirmed [delete if not applicable] irrevocable Letter of Credit No. _____ in your favour, effective [insert relevant date], for the account of [insert name of Applicant] for one or more drawings for an amount not to exceed in the aggregate US Dollar [insert amount in words and in figures] (US\$figures) (hereinafter the "Credit").

2. The Credit is issued to secure your obligations in relation to a Contract No. [contract number] between [name of contractor] and yourselves dated [insert date] (hereinafter the "Contract").

3. This Credit is payable at [name of bank] [and if any, name of confirming financial institution] offices at [insert full address] and shall expire on [dd/mm/yy] at [insert time], unless you notify us, at your sole discretion, that this Credit shall terminate at an earlier time. Such notice shall be given no later than thirty (30) calendar days prior to the following dates: [dd/mm/yy or dd/mm/yy] by registered mail, return receipt requested, hand delivery or courier [hereinafter the "Expiration Date"]. At the time you notify us, we agree to inform the confirming financial by the same means of delivery [delete if not applicable].

4. We hereby undertake to honour any number of your sight drafts drawn on us or, the confirming financial institution [delete, if not applicable], for all or any part of this Credit, subject to the aggregate amount of [currency if other than USD] [insert amount] _____, if presented with a copy of this Credit and a statement in the format as set forth in paragraph 5 hereof (hereinafter the "Statement"), duly signed by one of your authorized officer's at the offices specified in paragraph 3 hereof on or before the Expiration Date. If payment is requested by you, payment under this Credit shall be made in same days funds and shall be transferred to the account designated by yourselves in paragraph 5 hereof.

5. For purposes of the Statement as referred to in paragraph 4 hereof, the following format shall be used:

"We hereby demand USD _____ [specify amount of claim (words and figures) under Credit No. S-_____ dated _____ [year] issued by the [name of bank, location]. Please make payment to: [insert details of receiving account] and effect such payment in same day funds.

6. Your rights under this Credit shall be performed strictly in accordance with the terms of this Credit, irrespective of any lack of validity or unenforceability of the Contract, or the existence of any claim, set-off, defense or any other rights which the Applicant may have

against yourselves. Any obligations hereunder shall be fulfilled by us without any objection, opposition or recourse.

7. This Credit is not transferable or assignable in any respect or by any means whatsoever.

8. (a) This Letter of Credit is subject to the Uniform Customs and Practice (UCP) for Documentary Credits (1993 revision), International Chamber of Commerce Publication No. 500 and any revisions thereof to the extent that the same are not inconsistent with the terms and conditions of this Credit.

(b) If this Credit expires during an interruption of our business as described in Article 17 of the UCP, we agree to honour any such number of sight drafts drawn on use, subject to the aggregate amount of USD within thirty (30) days after the resumption of our business.

For and on behalf of:

[Name of Bank]

By: Authorized Signatories

Name:

Title:

Invitation to Bid

ITBG-1076

REQUIREMENT: <u>MAJOR TRAUMA KITS as per the attached list which is hereby made an integral part of this requirement. (RQSN-XXXX319/ Buyer Initials)</u>		
DATE & TIME OF OPENING OF INVITATION TO BID:	10 December 2002 4:00:00 PM (New York Time)	
PROCUREMENT OFFICER:		

List of Invitees

Name of Invitee	Country of Origin	Response (Y or N) (For SSS use only)
<hr/> Name & Signature of Authorized Bid Official		
<hr/> Name & Signature of Witnessing Staff		

Date

ITBG-1076

Opening Date: 10 December 2002 Time: 4:00 PM (Buyer:)

		Vendor A	Vendor B	Vendor C	Vendor D	Vendor E	Vendor F	Vendor G
1	MAJOR TRAUMA KITS as per the attached list							
Total								

Name of Bid Opening Official

Name of Bid Opening Official

Signature

Signature

Signature of Procurement Office/Assistant


UNITED NATIONS **NATIONS UNIES**

STATEMENT OF AWARD
Procurement Service

PO or ICA No.: _____, Amend. ___
 Contract No.: _____, Amend. ___
 Date Issued: _____
 PO or Contract value: USD _____
 If not USD, Currency: _____
 Rate: 1 USD = \$0.00

<i>For use with amendments:</i>	
Previous Aggregate Obligation:	\$ _____
Proposed Increase:	\$ _____
Revised Aggregate Obligation:	\$ 0.00
If not USD, Currency: \$0.00,	
Rate	1 USD = \$0.00

Please check one:

- Up to US \$30,000 inclusive (additional explanation required in 105.16(x) below)
- Over US \$ 30,000 AFTER CALLING FOR BIDS OR PROPOSALS (FIN. RULE 105.14 & 105.15)
- Over US \$ 30,000 WITHOUT CALLING FOR BIDS OR PROPOSALS (FIN. RULE 105.16)

Basis of Award (please check one, and fill out additional information as applicable):

105.15 (a)	<input type="checkbox"/> Qualified Bidder whose Bid Substantially Conforms to the ITB (Lowest Cost Bid) <input type="checkbox"/> Qualified Bidder whose Bid Substantially Conforms to the ITB (Lowest Substantially Conforming Bid) <input type="checkbox"/> Qualified Bidder whose Bid Substantially Conforms to the ITB (Sole Bid)
105.15 (b)	<input type="checkbox"/> Qualified, Most Responsive Proposal (Lowest Cost Proposal) <input type="checkbox"/> Qualified, Most Responsive Proposal <input type="checkbox"/> Qualified, Most Responsive Proposal (Sole Proposal)
105.15 (c)	<input type="checkbox"/> Interest of Organization best served by rejecting Bids/Proposals Received and undertaking new solicitation; <input type="checkbox"/> Interest of Organization best served by rejecting Bids/Proposals Received and entering into a negotiated contract; <input type="checkbox"/> Interest of Organization best served by suspending procurement action.
105.16 (a)(i)	<input type="checkbox"/> No competitive market place (monopoly exists) <input type="checkbox"/> No competitive market place (prices fixed by legislation or government regulation) <input type="checkbox"/> No competitive market place (proprietary product or service, provide price support in additional explanation below)
105.16 (a)(ii)	<input type="checkbox"/> Purchase of Equipment/Services already Standardized, expiring _____ <input type="checkbox"/> Need to Standardize the Equipment/Services
105.16 (a)(iii)	<input type="checkbox"/> Cooperation with other organizations of the UN system pursuant to Rule 105.17 (Common Procurement Action)
105.16 (a)(iv)	<input type="checkbox"/> Offers for identical products and services have been obtained competitively [within a reasonable period] and prices and conditions offered remain competitive.
105.16 (a)(v)	<input type="checkbox"/> A formal solicitation conducted in _____ (MMM/yy) has not produced satisfactory results
105.16 (a)(vi)	<input type="checkbox"/> Purchase or Lease of Real Property and market conditions do not allow effective competition
105.16 (a)(vii)	<input type="checkbox"/> Exigency
105.16 (a)(viii)	<input type="checkbox"/> Services that cannot be evaluated objectively
105.16 (a)(ix)	<input type="checkbox"/> Formal solicitation will not give satisfactory results
105.16 (a)(x)	<input type="checkbox"/> Procurement Value is below established monetary threshold for formal solicitation <input type="checkbox"/> Lowest compliant offer <input type="checkbox"/> Proprietary, provide price support in additional explanation below
105.13 (b)	<input type="checkbox"/> Income to the Organisation
105.13 (b)	<input type="checkbox"/> Amendment (modification of a Contract Award Previously Reviewed by the Committee)



STATEMENT OF AWARD
Procurement Service

Complete as appropriate:

Local Committee on Contract information

Meeting No: LCC/MISSION/yy/xx Case No: ___ Date case reviewed: ___
Date approved by DAO/CAO: ___
NTE Approved by the DAO/CAO: 0.00
If not USD, Currency value: 0.00, Rate 1 USD =

Headquarters Committee on Contract information

Meeting No: HCC/ Case No: ___ Date case reviewed: ___
Date approved by Controller: ___
NTE Approved by the Controller: ___
If not USD, Currency value: 0.00, Rate 1 USD =

Name of Vendor: , Vendor ID:
Period of recommended award: From: To:
Additional information: .

Additional explanation for cases not requiring LCC/HCC review:

Prepared by: _____ Date: 2005
<Click here to select title>

Reviewed by: _____ Date: _____
<Click here to select title>

Reviewed by: _____ Date: _____
(if applicable)
<Click here to select title>

Approved by: _____ Date: _____
<Click here to select title>

UNITED NATIONS



NATIONS UNIES

New York

Return to Vendor

Date: _____

Freight Account: _____

Value of Material: _____

UN Expense _____

Via: _____

Gentlemen:

The following material on our Purchase Order No. _____ is being returned to you for reasons outlined below:

DESCRIPTION OF MATERIAL:

REASON FOR RETURN:

Non-adherence to the specifications of the Purchase Order

Overshipment

Duplicate Shipment

Not ordered

Other

REMARKS:

INSTRUCTIONS:

Very truly yours,

Buyer.

UNITED NATIONS



NATIONS UNIES

INVITATION TO BID

Opening Date:
Time:

Date:
Invitation No.

SALE OF SURPLUS EQUIPMENT

Sealed Bids, in original only, for the purchase and removal of the item described herein, will be received in Room FF-295 (2nd Floor), UN Procurement Division, 304 E45th Street, New York, NY 10017. All Bids received after the bid closing date given above will be returned to the applicable bidder unopened.

The sale number (/ /), hour and date of opening shall be indicated on the face on the return bid envelope.

1. A deposit (Money Order or Certified Cheque for not less than 10% of the total bid, made out to the United Nations) shall be submitted with the bid. The deposits will be returned promptly to unsuccessful bidders and will be considered part payment for successful bidders following the award. UN staff members are not required to submit deposits.
2. Bidders are urged to inspect the items prior to submitting bids.
3. The items are located at the UN Headquarters, Secretariat Building, 42nd Street and First Avenue, New York City and may be inspected between the hours of on . For inspection please contact Room telephone .
4. The UN reserves the right to reject any and all bids and to waive any informality in bids received whenever such rejection is in the interest of the United Nations. This invitation to bid does not commit the United Nations to award a contractual instrument or to pay any costs incurred in, or in connection with, the preparation or submission of bids.
5. The United Nations also reserves the right to withdraw any of the items prior to award. The United Nations, in its sole discretion, also reserves the right to award separate or multiple contracts for any portion or quantity of the item it may deem appropriate.
6. Payment in full shall be made prior to removal of the property, and in any case within five (5) business days of the award. Successful bidders shall remove the property within five (5) business days of the full payment.
7. The items described are offered for sale “AS IS, WHERE IS” and without recourse or warranties of any kind.

8. Upon payment of the purchase price in full, by Certified Cheque or Money Order drawn payable to the United Nations, title to the material passes to the Purchaser and all handling thereafter shall be at the expense and risk of the Purchaser.
9. The Purchaser agrees to remove the items awarded at his/her expense and without damage to surrounding property, including buildings, and further offers and agrees to reimburse the United Nations for any damage sustained as a result of his/her removal of the item(s) purchased.
10. Please note that the United Nations is unable to provide any assistance either mechanical or manpower for the removal of the item(s).
11. This invitation to bid contains no contractual offer of any kind. Any bid submitted will be regarded as an offer by the bidder and not as an acceptance of the bidder of any offer by the United Nations. No contractual relationship will exist pursuant to a written contract document signed by an authorised official of the United Nations and the successful bidder.
12. The successful bidder is responsible for payment of any New York State Sales Tax, which may be due as a result of this sale.
13. Your bid shall remain valid and open for acceptance for a period of at least days from the opening date.

ITEM No.	DESCRIPTION	QUANTITY	AMOUNT OFFERED

The following information shall be provided in the bid:

BIDDER:

ADDRESS:

BY:

TITLE:

Date:

SIGNATURE OF AUTHORISED REPRESENTATIVE

Bid Price:

Amount to deposit:

Phone No:

Fax No:

PLEASE REFER AL INQUIRIES TO:

, Room

, Telephone No.

BIDS TO BE OPENED IN ROOM FF-295

PLEASE INDICATE YOU NAME, ADDRESS, BID NUMBER, DATE AND TIME OF OPENING ON THE RETURN ENVELOPE.

United Nations  Nations Unies
INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

TO:
A:

DATE:

FROM:
DE:

SUBJECT: **RFP-XXX Title of RFP**
OBJET: **Request for Technical Evaluation**

1. The subject RFP received responses from (Number) vendors, and were received by the designated date and time established for the opening of RFP – XXX at (Time) hours on (Date). Technical proposals received from the vendors listed below are enclosed:

ABC Company
XYZ Corporation

2. The Procurement Service (PS) would like to remind you that the technical evaluation of the proposals is to be conducted in accordance with the criteria for evaluation established and agreed upon prior to the issuance of the RFP. The technical proposals must be kept in a secure place, and the contents must not be discussed by the evaluation team with anyone who is not directly involved in the evaluation. If the evaluation team finds that financial data has been incorporated into the technical submission, this must be reported immediately to PS.

3. After the evaluation has been completed, the final Technical Evaluation Report (TER) must be signed by all the evaluation team members and then forwarded to PS. The TER must provide a comparative analysis (where applicable) for each bidder. Upon receipt of the results of the technical evaluation, PS will undertake a commercial evaluation and confer with your office as required in making the recommendation of award.

4. Should you find it necessary to seek clarification on any of the proposals received, please notify PS with a description of the issues that need to be clarified so that PS can communicate same to the vendor(s) to ensure that the transparency and integrity of the procurement process is preserved. Similarly, please inform PS of any changes to your requirements, which might affect the pre-established criteria and results of the technical evaluation, in order to enable PS to take the proper course of action.

4. We look forward to receipt of your technical evaluation report in due course.

CC:

UNITED NATIONS



NATIONS UNIES

**PROCUREMENT SERVICE
FACSIMILE COVER SHEET**

Attn: Fax: Tel:	From: Date:
Subject: Notice of Award ITB/RFP xxxx-Contract for Signature	
TOTAL NUMBER OF PAGES INCLUDING THIS PAGE:	

With reference to your proposal of [date], the United Nations is pleased to inform you that it is considering an award of the contract on the subject [goods/services] to your company.

This contract award will be subject to both parties agreeing to mutually acceptable terms and conditions. Please note that no legal obligation exists until the contract is finalized and signed by both parties. The rights and obligations of the UN and you under the contract shall be governed solely by the terms and conditions of the UN contract, including the United Nations General Conditions of Contract. No additional or inconsistent provisions proposed by you shall bind the United Nations unless agreed to in writing by a duly authorized official of the United Nations. Any actions taken in expectation of the signature of a contract or the receipt of a purchase order are at your own risk and will not create any obligations on the part of the UN.

Attached herewith are two copies of a contract document for the signature of an authorized representative of your company and immediate return to the United Nations. Upon receipt of both signed copies, we will sign them and forward one signed copy to your attention.

Together with the signed contract you are required to send us a Performance Bond in the exact same format as the one contained as an Annex to our Invitation to Bid/Request for Proposal. The Performance Bond or a similar guarantee acceptable to the UN, shall be issued no later than ten (10) days following the effective Date of the Contract, or a similar guarantee acceptable to the UN, in the amount of \$[amount]. If you fail to deliver the Performance Bond to the UN within the time limit specified herein, the UN shall, without prejudice to any other rights or remedies, be entitled to withhold payment from any one or more invoices submitted by you up to the required amount of the Performance Bond. The Performance Bond shall be issued by a prime commercial and accredited bank acceptable to the UN¹.

¹ Internal Note to the user: This paragraph must be included in all those cases where a Performance Bond from the vendor is required.

Together with the signed contract you are required to send us certified true copies of all the required insurance policies which have been effected in compliance with the contract, which must have the United Nations as a named additional insured.

Please find below a summary of the special conditions/instructions of this contract. Please note that this list is only included for illustrative purposes:

Please confirm receipt by return fax for the attention of [insert name of procurement officer].

Your cooperation is much appreciated.

Authorized by: _____
[Name]
[Title]
United Nations Procurement Service
If transmission is not received in good order, please call Tel. No.:

Accepted by: _____
[Name]
[Title]

TO BE SIGNED BY AN AUTHORIZED REPRESENTATIVE & SEND BACK TO THE UN PROCUREMENT SERVICE **FAX: +1 (212) 963-**

NOTICE OF CONFIDENTIALITY

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UNITED NATIONS



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**PROCUREMENT SERVICE
FACSIMILE COVER SHEET**

Attn. Fax: Tel:	From: Date:
Subject: Notice of Award ITB/RFP xxxx-Purchase Order	
TOTAL NUMBER OF PAGES INCLUDING THIS PAGE:	

With reference to your proposal of [date], the United Nations is pleased to inform you that it is considering issuing a purchase order on the subject [goods/services] to your company.

This purchase order may only be accepted by you by signing and returning an acknowledgement copy of it or by timely delivery of the goods as specified in the respective purchase order. Please note that no legal obligation exists until the purchase order is issued and accepted by you as per above. The rights and obligations of the UN and you under the purchase order shall be governed solely by the terms and conditions of the UN purchase order, including the general conditions printed on the back of the purchase order. No additional or inconsistent provisions proposed by you shall bind the United Nations unless agreed to in writing by a duly authorized official of the United Nations. Any actions taken in expectation of the receipt of a purchase order are at your own risk and will not create any obligations on the part of the UN.

Attached herewith is a signed copy of the purchase order for the signature of an authorized representative of your company and immediate return to the United Nations.

Together with the signed copy you are required to send us a Performance Bond in the exact same format as the one contained as an Annex to our Invitation to Bid/Request for Proposal. The Performance Bond or a similar guarantee acceptable to the UN, shall be issued no later than ten (10) days following the effective Date of the Contract, or a similar guarantee acceptable to the UN, in the amount of \$[amount]. If you fail to deliver the Performance Bond to the UN within the time limit specified herein, the UN shall, without prejudice to any other rights or remedies, be entitled to withhold payment from any one or more invoices submitted by you up to the required amount of the Performance Bond. The Performance Bond shall be issued by a prime commercial and accredited bank acceptable to the UN¹.

¹ Internal Note to the user: This paragraph must be included in all those cases where a Performance Bond from the vendor is required.

Together with the signed purchase order you are required to send us certified true copies of all the required insurance policies which have been effected in compliance with the UN requirement, which must have the United Nations as a named additional insured.

Please find below a summary of the special conditions/instructions of the purchase order. Please note that this list is only included for illustrative purposes:

Please confirm receipt by return fax for the attention of [insert name of procurement officer].

Your cooperation is much appreciated.

Authorized by: _____
[Name]
[Title]
United Nations Procurement Service
If transmission is not received in good order, please call Tel. No.:

Accepted by: _____
[Name]
[Title]

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PROCUREMENT MANUAL

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