



UNITED NATIONS PROCUREMENT MANUAL

DEPARTMENT OF OPERATIONAL SUPPORT
OFFICE OF SUPPLY CHAIN MANAGEMENT
PROCUREMENT DIVISION

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Preface

The Procurement Manual details the UN Secretariat's (UN) procurement procedures and processes and provides further guidance for carrying out procurement activities for the UN effectively and efficiently in compliance with the UN's Financial Regulations and Rules, and other applicable administrative issuances, such as the Review Committee on Contracts ST/AI (ST/AI/2011/8).

This document is available online at <https://www.un.org/Depts/ptd/about-us/procurement-manual>. It has been published in electronic format to limit the use of paper, ink, and transport.

The Procurement Division in the Office of Supply Chain Management, Department of Operational Support will update this Manual from time to time.

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1. Introduction

1.1 Purpose, Application and Structure

This Procurement Manual (PM) serves as operational guidance for all staff members involved in any stage of the procurement process by describing procurement (and related) processes and procedures. The PM is expected to be applied with professional discretion and expertise by procurement practitioners and other offices involved in the acquisition and procurement process in accordance with the applicable regulations, rules and policies of the Organization. Regulations, rules and policies of the Organization that are applicable to the procurement process are set out in the various Secretary-General's bulletins (for example, the United Nations Financial Regulations and Rules and [Secretary-General's bulletin on the delegation of authority in the administration of the Financial Regulations and Rules](#), including the applicable delegation of authority instrument, establishes the authority of staff members granted procurement delegation. In addition, various administrative instructions prescribe the instructions and procedures for the implementation of the Financial Regulations and Rules, the Staff Regulations and Rules, and Secretary-General's bulletins applicable to the procurement process. For the sake of clarity, nothing in this Manual shall bind the United Nations to any particular process, outcome or course of action in relation to any particular procurement process or otherwise.

The PM is divided into fifteen (15) chapters and follows the structure – with minor deviations – of the standardized table of contents for United Nations procurement manuals, as endorsed by the High-Level Committee Management, Procurement Network (HLCM-PN), with the purpose of harmonizing procurement practices and increasing collaboration among UN entities.

There are three overall sections:

- a. Chapters 1 to 3 cover, respectively: introduction, organization of procurement, and vendor registration and management.
- b. Chapters 4 to 13 cover the steps of the acquisition process.
- c. Chapter 14 covers cooperation topics and Chapter 15 addresses cross-cutting topics, such as the United Nations Global Compact, emergency procurement procedures, and risk management.

Each chapter ends with a resources section, which references relevant policies, guidance materials, and templates.

1.2 Update and Maintenance

The PM will be updated from time to time to ensure that it remains relevant to UN operations and up to date with best practices in public procurement.

Comments or suggestions for improvement should be directed to the Procurement Division (PD, Office of Supply Chain Management (OSCM)) at UNHQ via email at dos-pd@un.org.

1.3 Procurement Framework

Staff members are bound to comply with the Charter of the United Nations, the Staff Regulations and Rules, the Financial Regulations and Rules and all other relevant administrative issuances.

Requests for clarifications to any of the provisions of the PM shall be referred to the Director, PD.

This PM replaces and supersedes entirely all the previous versions of the Procurement Manual.

1.4 Procurement Principles and Client Centricity

As a steward of the funds entrusted to its care by the Member States, it is necessary for the UN to achieve Best Value for Money (BVM) in procuring goods, services, and works, according to mandates given to the UN by the General Assembly. It must do so, and be seen to be doing so, with fairness, integrity, and transparency. These principles are the foundation of UN procurement. Staff members are expected to comply with these procurement principles in performing their work with a high level of care and professionalism.

Financial Regulation 5.12 requires that the following general principles shall be given due consideration:

- a. Best Value for Money
- b. Fairness, integrity, and transparency
- c. Effective international competition
- d. The interest of the UN

In addition to the principles contained in Financial Regulation 5.12, Procurement Officials must also ensure that the procurement actions they undertake are taken in a manner that always strives to meet the needs of the client in the most efficient and effective manner possible. Accordingly, client orientation and the adoption of a client service approach are key principles that must guide how Procurement Officials conduct and organize their work daily (see [section 1.4.5](#)).

The following chapters provide an outline of each principle and the related expectations towards those involved in the procurement process and its principles.

1.4.1 Best Value for Money

‘Best Value for Money’ shall be understood as the optimization of the total cost of ownership and quality needed to meet the user’s requirements, while taking into consideration potential risk factors and resources available. The Best Value for Money solution may not necessarily offer the lowest cost.

In order to obtain Best Value for Money, Requisitioners and Procurement Officials should:

- a. Plan for demand in a timely manner and define an acquisition strategy based on an analysis of the demand and supply market;
- b. Strive to maximize competition;
- c. Conduct the procurement exercise after good planning and pursuant to clear specifications;
- d. Carefully establish the evaluation criteria prior to the issuance of the solicitation document (in order to select the offer to meet needs in accordance with the evaluation parameters set forth in the solicitation documents);
- e. Ensure that all costs are considered within the total cost of ownership, including transportation costs, installation costs, operating costs, maintenance costs, disposal costs, etc.;
- f. Ensure that benefits are optimized, and financial and operational risks and any other adverse impacts are minimized;
- g. Ensure impartial and comprehensive evaluation of offers, in a timely manner and in accordance with the pre-established criteria;
- h. Ensure that the vendor whose offer is considered can satisfy the requirements.

1.4.2 Fairness, Integrity and Transparency

To achieve BVM, the procurement process must protect the Organization from proscribed practices and be conducted on the basis of clear and appropriate regulations, rules, and procedures that are applied consistently to all potential vendors. Further, the way the procurement process is undertaken must provide all internal and external stakeholders of the Organization with assurances that the process is fair and transparent, and that integrity has been maintained.

Application of the **fairness** principle means, among other things, that the UN must offer equal opportunities to all bidders by sharing the same information with all bidders at the same time and communicating the same contents on a specific procurement. In the context of public procurement, a fair process is free from favoritism, self-interest, or preference in judgment.

Integrity requires an Organization or individual to exhibit probity in their actions. Probity means having strong moral principles and honesty and decency in dealing with others. Integrity is reflected in truthfulness that is apparent in professional and personal undertakings and adherence to commonly accepted moral and ethical standards.

Transparency for the purpose of this Manual means that all information on procurement policies, procedures, opportunities, and processes is clearly defined, made public, and/or provided to all interested parties concurrently. A transparent system has clear mechanisms to ensure compliance with established rules (unbiased specifications, objective evaluation criteria, standard solicitation documents, equal information to all parties, the confidentiality of offers, etc.). Those mechanisms include records that are open, as appropriate, to inspection by auditors. Unsuccessful vendors for eligible bids can be briefed on the strengths and weaknesses of their own offers. Award information, as determined by the UN, is disclosed publicly. Transparency ensures that any deviations from fair and equal treatment are detected early in the process, making such deviations less likely and thus protecting the integrity of the process and the interests of the Organization.

1.4.3 Effective International Competition

By fostering effective international competition among vendors, the UN applies the principles of fairness, integrity, and transparency to achieve Best Value for Money.

Effective international competition is concerned with ‘right time, right quality, and right price’, meaning:

- a. Adequate notification should be given to as geographically broad as possible vendor community to ensure that there is sufficient time to participate in the procurement processes;
- b. There should be no restriction of competition through over-specification (e.g. the inclusion of unjustified or unrealistic requirements in the specifications and/or Terms of Reference (TOR) or Statement of Work (SOW)) or under-specification (e.g. the omission of essential information in the specifications and/or TOR/SOW);
- c. Economies of scale (i.e., quantity/volume discounts, fewer resources invested, and reduced administrative costs) can be achieved when procurement volumes for identical or similar requirements are consolidated in a single solicitation.

For more details see [section 6.2.1](#).

1.4.4 Best Interest of the United Nations

All procurement activities will be carried out in compliance with the applicable legislative framework. In this regard, the [Financial Regulations and Rules](#) (Financial Regulation 5.12) require that due consideration be given, among others, to the interest of the United Nations when exercising the procurement functions of the United Nations. The best interest of the United Nations shall be determined by the professional judgment of the appropriate official with the authority to make such a determination.

1.4.5 Client Centricity

At their core, all procurement activities serve to meet ongoing and future requirements of the United Nations. Accordingly, Procurement Officials must ensure that they always adopt a client service approach and maintain proper client orientation throughout the procurement process. While recognizing the procedures for proper segregation of duties and the need to maintain the confidentiality of information, Procurement officials must ensure that clients are informed of, and where necessary, involved in all key decisions as well outcomes thereof. In return, procurement Officials must ensure that they are fully informed of the client's needs and objectives and that they always foster close cooperative relationships. As a result, Procurement Officials empower the United Nation's supply chain to deliver what clients need, where they need it at the best possible price.

1.5 Ethical Standards

All procurement transactions must be conducted in a professional manner and in accordance with the highest ethical standards. When fraudulent and corrupt practices occur, the damage extends far beyond financial losses, posing serious threats to the Organization's credibility and to its ability to achieve its operational and programmatic objectives.

1.5.1 Standards of Conduct

Staff members must demonstrate the highest standards of efficiency, competence, and integrity. Integrity includes, but is not limited to, probity, impartiality, fairness, honesty, and truthfulness in all matters affecting their work and status. In accordance with the [Charter of the United Nations](#), the [Staff Rules and Regulations](#) and the [Standards of Conduct for the International Civil Service](#), staff members should refrain from any action which might adversely reflect on their status as international civil servants responsible only to the Organization or on the integrity, independence, and impartiality that are required by that status.

Each UN staff member must take an [Oath of Office](#) to the Organization, to “[...] solemnly declare and promise to exercise in all loyalty, discretion and conscience the functions entrusted [...] as an international civil servant of the United Nations, to discharge these functions and regulate conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of duties from any Government or other source external to the Organization.” Furthermore, staff members “[...] also solemnly declare and promise to respect the obligations [...] set out in the Staff Regulations and Rules.”

All staff members must observe the highest ethical standards throughout the procurement process. The process must allow all bidders to compete on an equal and transparent basis. All staff members that are associated with the acquisition process are responsible for protecting the integrity and fairness of the process.

Procurement Officials must mitigate the risks of conflicts of interest, fraud, and corrupt practices at all stages of the acquisition process. To do so, they must implement measures to identify conflicts of interest, fraudulent and corrupt practices, and deploy appropriate responses to prevent these improprieties. All staff members whose principal duties involve the procurement of goods and services for the Organization are required to participate in the United Nations Financial Disclosure Programme. During the pre-solicitation phase, staff members involved in the acquisition process must not allow bidders access to specific, privileged information of a technical, financial, or other nature, before it is publicly available to the business community at large. In the preparation of solicitation documents, such as the SOW or TOR, staff members should not use restrictive specifications that may discourage competition. Staff members may not disclose proprietary and source selection information, directly or indirectly, to any individual who is not authorized to receive such information at any time prior to or after the selection and contracting process.

Proper standards of conduct must be enforced during emergency situations, where the pressure to achieve rapid results may increase the risks of actual or possible conflicts of interest, fraud, or corruption.

Further guidance on the ethical and professional obligations of UN staff members may be obtained from the following sources:

- a. Staff Rules & Regulations ([ST/SGB/2018/1](#));
- b. [Standards of Conduct](#);
- c. Status, Basic Rights and Duties of United Nations Staff Members ([ST/SGB/2016/9](#));

1.5.2 Conflict of Interest

Staff Regulations 1.2(m) and 1.2(n) and Staff Rule 1.2(q) outline the duties of staff members regarding the management of actual or possible conflicts of interest. In order to avoid conflicts of interest, staff members who have a financial interest in a bidder are prohibited from involvement in any procurement process involving such bidder. Financial interest includes, but is not limited to, interest in a business consisting of any stock, stock option, or similar ownership interest, but excludes any interest solely by means of investment in a business through a mutual, pension, or other institutional investment fund over which the staff member does not exercise control. Financial interest also includes the receipt of, or the right or expectation to receive, any income in one or more of the following forms: consulting fees, honoraria, salary, allowance, forbearance, debt forgiveness, interest in real or personal property, dividends, royalties derived from the licensing of technology or other processes or products, rent, or capital gains, job offers to family members, etc. A staff member who is involved in his or her official capacity in any matter relating to a profit-making business or other concern in which s/he holds a financial interest, directly or indirectly, should disclose that interest to the Head of Office and have the conflict of interest resolved in the best interests of the Organization.

The staff member should either dispose of that financial interest or formally recuse himself/herself from the procurement matter which might give rise to the conflict of interest, in accordance with Staff Regulation 1.2(m) and Staff Rule 1.2(q).

Staff members with a personal or professional interest in a bidder are also prohibited from any involvement in the acquisition process. Personal or professional interests include, but are not limited to, affiliations with any organization or enterprise over which the staff member, alone or together with an immediate family member (i.e., employee's spouse or domestic partner, and dependent children), exercises a controlling interest. These interests may also involve any corporation, partnership, sole proprietorship, firm, franchise, association, organization, holding company, joint-stock company,

receivership, business or real estate trust, or any other nongovernmental legal entity organized for-profit, non-profit, or charitable purposes. Interest may also involve any executive position or membership on the bidder's board regardless of compensation, or any position that includes responsibilities for a significant segment of the bidder's operation or management of a business.

Staff members involved in the acquisition process should promptly notify the Head of Office of any case where a conflict of interest may arise. They may also seek confidential advice from the Ethics Office. The Head of Office must review the facts and determine whether the staff member may perform any functions related to the solicitation. When in doubt, heads of office are advised to consult with the Ethics Office on any case where a conflict of interest may arise. To prevent a conflict of interest, vendors, contractors, and consultants are prohibited from bidding for procurement contracts if they, or their affiliates, provided consulting services for the preparation and implementation of a project.

Staff members should not be actively associated with the management of, or hold a financial interest in, any profit-making business or other concern if it were possible for the staff member or the profit-making business or other concern to benefit from such association or financial interest by reason of his or her UN position.

In accordance with Staff Rules 1.2(j) and 1.2(k) and ST/AI/2010/1 on Reporting, Retaining, and Disposing of Honours, Decorations, Favours, Gifts or Remuneration from Governmental and Non-governmental Sources, staff members must not accept any honour, decoration, favour, or gift from a Government. If the refusal of an unexpected 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. The Secretary-General will either retain it for the Organization or arrange for its disposal for the benefit of the Organization or for a charitable purpose.

UN staff members who perform any function in the acquisition process should not accept any form of hospitality; gifts; inducements, including bribes; or incentives such as free or discounted goods and private services. The UN operates a zero-tolerance policy in this regard.

Staff members must fully respond to requests for information from the Organization, including staff members and other officials of the Organization who are authorized to investigate the possible misuse of funds, waste or abuse.

Collusion between UN staff members or between UN personnel and vendors may influence UN personnel to restrict the list of vendors or otherwise manipulate the procurement process in order to obtain illegal financial rewards, including kickbacks or bribes. To mitigate these risks, UN personnel should not perform critical steps of the procurement process alone, including negotiating with vendors, attending bidders' conferences, or evaluating technical criteria.

When different vendors have the same owners or are otherwise associated, competition may not be meaningful or fair. Improper granting of 'sole vendor' status reduces competition. To promote genuine competition, it is important to ensure a large pool of competitive vendors and minimize exceptions to the requirement for competitive bidding or waiver cases, especially on a 'sole sourcing' basis. In many supply markets, there may be limited sources, which pose a risk to competition. In such cases, staff members should perform a thorough and carefully documented supply market analysis.

1.5.3 Ethical Behavior of Vendors

1.5.3.1 Ethical Behavior of Vendors and the Supplier Code of Conduct

The UN expects all vendors who wish to do business with the Organization to comply with the United Nations Supplier Code of Conduct, which reflects the core values outlined in the Charter of the United Nations. As such, an acknowledgment of the United Nations [Supplier Code of Conduct](#) is a requirement to register as a vendor in the United Nations Global Marketplace (UNGM). The United Nations Supplier Code of Conduct includes principles of the United Nations Global Compact on Labour, Human Rights, Environment and Ethical Conduct (see [Chapter 15.1 The United Nations Global Compact](#)), and sets the minimum requirements expected by vendors across their supply chain.

Vendors have the obligation to comply with the UN General Conditions of Contracts, which contain specific prohibitions on mines, child labour, sexual exploitation, and the fundamental rights of workers. The UN General Conditions of Contracts form an integral part of every contract between the UN and a vendor.

1.5.3.2 Proscribed Practices by Vendors and Vendor Sanctions

The UN strives to promote the public good in the area of peace and security. In spending public funds, the UN aims to meet the highest standards of integrity and competency and demands no less from those who wish to work with the UN.

The UN shall impose sanctions on vendors that have engaged or attempted to engage in proscribed practices, as set forth in [Chapter 3.5](#) of this Procurement Manual.

1.5.3.3 Vendor Conflict of Interest

To avoid any distortion of competition and ensure a fair process, the UN requires that vendors participating in a procurement process shall not have a conflict of interest.

Vendors must disclose any actual or potential conflict of interest in their bid submissions, which renders them ineligible for that procurement process unless the conflict of interest is resolved in a manner acceptable to the UN. Failure to disclose any actual or potential conflict of interest may lead to the vendor being sanctioned.

2. Organization of Procurement

2.1 Overview of the Procurement Process

2.1.1 Definition of Procurement

Procurement is defined in Financial Regulation 5.12 as all actions necessary for the acquisition, by purchase or lease, of property, including products and real property, and of services, including works.

For the purpose of this PM, and unless specifically mentioned, the term 'procurement' is limited to the acquisition of goods, services, works, or real property via competitive bidding or through the exceptions outlined in Financial Rules 105.16 and 105.17, including but not limited to sole sourcing, standardization, cooperation (including Letters of Assist), use of administrative project or programme support services from UN entities outside of the UN Secretariat, and informal methods of solicitation. This PM also covers income-generating contracts, with income deriving from the sale of assets or other commercial arrangements such as PX and catering contracts.

2.1.2 Outline of the Procurement Process

Practitioners should note that the procurement process is part of the overall acquisition process, which in turn, is a key component of end-to-end supply chain management. The acquisition process refers to the steps necessary to acquire goods and services, inter alia, through identification and development of requirements, planning, budgeting, conducting solicitations, obtaining approvals, entering into contract negotiations, and carrying out contract fulfillment.

The acquisition process entails, amongst other elements:

- a. The gathering and analyzing of initial demand data;
- b. Acquisition planning;
- c. Design of specifications;
- d. The procurement action;
- e. Delivery/freight forwarding;
- f. Receipt & Inspection (R&I);
- g. Payment;
- h. Contract management and contract administration.

This document is designed to provide practical guidance and support on all aspects related to the acquisition process. This manual constitutes authoritative guidance on functions and elements for the procurement process and provides a summary overview of the associated steps that are part of the broader acquisition process. Other manuals and policy documents may be available, including as part of the Supply Chain Operational Guidance (SCOG). For those areas outside of the actual procurement process, such other guidance documents shall prevail over the guidance provided in this PM.

The provisions in this PM are to be considered and applied by procurement practitioners with professional expertise and discretion. The PM also provides guidance to Requisitioners, Tender Opening Committee (TOC) members, Vendor Review Committee/ electronic Special Approval Committee (e-SAC) members, and any other involved stakeholders.

2.1.3 Category Management

Category Management (CM) is a concept in which the range of goods and services an entity acquires is divided into groups of similar or related products called categories. It defines a systematic approach to managing those goods and services with a much greater understanding of client needs and those specific supply markets. The implementation of CM is a key pillar of the UN Secretariat's new integrated supply chain management (SCM) strategy and will deliver long-term value for the organization by making the acquisition and delivery of goods and services more effective, agile, cost-effective and by delivering innovative solutions for clients (e.g. takeback inclusion).

CM consists of three core elements:

- a. Segmentation of SCM operations into discrete categories of goods and services (e.g. Aviation, Medical, Ground Transport, etc.);
- b. A process of developing and implementing individual strategies tailored to a specific category (there is no one size fits all);
- c. Establishing multi-functional category teams to leverage the best market knowledge and technical and procurement expertise.

Category strategies typically include a tailored acquisition process and incorporate technology and innovation or waste-minimization considerations (e.g. improved packaging and production, take back schemes), as well as the most cost-effective delivery methods with solutions that deliver Best Value for Money, now and in the future. CM is an ongoing process involving continuous updates and reassessment of the supply market and the organization's needs. In order to succeed, category managers must:

- a. Have a clear view on spend categories and volumes;
- b. Engage in regular analysis of user needs and supply markets;
- c. Keep their focus on value creation to improve the total cost of ownership and consider quality, innovation, the safety of supply, and risk management;
- d. Adopt a proactive stance in the development of category strategies;
- e. Assign clear responsibilities and processes for category strategy development, implementation of such strategies, stakeholder involvement, and vendor management.

Category Managers will have responsibility for defining the relevant strategies for their categories, and these will be executed either centrally or locally, dependent upon the category. Effective category management is built on relevant multi-functional teams collaborating across the Organization as well as other United Nations entities.

RESOURCES

SCOG_EN3: Category Management

2.2 Responsibilities of Organizational Units and Key Roles for the Procurement Process

The following are key organizational units and roles that relate to the procurement function of the UN Secretariat:

- a. Under-Secretary-General, Department of Operational Support (DOS);
- b. Assistant Secretary-General, OSCM;
- c. Director, PD;
- d. PD: Under the authority of its Director, PD shall be responsible for:
 - i. Overall strategic management of UN procurement activities;
 - ii. Articulating operational strategy, formulating guidance, and proposing innovative solutions for procurement, including the development of category management strategies and implementation of approved strategies, jointly with the technical experts such as Logistics Division (LD), Office of Information and Communications Technology (OICT), etc.;
 - iii. Managing procurement in a transparent, accountable, and efficient manner in order to execute the Organization's supply chain management strategy and support its mandates;
 - iv. Establishing and maintaining instructions, procedures, processes, control mechanisms, and supporting guidance on procurement activities;
 - v. Making the Procurement Manual, processes, and tools available to Procurement Officials at UNHQ and in other entities, analyze instances in which such guidance and processes have been disregarded or not properly implemented, and provide advice on any required changes;
 - vi. Providing the necessary guidance so that Technical Experts, Category Managers, Requisitioners, and other stakeholders in the procurement process act consistently with the procurement framework outlined in [Chapter 1.3](#);
 - vii. Enabling the operationalization and managerial oversight of the UN's procurement activities through appropriate systems and reports;
 - viii. Supporting the identification and development of opportunities for the provision of procurement services for clients and other UN organizations, and ensure appropriate modalities for service delivery;
 - ix. Strengthening the knowledge, skills, and career development of procurement practitioners, including identifying mandatory training and setting standards for internal and external certification;
 - x. Providing clearance for personnel at UNHQ and for all procurement officers in other UN Secretariat entities prior to recruitment in order to facilitate recruitment and to create a roster of procurement profiles;
 - xi. Establishing and maintaining proper entry points and mechanisms to address complaints from or against vendors.
- e. Procurement Official: see a detailed description of responsibilities under [Chapter 2.3 Procurement Official](#) below;
- f. Requisitioner: see a detailed description of responsibilities under [Chapter 2.4 Requisitioner](#) below.

In addition to the above, the following functions and roles are important in conducting, reviewing, and/or evaluating the proper conduct of acquisitions and procurement processes:

Review Committees on Contracts: Further to Financial Rule 105.13 (b), the Under-Secretary-General for the Department of Management Strategy, Policy and Compliance (DMSPC) has established review committees, at Headquarters and other locations, to render written advice on procurement actions leading to the award or amendment of procurement contracts, including agreements or other written

instruments that involve income to the United Nations. The composition and the terms of reference of such review committees are defined in ST/AI/2011/8¹. Refer to [Chapter 9](#) for further details, including the scope of review and monetary thresholds.

DMSPC/Business Transformation and Accountability Division (BTAD), Monitoring and Evaluation Service (MES) is responsible for managing delegations of authority to heads of entity, monitoring the exercise of delegated authorities under the Staff Regulations and Rules and the Financial Regulations and Rules, reporting on organizational performance and developing self-evaluation tools for use across the UN Secretariat. MES formulates or reviews proposals for policy enhancements to meet organizational needs and provides advice to heads of entity in order to support them in discharging their delegated authorities correctly. MES works in close collaboration with relevant stakeholders to ensure that policies are aligned with the operational aspects and support delivery in the area of procurement.

DOS, Enabling and Outreach Service (EOS) in OSCM: this Service includes several functions which are critical to support the end-to-end supply chain management process, including elements of the procurement process, such as vendor registration, outreach, operational reporting, performance management, and the tender opening function.

Vendor Review Committee (see [Chapter 3.3](#)).

Award Review Board (see [Chapter 10.2.3](#)).

2.3 Procurement Official

Procurement activities can only be undertaken by Procurement Officials, as the staff members responsible for the procurement process. The dedicated procurement of goods and services is carried out by professional staff with proper training, knowledge, and experience, or by administrative staff with the appropriate procurement expertise, training, and qualifications if approved by the ASG, OSCM. Only the relevant classified job descriptions should be utilized to recruit procurement officials, unless otherwise approved by the ASG, OSCM in advance.

The Procurement Official, in conjunction with the Requisitioner, is also responsible for ensuring that the category management process is carried out in a manner that achieves economies of scale, innovative approaches to meeting client needs from a supply market perspective, consolidation of requirements where possible, and segregation of duties (see [Chapter 2.9](#)).

The responsibilities of a Procurement Official in a procurement process are the following:

- a. Defining solicitation strategies in collaboration with the Requisitioner, upon review of the acquisition plan and in alignment with the respective category management strategy;
- b. Reviewing the requirements and evaluation criteria and ensuring that they are appropriate from a procurement perspective;
- c. Leading the sourcing process and conducting supply market analysis, including issuing Requests for Expression of Interest (REOI);
- d. Developing pricing structures and commercial evaluation models that allow for transparency in costs and effective competition;
- e. Preparing solicitation documents, as well as facilitating and managing the solicitation process;

¹ This ST/AI/2011/8 is due to be superseded by a new ST/AI shortly. The link will be updated as soon as it is promulgated.

- f. Reviewing the technical evaluation to ensure that it was conducted in accordance with the pre-established technical evaluation criteria and that the narrative of the report corresponds with the matrix and the scoring/rating;
- g. Carrying out the commercial evaluation of bids as per pre-defined evaluation criteria;
- h. Preparing the recommendation for an award and submitting the case to the committee on contracts, if applicable;
- i. Preparing and issuing contracts and purchase orders;
- j. Requesting and ensuring the safeguarding and return of any performance securities, as applicable;
- k. Performing contract administration duties in coordination with the Requisitioner and staff responsible for contract management, as applicable, in support of the Requisitioner;
- l. Performing contract closeout activities.

To be considered “qualified” in the context of this delegation instrument, completion of relevant procurement training is required (<https://procuretrainingcampus.dfs.un.org/login/index.php>), in addition to meeting requirements in the relevant classified job descriptions. As of 1 January 2021, all Procurement Officials (excluding the Director/Chief of Mission Support/Administration or equivalent) must be professionally certified by an internationally recognized procurement certification authority (such as CIPS Level 4 or equivalent) to the required level, as authorized by the Under-Secretary-General for Operational Support.

2.4 Requisitioner

A Requisitioner is an individual who initiates a request for a requisition/shopping cart in UMOJA, the UN’s Enterprise Resource Planning (ERP) system, i.e., a request for goods and/or services. A Requisitioner has primary responsibility for capturing demand data, consolidating needs from end-users and stakeholders, defining generic and clear specifications, and managing resources.

Within the category management framework, a Requisitioner may hold the role of the Category Manager. Please refer to [Chapter 2.1.3](#).

Responsibilities of a Requisitioner in the procurement process (some of these can be delegated to other personnel) are as follows:

- a. Preparing the demand plan, ensuring that proposed expenditures are in accordance with the mandate of the relevant entity, and ensuring that sufficient time is available to undertake a procurement exercise;
- b. Drafting the requirements in the form of specifications, SOWs, or TORs, as well as associated technical evaluation criteria;
- c. Raising and approving shopping carts in UMOJA, unless this is being undertaken by the Acquisition Management function in certain entities;
- d. Ensuring that sufficient funds are available for the requirement. The Requisitioner is responsible for securing specific funding allocated only to the applicable procurement, both at the time of contract award and during the entire life of the contract;
- e. Conducting technical evaluations of Submissions received if appointed to the technical evaluation committee;
- f. Accepting goods and/or services delivered by vendors, and creating Receiving and Inspection reports in UMOJA;
- g. Leading contract management duties including vendor performance evaluation, where appropriate, in coordination with the end-user, if applicable.

All Requisitioners must complete the mandatory UMOJA training courses designed for this role and are strongly encouraged to complete the following courses in the UN Procurement Training Campus before assuming responsibilities in the acquisition process (available at <https://procurementtrainingcampus.dfs.un.org/login/index.php>):

- a. Fundamentals of Procurement
- b. Best Value for Money
- c. Ethics & Integrity in Procurement
- d. Acquisition Planning and Contract Management

2.5 Procurement Approving Authority

A Procurement Official who has been formally issued a delegation of authority for procurement (DOA) will be referred to as a Procurement Approving Authority, up to the threshold of delegated procurement authority applicable to their grade, level, or position. Procurement Approving Authorities must exercise their duties and responsibilities under their designated Delegation of Authority (DOA) with the utmost care, efficiency, impartiality, and integrity. They are responsible for:

- a. Approving procurement activities within their designated DOA level (noting that the approving authority in UMOJA may be unlimited for certain senior procurement officers as stipulated in the [“Document Processing and Approval Matrix”](#) included in the delegation instrument);
- b. Ensuring, prior to any commitment being made, that the procurement activity strictly complies with the UN Procurement Framework documents as outlined in [Chapter 1.3](#);
- c. Providing reports in accordance with their DOA and as stipulated in this Procurement Manual.

2.6 Procurement Authority

2.6.1 Delegation of Authority

The delegation framework effective 1 January 2019 provides an enhanced level of flexibility to support client mandates. Delegations were issued directly by the Secretary-General to heads of entity, on the basis of guidance from the DMSPC, in consultation with the DOS.

The Secretary-General has delegated to Heads of Entity and other appropriate officials the procurement authority allowing them to perform procurement functions (referred to as Authorized Officials). The responsibilities of an Authorized Official in a procurement process include, but are not limited to, approving or rejecting recommendations of a Review Committee, where applicable, putting in place measures to identify fraudulent and corrupt practices, and deploying appropriate responses to prevent these improprieties.

IMPORTANT NOTE

Under no circumstances shall requirements be split (or contract terms be reduced) to circumvent the procurement or review process. If an overall requirement amount exceeds delegated authorities, the requirement shall be submitted for procurement action through the established procedures and appropriate review process.

2.6.2 Exercise of DOA

Delegation for non-Strategic Goods and Services is unlimited for formal methods of solicitations under Financial Rule 105.15. However, it is contingent upon the entity having adequate procurement capacity.

The Director, PD, must technically clear Procurement Officers prior to selection.

RESOURCES

Annex 1—Document Processing and Approval Matrix (Annex B)

2.6.3 Procuring Agent

If adequate procurement capacity and infrastructure, as detailed above, does not exist in the entity, another UN Secretariat entity may be assigned by the USG, DOS in consultation with USG, DMSPC and the head of entity, to undertake procurement on the entity's behalf.

In this case, the sub-delegation of procurement authority to the tasked entity (Procuring Agent) is not required. The Procuring Agent shall undertake the procurement activity, and the resulting Review Committee Minutes shall be submitted for review/approval of the Authorized Official in the Procuring Agent.

2.6.4 Local Procurement Authority (LPA)

Under the new DOA framework, certain goods and/or services have been classified as strategic (Strategic Goods and Services Matrix). The Strategic Goods and Services fall into one of the two following categories:

1. Goods and/or services that fall, for reasons such as safety and security, within the scope of a center-led approach (e.g., aviation, ammunition, counter rocket and artillery radars, information, surveillance and reconnaissance systems, food rations or body armor etc.) and for which the authority to undertake procurement is retained by the Department of Operational Support for requirements of any amount (above the threshold for Low Value Acquisitions).
2. Goods and/or services needed by a broad range of clients to meet commonly required, high volume needs, which lend themselves to center-led procurement for reasons of economies of scale, standardization or other reasons, and that are usually available under Long Term Agreements. These goods and/or services can be procured by any UN Secretariat entity up to the threshold stated in the Strategic Goods and Services Matrix. Product and process economic considerations are advised to be applied when purchasing outside of such Long Terms Agreements, which is a decision that is at the sole discretion of each entity, to obtain the best value for the Organization. To arrive at a completely transparent cost comparison, factors to consider include the price of the good or service, installation, maintenance and freight costs, as well as internal administrative costs associated with the acquisition process, from development of requirements to contract management. Over the threshold stated in the Strategic Goods and Services Matrix, the authority to undertake procurement for this type of goods and/or services is retained by the Department of Operational Support.

The Strategic Goods and Services Matrix also provides guidance for those Information and Communication Technology goods and/or services included in such Matrix that require technical clearance from OICT prior to the commencement of any procurement action by a UN Secretariat entity.

The Strategic Goods and Services Matrix may be revised from time to time.

All entities are free to undertake procurement for goods and/or services which are either below the thresholds of the goods and/or services listed in the Strategic Goods and Services Matrix and for any goods and/or services not included in the Strategic Goods and Services Matrix. Local Procurement Authority is only required in cases where entities wish to pursue local procurement of goods and/or services classified as strategic in accordance to the paragraphs above.

The single most important factor in eliminating ad-hoc LPA requests is the active participation by each entity into Organization-wide planning. The planning process needs to be a deeply collaborative exercise resulting in a jointly agreed upon sourcing plan, which eliminates the need for LPA once a sourcing option has been identified as local procurement for the duration of the planning/budget cycle. Entities should aim to identify their requirements in a timely fashion and include them in their Annual Supply Chain Plan in order to minimize ad-hoc LPA requests. The Annual Global Supply Chain Acquisition Plan as authorized by the ASG OSCM is valid for the relevant annual planning cycle.

LPAs can also be requested at the time an ad-hoc requirement emerges as described below.

Actions to be taken by the requesting entity: The requesting entity is accountable to self-certify the justification for the request and to provide the necessary background documentation. Entities must ensure that the information contained in the self-certification is accurate. The self-certification of the requesting entity must be submitted electronically in Unite Self Service using catalogue item “Request for Local Procurement Authority (LPA) - Ad-hoc Request” which is available under Client Service Centre, Source to Acquire, Procurement and include at a minimum

- a. The rationale for requesting an LPA (an explanation of the requirements/circumstances that make the strategic good or the service - if it is available in existing local inventory, existing commercial contracts and/or through noncommercial contracts -unsuitable);
- b. The estimated total cost of the potential award (in US\$);
- c. Anticipated duration of the contract, if applicable;
- d. Confirmation of funds availability;
- e. Detailed definition of the requirement (SOR/SOW, technical requirement, technical evaluation criteria, design drawings, etc.) compliant with established, relevant UN (technical) standards and policies;
- f. Confirmation of technical capacity relevant to the strategic category within the requesting office to carry out the procurement process;
- g. Confirmation of availability of (or access to) procurement capacity and infrastructure, including the following: Bid receiving and safeguarding; Tender Opening Committee; Local Committee on Contracts; At least two fully dedicated, trained and qualified United Nations Procurement Officials of which one staff shall be a Procurement Officer or a United Nations official as otherwise cleared to conduct procurement functions at the appropriate level for the potential award;
- h. Identification of the envisaged financial rule for the resulting award. In case of exceptions to the use of formal methods of solicitation, the justification for such exception;
- i. Confirmation that the entity has not been in receipt of audit reports with rating “unsatisfactory” in the last three (3) years.

The requesting entity must attach to the following documents to their Request for LPA in Unite Self Service:

- a. Annex A -Scope of Requirements (SOR/SOW), Technical Evaluation Criteria, design drawings, etc. compliant with established technical standards and policies;
- b. Annex B -Cost Breakdown.

Actions to be taken by UNGSC:

Upon receipt of the ad-hoc request for LPA, UNGSC will conduct an initial review of the submission. This review will include the following:

- a. Confirm that LPA is required. If the requirement does not require LPA, the client entity will be informed accordingly and the RFS and associated work orders will be closed, indicating the reason for closure within one working day. UNGSC shall inform PD electronically;
- b. Confirm that submission, including the above mentioned supporting self-certified information, is complete. If the submission is not complete, the requesting entity will be informed accordingly and the RFS and associated work orders will be closed, indicating the reason for closure within one working day. UNGSC shall inform PD electronically;
- c. Verify that alternative sourcing options of the requirements have been fully explored, including global surplus and stocks reserve, where feasible to fulfil the requirement.

Based on this check:

- (i) If it is determined that the requirement cannot be met from global surplus and stocks reserves, UNGSC shall inform PD electronically by closing the work order assigned to UNGSC within one working day.
- (ii) if it is determined that the requirement(s) can be met from global surplus and stocks reserve, UNGSC shall inform electronically within one working day, the requesting entity of the available options. The client entity shall respond within three working days.
 - If the offered solution is accepted, UNGSC shall inform the technical offices, PD and the client entity of the outcome of the review and close the RFS and associated work orders. The client entity will update their annual supply chain plan;
 - If the requesting entity confirms that the LPA is still the preferred option, UNGSC will complete the review and submit its recommendation (concurrence or non-approval) to PD electronically by closing the work order assigned to UNGSC with a brief explanation within one working day of the receipt of the entity's response;
 - In the absence of a response from the requesting entity, the RFS and associated work orders will be closed, indicating the reason for the closure.

In addition, UNGSC will provide assistance to the requesting entity, also in case of non-approval, and monitor the implementation of the LPA within the context of the Integrated Business Planning (IBP).

Actions to be taken by PD: Upon receipt of UNGSC's concurrence to the request for LPA, PD will:

- a. Analyze if the requirement can be met through any other sourcing options (in addition to the ones analyzed by UNGSC), including ways of potentially meeting the requirement through the category management approach, cooperation between United Nations system entities as well as other sourcing capacities available in the Secretariat;

- b. Benchmark the cost reasonableness of the requested amount for the desired goods and services; and,
- c. Undertake a risk assessment, if warranted/indicated, including areas such as audit ratings and observations, the basis for the request as well as for the exception to competition, capacity in terms of the number of formal solicitations handled by the perspective case officer, DMSPC inputs, etc.

Upon conclusion of the review, and no later than 2 working days upon receipt of the UNGSC concurrence, Director, PD (or another Procurement Official authorized by Director, PD to perform this task) will inform all parties of her/his decision to grant or reject the request for LPA. In case the LPA is granted, its validity for other requirements for the same nature will extend to the end of the planning cycle. Should the LPA not be approved, the client entity and PD will work together on how to best meet the requirement.

Actions to be taken by the expert technical office: Upon approval of an LPA, expert technical offices will provide initial technical advice to the client entity within two (2) working days of the issuance of the LPA. In the case of highly complex requirements, technical offices may request a longer time for providing technical advice. Such expert technical offices may be in Headquarters or away from Headquarters, in accordance to the corresponding category management strategy. The client entity will be informed by technical offices in advance on exactly how many days are requested and the reason why.

For cases under F.R. 105.16 (a) (vii) Exigency (as defined in General Assembly decision 54/468, “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”), LPA is not required for Strategic Goods and Services

Entities have unlimited authority to place call off orders against systems contracts established by the UN Secretariat regardless of the nature of the requirement.

Authority to enter into cooperation with a Government, non-Governmental organization or other non-UN public international organizations for the provision of goods and services under FR 105.17 (b) is retained by DOS.

RESOURCES

Annex 2 - Strategic Goods and Services Matrix
Annex 3 - SCOG SR4 concerning the LPA process

2.7 Delegation for Amendments

2.7.1 Increase in the NTE amount

The procurement delegation instrument provides that the relevant delegation holders have the authority to increase the NTE amount for contracts to allow flexibility in addressing changes in requirements. The thresholds for each delegation holder to increase the NTE amount of any contract shall not exceed the maximum applicable thresholds determined in the annex to the delegation instrument titled “[Delegation of Procurement Authority Matrix](#)”.

2.7.2 Extension of Duration

The procurement delegation instrument provides that the relevant delegation holders have the authority to extend the duration of contracts to allow certain flexibility in responding to operational needs. The thresholds for each delegation holder to extend the duration of any contract shall not exceed the maximum applicable thresholds determined in the annex to the delegation instrument titled "[Delegation of Procurement Authority Matrix](#)".

2.7.3 Contract Awards

An award means the authorization is given by the Authorized Official (following Review Committee recommendation if required) or the Procurement Approving Authority, as applicable, to establish a contractual commitment on behalf of the UN. It includes the issuance of contracts, Long Term Agreements (LTAs), Letters of Assist (LOAs), purchase orders, or amendments thereof.

2.7.4 Calculation of Cumulative Amounts for Assessment of Required DOA

For a contract or series of contracts, including amendments thereof, awarded to the same vendor for the same requirement or a series of related requirements or purpose, the cumulative amount for the entire period of the proposed award must be considered when determining the level of DOA required for approval.

The 'same requirement' means the award of a contract or series of contracts to the same vendor, including amendments thereof, in the context of/resulting from a single solicitation process. Therefore, the amount of all contracts, purchase orders, or amendments resulting from the same solicitation process for the same purpose must be accumulated for the purpose of determining the relevant Procurement Approving Authority.

2.8 Accountability

All UN personnel involved in the procurement process are accountable to the Secretary-General for the actions undertaken by them in the course of their official duties. UN personnel who take any action that is contrary to the Financial Regulations and Rules or to other relevant legislative instruments or policies and procedures may be held personally responsible and financially liable for the consequences of such action.

As the UN utilizes public funds in the procurement process, these funds must be applied solely for their intended use. Individuals holding a DOA must be particularly careful to ensure their actions, or those undertaken by persons under their supervision, comply with the Financial Regulations and Rules and other relevant legislative instruments.

2.9 Segregation of Duties

Segregation of duties is an internal control mechanism used to assure that no single individual or organizational unit is given responsibility for more than one related function within a single process.

There are two areas where segregation of duties is applied in the acquisition process as part of internal controls: The first area refers to authorities for various functions in the acquisition process in UMOJA:

- a. Budgeting Authority— responsibility for managing the resources being spent, normally performed by the Requisitioner or end-user;
- b. Requisitioning Authority— responsibility to raise a requisition (shopping cart) and convey such requisition to the procurement function;
- c. Procurement Approving Authority— approval of purchase orders after the Procurement Official has created them;
- d. Disbursing Authority— approval of the payment of invoices.

Personnel are granted profiles in UMOJA consistent with their roles, and the following segregation of duties measures are enforced by the system:

- a. Personnel that create purchase orders cannot approve them;
- b. Personnel that create requisitions/shopping carts cannot approve them;
- c. Personnel that approve requisitions/shopping carts and personnel that approve purchase orders cannot approve payments;
- d. The Procurement Official cannot undertake the receipt of goods and services pursuant to purchase orders or contracts;
- e. Personnel that create or modify vendor records cannot approve them. The right to approve new vendors in the system is separated from the procurement function and performed by the vendor registration function in the EOS, OSCM and the Master Data Management team in UNGSC in Brindisi;
- f. Any justified combination of roles is to be documented and approved by the ASG, OSCM.

The second area refers to steps in the procurement process outside UMOJA. The following segregation of duties applies:

- a. 'Needs definition' authority— the responsibility to define a requirement in the form of a Statement of Requirement and convey such need to the procurement function; a process which is undertaken by the Requisitioner or Technical Expert Category Manager;
- b. Opening of offers for formal solicitations must be conducted by at least one official who has no involvement in the subsequent stages of the procurement process;
- c. An evaluation committee is formed hereof (as per [Chapter 8.2](#));
- d. The Procurement Approving Authority shall not award contracts or purchase orders or amendments thereto in instances where the Procurement Approving Authority has directly and personally conducted the procurement process. In such cases, all contract documents and purchase orders must be referred upwards to the next DOA level.

Notwithstanding the above, Procurement Officials may exercise the remaining activities under their delegated authorities (e.g. approve the List of Invitees, sign solicitation documents) in instances where they have undertaken responsibility for the procurement process.

3. Vendor Registration and Management

The UN Secretariat maintains two vendor databases: The UNGM (www.ungm.org), which includes vendors that are interested in doing business with the UN, and the UMOJA database, which includes vendors that have been registered as Business Partners.

In order to maximize economy and efficiency, Procurement Officials and staff in EOS OSCM should continually strive to identify new technically and financially sound vendors. In particular, the UN shall actively work to increase its sources of supply from developing countries and countries with economies in transition.

3.1 Vendor Registration

UNGM acts as a single-window through which potential vendors may register with the entities of the United Nations system, including the UN Secretariat. The vendor registration function in EOS is responsible for any aspects related to vendor registration, establishment and maintenance of vendor files, and assistance to vendors and Procurement Officials in related matters. The Master Data Management Team in UNGSC is responsible for synchronizing the UNGM vendor registration data into UMOJA as Business Partners. VRO/EOS may also synchronize UNGM vendor registration data into UMOJA as Business Partners.

3.1.1 Registration in UNGM

Vendors wishing to participate in solicitation exercises conducted by the UN Secretariat must have completed the process of self-registration at the Basic Level in the UNGM portal, including confirmation of the acknowledgment of the United Nations Supplier Code of Conduct. Unless otherwise indicated in the Request for Expression of Interest (REOI) or solicitation instructions, a completed registration at the Basic Level suffices to participate in UN Secretariat solicitation exercises.

Vendors that are not registered at the Basic Level in UNGM or have been suspended (even if they are in the process of being reinstated) shall not be invited to participate in solicitation exercises and shall not be eligible to submit a bid or even receive the solicitation materials.

Furthermore, vendors are required to be registered at the appropriate level prior to contract award. Contracts shall only be awarded to eligible vendors that are registered with the United Nations Global Marketplace, unless specific exceptions apply (please see [Chapter 3.1.4](#)).

The UN evaluates vendor applications to determine whether the application complies with established UN requirements as set forth below and whether vendors are thus eligible for registration. Successful and eligible applicants are duly registered as UN Secretariat vendors.

Under exceptional circumstances (e.g. the vendor cannot access UNGM or has insufficient knowledge of any of the languages supported by UNGM) or as requested by the Director, PD or Chief, Enabling and Outreach Service, the UN may assist a vendor in completing the registration process in UNGM. In such instances, a signed vendor registration form shall be obtained from the vendor, including an Eligibility Form and statement that the vendor accepts the Supplier Code of Conduct and the UN payment terms.

3.1.2 Synchronization in UMOJA

Information about a vendor in UNGM, as maintained by the vendor, is replicated in UMOJA when required. Authorized staff members initiate the replication manually, and the information is thereafter replicated automatically from UNGM to UMOJA. This action is typically taken when Procurement Officials have determined that vendors not yet replicated in UMOJA need to be added to the List of Invitees.

3.1.3 Overview of Registration Levels

The UN's vendor registry consists of three (3) levels, each with distinct risk profiles and registration requirements: Basic Level, Level 1 and Level 2.

Vendor Registration Level	Award Amount
Basic Level	< US\$ 150,000
Level 1	≥ US\$ 150,000 and ≤ US\$ 500,000
Level 2	> US\$ 500,000

TABLE 1. UN VENDOR REGISTRATION LEVELS

Registration at the Basic Level is a fully automated process in UNGM and can be completed online by the vendor. This allows the vendor to be invited to participate in solicitations. To be synchronized in UMOJA, at the Basic Level, the UN reviews compliance of the vendor with the Pre-requisites for Eligibility.

It is only at the time of contract award that the vendor under consideration needs to be registered at registration Level 1 or 2 for awards above US\$ 150,000. However, no vendor may participate in any solicitation exercise unless it is fully registered, at a minimum, at the Basic Level, at the time of the issuance of the solicitation. If within a period of time following the issuance of the solicitation, a vendor registers at Basic Level, the Procurement Official may, at his/her sole discretion, include the vendor in the List of Invitees. With regards to joint ventures, please refer to [Chapter 3.1.4.1](#).

Registrations at Levels 1 and 2 shall be initiated by the vendor but require evaluation by the UN before they come into effect.

Registration as a vendor is subject to the following:

- a. All information provided to the UN must be certified as true and correct. The UN may unilaterally seek at any time to clarify and/or conduct further research on any concern it may have regarding the eligibility of a vendor and to take such action that it may deem appropriate under the circumstances.
- b. Registration of a vendor in UNGM indicates that the vendor is eligible to participate in UN Secretariat tender activities (subject to evaluation of eligibility criteria). Registration does not guarantee an invitation to a solicitation exercise or contract award.

3.1.4 Criteria for Vendor Registration

3.1.4.1 Pre-Requisites for Eligibility

To become registered vendors to be able to participate in UN solicitation exercises and receive solicitation materials, applicants are required to declare that:

- a. They are not a company, or associated with a company or individual, under procurement prohibition by the United Nations, including but not limited to prohibitions derived from the [Compendium of United Nations Security Council Sanctions Lists](#);
- b. They are not currently removed from the registered vendor list or suspended as registered vendors by the United Nations or any other entity of the UN system including the World Bank;
- c. They are not under formal investigation, nor have been sanctioned within the preceding three (3) years, by any national authority of a United Nations Member State for engaging or having engaged in proscribed practices, including but not limited to: corruption, fraud, coercion, collusion, obstruction, or any other unethical practice;
- d. They have not declared bankruptcy, are not involved in bankruptcy or receivership proceedings, and there is no judgment or pending legal action against them that could impair their operations in the foreseeable future;
- e. They do not employ, or anticipate employing, any person(s) who is or has been a UN staff member within the last one year (12 months), if said UN staff member has or had prior professional dealings with the vendor in his/her capacity as UN staff member within the last three years (36 months) of service with the UN (in accordance with UN post-employment restrictions contained in [ST/SGB/2006/15](#)); and
- f. They undertake not to engage in proscribed practices (including but not limited to: corruption, fraud, coercion, collusion, obstruction, or any other unethical practice) with respect to the UN or any other party, and to conduct business in a manner that averts any financial, operational, reputational or other undue risk to the UN.

When a consortium or joint venture submit a joint proposal as a single bidder on behalf of all of its members, all of the members of the consortium/joint venture must meet the criteria requirements described in this chapter. If in the judgment of the Procurement Official an award is considered, the Procurement Official shall submit a request for special approval of the joint venture to the e-SAC. In addition, should the contract be awarded to the consortium/joint venture, risk mitigation measures in the form of liability provisions, warranties, and/or other assurances are to be included into the contract as appropriate, in consultation with OLA. It preferred and strongly recommended that contracts be signed with a prime vendor. Any partners acting as subcontractors in joint ventures can give rise to legal risk. If a joint venture is considered for an award, it is necessary for the Director PD or CPO - who may consult the Office of Legal Affairs (OLA) - to provide advice before a decision is taken.

In the case that a vendor's situation changes with regard to any of the statements listed under paragraphs 3.1.4.1 a-f, the vendor shall immediately inform the UN Secretariat (e-mail to register@un.org).

3.1.4.2 Registration Levels

To be registered at a certain level, vendors must provide the following information and documents:

Basic Level registration:

- a. Vendor information such as officially registered company name, owners, address, contact information, telephone, e-mail, etc.;
- b. Declaration of meeting the Pre-requisites for Eligibility;
- c. Acceptance of UN Supplier Code of Conduct;
- d. Selection of United Nations Standard Products and Services Code (UNSPSC) Commodity Codes of goods/services offered.

Level 1 registration

- a. Basic registration criteria;
- b. Proof that the vendor has been in business for a minimum of 3 years²;
- c. Current certificate of incorporation or equivalent document verifying legal status;
- d. Identification of at least three (3) independent, non-affiliated clients/companies with whom the vendor has conducted business over the previous 12 months, including details of the projects (client name and contact details, description of the project/work undertaken, start and completion date, and if feasible, the contract value of the project);
- e. Name of owner(s) and principals (including the parent company, subsidiaries/affiliates, CEO/Managing Director, and those with controlling interest, if applicable, including under any former corporate incarnation; and
- f. The names of intermediaries, agents and/or consultants (if any) employed in relation to United Nations contracts or bids/proposals.

Level 2 registration

- a. Basic and Level 1 registration criteria;
- b. Audited / Certified financial statements for the previous three financial cycles, consisting of Audit Report / Review Report (Statement of Opinion) by independent and accredited Audit / Accounting firm, Income Statement, and Balance Sheet. For privately held companies who do not have audited financial statements, the VRO will request certified financial statements (consisting of Income Statement and Balance Sheet accompanied by Review Report by independent / accredited Accounting firm) with a statement of opinion or a compilation report which will be considered in exceptional circumstances for review by the e-SAC; and
- c. Three reference letters from non-affiliated clients/companies with whom the vendor has conducted business with over the past year (12 months). The letters must be on the Reference company's letterhead and signed by an authorized official of the Reference company.

3.1.4.3 Special Considerations and Requirements for Specific Vendor Types

3.1.4.3.1 Air Operators

The United Nations only awards contracts for long-term air charter requirements and short-term passenger movements to air operators in a possession of an Air Operator Certificate (AOC) authorizing them to operate in the area of interest to the UN, with all types of aircraft required by the UN. Prospective contractors for such aircraft charter services are required to demonstrate their ability to comply with the requirements of the United Nations and have sufficient technical and financial resources to conduct safe operations.

² Vendors that have not been in incorporated for a minimum of three years but were incorporated as a different entity (e.g. under a different name) prior to the date of incorporation of the current company, shall provide sufficient proof thereof. The Vendor Review Officer (VRO) may accept such application, provided that both the current and the prior company meet the pre-requisites for eligibility and other requirements for registration at a specific level.

The process to become a registered Air Operator of the UN Secretariat for the services described above consists of two-steps: a technical application and an administrative/commercial application. A technical evaluation of each vendor to determine the potential contractor's capabilities to perform the services is required and is typically conducted by OSCM. As is the case for all vendors, the administrative/commercial application is submitted and conducted online through the UNGM platform where Air Operators must register at Level 2. The review of administrative/commercial applications will be conducted for those vendors whose technical application is considered to be compliant.

Air transportation companies interested in participating in solicitations and being considered for UN contracts must comply with relevant air operator registration requirements. (<https://www.un.org/Depts/ptd/aviation>).

The technical aviation vendor registration team reserves the right to impose additional aviation safety risk-mitigating measures on air operators applying for UN flight service vendor registration, and technically cleared flight service vendors. This is to benefit aviation safety in UN air transport services and to limit the Organization's exposure to potential legal, financial, reputational and other liabilities.

Registered Air Operator vendors must maintain full compliance with the technical and administrative/commercial requirements for registration as Air Operators with the United Nations Secretariat. EOS/VRO, upon determination that a vendor has failed to remain in full compliance with the technical and/or administrative/commercial criteria may approve and carry out the removal from the list of registered United Nations Air Operators prequalified to participate in UN solicitations, and such status will be reflected in the corresponding Umoja and UNGM records; EOS/VRO shall notify the vendor accordingly. This shall render the Air Operator ineligible to participate in or be invited to future solicitations and awards until such time that full reinstatement efforts in line with relevant compliance requirements have been made by the vendor and the respective UN offices endorses the reinstatement.

3.1.4.3.2 Sole Proprietorships

Due to exposure of sole proprietors to personal liability, the United Nations typically does not enter into a contractual relationship with this type of legal entity.

In cases where local business practices and/or the nature of relevant requirements demands, sole proprietorships applying for registration at the Basic Level shall be approved by the Chief, VRO based on a written justification from the Procurement Official, in view of local business practices and the nature of goods and/or services solicited.

In cases where local business practices and/or the nature of requirements demands, sole proprietorships applying for registration above the Basic Level shall be referred to the e-SAC for special consideration of approval. Sole Proprietors require a BP in Umoja.

Sole proprietorships cannot be contracted to provide consulting services.

3.1.4.3.3 Low Value Acquisition Vendors

Low value acquisition vendors for requirements of up to US \$10,000 are not required to be registered in UNGM, however they are checked against the list of UN sanctioned vendors and require a commercial BP in Umoja.

3.1.4.3.4 Special Commercial Categories

When not feasible, Hotels/conference centers and utility companies are not required to be registered in UNGM, however other appropriate commercially prudent verifications are to be conducted and they are

also to be checked against the list of UN sanctioned vendors prior to establishing a commercial BP in Umoja.

Individual landlords are not required to be registered in UNGM, however other appropriate commercially prudent verifications are to be conducted and they are also to be checked against the list of UN sanctioned vendors prior to establishing a commercial BP in Umoja.

3.2 Vendor Management

The Chief, EOS shall designate Vendor Registration Officers (VRO/VROs) who are responsible to evaluate vendor registration applications, create and maintain vendor records, and provide support service to the UN Secretariat for matters involving vendor registration.

3.2.1 Evaluation of Vendor Registration Applications

The evaluation of vendor registration applications is conducted by the VRO based on the criteria stated in this chapter. The VRO either approves the registration application, requests additional information/documentation as deemed necessary to complete the review process or denies the application.

Registrations at Level 2 require a thorough review of the applicant's financial status (i.e., revenue, profitability and liquidity). During the review, the VRO analyses information from documents submitted by the vendor (i.e., financial statements), information obtained through business information services and other sources as appropriate. The VRO shall use the standard financial review methodology as established by the Chief, EOS.

The VRO, using established financial assessment criteria, shall evaluate whether a vendor registering at Level 2 is in sound financial condition. Failure to submit the required financial data shall disqualify the vendor for registration at Level 2.

Exceptionally, an applicant may be registered as a UN Secretariat vendor despite not meeting all registration criteria. In such cases, the Procurement Official may submit a request to the VRO for 'special approval' if in the professional judgment of the Procurement Official such request is warranted. The VRO shall submit the case for the review of the e-SAC (see [Chapter 3.6](#) below).

RESOURCES

Annex 4— Special Approval Request Form for Registration

3.2.2 Vendor Registration Maintenance and Updating of Vendor Documentation

Following the evaluation and uploading of vendor documentation into UNGM, the VRO shall maintain documentation in an electronic platform, which shall be available upon request for review by Procurement Officials. Performance Evaluation Reports received from the Requisitioner should be submitted/forwarded by Procurement Officials to the VROs to be maintained in their respective vendor files.

3.2.3 Updating of Vendor Information

All registered vendors are required to update UNGM and inform the UN immediately - in writing - of any material change in the information or documentation provided to the UN, setting out all relevant details. All vendors must immediately update their online application in UNGM, uploading additional documentation. A follow-up communication or alert may be in the form of an online application update, letter, fax or email, and shall include all relevant documentation.

Upon the UN's request, which may occur as part of a pre-qualification or solicitation exercise or through UNGM automated periodical notifications, registered vendors are required to submit their updated financial statements and other relevant documentation.

If a vendor undergoes a legal name change, the vendor is required to upload to the UNGM certified true copies of all legal documents relevant to the transactions that led to the name change, including new certificate of incorporation, or documents relevant to a merger, takeover, etc.

All exchange of information and documentation in support of the vendor registration should be conducted online through UNGM. The vendor is likewise informed of the status of their application through the UNGM e-mail notification system.

The VRO, shall review compliance with the Pre-requisites for Eligibility and related documentation, to assess the continued eligibility of vendors both at the time of registration and after they have been registered with the UN Secretariat.

3.3 Vendor Review Committee

The Vendor Review Committee (VRC) is an internal administrative body tasked with making recommendations to the Under-Secretary-General for the DMSPC regarding possible sanctions against, and possible reinstatement of, vendors following the review of cases related to:

- a. Vendors who may have engaged or attempted to engage in proscribed practices (including but not limited to corruption, fraud, coercion, collusion, obstruction, sexual exploitation or any other unethical or anti-competitive practice);
- b. Vendors who have failed to perform in accordance with the terms and conditions of their contract(s) with the UN to the extent that it would warrant suspension;
- c. Prior to registration, a failure to (a) meet any of the applicable "Pre-Requisites for Eligibility" set forth in [Chapter 3.1.4](#) above, (b) submit a Declaration of Eligibility, or (c) accept the UN Supplier Code of Conduct;
- d. Following registration, non-compliance with (a) any of the applicable "Pre-Requisites for Eligibility" set forth in [Chapter 3.1.4](#) above, (b) statements made in the Declaration of Eligibility, or (c) the undertakings contained in the UN Supplier Code of Conduct;
- e. Vendors who requested reinstatement and have satisfactorily completed the reinstatement process.

The VRC will recommend to the USG, DMSPC whether to censure, suspend, remove, accept or reject registration or reinstate a previously suspended or removed vendor.

The VRC has a quorum when three members, including the Chairperson, are present. The membership of the VRC is comprised as follows:

- a. Director, BTA, DMSPC, or her/his officer-in-charge, who serves as Chairperson;

- b. A representative from the Office of Programme Planning, Finance and Budget, who will also act as alternate chair in the absence of the Chairperson;
- c. A representative from DOS;
- d. A representative from the Department of Economic and Social Affairs.

Representatives of the procurement office responsible for the administration of the associated contract(s), the requisitioning office responsible for the management of the associated contract, or a representative of Office of Internal Oversight Services (OIOS), OLA or the Ethics Office may be invited to attend meetings of the VRC in an *ex officio* capacity.

The VRC will be supported by a secretariat responsible for preparing and presenting the case to the VRC members, taking minutes of meetings, circulating minutes and related documents for clearance of the members and signature by USG, DMSPC. The secretariat is a supportive function of the VRC and does not participate in the substantive discussions of the VRC.

The VRC does not communicate or meet directly with vendors. The decision of the USG, DMSPC is communicated to the vendor once taken, by Chief, EOS.

3.4 Review by the Vendor Review Committee

Where the UN has received evidence that one of the instances described in [Chapter 3.3](#) a (i)-(v) has occurred, the secretariat of the VRC will be requested to submit the case for review by the VRC. Upon receipt of a case presentation from the secretariat, the VRC reviews the information and documentation and may seek additional expert advice from relevant, substantive UN offices, such as OLA or the Ethics Office. The deliberations of the VRC and the decision of the USG, DMSPC are recorded in writing and kept in the vendor file in the form of approved minutes.

Evidence of a vendor's failure to perform under a contract with the UN should not automatically result in a submission to the VRC with a recommendation to sanction such vendor. Instances of performance issues that do not, in the UN's view, materially affect the vendor's compliance with the contract or otherwise warrant suspension should be handled in accordance with [Chapter 13](#).

Upon examination, the VRC makes a recommendation to the USG, DMSPC on whether to sanction or reinstate a vendor in UNGM, seek clarifications and consultation, accept or reject a vendor's registration or take no action. The VRC may also determine specific conditions under which a suspension can be lifted.

If the VRC recommends that the vendor be sanctioned, the period of time and any associated conditions recommended for such sanction should be clearly defined.

The VRC meets in person (which includes video links) to deliberate on the case presented.

All VRC recommendations to the USG, DMSPC are made in writing. The VRC secretariat maintains a repository of the minutes of the VRC and written decisions of the USG, DMSPC in the applicable vendor file. A copy of such decisions and minutes will be communicated by the VRC secretariat to the Chief, Enabling and Outreach Service, the Director, Procurement Division, the relevant requisitioner, and the procurement office responsible for the administration of the associated contract(s), immediately upon signature.

3.5 Vendor Sanctions

The Model Policy Framework (MPF) on Vendor Sanctions is the set of policies and guidelines that UN organizations follow in order to sanction vendors in the UNGM that have been involved in proscribed practices such as fraud, corruption, collusion, coercion, unethical practices, and obstruction. The MPF allows UN agencies and entities to establish sanction procedures that meet their specific requirements while at the same time allowing for the harmonization of efforts throughout the UN system.

Each UN organization nominates an officer to the role of Ineligibility List Administrator (ILA) to administer, maintain and update the list of ineligible vendors. For the UN Secretariat, this role will be performed by the Secretary of the VRC.

Upon receipt of the recommendation of the VRC, the USG, DMSPC decides whether to sanction a vendor. The vendor shall be notified in writing as appropriate by Chief, EOS.

The USG, DMSPC, upon recommendation by the Vendor Review Committee, may impose any of the following sanctions or a combination of them:

- a. **Censure:** A reprimand in relation to a vendor's conduct. Censure does not affect the vendor's eligibility, but its existence will be an aggravating factor for imposing sanctions in future proceedings.
- b. **Suspension:** A decision that, for a period of time determined by the UN, a vendor has become ineligible to: be awarded UN contracts; partake in UN procurement solicitations; conduct new business with the UN as agent, representative or subcontractor of other vendors; partake in entering into direct negotiations with the UN regarding new contracts. At the conclusion of the set time period, the vendor's status will be reviewed by the VRC, and a recommendation made to the USG, DMSPC that the vendor either be reinstated (with or without conditions), the suspension period be extended, or the vendor removed from the UN vendor register.
- c. **Removal:** A decision that a vendor shall be removed from the register and rendered ineligible to participate in any aspect of UN procurement including to: be awarded UN contracts; partake in UN procurement solicitations; conduct new business with the UN as an agent, representative or subcontractor of other vendors; partake in entering into direct negotiations with the UN regarding new contracts. A vendor that has been removed from the register may apply for reinstatement if the conditions giving rise to the removal have materially changed. It is within the UN's sole purview to determine the veracity of such a claim and determine the action to be taken.
- d. **Other Sanctions:** Any other sanctions that the VRC finds appropriate under the circumstances of a case, including but not limited to, a recommendation that would subject existing or future contracts to special conditions, etc. These other sanctions may be imposed in addition to or in place of censure or suspension or removal.

The notice of sanction advises the vendor of the UN's decision to sanction them, either for a specific period of time or by its removal from the UN vendor register and specifies the reasons for the decision. In addition, the notice informs the vendor that it may request a review of the decision. If applicable, the notice also should list any relevant corrective action that the vendor must take in order to be considered for reinstatement.

Notices are sent by mail, with return receipt requested, or by email with a confirmation of transmission requested. A copy of the return receipt or confirmation of transmission is kept in the vendor's file. The vendor is entitled to a maximum period of 30 days following the UN's receipt thereof to request a review of a UN decision imposing a sanction. Upon receipt of the vendor's request for review, the VRC makes a

recommendation to the USG, DMSPC, who determines whether to maintain, reverse, or amend the decision.

In cases where the VRC recommends suspension of a vendor that has an ongoing contractual relationship with the UN, the recommendation will specify whether to terminate or allow continuation of an existing contract(s), to ensure that the best interests of the UN, including but not limited to operational needs and the security of UN personnel and property, are duly protected. In such cases, the USG, DMSPC, shall take note of the VRC recommendation in relation to the existing contract(s), and may decide to refer the recommendation on such contracts to the relevant Authorized Official for decision.

The Requisitioner is notified of such cases and shall consult with PD on action to be taken, such as termination of the contract. PD or the CPO, as appropriate, and in consultation with OLA, ensures that the interests of the UN are duly protected in connection with any termination of a contract, taking into account considerations including but not limited to operational needs and the security of UN personnel and property.

If a vendor requests reinstatement, whether following a finite period of suspension or in other instances, the VRC shall review the request. This review includes but is not limited to evaluating whether any special conditions, if applicable, have been met and if sufficient evidence is presented to support the vendor's request. In addition, the VRC may recommend additional conditions in order for the vendor to be considered for reinstatement.

Upon receipt of the recommendation of the VRC, the USG, DMSPC also decides whether a vendor which has been subject to a sanction should be reinstated. Any such decisions by USG DMSPC will be communicated to the vendor in writing by Chief EOS.

RESOURCES

SOP on Vendor Review Committee Review Process

3.6 Electronic Special Approval Committee (e-SAC)

The e-SAC reviews cases related to vendors that do not meet the registration criteria required for the respective level of registration. This Committee is an internal body within OSCM tasked to evaluate and determine the eligibility of a vendor to be registered as or remain registered at the desired qualification level.

The review of the e-SAC is directed towards an exceptional special approval of a vendor at the desired qualification level when the vendor does not meet all necessary criteria for the appropriate registration level. The reasons for such special approval will subsequently be documented in the vendor registration file maintained by EOS.

e-SAC Review Process. As soon as a recommendation of award is evident, in case the vendor is not registered at the appropriate level the Procurement Official, as needed, will draft and submit to the VRO a request for special approval based on the template attached in [Chapter 3.2.1](#). The VRO will review the request and seek clarification, if any, with the Procurement Official. The case for consideration of the e-SAC for special approval will be submitted by the VRO to all members of the e-SAC via email, with a

recommendation pertaining to the registration level of a vendor. The e-SAC is an internal review body and does not communicate or meet directly with vendors. The e-SAC's deliberations are conducted electronically, and the e-SAC's recommendation(s) take full effect only upon approval from the Chief, EOS.

The e-SAC has a quorum with three voting members present, including the Chairperson. The membership of the e-SAC is comprised as follows:

- a. Chairperson of e-SAC (Chief of Service, PD);
- b. a representative from the PD;
- c. a representative from a requisitioning office.

Representatives from PD and the requisitioning office will serve on a rotating basis and will not be invited to the e-SAC for those cases where they or their section are involved.

A vendor's failure to meet or continue to meet the criteria for the respective level of registration, as based on substantial and documented evidence, will give cause for consideration whether to grant special approval for a level of registration and adjust the respective level of the vendor's registration in UNGM.

The e-SAC reviews the case and recommends whether to either accept or reject the vendor's registration level or accept the vendor's registration level for a specific contract(s) only, taking into consideration the published criteria for registration and other factors including the potential financial risk to the Organization. The e-SAC makes certain that the standards are set at reasonable levels to ensure that small and medium-sized applicants from developing countries and countries with economies in transition are not unduly rejected, while all measures must be taken to mitigate risk for the Organization. Any special approvals of registration for a specific contract shall detail if it includes all optional extensions. Any subsequent extensions beyond those originally submitted to the e-SAC shall be submitted for its review.

Upon receipt of a case presentation from the VRO for the review of a vendor's registration status, the e-SAC reviews all relevant evidence, taking the factors above into consideration. The e-SAC may recommend granting special approval for a vendor for multiple or single solicitations and/or award(s). Once a determination is made by Chief, EOS for special approval of a vendor, the vendor relevant data in UMOJA will be enriched to reflect the approved level. The vendor's registration level in UNGM will remain unchanged.

RESOURCES

SOP on Special Approval of Vendor Registration Level

4. Demand Planning, Acquisition Planning, Procurement Strategy and Requirements Definition

4.1 Demand Planning and Acquisition Planning

Acquisition planning is an essential phase in the overall acquisition process and a necessary prerequisite to the procurement process. It seeks to effectively and systemically forecast the Organization's requirements, based on demand plans generated by the end-user/requisitioner. Acquisition planning supports the timely and efficient fulfillment of mandates.

Acquisition planning necessarily includes procurement forecasting geared towards the timely delivery of goods and services. It requires that consideration be given to logistics, finance and resource management. Requisitioners are responsible for developing acquisition plans in cooperation with Procurement Officials in a timely manner. Ideally, acquisition plans should be developed in advance of each budgetary cycle to allow the concerned procurement office the necessary lead time to develop its procurement strategies, including the consolidation of requirements to leverage economies of scale.

Requisitioners may perform short-term acquisition planning for requirements to be fulfilled in the current budgetary period. In order to ensure that the UN obtains high-quality goods and/or services at competitive prices and within the time frame required, Requisitioners need to ensure the optimal use of funds throughout the budgetary period.

In the case of emergencies, such as natural disasters or other situations where there is a risk of injury or loss of life, the timing and sequencing of procurement activities may be modified in order to deal with the emergency (see [Chapter 15.4 Emergency Procurement Procedures](#)).

Requisitioners and Procurement Officials shall meet at least annually to review acquisition plans for the forthcoming budgetary period(s) and typically update the acquisition plans on a quarterly basis as required. In certain UN Secretariat entities, such review may be conducted between the Acquisition Management Section or the Supply Chain Planning Service at UNHQ, together with Requisitioner and the Procurement Official through regular Integrated Business Planning (IBP) meetings. The relevant procurement office shall advise on what can be realistically achieved during the acquisition plan period.

The demand plan shall contain the following information:

- a. Item number. (i.e., a numerical identifier);
- b. Type of goods or services, using nomenclature according to the UNSPSC;
- c. Estimated quantity (number of units) or term (number of months or years);
- d. Estimated value in US dollars, funding source, and budget reference;
- e. Delivery date or quarter when the goods are required to be delivered or the services are required to commence and be completed;
- f. Any other relevant information, including locations where goods or services are required if different from the Requisitioner's location.

The planning function of an entity is responsible for the consolidated acquisition plan and will issue appropriate instructions for action. Further, the planning function will initiate and facilitate acquisition planning by establishing a planning template. The acquisition plan is based on estimates of requirements to be procured in the next twelve months. It is understood that some procurement needs cannot be

anticipated, and sometimes plans may not be entirely accurate. Nonetheless, entities are expected to provide their best estimates based on available information at the time of reporting.

The Supply Chain Planning Service in LD at UNHQ and equivalent functions in other at UN entities shall be responsible for: i) preparing the operational guidance that drives the formulation of the demand, source and delivery plans, by identifying resource priorities and fit-for-purpose sourcing solutions; ii) compiling and analyzing the data in order to confirm or determine optimal courses of action; iii) enabling the review of such information by the respective procurement and requisitioning offices and taking appropriate action, in alignment with the category management strategy for the respective goods and services. To alert the vendor community of forthcoming procurement requirements and to uphold the basic procurement principles, the consolidated annual acquisition plan will be uploaded to the UNPD website.

4.2 Procurement Strategy

Developing a strategic approach to procurement is a key element for the successful acquisition of goods and services and is necessary for the timely implementation of projects or operations. It requires an understanding of the nature of the requirements, the capacity of the contractors, the complexity of the operating environment, the risks involved, and the available internal UN capacities and resources. Enabling an effective procurement process requires professional judgment as well as an understanding of the above factors.

Procurement planning is the process of scheduling procurement activities per identified procurement strategies and in alignment with the relevant category management strategy. As such, procurement strategy, category strategy development, acquisition planning and procurement planning are closely linked.

4.3 Procurement Planning and Source Selection Plan

Procurement planning for an individual procurement activity includes establishing the timelines required to perform each step of the procurement process per the identified solicitation method, contract type, and method of solicitation. Advantages of procurement planning include:

- a. Improved sourcing, ensuring appropriately qualified vendors and an adequate number of vendors, leading to increased competition, and, potentially stronger offers at lower prices;
- b. Less waste of resources on last-minute actions;
- c. Early identification and management of risks;
- d. Reduction of delays and lead times due to the ability to perform tasks proactively;
- e. Better planning and monitoring of procurement activities;
- f. Identification of time periods when a high percentage of procurement actions are required (which can be useful in planning and distributing the workload);
- g. Early consideration of logistics aspects and factors for the procurement of goods and equipment.

PROCUREMENT STRATEGY & CATEGORY MANAGEMENT

Category management will focus on supply market capabilities to improve the total cost of ownership. The strategic approach for each category organizes procurement (and technical) resources to focus on specific areas of spend-and-supply markets.

Planning for a single procurement exercise, formal or informal, should be reflected in the corresponding Source Selection Plan (SSP). The SSP describes critical components of the sourcing process and provides justification for sourcing decisions in order to achieve Best Value for Money. It also provides an objective approach to the methodology of selecting the best source to fulfill the established need. (See sample Source Selection Plan in Annex 5).

For complex requirements, procurement planning should begin at least six months before the goods or services are required. Accordingly, Requisitioners and Procurement Officials should communicate with each other early in the planning process.

The SSP is an internal and collaborative document, under the leadership of the Procurement Official, which describes critical components of the procurement process and provides justification for sourcing and procurement decisions in order to achieve the Best Value for Money principle. It documents assumptions, decisions, and justifications and provides an objective approach to the methodology of selecting the best source to fulfill the established need. The Procurement Official and the Requisitioner are jointly responsible for contributing to, preparing, finalizing, and obtaining any required approvals for the SSP before the solicitation documents are issued. The Procurement Official must ensure that the SSP is approved prior to the issuance of any solicitation (excluding LVAs). Amendments or changes to the SSP after signature must be duly justified and placed in the case file.

Depending on the complexity of the procurement, the SSP may be summarized in a few lines or consist of detailed and precise descriptions of the steps of the evaluation necessary to ensure Best Value for Money. The estimated value of the requirement may be an indication for the complexity of the procurement, which would require a more detailed SSP; the technical complexity or nature of the requirement may also warrant a more detailed SSP. The following are elements that would be appropriate to include in the SSP:

- a. Description of the requirement (including operational circumstances, timeline, etc.);
- b. Solicitation Method and justification thereof;
- c. Method for identifying vendors (particular attention should be given to attract vendors from developing countries and from countries with economies in transition) and details thereof of the UNSPSC;
- d. The contractual instrument to be used;
- e. Evaluation Committees responsible for commercial and technical evaluation;
- f. Evaluation Criteria for commercial and technical evaluation and reasonable minimum criteria, such as minimum passing score and mandatory requirements, as well as how optional requirements will be evaluated;
- g. Weighting (i.e., the relative importance of each of the Evaluation Criteria), if applicable;
- h. Market conditions;
- i. Planning and procurement activity schedule;
- j. Rating and scoring system;
- k. Required level of expertise and Requisitioner resource capacity;
- l. Risk factors that should be assessed during the evaluation and potential remedies;
- m. Any relevant information with regard to the forthcoming contract management capacity and expertise, staff training, equipment maintenance, after-sale service, disposal, etc.

The evaluation criteria in the SSP shall not unduly disqualify vendors from developing countries and countries with economies in transition and should be based on the principles of fairness and equity. Any rating system for the evaluation of submissions, both commercial and technical, shall include all relevant details determined appropriate by the Procurement Official and Requisitioner.

As the basis of a procurement strategy, the SSP shall be made available to the Headquarters Committee on Contracts (HCC) and/or the relevant Local Committee on Contracts (LCC) for all cases submitted for the Committees' review. It is therefore critical for Procurement Officials to develop expertise in drafting Source Selection Plans and engage the Requisitioner to fully contribute to this exercise. Please refer to Annex 5 for a sample SSP.

When procurement planning is consolidated for more than one procurement activity, other strategic initiatives can be enacted towards the aim of economies of scale and reductions in transaction costs, such as:

- a. Consolidating various requirements into a single tender;
- b. Establishing Blanket Purchase Orders (BPOs), or LTAs;
- c. Undertaking joint procurement initiatives with other United Nations organizations pursuant to Financial Rule 105.17(a).

RESOURCES

Annex 5 – Sample Source Selection Plan

4.4 Requirements Definition

Requirements definition is a systematic approach to define the procurement requirements included in the requisition and/or shopping cart, which should be in the form of a Statement of Work, Terms of Reference, with technical specifications outlining the needs of the Organization.

It is the first step in the implementation of procurement activity and an integrated step in its planning. However, it is often done in parallel with sourcing and supply-market research, which includes the assessment of market conditions and industry practices, in order to allow such information to help develop the requirements definition. Significant deviations from standard industry practices shall be justified and documented in the case file. Requirements definition and market research and analysis are also known as pre-solicitation activities.

The Requisitioner carries the sole responsibility for defining the requirements, while the Procurement Official is responsible for the procurement process, the assessment of the requirements, and the evaluation criteria, to ensure that they are generic and appropriate from a competition perspective, unless exceptions apply (e.g. branding without justification, over-specification, unrealistic delivery dates, and restricted competition should not be included in the requirement). Where necessary, the Procurement Official must clearly communicate to the Requisitioner that an adequate SOW/TOR should be provided in order to allow the solicitation

IMPORTANCE OF WELL-DEFINED REQUIREMENTS

The clear definition of requirements by Requisitioners is crucial in every procurement activity. Requirements form the basis for the solicitation and set the goals of the procurement action. It also informs potential vendors of the product requirements necessary in order to fulfill the UN's needs. The definition of requirements has a lasting and substantial effect throughout the entire procurement process.

exercise to be conducted. Where necessary, the Procurement Official shall advise the Requisitioner of possible better solutions to meet the stated need through the category management approach or other modalities. To incorporate environmental considerations when applicable, the Requisitioner shall consult with the relevant environmental official within their entity, as well as the Environmental Technical Support Unit (ETSU) in UNGSC, when defining the appropriate technical specifications and selection criteria (see [Chapter 15.2](#)). To provide an inclusive environment for persons with disabilities, the Requisitioner shall ensure, within reason, that accessibility considerations are factored into the requirements definition and that new acquisitions do not create new barriers.

In addition, if the solicitation process is being undertaken for the purpose of establishing an LTA) or a BPO, it should be explained in the SOW, TOR, SSP or in the Special Instructions as appropriate.

Statement of Works/Requirements may include:

- a. Technical specifications, SOWs, and TORs. Depending on the nature of the procurement activity, the requirements are stated in the form of technical specifications, SOWs, and TORs (for guidance on writing requirements, see [Chapter 4.4.2 Characteristics of Well-Defined Requirements](#)).
- b. In order to prevent misunderstandings and disagreements with vendors at the time of contract execution, it is important to clearly state and describe the performance expected from the vendor, including any Key Performance Indicators (KPIs) that will be measured during contract execution. Ambiguous performance requirements may also lead to increased costs, as bidders may have to factor into their bid/proposal a contingency or risk buffer.
- c. A confirmed delivery date for goods or starting/completion/mobilization dates for the provision of services/ works if firm requirements exist or time is of the essence.
- d. When procuring goods, the destination(s) and mode(s) of transport shall be included. For services and works, destination/location shall be specified.
- e. When purchasing goods, a copy of the relevant packing and shipping instructions may be included with the solicitation documents. The packing and shipping instructions are important to the vendor when bidding, as they include instructions about packaging, marking and numbering of the shipment, notification of shipment, documentation required for customs clearance and payment purposes, and invoicing. Where the solicitation is for goods of different size and shape, the vendor shall be asked to provide weight, dimensions and volume of each item which does not require packaging. Vendors should be requested to include the number of items and total weight to be loaded in a 20ft container. For packaged items, the vendor shall provide weight, dimensions and volume of the outer package. Containerization, volume and weight details shall be then reflected in the contract to easily estimate freight requirements;
- f. Delivery terms: Incoterms 2010 shall be used to specify the responsibilities regarding the delivery of goods procured by the UN (see [Chapter 12 Logistics](#)).

4.4.1 The Purpose of Requirements Definition

All requirements that are determining factors in the evaluation of offers must be clearly stated in the solicitation documents.

All applicable technical, financial, commercial, legal, and operational factors must be stated in the solicitation documents and must be in accordance with the approved SSP.

4.4.2 Characteristics of Well-Defined Requirements

In order to define requirements, there should be an analysis of the goods, and services that are to be procured and of their purpose, performance requirements, characteristics, objectives, and/or expected output.

All requirements definitions should describe the needs without over-specification. Over-specification may increase prices and/or decrease the number of offers, as it leads to offers for more advanced products than those needed. The converse is true of under-specification, and therefore, it is essential for the cost-effective use of funds that the requirements define the minimum requirements considered essential in a manner that provides certainty to the prospective vendors whilst maximizing competition.

Requirements must be generic and defined with the aim of engendering competition; no specific brands, unless for standardization purposes, or other unnecessary restrictions can be requested. However, if brand names are necessary to define functional, performance, and/or conformance requirements, they must only be used to define the required product standard. Further, brand names must never be used without also specifying the minimum requirements of the brand. Finally, the specification should clearly invite offers of equivalent products, i.e., products meeting similar functional, performance, and/or technical standards. In the event that the requirement specifies a particular brand for the purpose of standardization or is related to a requirement for spare parts for existing equipment, the rationale for this requirement should be briefly stated in the solicitation document in order to avoid negative perceptions of any bias on the part of the UN.

Where possible, requirements should include KPIs to be monitored during contract management stage (see [Chapter 13 Contract Management and Contract Administration](#)). KPIs and/or Service Level Agreements (SLAs) are essential tools to express and measure performance against agreed targets, and these are particularly recommended for complex contracts of goods and services, including long-term agreements. These have to be identified at the requirements definition stage, in order to be incorporated in the solicitation documents and then into the contract. This will enable monitoring of the KPIs at the contract management stage.

Examples of KPIs for goods and services include:

Delivery/Performance

- a. Delivery of goods/services on time;
- b. Delivery of goods/services in full;

Quality

- a. Quality of goods/services delivered (in accordance with specifications/TOR);
- b. Technical competence;
- c. Adherence to warranty provisions;

Communication

- a. Responsiveness of vendor (requests, complaints, etc.);
- b. Appropriate handling and timely submission of documents (reports, invoices, shipping documents, etc.);
- c. Introduction of innovative solutions;
- d. Cost savings to the UN initiated by the contractor;

Compliance with Contract Requirements

- a. Environmental indicators (e.g. compliance with environmental principles to maximize resources efficiency and minimize risk, waste diverted from landfill via reduction in waste volume, periodic checks on chemicals being used and maintenance of records, reduction in packaging and avoidance of plastic packaging, proportion of recycled/ recyclable / re-usable content, product reuse or take back, minimize use of hazardous substances, reduced air emissions, etc.);
- b. Labour indicators (e.g. compliance with minimum wage, etc.).

Best practices in setting up KPIs include:

- a. Requisitioner, in consultation with Procurement Official, shall determine KPIs during requirements definition stage;
- b. Requisitioner, in consultation with Procurement Official, shall ensure KPIs are SMART (Specific, Measurable, Achievable, Relevant, Time-bound);
- c. When issuing the contract, Procurement Official ensures inclusion of KPI targets, as well as performance credits associated (where possible) with such KPIs;
- d. Development of KPIs should be specific to a solicitation and the contract should be aligned with the overall Supply Chain Management Performance Management Framework, as developed and maintained by EOS in OSCM.

4.4.3 Technical Specifications

Technical specifications are mainly used for the procurement of goods, but may also apply to straightforward, quantifiable services. Specifications are typically the description of the technical requirements for a material or product. They usually refer to defined requirements for materials or products, but in some instances can also relate to requirements for services. Specifications give a description of what the Organization wants to buy and what the vendor is required to provide. Specifications can be simple or complex, depending on the need.

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

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

- a. Functional specifications, defining what the goods/services are required to do;
- b. Performance specifications, defining the output of the goods/services; or
- c. Conformance specifications, defining the physical characteristics and dimensions of the goods.

4.4.4 Terms of Reference (TOR)

A TOR is a description of the scope of work for services, generally indicating the work to be performed, the level of quality and effort, the timeline, and the deliverables. TORs are mostly used to define the performance requirements for expert and advisory services, which are not easily quantified, e.g. where a solution to a requirement is offered.

The TOR is often the vendor's first and main introduction to the requirements. Clear, uncontradictory TORs will limit the risks to the vendor and enable them to prepare a clear and detailed proposal. This should lead to successfully implemented projects and limit the risk of dispute or claims.

The TOR typically includes the following information:

- a. Background for requesting the service;

- b. The objective of the service and overall impact;
- c. Expected and clearly defined output from the service;
- d. Activities required to reach this output;
- e. Inputs required to perform activities;
- f. Deliverables;
- g. Timelines.

4.4.5 Statement of Work (SOW)

The SOW is a requirement specification for work assignments outlining the specific services, and/or goods a contractor is expected to provide, generally indicating the type, level, and quality of service, as well as the time schedule. The SOW usually includes detailed requirements for the goods and the services to be provided.

4.5 Shopping Cart

A Shopping Cart is a written or computerized requisition in UMOJA from an internal user/customer for the fulfillment or procurement of goods and/or services. It is mandatory to initiate all procurement activities with a shopping cart unless the Procurement Official with DOA grants a special case-by-case waiver to issue the solicitation for a justified reason (emergency, etc.).

A requisition/shopping cart must at a minimum include:

- a. A detailed description of the goods, or services being sought;
- b. Product ID (This is critical to ensure quality of data and reporting);
- c. Confirmation of funds availability for the requested purchase;
- d. Quantity to be procured;
- e. Required delivery date or start-up/completion date;
- f. Delivery location or location of services to be performed;
- g. Estimated price;
- h. Any additional information (e.g. standardization, the preferred method of shipment).

The Requisitioner bears the responsibility for requesting new UMOJA product IDs. Please click on this link (https://iseek-external.un.org/departamental_page/master-data-maintenance-0) for additional guidance on how to submit requests for new product IDs, and when an indication of Product Categories suffices.

5. Sourcing

5.1 Sourcing of Vendors

Sourcing is the process of identifying suitable suppliers, including vendors, that could provide the required goods or services. The sourcing process also provides valuable information about products and specifications.

Sourcing is carried out using several main methodologies, as described below.

- a. Supply market research and analysis, including through internal and external sources;
- b. Advertisement of business opportunities through sourcing methods, such as Request for Information (RFI), REOI, and pre-qualification.

Vendors Recommended by Requisitioners:

- a. As a general rule, Requisitioners, substantive offices, and consultants engaged by Requisitioners or substantive offices may not recommend vendors for inclusion on the List of Invitees, as such practice may be perceived as undermining the principle of segregation of responsibilities between requisitioning and procurement entities. However, it is recommended that staff involved in procurement activities encourage vendors to register with the UNGM;
- b. If vendor recommendations are received, Procurement Officials shall carefully evaluate the desirability and propriety of including the recommended vendor on the invitee list. However, unless the Procurement Official is fully satisfied that the recommended vendor will bring special knowledge or expertise that will be beneficial to the proposed procurement, the recommended vendor should be excluded but may be encouraged to register for future or other solicitations;
- c. If the Procurement Official believes that a vendor should be invited to tender, then the concurrence of the Director, PD or CPO must first be obtained, and the individual recommending the vendor will have to ensure and declare that there is no potential conflict of interest between the vendor and him/herself;
- d. A consultant engaged to prepare or review technical specifications, TOR, or SOW and/or to assist in the evaluation of Bids or Proposals concerning a requirement shall not be allowed to submit a Bid or a Proposal for the same requirement;
- e. If a Vendor approaches the Requisitioner for inclusion on the List of Invitees, the Requisitioner shall direct the Vendor to the Procurement Official concerned.

5.2 Market Research

Market research is the process of collecting and analyzing information about industry sector capabilities and overall market supply. It helps to identify goods, services, and vendors, assists in the development of technical specifications, TORs, SOWs and allows the collection of product and pricing information on available technology, solutions, etc. Market research is an essential exercise conducted by the Procurement Official in the quest to satisfy the Organization's needs and is instrumental for any successful sourcing process, particularly if the goods or services have not been procured previously. When done through means such as seminars or events, market research may also be considered an outreach activity which assists the UN in disseminating information about its requirements and identifying new sources of supply.

Market research can be done through the use of external and/or internal sources. Market research should not rely solely on any one of the below sources, as several can be used in conjunction before deciding on the solicitation approach. The outcome of the market research, i.e. a list of suitable vendors, types of products available, etc. should be documented in the procurement case file and shared with the Requisitioner.

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

- a. UNGM (www.ungm.org);
- b. Other UN organizations/lead agencies specialized in the procurement of goods or services within a particular field if this constitutes Best Value for Money and more efficient use of resources (e.g. UNHCR for refugee supplies, UNICEF for vaccines, UNFPA for contraceptives, WHO for pharmaceuticals and medical equipment, UNEP for environmental technologies and services);
- c. Commercial/specialized journals and magazines;
- d. Chambers of commerce, trade delegations, embassies;
- e. End-users, clients;
- f. Business seminars, vendor catalogs, professional journals, trade publications, or the Internet.

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

- a. Existing LTAs, BPO and, if existing for a certain need, pre-qualified lists of vendors;
- b. Vendors who have had prior contracts with the UN;
- c. Previous lists of invitees within the same field;
- d. Consultation with other Procurement Officials;
- e. Available communication platforms and other mailing lists.

Furthermore, care should be taken to ensure that small- and medium-sized enterprises (SMEs), not-for-profit, minority-, women-owned businesses, and/or disability-inclusive suppliers are not excluded from the market research. Due consideration should be given to communication channels in the local language(s) to reach this specific audience and ensure effective international competition.

It is important to periodically reassess the market, particularly for products and services that are rapidly evolving in certain geographical areas and industries. During the development of Category Strategies as part of Category Management, extensive market research is conducted which can be drawn upon for individual solicitations where relevant.

5.3 Advertisement for Business Opportunities

Advertisement for business opportunities can be done by either one of the below methods:

- a. RFI – see [Chapter 5.4 Request for Information](#)
- b. REOI – see [Chapter 5.5 Request for Expression of Interest \(REOI\)](#), which may entail pre-qualification of vendors, if applicable and suitable (see [Chapter 5.6 Pre-Qualification of Vendors](#))

Business opportunities over US\$ 150,000, must be advertised on UNGM and PD's website unless a waiver is granted by the corresponding Procurement Approving Authority for reasons of, for example, maintaining the confidentiality of information concerning sensitive requirements or security concerns. They should be advertised or distributed as appropriate, in a manner that would lead to the most beneficial responses according to the nature and circumstances of the required product, such as announcements on local or regional radio, advertisement on websites of other organizations, in local or regional newspapers, or in specialized journals.

5.4 Request for Information (RFI)

The RFI is an instrument to conduct a market survey to obtain information that can be used to identify available or potential solutions/suppliers to fulfill identified needs. RFIs may include information on cost and delivery times and are generally executed prior to finalizing the Statement of Works, Terms of Reference, or technical specifications.

The information received in response to an RFI is not used for the purpose of qualifying vendors. Primarily, it helps identify generic descriptions of available or potential alternatives for fulfilling a defined requirement or outcome, as well as the possible costs and delivery time. The RFI is oriented toward seeking a technical alternative, option, solution, or cost estimate, rather than a direct response in the form of an offer from the market or industry.

An RFI is an effective and efficient tool to help identify a possible solution for a specific requirement and to gauge the commercial environment for the requirement. RFIs are also used to identify potential vendors.

The RFI shall be advertised on the entity's website, UNPD website, UNGM, and in any other media considered appropriate by the Procurement Official. It should be advertised or distributed in a manner that, depending on the nature and complexity of the requirement would lead to the most beneficial responses.

RESOURCES

[Annex 6 - Request for Information - HQ template](#)

[Annex 7 - Request for Information - Mission Template](#)

5.5 Request for Expression of Interest (REOI)

A Request for EOI is an advertisement prepared by the Procurement Official, in consultation with the Requisitioner, to identify vendors that wish to participate in a solicitation. Vendors are requested to express interest by a specified deadline by submitting the detailed information requested in the REOI, for example, to demonstrate experience and qualifications in provision of the relevant goods/services. The information provided by interested vendors is assessed, and vendors are considered for inclusion on the List of Invitees.

An REOI is a cost-effective method to identify suitable vendors. However, it requires the allocation of additional time, as vendors should be given a sufficient interval to respond to the REOI. Depending on the complexity and nature of the goods or services being procured, a recommended minimum of ten working days should be granted for responses. When shorter deadlines are specified, or when the Procurement Approving Authority waives the posting of an REOI for Request for Proposals (RFPs) and Invitations to Bid (ITBs), the reasons must be properly explained and documented in the case file.

Evaluation of REOI responses must be performed by the Requisitioner and/or a Procurement Official. As appropriate. In addition, the Procurement Official may actively approach potential vendors, identified through analysis of the supply market or registered in the UNGM database, to seek their interest to participate in the forthcoming solicitation.

The REOI shall be advertised on the entity’s website, UNPD website, UNGM, and in any other media considered appropriate by the Procurement Official. It should be advertised or distributed in a manner that, depending on the nature and complexity of the required need, would lead to the most beneficial responses.

RESOURCES

Annex 8— Request for Expression of Interest and Vendor Response - UN HQ

Annex 9— Request for Expression of Interest and Vendor Response – Missions

5.6 Pre-Qualification of Vendors

Pre-qualification is a formal method of assessing vendors against pre-determined criteria, and only vendors that meet established criteria are invited to a tender (shortlist). Therefore, pre-qualification exercises should be applied only in such instances where the need to limit the List of Invitees has been clearly determined and the Procurement Approving Authority has authorized the pre-qualification exercise. This is done through the REOI process. The use of a pre-qualification exercise should be noted in the Source Selection Plan of the relevant solicitation, including the rationale for using the pre-qualification exercise.

The process guarantees that solicitation documents are issued only to vendors with adequate capabilities and resources. Adequate time must be allowed for potential vendors to prepare responsive applications. The period between the invitation for pre-qualification and the deadline for submission of a response shall be no less than ten working days unless a written justification has been provided and approved by the Director, PD or the Chief Procurement Officer. Such approval shall be kept in the procurement case file. Invitations for pre-qualification must be advertised on the UNGM and PD website and any other relevant media. Pre-qualification is a formal process where vendor appraisal is done prior to issuing the solicitation documents. If prequalification is done for a specific procurement activity, all vendors submitting applications and meeting the prequalification criteria shall be invited to tender. Pre-qualification does not preordain a contract award.

Pre-qualification is recommended when:

- a. The high costs of preparing detailed bids could discourage competition (such as custom-designed equipment, design and build projects, or specialized services).
- b. The requirement involves complex technical components for which the vendor needs to have minimum technical capability and capacity to complete the works to the required quality standard such as construction works;
- c. As determined necessary to achieve the best outcome for the procurement process for highly complex or otherwise appropriate needs, subject to approval by the Director, PD or Chief Procurement Officer. The criteria for the prequalification, the process, and the staff involved in the prequalification evaluation shall be established before the REOI is advertised. It shall be outlined in a separate document, and signed and dated by the Requisitioner, and cleared and signed by the Procurement Official.

5.7 Creation of Lists of Invitees

The identification of vendors using the tools described above enables the creation of the list of potential vendors eligible to receive the solicitation documents.

Generally, the Procurement Official should invite all vendors that expressed interest through an REOI, and that are registered at least at the basic level in UNGM at the time of issuance of the solicitation. The UN is under no obligation to invite all companies who expressed interest through a request for EOI or having replied to an RFI; such decision shall be documented in the SSP. Similarly, there is no obligation for the UN to limit the List of Invitees to companies that expressed interest or replied to an RFI. Where additional companies are added, the evaluation committee should assess the same information for each vendor as was requested in the EOI or RFI.

If there is only a limited number of vendors in the market (e.g. oligopoly market conditions) and/or the Procurement Official has not been able to otherwise identify the minimum required number of invitees specified below despite adequate market research, this should be clearly documented and explained to the Procurement Approving Authority not below the Chief of Section in a procurement office or to the CPO when requesting approval of the List of Invitees.

Otherwise, the List of Invitees for formal methods of solicitation should normally include (depending on the industry and nature of the requirement) a minimum required number of ten (10) invitees for tenders below US\$ 1,000,000 and fifteen (15) invitees for tenders estimated at a value above US\$ 1,000,000. For Request for Quotations (RFQs), a minimum of five invitees is required, however the Procurement Official shall ensure sufficient number of invitees to generate more than five quotations but no less than a minimum of three quotations (see [Chapter 6.3.3](#)).

If a pre-qualification stage has been undertaken, vendors that are ineligible must not be included in the List of Invitees. In such cases, the minimum recommended number of vendors do not apply.

5.8 Approval of List of Invitees

The List of Invitees must include all vendors who will be invited to tender. If the minimum recommended number of vendors, as per [Chapter 5.7](#), cannot be achieved, the rationale should be justified in writing in the procurement file and must be authorized by the appropriate Procurement Approving Authority based on the value of the procurement exercise, up to the threshold of the Director, PD or Chief Procurement Official. This justification may be written in or attached to the List of Invitees. The solicitation document can be issued only after this justification has been provided.

5.9 Amendment of List of Invitees

Amendments to the List of Invitees may be made by removing or adding vendors who will be invited to tender. Vendors may be added to the List of Invitees upon approval of the Procurement Approving Authority. The decision is based on the professional judgment of the Procurement Official at the CPO level or Chief of Section as to whether the vendor may be reasonably expected to provide a competitive bid

INTERNATIONAL COMPETITION

One of the core principles of procurement, international competition aims to solicit offers from a wide and diverse range of vendors and provides equal access and fair opportunity to compete for contracts for required goods or services.

and is duly registered in UNGM. In the case of additions to correct omissions and errors in distribution by the UN, an extension to the bid submission deadline may be considered.

Requests from invited vendors to revise the entity included in the List of Invitees, to reflect such things as subsidiary structures or joint venture engagements, shall be considered on the basis of professional judgment of the Procurement Official at the CPO level or Chief of Section and subsequent approval by the Procurement Approving Authority (see also [Chapter 3.1.4.1 \(b\)](#) on joint ventures). In such cases, the Procurement Official shall ensure that such entities are registered at the basic level in UNGM at the time of invitation.

6. Solicitation

6.1 Overview

After requirements have been clearly and completely defined (see [Chapter 4.4 Requirements Definition](#)) and sourcing of vendors has been undertaken (see [Chapter 5 Sourcing](#)), the next step in the procurement process is a solicitation. The solicitation process is the method used to communicate a procurement requirement and request an offer from potential vendors.

Further to the market and vendor information identified in the sourcing process, Procurement Officials should ensure consistent alignment of the solicitation with the existing category management strategy. Unless exceptions to the use of formal methods of solicitation are justified, procurement contracts shall be awarded based on competition, which includes:

- a. Acquisition planning for developing an overall procurement strategy and methodology, an analysis of demand and supply market data, in alignment with an existing category management strategy (if applicable);
- b. Market research for identifying a potential vendor;
- c. Formal methods of solicitation or informal methods of solicitation;
- d. Consideration of prudent commercial practices.

6.2 Competition

6.2.1 Effective International Competition

Ensuring effective competition is a core principle of UN procurement. Competition should be internationally based. A key purpose of international competition is to provide a wide and diverse range of potential vendors. Procurement Officials must comply with the UN's principle of encouraging international competition and, in doing so, should encourage equal access and fair opportunity for all qualified vendors globally to compete for UN contracts for goods or services.

The following conditions are conducive to achieving effective international competition:

- a. Market analysis and advertisement is conducted to identify prospective bidders;
- b. Requirements are specified in a generic manner, allowing for competition between multiple bidders;
- c. A sufficient number of prospective contractors are identified and effectively invited to compete;
- d. Prospective contractors are from as wide a geographical distribution as possible and practicable;
- e. Prospective vendors act independently of each other;
- f. Prospective vendors compete for the same business opportunity under the same conditions.

A low number of offers received from prospective contractors in response to a solicitation is not necessarily an indication of an absence of effective international competition, given that industries, geographical markets, and individual requirements may have idiosyncrasies that affect the number of viable and responsive competitors.

Financial Rule 105.14 provides that the UN's procurement contracts shall be awarded on the basis of effective competition unless exceptions to the use of formal methods of solicitation pursuant to Financial Rule 105.16 are justified. To that end, the competitive process requires:

- a. Acquisition planning for developing an overall procurement strategy and procurement methodologies;
- b. Market research for identifying potential vendors;
- c. Consideration of prudent commercial practices;
- d. Formal methods of solicitation, utilizing ITBs or requests for proposals on the basis of the advertisement or direct solicitation of invited vendors, or informal methods of solicitation, such as requests for quotations.

6.2.2 Special Considerations for List of Invitees

While international competition should be pursued in principle, there are some circumstances where limiting the pool of vendors may be appropriate. This may apply when the solicitation process is restricted to a shortlist of vendors selected in a nondiscriminatory manner from rosters (e.g. list of authorized resellers), pre-qualifications, market research, or other means of sourcing.

For example, limited tendering may be considered in the following circumstances:

- a. When the requirement is in a national context and it is not reasonably possible that international vendors would be able to address it (e.g. advertising services in national newspapers, local licenses required to operate, etc.);
- b. For reasons of safety and security;
- c. When the estimated value of the requirement is less than US\$ 150,000;
- d. Any other equivalent, exceptional reason that prevents international competition.

If the Procurement Official, using professional judgment, believes that limiting the pool of vendors should be applied to a particular solicitation process, then the use of a limited pool must be approved by a Procurement Approving Authority at or above the CPO level (if not at UNHQ) or the Section Chief level (if at UNHQ). Such approval must be given at the time of shortlisting approval (by signing the corresponding field in the List of Invitees). Furthermore, the basis for the decision to limit international competition must be justified in writing by the Procurement Approving Authority responsible for approving the solicitation document and recorded in the applicable procurement case file.

6.2.3 Risk of Collusion

To ensure good and fair competition in the solicitation process, Procurement Officials should do their best to identify any circumstances that may indicate risk of collusion by potential vendors (i.e., vendors uniting for common profit and defeating the purpose of competition).

6.3 Solicitation Methods

6.3.1 Formal Methods and Informal Methods

Unless exceptions to formal methods of solicitation are justified in accordance with the Financial Regulations and Rules, formal methods of solicitation must be used. See Financial Rule 105.15 (*Formal methods of solicitation*) and Financial Rule 105.16 (*Exceptions to the use of formal methods of solicitation*).

The table below summarizes the four primary methods of solicitation. A more detailed explanation of the four methods is set forth in the immediately following chapters.

Solicitation Method	Estimated Value	Requirement	Evaluation Method	Envelope System
LVA (informal)	≤ US\$ 10,000	Off-the-shelf goods, standard specification, simple services	Lowest priced, technically acceptable offer	No requirement for sealed offers
RFQ (informal)	≤ US\$ 150,000	Goods or services which are clear and specific	Lowest priced, technically acceptable offer	No requirement for sealed offers. Upon introduction of e-tendering, offers will be secured until the deadline for all Submissions. Procurement Officials should undertake their best efforts to ensure that 5 or more quotations are received. However, should fewer than 3 quotations be received, the Director, PD or CPO must authorize the release of the quotations received. In an entity without a CPO, the approval of the official with the highest delegated procurement authority shall be sought.
ITB (formal)	> US\$ 150,000	Goods or services which are clearly and completely specified	Lowest priced, substantially conforming bid	One envelope
RFP (formal)	> US\$ 150,000	Goods or services that cannot be expressed quantitatively and qualitatively, or complex requirements that may be met in a variety of ways	Cumulative/weighted analysis; award based on the most responsive proposal	Two envelopes

TABLE 2. FOUR CATEGORIES OF SOLICITATION METHODS

The four main solicitation methods are ITBs, RFPs, RFQs, or LVAs. These four methods of solicitation, as well as other exceptions to formal methods of solicitation, are discussed in detail below.

ITBs and RFPs are “formal” methods of solicitation. ITBs and RFPs are governed by Financial Rule 105.15.

Low Value Acquisitions (LVAs) and RFQs are “informal” methods of solicitation. LVAs and RFQs are exceptions to the use of formal methods and are governed by Financial Rule 105.16.

Several factors, such as market conditions, the complexity and nature of the requirement (i.e., goods, services, or works), an estimated monetary value, influence the choice of solicitation method. Location and urgency might also influence the choice of solicitation method and the procedures followed.

6.3.2 Low Value Acquisition (LVA)

An LVA is a direct form of purchasing undertaken by the Requisitioner or a Procurement Official and not conducted via a formal solicitation. An LVA is used for procuring readily available, off-the-shelf or standard specification goods or services up to or equal to US\$ 10,000, or simple works or services up to or equal to the value of US\$ 10,000.

6.3.2.1 Criteria of an LVA

LVAs are awarded based on the ‘lowest-priced, technically acceptable offer’ and are approved by a Procurement Official or a Certifying Officer (CO), subject to the following conditions:

- a. Under no circumstances shall the requirements be split into multiple solicitations or combined between RFQs and LVAs for the same or related requirement to avoid a formal method of solicitation. If the estimated value of the requirements exceeds US\$ 10,000 (or the equivalent amount, as per UN Operational Rates of Exchange on the quotation date), the requirement shall be submitted for procurement action through the established procedures;
- b. The LVA must comply with the four principles stated in Financial Regulation 5.12 (i.e., Best Value for Money; fairness, integrity and transparency; effective international competition; the interest of the United Nations);
- c. The LVA should not be used to buy goods or services that are recurring requirements in the procurement pipeline, unless it is required to cater for unforeseen requirements or if UN stock is unavailable, or it is used to order from an established BPO;
- d. Should an entity identify that LVAs are being used repeatedly within the same year to buy similar requirements by the same office or several offices pertaining to such entity, efforts should be made to aggregate the requirements and conduct a bidding exercise, with the aim to replace the use of LVAs with a Contract or a Blanket Purchase Order as soon as possible.
- e. specifications used to describe the requirement shall be generic in nature. For proprietary goods or services (e.g. spare parts), or for goods or services that cannot be described in a generic manner due to operational requirements (e.g. size-specific items to fit in an existing structure), the Requisitioner shall provide a written justification and obtain the CO’s approval prior to seeking quotations. The CO’s approval not to use generic specifications is to be uploaded in UMOJA;
- f. LVAs for non-[standardized](#) software/hardware require the technical review from OICT³. LVAs for standardized software/hardware do not require technical review;
- g. Regarding LVAs and purchase orders for software, the LVAs or purchase order (PO) instrument must clearly indicate that only the [United Nations General Terms and Conditions of Contract \(UNGCC\)](#) are to apply and that no additional terms or changes to UNGCC are to be accepted. Provisions that may be included on vendors’ websites, product schedules or other ordering documents, or in ‘shrink wrap/click-wrap’ agreements, are not to be incorporated into the LVA or PO instruments because such provisions may conflict with the terms of the UNGCC. In this context, LVAs and purchase orders for software shall be accompanied by the language contained in the attached Annex 10 (LVA Guidelines) when sent to vendors. In case of objections from a vendor, such language may be negotiated only with the assistance of a Procurement Official;
- h. LVAs cannot be used for blood or blood products;
- i. **No Existing Contracts:** LVAs should not be used to purchase goods or services that are available (e.g. with a similar or equivalent function) in a current global or local systems contract or, if subject to UN standardization, unless it can be demonstrated that such purchase constitutes Best Value for Money. The Procurement Official or the Requisitioner must record such an assessment in a written note in UMOJA including any required technical review note as per paragraph e. and g. above. If an LVA is used to purchase from an existing system contract, the LVA should be linked to the relevant system contract in UMOJA and be consistent with terms and conditions of the system contract;

³ All UN Secretariat offices, except missions, can contact the OICT offices <https://iseek-external.un.org/departments/standards>.

- j. The Procurement Official or the Requisitioner shall obtain a minimum of three quotations from vendors, via phone, e-mail, fax, in person, or online. If a Requisitioner or Procurement Official is not able to produce at least three quotations despite its best efforts, a written explanation of the reasons must be recorded in UMOJA for the approval of the CO or Procurement Approving Authority. The quotations must be sought from competitive vendors for a quantitatively and qualitatively similar requirement. Quotation via phone or in person shall be obtained only when it is not possible to obtain written quotations;
- k. Quotations should cover price, quantity, quality (using generic specifications, unless authorized by the CO), delivery place and time, warranties, after-sale support, and any other reasonable requirements, as applicable. In all but the most exceptional circumstances, quotations must be in writing from the vendors. If quotations are not in writing, the Requisitioner or Procurement Official shall prepare a written record thereof;
- l. Quotations should allow a like-for-like comparison to achieve Best Value for Money by selecting the lowest quotation. If the Requisitioner or Procurement Official determines that the quotation offering Best Value for Money does not constitute the lowest cost, a written explanation must be recorded in UMOJA for the CO's or Procurement Approving Authority's approval. Quotations must be uploaded in UMOJA;
- m. Cash advances should not be made. Advance payment terms should not be accepted unless normal commercial practice or the interest of the United Nations requires it. Approval from the delegation holder in accordance with Financial Rule 105.19 is necessary;
- n. Ex post facto cases should be rare exceptions, and when they occur, written justification shall be provided to explain the reasons why timely submission of the case was not possible. Such justification should identify the reasons for the ex post facto situation and propose how to address the root cause in order to avoid reoccurrence

Requisitioners or Procurement Officials shall not enter into any LVA commitments with vendors unless the LVA's PO is approved by the CO or Procurement Approving Authority.

All LVA purchases should be in writing (stating price, quantity, brand/model, delivery place/time, warranties, after-sale support, etc., as applicable), with receipts obtained. Receipt, inspection, and payment shall follow the normal process as for goods/services acquired via a formal procurement exercise.

COs and Procurement Officials must ensure that an audit trail is recorded in UMOJA. In case of doubt, the COs or Procurement Officials should consult with PD or their respective Chief Procurement Officer.

RESOURCES

Annex 10 – Language to accompany LVAs and purchase orders for software
 SCOG_SR6: Acquire through Low Value Acquisitions

6.3.2.2 Exceptions to LVAs

The following requirements cannot be purchased through an LVA and shall be processed via procurement, regardless of value:

- a. Firearms and ammunition;

- b. Blood or blood products;
- c. Software to be run in data centres.

For easy reference, click the link to the “Business Partner Commercial Companies” to create UMOJA LVA vendors: https://iseek-newyork.un.org/departmental_page/master-data-maintenance-0.

IPSAS Compliance: LVAs for goods that are considered “assets” as defined by IPSAS must be properly identified in Shopping Carts in order to allow the appropriate downstream process in relation to capitalizing cost, inventory, etc. (see training material “SC318 – UMOJA Requisitioning”, and User Guide “UMOJA Requisitioning”).

6.3.3 Request for Quotation (RFQ)

An RFQ is an informal method of solicitation. It is used for low-value procurement (equal to or below US\$ 150,000) where the requirement for goods or services is clear and specific, and the estimated value is up to US\$ 150,000. The RFQ process shall comply with the four principles stated in Financial Regulation 5.12.

RFQs are awarded based on the technically acceptable offer that is the lowest price. RFQs are subject to the following conditions:

- a. Under no circumstances shall the requirement be split into multiple solicitations or combined with other RFQs or LVAs for the same or related, in order to avoid a formal method of solicitation. The RFQ solicitation process can only be conducted by a qualified Procurement Official who was delegated such authority;
- b. Prior to commencing the RFQ, the Procurement Official will estimate the total value of the goods and/or services and substantiate such estimate in the Source Selection Plan.
- c. A minimum of five invitees to an RFQ is required. However, the Procurement Official shall ensure that sufficient number of invitees are invited to generate more than five quotations but no less than a minimum of three quotations. Should it not be possible to invite five vendors, the reason must be recorded in writing and signed by the Procurement Official;
- d. Procurement Officials should undertake their best efforts to ensure that 5 or more quotations are received. An RFQ should generate a minimum of three offers. If a Procurement Official is not able to obtain at least three (3) quotations despite his/her best efforts, a written explanation of the reasons must be recorded in the relevant system for the approval by the Director, PD or the CPO, to allow award based on lower number of offers;
- e. The use of the RFQ templates is mandatory in all cases, except when there is a justifiable reason not to use them (such as when the RFQ is issued in a language for which a template does not exist). RFQs must have a clearly defined submission deadline, which must be specified in the RFQ document and communicated to all prospective bidders. Quotations in response to an RFQ must be received in writing to a centralized, dedicated e-mail address as established by each Procurement Office and released to the Procurement Official simultaneously. Gradually, the e-tendering process will be expanded to RFQ requirements;
- f. Quotations should be uploaded in UMOJA for monitoring and audit purposes. Alternatively, quotations may also be filed electronically, e.g. in sharepoint, as long as monitoring and audit requirements will be met;
- g. Should the RFQ process result in a contract value exceeding the threshold for informal methods of solicitation, the Procurement Approving Authority shall consider and determine on a case-by-case basis whether to re-issue the solicitation under the appropriate solicitation method. If the

final contract value exceeds the threshold by a significant amount, or if the contract is not urgently needed, preference should be given to rebid the requirement under the appropriate solicitation method unless there are justifiable reasons not to.

- h. Awards are made based on the “lowest-priced, technically acceptable offer” evaluation methodology and based on Financial Rule 105.16 (a)(x) (see [Chapter 8 Evaluation of Submissions](#)).

6.3.4 Invitation to Bid (ITB)

An ITB is a formal method of solicitation where vendors are invited to submit a bid for the provision of goods or services. It is normally used when the requirements for goods/services are i) simple and straightforward, ii) can be expressed well quantitatively and qualitatively at the time of solicitation, and iii) can be provided in a straightforward way. For UN procurements above US\$ 150,000, one of the two formal methods of solicitation (i.e. ITB or RFP) must be used unless there is an exception to the normal process, in accordance with Financial Rule 105.16. ITB can also be used for lower value procurement equal to or below US\$ 150,000 if the Procurement Official determines it appropriate to the particularities of the requirement.

Criteria of an ITB: ITBs are awarded based on the technically acceptable offer that is the lowest price. ITBs are subject to the following conditions:

- a. The use of the ITB templates is mandatory in all cases. ITBs must have a clearly defined submission deadline, which must be specified in the ITB document and communicated to all prospective bidders. Bids in response to an ITB must be received in writing;
- b. ITBs are based on a one-envelope system, i.e., the financial and the technical components of a bid are combined in one single document. ITBs are subject to the bid receipt and opening procedures outlined in [Chapter 7: Management of Submissions](#);
- c. An ITB can either define the minimum requirements to be met, or outline a range of acceptable requirements. During the evaluation, a bid is compliant based on pass/fail criteria;
- d. Applicable Financial Rule: Awards are based on the lowest-priced, substantially conforming bid evaluation methodology, including delivery terms, and any other technical requirements stated in the ITB Financial Rule 105.15 (a)) ([See Chapter 8: Evaluation of Submissions](#)).

6.3.5 Request for Proposal (RFP)

An RFP is a formal method of solicitation. It is used for procurement of goods and services when requirements cannot be expressed quantitatively and qualitatively (e.g. consulting or similar services) at the time of solicitation or for the purchase of complex goods and/or services where the requirements may be met in a variety of ways and, accordingly, an evaluation based on cumulative/weighted analysis is most appropriate. In this case, the UN prepares Solicitation Documents, which describe the Requirement for goods/services and requests that vendors submit proposals with solutions and associated pricing for the goods/services that the UN is requiring. For UN procurements above US \$150,000, one of the two formal methods of solicitation (i.e., ITB or RFP) must be used (unless there is an exception to the normal process in accordance with Financial Rule 105.16). An RFP is only required for procurement above US\$ 150,000 but can also be used for lower value procurement (equal to or below US\$ 150,000) if requirements are complex or if the Procurement Official otherwise determines it appropriate.

Criteria of an RFP: RFPs are subject to the following conditions:

- a. An RFP requests that bidders submit a technical proposal that offers a solution to the requirements specified in the solicitation documents. Bidders are also to submit a separate

financial proposal indicating all costs that the bidder will charge in carrying out the technical proposal. In response to an RFP, vendors must submit the technical and financial proposals in separate sealed envelopes (two-envelope system). The purpose of the two-envelope system is to make sure the technical evaluation focuses solely on the contents of the technical proposals, without influence from the financial proposals.

- b. RFPs are subject to the bid receipt and opening procedures outlined in [Chapter 7](#), including the requirement for separate opening sessions for technical proposals (all proposals received) and financial proposals (only for those whose proposals are deemed technically compliant after evaluation).
- c. The evaluation criteria for an RFP are to be expressly stated in the SSP and in the Solicitation Documents. Both the technical and the financial (i.e. commercial) evaluation factors shall be described. Mandatory evaluation criteria (if any) must also be described.
- d. The weight of technical factors versus financial factors must also be indicated.

Proposals are evaluated, ranked, and awarded according to the 'cumulative/weighted analysis' evaluation methodology, defining best value as the paramount overall benefit when considering technical and financial factors. The contract is awarded to the qualified vendor whose proposal is considered to be most responsive to the requirements in the solicitation and offers the best value (technical and financial) (Financial Rule 105.15 (b)).

To give bidders a sense of what the UN deems important in the evaluation process, the technical and commercial criteria shall be listed in the RFP Solicitation Documents in priority order of their weight. However, the exact weights of each technical and financial sub-criterion may not be disclosed to bidders in the Solicitation Documents or otherwise.

In order to further assist bidders in determining the appropriate quality of goods or services that the UN seeks, the Procurement Official may choose to include estimates of personnel and other input required in order to reach the expected results. In exceptional circumstances, it also can be envisaged to include an indication of the available budget; however, the potential drawback is that information about the available budget may lead bidders to align their financial proposals to the budget disclosed. Such disclosure may be only done upon approval from the Director, PD or the CPO.

The weighting of technical proposal vs. financial proposal should be considered as follows:

- a. The applicable balance between the technical and commercial evaluation criteria must be established before the RFP is issued, and expressly stated in the SSP and in the Solicitation Documents. Weighting needs to be considered on a case-by-case basis to achieve the appropriate balance.
- b. Weightings of technical and financial proposals can be in the proportion of either 80%-20%, 70%-30%, 60%-40%, or 50%-50%, or as deemed appropriate by the Procurement Official, depending on whether the

TIPS FOR RFP

Weighting of technical and financial proposals needs to be considered on a case-by-case basis to achieve the appropriate balance.

The technical and commercial criteria in the RFP shall be listed in the priority order of their weight, while the exact weights of each technical and financial sub-criterion may not be disclosed in the solicitation document.

Each technical and commercial evaluation criterion needs to have a pre-established weight, unless they are mandatory.

technical elements or the financial element have been determined to have higher importance. The lower the complexity of the technical requirements, the higher the weight that should be given to the financial element. If the financial element is difficult to reliably foresee or control over the course of the contract, then the weight given to the financial element may be lower.

- c. Each technical and commercial evaluation criterion needs to have a pre-established weight unless the criterion is a mandatory requirement (If it is a mandatory requirement, then the bidders' compliance with the criterion will be evaluated on a pass/fail basis).

In the SSP and in the RFP, a minimum passing threshold in terms of percentage of the total points of the technical proposal (normally 60% or 70% of total points) must be indicated. If a bidder's technical proposal passes this minimum threshold and meets all mandatory requirements, the proposal will be deemed technically compliant to the RFP. If it is technically responsive, then the bidder's financial proposal will be subject to the financial evaluation. If it is not deemed technically compliant, then the bidder's proposal will not be further considered for purposes of being awarded a contract pursuant to the RFP.

6.3.5.1 Multi-Stage RFPs

A multi-stage RFP procurement process may be chosen in exceptional cases and only upon approval by the ASG, OSCM or his or her designate, as the method of solicitation.

Two-Step Process: The multi-stage RFP is similar to a standard RFP process. However, in a multi-stage RFP procurement process, bidders are to submit interim proposals. Prior to submission of their interim proposals for evaluation, the UN enters into discussion/dialogue with all prequalified bidders. The evaluation may result either in all bidders being permitted to the next stage or some bidders being eliminated from further consideration if their proposals are deemed clearly unsuitable for the needs of the UN. On an individual basis, the UN will enter into discussion/dialogue with those bidders that passed the interim evaluation to enable them to submit final proposals in response to the RFP.

Prototypes or Proof-of-Concept Elements: Pursuant to the SSP, the RFP may require the proposals to include prototypes or proof of concept elements. The interim proposals and, if applicable, the prototype/proof of concepts will be evaluated based on pre-established technical criteria that are clearly indicated in the SSP. The technical criteria should not be changed during the solicitation process. Please note that prototypes or proof-of-concepts may be incorporated into normal RFPs as well as multi-stage RFPs.

Amendments to the RFP: In connection with the evaluation of the interim proposals and the subsequent dialogues, the RFP may be amended to clarify the terms of the requirements. The amended RFP should be issued to all remaining bidders. It should be noted, however, that the requirements outlined in the original RFP cannot be materially changed. Furthermore, the technical and financial evaluation criteria cannot be materially changed at this stage.

Criteria: The multi-stage RFP is an exceptional process which may be selected if

- i. The means of delivering the requirement of the UN cannot be met without adaptation of readily available solutions.
- ii. The UN's needs are for complex and innovative solutions that cannot be defined in sufficient detail in a SOW; and
- iii. Other methods of solicitation do not allow for the required level of collaboration between the UN and bidders to develop a suitable solution (i.e., the use of a standard RFP has been assessed and determined to be not appropriate or constitutes an unacceptable level of high risk).

The fact that the requirement entails aspects of innovation does not in itself justify the use of a multi-stage RFP.

Resource-intensive Process: The multi-stage RFP process is a detailed, resource-intensive process that needs to be properly managed for its benefits to be fully realized while maintaining the principles of fairness and integrity. Its use and suitability for a specific requirement should be justified in the SSP.

Negotiations: Procurement Officials should note that the use of multi-stage RFPs does not preclude negotiations with the vendor recommended for award. However, the technical criteria as well as the requirement should not be changed during negotiations.

Probity Monitor: To ensure that the multi-stage RFP process is done consistent with the applicable UN Financial Regulations and Rules and recognized best practices, an independent Probity Monitor may be appointed by the ASG, OSCM to provide probity assurance services throughout the process. The Probity Monitor should not have any decision-making role in the RFP process. The Probity Monitor should be an independent party and should not report to Procurement or the Requisitioning Office; it should report to ASG, OSCM.

RESOURCES

Terms of Reference (TOR) Probity Monitor

6.4 Solicitation Documents

6.4.1 Overview

UN standard solicitation templates should be used when soliciting offers from vendors through RFQs, ITBs, or RFPs and which will contain all information necessary to prepare a suitable offer. The standard solicitation documents are templates that include mandatory requirements, terms and conditions customized to fit the specific requirements (goods/services), and the procurement method undertaken (informal/formal). The templates are to be completed with the details applicable to each solicitation process.

While the details and complexity of solicitation documents may vary according to the nature and value of the requirements, each set of solicitation documents must contain all information and appropriate provisions that are necessary for bidders to understand the UN's needs and to prepare a competitive offer. Thus, the solicitation documents must include all information concerning a specific solicitation process and be as concise as possible. New requirements cannot be introduced, and existing ones cannot be changed after the solicitation documents have been issued unless amended in line with [Chapter 6.6](#).

The standard paragraphs of the solicitation documents, including the annexes, cannot be amended except for Annex B, which includes the SOW or TOR. Furthermore, solicitation documents should not include any text, requirements, or conditions that contradict the UNGCC.

UN solicitation documents usually consist of the following components:

- a. Letter of Invitation (main tender document);
- b. Acknowledgment Letter;

- c. Statement of Works/Requirements;
- d. Special Instructions and Evaluation Criteria;
- e. Performance Security Form (if applicable);
- f. Form of Contract and relevant UNGCC.

The following articles ([Chapters 6.4.2 through 6.4.9](#)) describe the information that is typically part of each of the components mentioned above. However, in some cases, the Procurement Official may alter the composition of some of the components if, in the professional judgment, the documents provide a clear and complete description of the requirements and instructions to bidders.

6.4.2 Letter of Invitation

The solicitation documents should include on the first page a letter (a “Letter of Invitation”) inviting vendors to submit quotations/bids/proposals. The Letter of Invitation should include the following, among other elements:

- a. A reference to the specific procurement activity (title and reference number);
- b. A list of the sections that make up the solicitation documents and the supporting documents to be issued as part of the solicitation documents;
- c. Name and contact details of the UN Procurement Official in charge of the solicitation and for the clarifications process. Alternatively, it can include a generic email address from the procurement unit or the mechanism by which clarifications are handled on an e-tendering system (if the solicitation process is done via e-tendering);
- d. The solicitation documents should stipulate that any additional information, clarification, correction of errors, or modifications of bidding documents will be distributed and detailed in a written notification to bidders prior to the deadline for receipt, in order to enable bidders to take appropriate actions;
- e. Similarly, all vendors should be informed of the right to modify or make corrections to quotations, bids, or proposals, provided that any such modification or corrections are received by the UN in writing prior to the deadline for Submissions in the same manner of submission, as instructed in the Letter of Invitation;
- f. Vendors should be requested to keep their offers valid for a specified number of days, allowing time for evaluation of offers and award of contract. Typically, a vendor should be requested to keep its offer valid for a period of 60 or 180 days for ITBs and RFPs, and for 30-60 days for RFQs, but the timeframe could be reduced if the price of the good/service to be procured fluctuates rapidly (e.g. raw materials, petroleum products, etc.);
- g. The Letter of Invitation shall indicate in which currency the prices of the offer should be quoted or if vendors can determine the currency. Further, the instructions should state that the contract will be issued in the currency determined by the UN in the bidding document or in the bidder’s offer (as the case may be), and the payment will be issued in the currency of the contract;
- h. If receipt of offers is permitted in another currency, the UN shall convert prices to a single currency using the United Nations operational rate of exchange, applicable on the deadline date for receipt of offers;
- i. Article II, Section 7 of the [Convention on the Privileges and Immunities](#) provides, inter alia, that the United Nations is exempt from all direct taxes, except charges for public utility services, and is exempt from customs restrictions, duties, and charges of a similar nature, in respect of articles imported or exported for its official use;
- j. The solicitation document should state that all bids shall be submitted net of any direct taxes and any other taxes and duties payable for the purpose of bid evaluation. Therefore, the Delivered

Duty Paid (DDP) Incoterm must not be used in solicitation documents for goods and OLA or an entity’s Legal Advisor must approve exceptions to this rule;

- k. The Special Instructions shall indicate whether Bid Security is to be required. If Bid Security is required, then the amount and form of the Bid Security should be indicated. (See [Chapter 6.4.8](#) for more information on Bid Security requirements);
- l. The solicitation documents shall stipulate that the bidder must identify any subcontractors that will be material to the vendor’s performance under the contract. The use of subcontractors does not relieve the vendor with whom the UN has a contract of its responsibility to fulfill the terms and conditions of the contract. The UN reserves the right to obtain from the subcontractors the same level of information as from the prime contractor, for the sake of due diligence (security, capacity, financial strength, etc.). However, it must be clear that the UN will not enter into a contractual relationship with any subcontractors, and as such, holds no liability to subcontractors. Once a contract is awarded, the UN’s consent is required to replace subcontractors;
- m. The solicitation documents, as well as the offers, are to be prepared in English and/or official UN languages, as needed and subject to the capacity of the office;
- n. Translation of the solicitation documents into a local language may be necessary and is encouraged to facilitate access to business opportunities by local vendors if deemed appropriate. If such need and corresponding capacity exist, optional translations into other languages may be undertaken. Regardless of whether a translated version of the solicitations documents is provided for convenience purposes, the English version of the solicitation documents (including the UNGCC and the model form of contract, included as part of the solicitation document) alone shall govern the contractual relations between the UN and the bidder. The translated version(s) is provided for convenience only and is not to be relied upon as having any force and effect for contractual purposes. A statement to this effect should be included in any document that is translated;
- o. Deadline:
 - i. The date, time and place for submission of offers must be clearly stated, together with the location, date, and time for the opening of offers (if public);
 - ii. The deadline for submission should allow a vendor a sufficient number of days to prepare and submit an offer. Consult the below table for the recommended minimum solicitation periods (excluding the issue date but including the closing date);
 - iii. If due cause exists, the Procurement Approving Authority can authorize a shorter solicitation period. However, the Procurement Official must justify the decision for waiving the minimum period requirement in a note to the file that describes the reasons and explains how the requirement for the competition will be met, despite the shortened solicitation period. The note to the file must also confirm the availability of the evaluation committee members immediately after the end of the solicitation period. Such note must be included in the procurement case file;

Solicitation Method	Requirement	Minimum Solicitation Period (in calendar days)
RFQ	All	5
ITB	Goods	21 (15 days without a requirement for samples)
ITB and RFP	Works or services	21

TABLE 3. GUIDELINES FOR THE RECOMMENDED MINIMUM SOLICITATION PERIOD

- p. In order to convey all relevant instructions governing the preparation and submission of offers, the solicitation documents must include a list of documents required to form a complete offer, as well as notice to bidders that non-compliant offers may be rejected. A compliant offer is one that meets the formal criteria by conforming substantially to all terms, conditions, and specifications in the solicitation documents. Further, the Invitation Letter should always include:
 - i. Mode of submission (email, fax, hand-delivered, mail, UN e-tendering system);
 - ii. Address/fax number/email;
 - iii. Instructions on offer packaging, (e.g. sealed, number of copies, the requirement in RFPs to submit technical and financial offers separately (two-envelope system), etc.).
- q. Information will be included about whether a public tender opening of bids will be held, and, if so, details for the same (date, time, venue). For details, refer to [Chapter 7 Management of Submissions](#);
- r. The Letter of Invitation will indicate whether Performance Security is required. If Performance Security is required, then the amount and form of the Performance Security should be indicated. (See [Chapter 6.4.8 Bid/ Advance Payment/ Performance Security Forms and Requirements](#) for more information on Performance Security requirements.);
- s. The solicitation documents must specify the payment terms:
 - i. The payment terms are usually net 30 days upon receipt of invoice with all required documents deemed to be satisfactory by the UN, as well as receipt and acceptance of goods or services, or upon receipt of required shipping documentation, depending on the Incoterm used (see [Chapter 13: Contract Management and Contract Administration](#));
 - ii. No advance payments should be made, except when the conditions outlined in Financial Rule 105.19 apply. The Procurement Official shall record the reasons for advance or progress payments in the procurement case file. Under certain conditions, the UN may agree to pay for partial delivery of the goods or upon completion of clearly defined milestones for services or works, provided adequate security for the advance or progress payment is established. In such cases, the Procurement Official should consider establishing specially developed payment terms, taking payment flows into consideration, provided such terms are approved by the Director, PD or the CPO and are tailored to the specific procurement. Where advance payments are necessary the approval thresholds of the relevant DOA must be complied with;
 - iii. Lease payments paid in the same month to which they relate, regardless if they are paid on the first or last day of the month, are not considered advance payments. However, lease payments paid prior to the month to which they relate are considered advance payments.

6.4.3 Annex A: Acknowledgment Letter

The Acknowledgment Letter serves as a notification by the vendors, advising the Procurement Official whether they intend to submit a proposal/bid and/or attend the public tender opening.

6.4.4 Annex B: Scope of Work/Requirements

The Scope of Work for the Requirements should be included so that the bidders have all information necessary to prepare a responsive and meaningful offer (See [Chapter 4.4 Requirements Definition](#)). The Scope of Work and the Form of Contract are drafted in a way that they are coherent with each other.

6.4.5 Annex C: Special Instructions and Evaluation Criteria

Annex C is the ‘Special Instructions and Evaluation Criteria’ Annex. It is intended to give the bidders a detailed overview of the solicitation process, including a description of how bids are to be evaluated. The components of the Special Instructions are described below. The components of the Evaluation Criteria are described in the next chapter (i.e., [Chapter 6.4.6 Evaluation Criteria \(i.e., Part of Annex C\)](#)).

6.4.5.1 Pricing Requirements

Annex C shall include price information and additional information, such as whether a contract will be signed based on fixed price/lump-sum, or cost reimbursement in suitable cases (such as for travel/DSA).

Commodities: If the price of the commodities is likely to fluctuate over time, (e.g. petroleum products, metal products) and it is the UN’s intention to issue a contract based on a price formula that may include variable components (such as the Platts Index or London Metal Exchange), then the price formula should be clearly specified in Annex C; the wording for the same may be cleared in advance by OLA or a Legal Advisor.

UN Right to Change Quantities of Goods or Services: If applicable, it should be stated, in Annex C and in the Form of Contract, that the UN reserves the right to increase or decrease the quantity of goods and/or services originally specified in the solicitation documents, without any change from bidders in the unit prices or conditions. Alternatively, the solicitation documents may also specify that the quantities of goods and services are estimates, and that no obligation to buy a minimum quantity exists for the UN.

6.4.5.2 Site Visits and Bidders’ Conferences

The Special Instructions Annex in the solicitation documents should communicate to the bidders any information about the location, date, and time of any bidders’ conference or site-visits that will be conducted for the tender. If a solicitation contemplates site visits as well as a bidders’ conference, the site visits should generally take place prior to the bidders’ conference, to allow bidders to include any questions about the sites.

Site Visits: The purpose of site visits is to enhance the understanding of the requirement by allowing bidders to examine the physical sites where they are being asked to provide services.

- a. Attendance of the site visits may be mandatory or non-mandatory. The Procurement Official, in consultation with the Requisitioner, will apply sound judgment to establish when site visits are necessary and if participation should be mandatory for all participating bidders;
- b. Participation in site visits should only be mandatory in those cases in which the Procurement Official, in consultation with relevant Requisitioner, deems that the bidders could not understand the scope and breadth of the requirement based only on the information shared in the solicitation documents, or in those cases in which it has been determined that the quality of the Submissions would greatly improve by providing a forum for bidders to observe the actual conditions on the ground;
- c. In the case that site visits are non-mandatory and the bidder chooses not to attend, the bidder is implicitly renouncing all the benefits of a better knowledge of the physical conditions on the ground. For that reason, lack of knowledge of such conditions will not be accepted as grounds not to comply with any of the contractual obligations of the resulting contract;
- d. Site visits can be guided and/or non-guided. The solicitation documents will clearly indicate which type of site visits the UN will allow in each case, and the procedures to follow to participate:

- i. Guided Site Visits: The UN will organize an itinerary and an agenda, which will be shared with all bidders prior to the start of the site visits. Bidders are requested to fully comply with the agenda and itinerary in order for their attendance to be certified;
- ii. Non-Guided Site Visits: The UN will provide a time window of a few days in which the bidder, at its own initiative, may visit the site. The bidder must announce its visit in advance for security purposes, as detailed in the solicitation documents. Unguided site-visits will not be facilitated by any of the UN personnel directly involved in the solicitation, but by other personnel on the site. No information will be shared in such visits other than a tour of the facilities, so the bidder can observe the conditions on the ground. All bidders will be afforded the same tour;
- e. In cases when site visits are not practical, or when otherwise the Procurement Official, in consultation with relevant Requisitioner, deems it appropriate, the Procurement Official may consider the use of videos or other electronic means during the bidders' conference. This is especially recommended for non-mandatory site visits;
- f. Prospective bidders shall bear all costs related to their participation in site visits;
- g. See sub-clause (iii) below regarding additional requirements applicable to mandatory site visits and mandatory bidders' conferences.

Bidders' Conferences: The purpose of a bidders' conference is to enhance the understanding of the requirement among the participating bidders in a solicitation:

- a. The Procurement Official, in consultation with relevant requisitioner, should apply sound judgment to establish when a bidders' conference is necessary and if participation should be mandatory for all participating bidders. Participation in bidders' conferences should only be mandatory in those cases in which the Procurement Official, in consultation with the relevant Requisitioner, deems that the bidders could not understand the scope and breadth of the requirement based only on the information shared in the solicitation documents, or in those cases in which it has been determined that the quality of the Submissions would greatly improve by providing a forum for bidders' to interact with the UN. In all other cases, which include most solicitations for the provision of standard goods, participation in bidders' conferences, if any, should be left to the prerogative of the bidder (e.g. non-mandatory);
- b. The Procurement Official is encouraged to use electronic means to organize bidders' conferences, as it makes it easier for bidders, from a time and economic perspective, to participate. This is especially recommended for non-mandatory bidders' conferences;
- c. Bidders should be requested to send questions and comments about the solicitation documents in writing prior to the bidders' conference so they can be addressed in an orderly fashion. The Procurement Official may, at his or her own discretion, allow for further questions and comments spontaneously raised during the bidders' conferences or encourage discussions, if those may contribute to clarify the requirement and are aligned with the purpose of the bidders' conference;
- d. Information shared during the bidders' conferences is for informational purposes only. If any information is shared that modifies or provides further details on any of the conditions of the solicitation documents, such modification and/or clarification is only valid if it is confirmed via a formal amendment to the solicitation documents;
- e. The Procurement Official is not obligated to address all questions raised during a bidders' conference, only those that, in his or her opinion, in consultation with the relevant Requisitioner, are helpful to clarify the Requirement. All questions formally submitted in writing within the stipulated time frame prior to the bidders' conference must be formally answered to all bidders in writing. In some cases, the Procurement Official may allow more questions to be submitted in writing after the bidders' conference;

- f. In case of non-mandatory bidders' conferences, the Procurement Official will also keep in the file a record of which bidders attended:
 - i. Only bidders that are sent a Letter of Invitation directly by the UN (see [Chapter 6.4.1](#)) have permission to attend bidders' conferences. The Procurement Official may, on an exceptional basis, allow other bidders to attend if a revised List of Invitees including such additional bidders is submitted to the Approval Authority for approval prior to the bidders' conference. A bidder must specify which person(s) is/are designated an employee or representative to attend the bidders' conference on its behalf. A single representative may not represent two or more companies at a bidders' conference. The Procurement Official may allow for an exception if two companies are two subsidiaries of the same group (e.g. the parent company and the local subsidiary). The Procurement Official may limit the number of participants per bidder for reasons of space and logistics;
 - ii. Prospective bidders shall bear all costs related to their participation in bidders' conferences;
 - iii. See sub-clause (iii) below regarding additional requirements applicable to mandatory site visits and mandatory bidders' conferences.

Mandatory Site Visits and Mandatory Bidders' Conferences: In case of bidders' conferences or site visits for which participation is mandatory, the following will apply:

- a. Participation of all sessions of the bidders' conference or site visits is mandatory. Bidders that miss one session (e.g. the first morning, the last day, etc.) will not be marked as having attended. Arriving slightly delayed to one or more sessions will not be considered as non-participation;
- b. It is the bidders' sole responsibility to arrive at the bidders' conference and the site visits. The UN cannot take any responsibility for any event that may preclude the bidder from participating, such as missed flights, problems with visas, problems with security clearance, etc. Bidders are encouraged to plan in advance in order to minimize the risks of non-attendance;
- c. For an in-person bidders' conference, all participants must sign an attendance sheet per session/day, which must be kept on file by the Procurement Official. For electronic bidders' conferences, other means may be used to certify attendance;
- d. In some cases, and if requested by the bidder well in advance, the United Nations may be able to facilitate a letter to the bidder for the purpose of obtaining visas from the host country to attend the bidder's conference. However, this is not an obligation for the UN, and the bidder should rely on its own means to obtain the necessary visas;
- e. Bidders that did not participate in mandatory site visits and/or bidders' conferences and who therefore are not eligible for the award will be excluded from any further communication about the solicitation, such as amendments to the solicitation process or notices.

6.4.5.3 Partial Bids/Split Award

Information about whether partial offers, often segregated in the solicitation document into so-called "lots", are acceptable should be included in the solicitation document.

If the requirements are divided into several components or lots, the solicitation should indicate (i) whether bidders must submit bids on all of the lots or whether bidders have the right to submit proposals/bids on just some of the lots (i.e., partial bids) and (ii) whether the UN will be awarding one contract to the bidder that has the best overall bid with respect to all components/lots or whether the UN has the right to award multiple contracts to more than one bidder based on the best proposal/bid submitted per component/lot (i.e., split award).

When determining whether to split the award, possible savings from purchasing items at a lower price should be considered and the resource requirements for administrating and placing several contracts and the supply chain, logistical and other risks related to having multiple contracts in place should be considered.

Requirements cannot be split into separate solicitation processes to avoid thresholds for formal competition. Equally, awards following a single solicitation process should not be split with the sole purpose of avoiding the review by a Review Committee or approval by an appropriate Procurement Approving Authority. The appropriate Procurement Approving Authority for the cumulative estimated value of the total requirement must approve the issuance of separate tenders for a related or linked requirement.

6.4.5.4 Advance Payment Security

The UN does not agree to pay advance payments (i.e., payments in advance of the contractor's performance under a contract) unless the conditions of Financial Rule 105.19 apply, and, as provided in Financial Rule 105.19, the decision to make an advance payment has been recorded in writing. If the UN has decided to inform bidders to a solicitation process that the UN has decided to allow for advance payment(s) for the contract that is to be awarded, then the Procurement Official should indicate in Annex C whether the winning bidder will be required to deliver to the UN a guarantee of performance security instrument in connection with the UN's advance payment(s) as a condition for the awarding of the contract. If an Advance Payment Security is required, then bidders would need to factor this into the pricing of their proposals/bids. In addition, a guarantee for advance payment can be requested by the UN when the vendor requests an advance payment and this request has exceptionally been approved as per Financial Rule 105.19 by the appropriate Procurement Approving Authority.

6.4.5.5 Other

If there are elements to the solicitation process that are either not obvious from the SOW or are worthy of highlighting, then they should be clarified in Annex C (e.g. the need for samples or inspections prior to contract signature). For example, if the solicitation process is being undertaken to establish an LTA or BPO, the Procurement Official could choose to highlight this in Annex C.

If samples of goods are required for the evaluation, the solicitation documents shall state the number, size and other detailed specifications of the required samples, as well as a description of the tests that will be performed. The solicitation documents shall specify that failure to provide the required samples renders the Submission non-compliant and will lead to its rejection. If a vendor voluntarily provides samples without being requested, the samples shall either be disregarded or, if considered of value to the evaluation, all invited vendors shall be requested to provide samples. The solicitation documents shall state that samples shall be provided by the invited vendors free of charge with no guarantee that they will be returned by the UN unless the vendor agrees to take them back in "as-is" condition and pays for

SPLIT AWARDS

If the requirements are divided into several lots, the solicitation documents should indicate the UN's right to award the contract to the vendor offering the best offer for all lots or per lot.

Requirements cannot be split into separate tenders to avoid thresholds for formal competition.

The appropriate Procurement Approving Authority must approve the issuance of separate tenders for a related or linked requirement for the cumulative estimated value of the total requirement.

their return. The UN shall give no guarantee as to the condition of the samples upon completion of the designated tests and technical evaluation. If any sample is not returned, it shall become part of the regular UN inventory. The UN may require that the vendors give a demonstration of offered goods as part of the evaluation. The solicitation documents shall state the scope of such demonstrations. Such demonstrations shall be provided free of charge, and the UN shall not accept any liability for any damage to or loss of the goods in connection with such demonstrations.

6.4.6 Evaluation Criteria (i.e., Part of Annex C)

Annex C is the 'Special Instructions and Evaluation Criteria' Annex. It is intended to give the bidders a detailed overview of the solicitation process, including a description of how bids are to be evaluated. The components of the evaluation criteria are described below. The components of the special instructions are described in the chapter above (i.e., [Chapter 6.4.5 Annex C: Special Instructions and Evaluation Criteria](#)).

Overview: Annex C of the solicitation documents must state the evaluation method, according to the solicitation method designated in the SSP (i.e., RFQ, ITB, or RFP). In addition, the solicitation documents must state the evaluation criteria, including as applicable:

- a. Preliminary Screening resulting in a compliant bid;
- b. Mandatory criteria;
- c. Technical criteria;
- d. Financial criteria.

The evaluation criteria shall be appropriate to the type, nature, market conditions, and complexity of what is being procured, and should be clearly specified in detail in the solicitation document. Evaluation criteria should be designed to enable the UN to achieve Best Value for Money.

The evaluation must be carried out pursuant to the formal criteria specified in the solicitation documents and the SSP. Should there be the need to make changes to solicitation documents during the solicitation process and before the closing date and time, any such amendments will be made in accordance to [Chapter 6.6 Amendments to Solicitation Documents](#), and amendments to the SSP are to be issued accordingly.

6.4.6.1 Preliminary Screening

During preliminary screening (see [Chapter 8.5 Preliminary Screening](#)), the Procurement Official shall review the compliance of the submission with the solicitation documentation and related criteria.

Examples of such formal criteria are:

- a. The offer is accompanied by the required documentation, including the bid submission form, with signatures in the key portion of the bid form when this is clearly specified in the tender;
- b. The offer is accompanied by the required securities, when applicable;
- c. In cases of RFPs, the offer is submitted in two separate envelopes: one containing the technical proposal and the other containing the financial proposal;
- d. The offer covers the requirement in full or in part, specifically for partial bids;
- e. The offer includes evidence of acceptance of other important conditions specified in the solicitation documents (e.g. performance security);

- f. The bidder does not have a conflict of interest, as defined in [Chapter 1.5.3.3 Vendor Conflict of Interest](#);
- g. The bidder is included in the List of Invitees.

6.4.6.2 Mandatory and Technical Criteria

Mandatory and technical criteria are evaluated during technical evaluation.

Mandatory Criteria:

- a. Mandatory criteria when included in a solicitation document are evaluated on a pass/fail basis, regardless whether the solicitation process is an RFQ, ITB or RFP.
- b. The extent of the mandatory criteria must have a rational basis related to the fundamental purpose of the requirement. Also, in deciding whether there should be mandatory criteria, the Procurement Official, together with the Requisitioner, should consider the value of the contract and the complexity of the solicitation process. The Procurement Official should ensure that mandatory criteria are not used to limit competition. The following aspects are examples of factors that could be considered mandatory criteria:
 - i. Legal and regulatory requirements such as registration certificates, licenses, standards, etc.;
 - ii. Minimum requirements regarding the value of previous contracts;
 - iii. Availability of after-sales services or agents in the country of delivery;
 - iv. Qualification and experience of proposed personnel;
 - v. No adverse reports of any aspect considered relevant to the requirement in a specified last number of years;
 - vi. Evidence that, during a number of years prior to the tender opening date, the bidder is in continuous business of providing similar goods/ services to those offered;
 - vii. Institutional and workload capability, such as capacity and availability of production site, staff, etc.;
 - viii. Financial capability, such as annual sales turnover of a minimum amount during one/multiple past years and minimum financial profitability and liquidity ratios.
- c. A bidder must meet all mandatory criteria for the respective lot for which it is recommended for award. The UN will award each of the lots in a manner which achieves the best overall value-for-money combination for the UN.

Technical Criteria:

- a. Technical criteria are developed for evaluation according to a pass/fail basis, regarding the compliance to the specifications and other requirements (in RFQs and ITBs) and/or the cumulative weighted analysis evaluation method (in RFPs);
- b. The cumulative weighted analysis evaluation method consists of allocating points using weighted criteria. When using the cumulative weighted analysis evaluation method, technical evaluation criteria are related to the approach and methodology proposed to reach the expected results or solve the identified problem, as described in the requirement definition (TOR or SOW). In these cases, the SSP must clearly state the breakdown of percentages or points allocated to each overall criterion (e.g. experience: [xx] points, approach and methodology: [xx] points, qualifications and competence of proposed personnel: [xx] points). In the solicitation documents, the technical criteria should be listed in order of priority given their allocated scores and weights (i.e., the

technical criteria with the highest maximum points should be listed first, without identifying the weight given to each criterion);

- c. In addition, with respect to RFPs, the UN may consider including a number of technical points for interviews/oral presentations for all bidders or those that have achieved a minimum number of points upon evaluation of the documentation submitted. This should be done only when it is of relevance to determine the overall quality of the proposal and where it is normal commercial practice. The criteria for the interview need to be pre-established and objective in nature. It is important to manage the process properly and ensure the RFP includes wording on the purpose of the interview/oral presentations. Normally, the purpose of the interviews/oral presentations is to validate the information provided by the bidders in their proposal and to test the bidder’s understanding of the requirement. It is encouraged to state in the solicitation documents the approximate dates when such interviews/oral presentations will take place if the date can be reasonably estimated.

Rating Each Technical Criterion

- a. The Requisitioner, in consultation with the Procurement Official, shall establish a rating system as part of the SSP that can be used to evaluate the submission in an objective manner. The scored technical evaluation criteria should, within reason and where possible, be established in a way that allows bidder’s responses to be assessed by measurable and quantifiable indicators. The rating system shall be relevant to the requirement and involve numerical scoring, and it shall be accompanied by a description of the rating defined in narrative form, supplemented by an explanation of such scoring;
- b. As an example, the following rating system could be used:

Score	Narrative/Description
10	More than 10 years of experience in providing the requirements
7	Between 6-10 years of experience in providing the requirements
4	Between 3-5 years of experience in providing the requirements
0	Less than 3 years of experience in providing the requirements

TABLE 4: SAMPLE NUMERICAL SCORING SYSTEM

6.4.6.3 Financial Criteria

Price is an important evaluation criterion, but the weight of the price depends on the chosen evaluation methodology (see [Chapter 8.4 Evaluation Methodologies](#)). It is important to clearly state in the solicitation documents which price factors will be used for evaluation. Various factors such as freight cost, operational cost, incidental or start-up costs, as well as life cycle costs, can be taken into consideration.

In all cases, required breakdown of pricing, as well as evaluation criteria, should be clearly stated in the solicitation documents.

Only the factors stated in the solicitation documents will be considered in the financial evaluation.

In order to further assist bidders in determining the appropriate quality of goods or services, the UN may choose to include estimates of personnel and other input required in order to reach the expected results. However, it is strongly recommended that the UN not disclose the available budget for the contract. Such disclosure may be only done upon approval from the Director, PD or the CPO.

Life-Cycle Costs:

- a. The UN may state in the solicitation document that the financial evaluation will consider the full life-cycle cost. The full life-cycle cost of a product typically considers costs associated with the purchase and use of the product and may include:
 - i. Product cost (initial cost);
 - ii. Freight cost;
 - iii. Operational cost over the useful life of the product (e.g. electricity, fuel, consumables);
 - iv. Installation and training cost;
 - v. Maintenance cost over the useful life of the product (e.g. after-sales services, repair, spare parts, human resources);
 - vi. Disposal cost (including handling and treatment and takeback if included) or residual value at the end of use.

Life cycle costing should be included in the financial evaluation when the costs of operation and/or maintenance over the specified life of the goods are estimated to be considerable, in comparison with the initial cost and may vary among different offers received. Selection of the lowest-priced offer based on life cycle costing analysis can lead to win-win situations when cost savings go hand-in-hand with better overall sustainability.

When using life cycle costing, the solicitation document shall specify:

- a. A minimum number of years for the life cycle cost consideration, (i.e., the number of years that the product or service is expected to be used);
- b. The methodology to be used for calculating the operational, maintenance costs, including the information to be provided by bidders in their offers.

Freight Costs:

- a. When including freight in the requirements, an evaluation must be made on the total cost delivered to the final destination (“landed cost”) and may require bidders to quote prices on FCA/FOB/EXW [Incoterms](#) basis, with freight cost quoted separately, and CPT/DAT/DAP Incoterms basis prices. In cases where the UN requests prices on FCA/FOB/EXW basis, the UN reserves the right to seek freight quotations from its freight forwarders with which there is an LTA in place and to issue the award to the bidder whose landed cost is lowest after adding their FCA/FOB/EXW price to the freight quotation obtained by the UN;
- b. For more information on Incoterms please refer to [Chapter 12 Logistics](#);

6.4.6.4 Evaluation Criteria for Joint Ventures

A bidder may submit an offer in association with other entities, particularly with an entity in the country where the goods and/or services are to be provided. It is the preference and strong recommendation that contracts be signed with a prime vendor and for any partners to act as subcontractors, as joint ventures can give rise to legal risks. In the case of a joint venture or consortium,

- a. All parties of a joint venture or consortium shall be jointly and severally liable to the UN for any obligations arising from their offer and the contract that may be awarded to them as a result of the solicitation process;
- b. The offer shall clearly identify the entity designated to act as the contact point to deal with the UN, as detailed in the bid/proposal. Such entity shall have the authority to make binding decisions upon the joint venture or consortium during the solicitation process, and any such authority shall

not be altered during the solicitation process (and, with respect to the winning bidder, during the term of the contract) without the prior consent of the UN;

- c. The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the UN.

Where joint ventures are anticipated in a solicitation process, the solicitation document should state how each evaluation criterion would be applied. In particular, it should be clear regarding each criterion whether:

- a. All joint venture members combined must meet it;
- b. Each joint venture member must meet it;
- c. At least one of the joint venture members must meet it.

Normally, mandatory criteria, such as specific experience requirements and turnover requirements, refer to all joint venture partners combined, whilst eligibility criteria are per each joint venture partner (non-inclusion in ineligibility lists, etc.).

6.4.7 Requisite Forms/Schedules for Bidders

The solicitation document should include specific forms/schedules to be filled out by bidders and included in the bidders' bids/proposals. The number and specific forms/schedules to be included should be in accordance with the complexity of the requirements and solicitation method selected.

Once the bidders have completed the requested information as specified in the solicitation document and a contract has been awarded, the information contained in the bid/proposal and in these schedules of the successful bidder will be extracted from the bid/proposal and incorporated into the contract to be signed. The bid/proposal itself is not ordinarily to be included in the contract as an attachment.

6.4.8 Bid/Advance Payment/Performance Security Form and Requirements

If applicable, Procurement Officials shall include in the solicitation documents the appropriate forms for Bid Security or Advance Payment Security, if required pursuant to the SSP. If performance security is required of the winning bidder, then the form of performance security also should be included in the solicitation documents. The Procurement Officials shall ensure that, as part of their offers, bidders accept the provision of such security.

Bid Security Form and Requirements

The purpose of Bid Security is to discourage frivolous and irresponsible offers with an adverse impact on the procurement process, which may lead to additional cost for re-tendering and evaluation, and/or possible delays in implementation of mandates. Bid/proposal securities can be requested by the UN to mitigate the following bidder-related risks:

- a. Withdrawal or modification of a bid or proposal after the bid receipt deadline;
- b. Failure to sign the contract;
- c. Failure to provide the required security for the performance under the contract after a bid or proposal has been accepted;
- d. Failure to comply with any other conditions specified in the solicitation documents, prior to signing the contract.

Bid Security is not always required for a solicitation exercise. It is recommended to require bid security in the following circumstances:

- a. The high value of goods/services to be purchased;
- b. The urgency of the request (e.g. goods must be in the country or construction works must be performed before the rainy season);
- c. Emergencies (i.e., life and death situations);
- d. High risk of offer withdrawal due to market conditions, increasing raw material prices, country instability, etc.;
- e. The contract cannot be placed within a relatively short period).

The obligation to furnish a bid security may be a deterring factor preventing bidders from doing business with the United Nations, especially for awards estimated in low amounts, therefore Procurement Officials may exercise discretion in determining when it is advisable to request it.

If Bid Security is required, the amount and form of the bid security shall be specified in the solicitation documents. Furthermore, the bid security shall remain valid for a period that provides sufficient time to the UN in the event the security has to be cashed (i.e., until the date of expected contract signature).

Bid security shall be released to unsuccessful bidders once the contract has been signed with the winning bidder.

Calculation of the value of Bid Security should consider various elements, amongst them the costs of evaluating offers and re-tendering and the estimated value of the contract. For reference purposes, the value of the Bid Security could range between 0.5% and 4% of the expected contract amount; however, the Bid Security must always be stated as a specific lump sum rather than as a percentage of the bid amount (to avoid signaling the budget estimate), except for solicitation processes with multiple lots, if this approach is not practical. Bid security represents a cost to the bidder, and therefore, it is essential that the bid security is set at a level that will not discourage participation in the solicitation process. The bid security is normally in the form of a bank guarantee. Other forms of bid security (e.g. a bond, demand draft, cashier's cheques, or irrevocable cheques certified by a bank) may be used either with prior review by OLA or a Legal Advisor or upon approval by the Director, PD or the Chief Procurement Officer. The acceptable formats should be indicated in the solicitation document along with relevant templates.

In UN office locations where it is difficult for bidders to obtain Bid Security or it is not a normal market requirement, it can be replaced by a 'bid securing declaration', which is a non-monetary statement committing the bidder to sign the contract if awarded. In these cases, a standard template must be used, and PD's guidance sought prior to using it in that template in the first solicitation exercise, and approval must be obtained from the relevant Procurement Approving Authority.

Performance Security Requirements

Performance security may be requested in solicitation documents by the UN from the winning bidder as a requirement to be provided, following an award, in order to mitigate the risk of non-performance and breach of contractual obligations (such as the delivery of all equipment, services rendered, and works completed as per the contract).

The performance security is normally to be in the form of an unconditional and irrevocable on-demand bank guarantee. Other forms of performance security (e.g. a bond, a demand draft, cashier's cheques, or irrevocable cheques certified by a bank) may be used with prior review by OLA or a Legal Advisor. The acceptable formats should be indicated in the solicitation document along with relevant templates.

The value of the performance security may vary, depending on the nature, risk, and magnitude of the services or goods to be provided under the contract (e.g. large variety of products to be covered under the contract with a risk of failure to deliver or delicate products with a high risk of damage during handling). The performance security should reflect the value of the assessed risk and subsequent loss to the UN should the contractor fail to fully perform under the respective contract. This would be dependent on the market, situation, local conditions, and/or political and economic situation of the location of the end-user. It is recommended that the total value of the performance security should normally not exceed ten percent (10%) of the contract value. The higher the percentage, the less attractive may be for bidders to participate in the tender exercise, to the point that it may become a deterrent for some prospective bidders; also, the bidders' financial proposals are likely to cost more if the performance security is higher.

6.4.9 Form of Contract and UN General Conditions of Contract

A copy of the applicable Form of Contract and the relevant UNGCC should either be included with the solicitation documents or else reference should be made to the UNGCC, available on the UNPD's public website. Including a form of contract allows bidders to know the terms and conditions of the specific agreement before submitting a bid/proposal and allows them to understand what they would be expected to sign if selected as the winning bidder. Several forms of model contracts can be found on the OLA website. For complex requirements for which the standard UN model contracts might need some tailoring to meet the needs of the Requirement, the Procurement Official may wish to consult with OLA.

The solicitation documents should state that bidders are requested to accept the UNGCC and the applicable form of the contract included in the solicitation document. The solicitation documents should further provide that if a bidder has any comments or reservations to the UNGCC or form contract, they must submit such comments or reservations with their bids. Failure to submit such comments or reservations will be deemed by the UN as acceptance of all contract terms. Submission of comments or reservations does not, however, mean that the UN will automatically accept them should they be awarded the contract. The solicitation documents should specify whether a bidder's failure to accept the UNGCC and the form contract, as is, may lead to the bidder's disqualification or affect the bidder's weighted score.

In any specific procurement action in which modifications are proposed to the UNGCC, the proposals should be carefully reviewed and only undertaken upon review and advice of the applicable UN Legal Advisor. If necessary, OLA should be consulted prior to reaching any agreement to modify the standard terms and conditions of the UNGCC. The Procurement Official must obtain such clearance prior to issuance of the solicitation documents or signature of a contract. Any such modifications should be considered as applying to the specific procurement action in question only and should not be regarded as setting a precedent for other procurement actions or as a reformulation of the specific provisions of the UNGCC.

Whenever changes are required to be made to the UNGCC, such changes should be reflected in the main agreement and not on the form of the UNGCC themselves

6.5 Invitation of Vendors

After the solicitation documents have been prepared and completed, the following steps must be undertaken before the documents are distributed.

Approval of Solicitation Documents

The solicitation documents must be approved by the Procurement Approving Authority at the appropriate level, with the corresponding level of delegated procurement authority, prior to issuance and each time they are amended.

Distribution of Solicitation Documents

The solicitation documents shall be issued and distributed simultaneously to all potential vendors included in the List of Invitees, duly signed by the Procurement Approving Authority at the appropriate level with the corresponding level of delegated procurement authority so that all bidders are given the same opportunity to respond. The list should be comprised of vendors identified during market research, via EOI, prequalification, or other means of supply market analysis. They may also be made available to all interested vendors upon request if the request is made within a reasonable time prior to bid closing and would not lead to a delay (i.e., an extension of the bid closing deadline), provided they register at the basic level before the solicitation documents are issued to them.

If the solicitation documents are issued electronically, the Procurement Official should ensure that the documents are issued in limited editing format. In addition, the solicitation document must include a clause stating that the UN takes no responsibility for effective delivery of the electronic document.

A signed copy of the solicitation documents and List of Invitees must be kept on file by the Procurement Official together with documentation on where and how long it was posted (e.g. printouts of screenshots from e-tendering solution), and to whom it was issued (e.g. fax receipts, copies of emails, courier receipts, etc.) to facilitate an audit of the process.

Confidentiality of the List of Invitees:

In order to safeguard the principle of competition, the UN shall not disclose the names of any invited companies.

6.6 Amendments to Solicitation Documents

At any time before the deadline for submission of offers, the UN may, for any reason, whether on its own initiative or following a request for clarification by a vendor, modify the solicitation documents by issuing a formal amendment to the solicitation.

Questions submitted by bidders in writing by the established deadline and their corresponding answers, as well as any relevant documents shared with the vendors during the bidders' conference, shall be included into the solicitation and considered an integral part of it via formal solicitation amendment. The appropriate Procurement Approving Authority must approve amendments to solicitation documents.

The amendment must be made within a reasonable time before the deadline for submission of offers, in order for vendors to address changes in their offers. In certain cases, amendments may justify an extension of the submission deadline. This should be assessed on a case-by-case basis.

In order to ensure that all vendors have the same information, amendments of solicitation documents must be sent simultaneously in writing to all invited vendors.

Bidders that did not attend a mandatory bidders' conference, and are therefore not eligible for an award, are not required to receive the amendments to the solicitation unless a new opportunity to attend is provided for through an amendment.

Should the amendment to the solicitation include the introduction of new requirements or a substantial change to the nature of the requirements, the Procurement Official will give due consideration to cancelling the procurement process and issuing a new one, as allowed by the operational environment, as a change of requirements may potentially have an impact on the interest of the market for the solicitation.

6.7 Cancellation of the Solicitation Process

The UN reserves the right to cancel a solicitation without recourse at any time prior to the contract award. The relevant Procurement Approving Authority must approve all cancellations. Conditions that may give rise to cancellation are:

- a. The justification for the initial solicitation is no longer valid;
- b. The requirements require material revision.

In the event a solicitation exercise is cancelled, all bidders must receive written notification and offers will be made available for collection by the respective bidder. The UN shall reserve the right to discard such offers unopened without further notice to the bidders. The UN shall not bear any costs associated with returning offers to bidders. The Procurement Official must make sure that all bid securities are returned to the bidders.

6.8 Direct Contracting Under Sole Source

When direct contracting under sole sourcing is justified, an offer is requested only by the appropriate Procurement Official from only one vendor following approval by the appropriate Procurement Approving Authority, in accordance with Financial Rule 105.16(a).

Although the direct contracting modality waives the competitive process, this method does not diminish the responsibilities and accountabilities of personnel involved in the procurement process. Under the direct contracting modality, a contract must still be awarded to a vendor whose offer substantially conforms to the requirements at a reasonable price.

The following procurement actions shall still be required:

- a. Seeking the necessary approvals to commence the procurement action under the relevant Financial Rule;
- b. Writing the requirements definition;
- c. An advertisement of a synopsis of the requirement should be posted in the form of a request for EOI. If the Procurement Official decides not to post a request for EOI because the circumstances of the case do not warrant it, s/he shall document the reasons in a note to the case file;
- d. Soliciting an offer from the selected vendor based on the requirements definition, the applicable Form of Contract, and the UNGCC;
- e. Evaluating the offer (see [Chapter 8.8 Further Aspects of Evaluation](#)) and carrying out negotiations, if applicable (see [Chapter 8.9 Negotiations](#));

DIRECT CONTRACTING

Although the direct contracting modality waives the competitive process, this method does not diminish the responsibilities and accountabilities of personnel involved in the procurement process. Under the direct contracting modality, a contract must still be awarded to a vendor whose offer substantially conforms to the requirements at a reasonable price.

- f. Awarding the contract at the level of the Procurement Approving Authority, including prior review by a committee on contracts, as applicable.

Since there is no competition in a direct contracting approach, the use of standard solicitation documents (RFQ, RFP, ITB,) when requesting an offer is not necessary. However, to facilitate the evaluation process, Procurement Officials should request the vendor to provide information that would allow for a comprehensive assessment of its offer based on pre-established evaluation criteria and ensure that it meets the needs of the UN.

6.9 Solicitation of Offers Against LTAs

If a long-term agreement (LTA) has been established by the UN (see [Chapter 11.6 Long-Term Agreement \(LTA\)](#)) for the goods or services required in a specific case, offers should be solicited as follows from vendors, depending on the LTA's set-up:

Single-Vendor LTA, or Multiple-Vendor LTA Without Secondary Bidding: Procurement Officials shall contact the contractor directly to confirm the call-off in accordance with the prices and other terms and conditions of the LTA and inquire about shipping costs, if applicable. (See [Chapter 11](#) regarding Call-Off Orders).

Multiple-vendor LTA with secondary bidding: for all secondary bidding exercises, the following shall apply:

- a. It is highly recommended to use a standard template (which could be a simplified version of the standard RFQ template for goods and services);
- b. The item description should include the item reference, as included in the LTA;
- c. Offers resulting from a secondary bidding exercise do not need to be submitted to a secure email/fax number or sent in a sealed envelope, regardless of their value, unless so decided by the Procurement Official;
- d. A note to the file, signed by the relevant Procurement Official, justifying the final selection decision should be included in the file to document the approval of the resulting call-off order(s).

LTAs can be used only for ordering the goods or services specified in that LTA. If other goods or services are required from that vendor, then other solicitation methods must be followed, unless a sole source decision can be justified. Extending the scope of the LTA in order to meet additional requirements (such as new licenses to replace depreciated version) requires either an award issued pursuant to a new solicitation or a properly justified sole-source decision.

6.10 Communication with Vendors

During the tender period, no communication regarding the contents of the solicitation documents or proposals is permitted between vendors and the UN Procurement Official, except through the methods of handling queries, as described below, and seeking clarifications from bidders during the evaluation process.

Queries from vendors must be handled through written correspondence and/or by a bidders' conference, followed up by written minutes made available to all potential bidders. Vendors requiring clarifications to the solicitation documents must submit their queries in writing to the UN to the point of contact indicated in the solicitation documents. The UN will prepare and dispatch written replies to such queries and make all replies known, together with the text of the queries, to all vendors at the same time, without referencing the source of the queries.

Furthermore, meetings with vendors, as well as attendance to conferences, trade exhibitions or similar, should be carried out in consultation with procurement officials.

Requisitioners may contact contractors (i.e., awarded vendors) for matters relating to the execution and management of an existing contract within the scope of that contract. Requisitioners should keep Procurement Officials informed, as appropriate, of their communications with contractors and keep records thereof, in case of any future disputes. On the other hand, Procurement Officials shall undertake all actions related to contract administration, as defined in [Chapter 13.1.2](#) below.

Any requests to the contractor that amends the terms of a contract must be negotiated by Procurement Officials and formally agreed via a contract amendment signed by the authorized Procurement Official, to avoid claims resulting from the Requisitioner's apparent authority to amend the contract.

6.11 Exceptions to Formal Methods of Solicitation

Financial Rule 105.16 sets forth the circumstances in which the Procurement Approving Authority may determine, for a particular procurement action, that using formal methods of solicitation is not in the best interest of the UN. Those reasons are set forth below, along with further analysis and examples. The examples provided for invoking each of the exceptions are not exhaustive and may include other situations that can be justified under such exceptions.

Before commencing a procurement action under Financial Rule 105.16, the Procurement Official shall obtain authorization from the relevant Procurement Approving Authority or Authorized Official, as the case may be, in accordance with the Delegation of Procurement Authority, except in the case of Financial Rule 105.16(a)(x) – when the value of the procurement is below the monetary threshold established for formal methods of solicitation.

For the Financial Rule 105.16(a)(x), the approval for the exception to formal methods of solicitation may be obtained from the Procurement Approving Authority or Authorized Official before commencing the procurement action or in conjunction with the award resulting from the ensuing procurement action, by providing the justification for the exception together with the request of the approval of the subsequent award.

For exceptions under Financial Rules 105.16(a)(iii) and 105.17, please refer to [Chapter 14](#).

6.11.1 No Competitive Marketplace

There can be an exception to using formal methods of solicitation 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 (Financial Rule 105.16(a)(i)).

6.11.2 Fixed Prices or Rates

If fixed prices/rates are the justification why formal methods of solicitation are not to be employed, the Procurement Official should document the name of the regulatory body or law that controls rates or established prices within the request for award for designated vendor and, if available, a current price/rate schedule should be provided in the request for approval.

6.11.3 Proprietary Product or Service

Proprietary product or service refers to situations where only one source can reasonably meet the needs of the UN, such as:

- a. Proprietary items subject to legal restrictions (i.e., patents and copyrights) are to be procured;
- b. Matters involving defense or security render single-source procurement the most appropriate method of procurement;
- c. The goods or services are available only from a particular vendor or contractor, or a particular vendor or contractor has exclusive rights in respect of the goods or services and no reasonable alternative or substitute exists.

If there is to be an exemption to using formal methods of solicitation for reasons of no competitive marketplace, fixed prices or proprietary product/service, then the Procurement Official must document the reasons, including demonstration of reasonableness of price (e.g. comparison with previous purchase prices).

6.11.4 Previous Determination or need for Standardization

An exception to using formal methods of solicitation can be made when there has been a previous determination, or when there is a need to standardize the requirement (Financial Rule 105.16(a)(ii)).

Previous determination means the product to be purchased is determined by a previous purchase, e.g. a piece of equipment was previously purchased and components that can only be obtained from the manufacturer must now be replaced, or complex services were purchased from a vendor and only the vendor who performed the initial services can realistically provide the required additional services.

Standardization shall be acceptable when identical goods, equipment, or technology have recently been purchased from an existing or previous UN contractor, and it is determined that there is a need for compatibility with existing goods, equipment or technology, or works. The effectiveness of the original procurement in meeting the needs of the UN, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price, and the unsuitability of alternatives to the goods in question shall always be considered and justified. In any case, an appropriate technical authority, such as the ICTB, shall officially establish standardization.

Branding alone is not necessarily a justification for exceptions. A competitive process should be undertaken if multiple sources of supply exist.

If there is to be an exemption to using formal methods of solicitation for reasons of previous determination or standardization, then the Procurement Official must document the rationale for this exception, including, as applicable, the previous determination or reasons for requiring standardization, the terms of the standardization signed by the appropriate technical authority (e.g. the ICTB), and reasonableness of prices (e.g. comparison with previous purchase prices and comparison with prices of equipment from other vendors equivalent in performance).

6.11.5 Cooperation

The proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to Financial Rule 105.17(a) or governments and organizations other than those of the United Nations system, pursuant to Financial Rule 105.17(b).

The Procurement Approving Authority for Financial Rule 105.16(a)(iii), in conjunction with Financial Rule 105.17(a), may, in appropriate cases, authorize cooperation with a United Nations organization in respect of procurement activities. Please refer to [Chapter 14](#).

Should the requirement to be sourced through cooperation relate to Strategic Goods and Services, a request for LPA shall be sought from the Director, PD as per [section 2.6.4](#).

6.11.6 Identical Requirements

There can be an exception to using formal methods of solicitation when offers for identical requirements have been obtained competitively within a reasonable period, and the prices and conditions offered by the bidders remain competitive (Financial Rule 105.16(a)(iv)). The reasonable period in relation to the use of a previous competitive method of solicitation should not exceed one (1) year after the contract signature date unless otherwise justified, considering the specific market.

For goods where the price fluctuates rapidly (raw material, petroleum products, some IT equipment, etc.), the competitiveness of the price should always be properly justified.

This provision may not be applied if the respective offer has been obtained using Emergency Procurement Procedures (“EPP”), unless the new requirement is for a follow-on requirement for the original emergency, or is a requirement supporting a response to a new emergency (see [Chapter 15.4](#) regarding EPP).

If there is to be an exception to using formal methods of solicitation for reasons of identical Requirements, then the Procurement Official must document the use of a previous formal method of solicitation and its outcome, and the reasonableness of price and prevalent market rates in the area.

6.11.7 No Satisfactory Results from Previous Formal Methods of Solicitation

There can be an exception to using formal methods of solicitation when a formal solicitation has not produced satisfactory results within a reasonable prior period (Financial Rule 105.16(a)(v)).

The ‘prior period’ refers to the time elapsed since the closing date for Submissions of the failed competitive solicitation process and shall be limited to six months. In relying on this clause, the Procurement Official should ensure that market research was done and be fully satisfied that a new solicitation process, again using formal methods of solicitation, will not yield satisfactory results.

If there is to be an exception to using formal methods of solicitation for reasons of unsatisfactory results from formal methods, then the Procurement Official is to document the failed competitive process and its outcome, the rationale as to why using formal methods again will not yield satisfactory results, the reasonableness of price, and the applicable prevalent market rates for the requirement.

MUTUAL RECOGNITION

If the proposed procurement contract is a call-off order against another UN organization’s LTA pursuant to Financial Rule 105.17(a), no further review of the procurement process leading to the original award is required.

6.11.8 Real Estate

There can be an exception to using formal methods of solicitation when the proposed procurement contract is for the purchase or lease of real estate property (Financial Rule 105.16(a)(vi)).

Selection of location is based on security considerations.

It should be noted that, technically, “leasing” does not include occupying hotel rooms. The correct term for occupying hotel rooms is “licensing”. However, because of reasons such as security, the interpretation of “lease” in the context of Financial Rule 105.16 is extended to include the right to occupy hotel rooms, as it is unrealistic to expect hotels to take part in a formal bidding process for hotel occupancy arrangements.

If there is to be an exception to using formal methods of solicitation for reasons of real estate, the Procurement Official, in justifying the choice of the premises, is to document the reasonableness of price (e.g. contacting companies specialized in commercial real estate services); demonstrate that a market survey or similar evaluation has been conducted; confirm MOSS compliance, clearance from UNDSS, etc.; provide evidence of market research into available premises; evidence Best Value for Money for the selected real estate.

6.11.9 Exigency

There can be an exception to using formal methods of solicitation when there is an exigency for the requirement (Financial Rule 105.16(a)(vii)).

The exigencies of the requirement must be beyond the control of the UN. An exigency is an exceptional, compelling, and emergent need, not resulting from poor planning or management or from concerns over the availability of funds. An exigency exists if the lack of action will lead to serious damage, loss, or injury to property or persons if not addressed immediately, (i.e., emergency situations or force majeure, or other compelling circumstances which are not due to lack of planning or slow administrative process within the UN). The requirement must fit the definition of exigency situations as per General Assembly decision 54/468. Please refer to [Chapter 15.4 Emergency Procurement Procedures \(EPP\)](#) for instructions relating to the solicitation process under EPP.

If there is to be an exception to using formal methods of solicitation for reasons of exigency, then the Procurement Official must document how exceptions to formal methods of solicitation will meet the schedule and the adverse impact, such as damage, loss, or injury to property or persons if formal solicitation was to take place. The Procurement Official should also confirm the reasonableness of price (e.g. through comparing prices with previous purchase prices, etc.) and the justification for selecting a particular vendor over any other.

6.11.10 Services Cannot Be Evaluated Objectively

There can be an exception to using formal methods of solicitation when the proposed procurement contract relates to obtaining services that cannot be evaluated objectively (Financial Rule 105.16(a)(viii)).

This exemption can be applied to the requirement for research, experiment, study, or development leading to the procurement of a prototype, except where the requirement includes the production of goods in quantities sufficient to establish their commercial viability or to recover research and development costs.

This exemption can be applied to the requirement for services of specific vendors to obtain cutting-edge technology or other new methodologies where there is no means of determining a basis for reliable comparison.

If there is to be an exception to using formal methods of solicitation for reasons of inability to evaluate the desired services objectively, then the Procurement Official is to document to why this specific requirement can only be obtained via this exception and why there is no possibility to evaluate those services objectively. In addition, the Procurement Official should document either a benchmark for the price quoted or how the reasonableness of price has been established.

6.11.11 Formal Methods Will Not Produce Satisfactory Results

There can be an exception to using formal methods of solicitation when the authorized official with the corresponding delegated authority otherwise determines that a formal solicitation will not produce satisfactory results (Financial Rule 105.16(a)(ix)).

Reasons for such exceptions shall be included and due diligence conducted.

6.11.12 Below Monetary Threshold

There can be an exception to using formal methods of solicitation when the value of the procurement is below a specified monetary threshold established for formal methods of solicitation (Financial Rule 105.16(a)(x)).

For requirements up to the monetary threshold of US\$ 150,000, an informal method of solicitation may be used.

7. Management of Submissions

7.1 Tender Opening Committee

A Tender Opening Committee (TOC) is an entity responsible for the handling of submissions in response to formal solicitation exercises. Their responsibilities shall include the receiving, recording, and safeguarding of Submissions, as well as conducting formal tender opening meetings. In case of informal solicitation exercises conducted through e-tendering, the TOC will also be responsible of releasing offers to the Procurement Officials.

To ensure the integrity of the procurement process, a TOC must consist of a minimum of two appointed staff members who are not otherwise involved in the procurement process.

As of 1 January 2019, the Chief of the Enabling and Outreach Service, OSCM will appoint the TOC members at UN Headquarters. At all other United Nations Secretariat duty stations, the TOC members are appointed, in writing, by the Chief of Administration/Director of Administration or the Chief Mission Support/Director Mission Support (CMS/DMS) or equivalent function.

Tender Opening Committees may be established and staffed permanently, or they may be designated temporarily to serve during a limited time (e.g. assigned to a specific tender).

No substantive information, except for Solicitation Documents, amendments thereto, questions, clarifications, and answers to vendor inquiries, shall be disclosed by the TOC or any other UN staff members to any individual or otherwise made public, unless otherwise explicitly written in this chapter.

7.2 Receipt and Safeguarding of Submissions

It is the responsibility of vendors to ensure that offers are submitted to the UN in accordance with the stipulations in the solicitation documents.

The solicitation documents shall clearly indicate the chosen method of delivery and time of receipt. Submissions may be received by hand delivery, courier service, mail, facsimile, e-mail, or e-tendering system, as specified in the solicitation documents. Submissions that are not received in strict accordance with instructions as specified in the solicitation documents may be rejected.

Receipt and safeguarding of submissions, in response to formal solicitation exercises, shall be performed by TOC members. In order to facilitate receipt of submissions, the Procurement Official shall provide in advance (i.e., immediately following the issuance of a solicitation to the invitees) to the TOC a summary of the solicitation details, which shall contain, inter alia, the tender closing and opening dates, tender reference and title, solicitation method, list of invited vendors, and bid abstract in case of an ITB. Upon receipt of a Submission, the TOC member must record time of receipt and ensure that satisfactory evidence of the time of receipt is secured (e.g. hand delivery receipt signed by both parties, courier tracking information, facsimile/e-tendering log files). All hard copies of tenders should be recorded with a date and time stamp.

Immediately upon receipt, submissions must be secured in a restricted area, where they shall remain sealed until the formal opening time. From the time of receipt until the time of their formal opening, only the designated individuals (i.e., TOC members) shall have access to the restricted area where the submissions are stored. Exceptional access required by others (e.g. maintenance personnel) shall be

limited in time and under escort by a TOC member. TOC members shall take all necessary measures to ensure the confidentiality of the Submissions received.

A submission that is inadvertently opened before the submission opening date and time shall be brought to the attention of the Director PD or CPO and shall be noted in the procurement file. If the Director, PD or CPO decides to accept the submission, it shall immediately be placed in a sealed envelope and be marked.

7.3 Receipt and Safeguarding of Submissions Delivered by Hand, Courier or Mail

The TOC shall ensure that Submissions by hand delivery, courier, or mail can be received during the duty station's normal business hours and in accordance with tender instructions. Submissions shall be delivered in a sealed envelope with the name of the vendor, tender number, and tender opening date and time marked on the outside. For Submissions delivered by hand, the vendor representative shall be provided with a copy of the receipt time-stamped and signed by both parties.

Prior to securing a submission in a restricted area, the TOC shall review the envelope to ensure it is marked completely and verify the vendor's eligibility to participate in the tender by checking the list of invited vendors and marking date and time of receipt as well as any security instruments (e.g. bid bonds) received as part of the Submission.

The TOC shall ensure that all security instruments are carefully recorded, tracked, and securely stored as would be typically required for instruments with monetary value. The Procurement Official shall submit the original bid bonds to the TOC through the Bid Bond form detailing all bid bonds received in relation to the solicitation for onward safekeeping with Treasury.

7.4 Receipt and Safeguarding of Facsimile Submissions

Facsimile Submissions shall be received on a dedicated fax line only accessible to TOC members, preferably located in the same restricted area where tender Submissions are securely stored until opening.

Facsimile Submissions must be treated with the same degree of control as other Submissions. The TOC will check the list of invited vendors to ensure participation eligibility and mark the date and time Submissions have been received against the List of Invitees. The Submission shall be placed in a sealed envelope(s) with tender reference number, vendor name, date/time received, the tender opening date and time, and the TOC member's initials marked on the outside of the envelope. The TOC will not issue an acknowledgment of receipt for facsimile Submissions.

If the fax is incomplete or illegible, the TOC will issue a memorandum to the appropriate Approving Authority to decide whether to accept/reject the submission and/or request the vendor to resubmit via facsimile or alternate means.

7.5 Receipt and Safeguarding of E-tendering or E-mail Submissions

E-tendering is a system that enables Procurement Officials and vendors to manage the tender process and the associated exchange of documents online through the Internet.

Electronic Submissions are legally binding as long as they are signed off by the authorized representative of the bidder and are submitted in a file format, as determined by the UN, in the tender documentation.

Electronic submissions received via e-mail shall only be received on a dedicated email account, accessible to TOC members only, to be accessed only from a dedicated terminal located in the restricted area where tender Submissions are securely stored till their opening.

While the UN Secretariat shall take every reasonable step to ensure that it does not upload corrupt or unsafe tender documents, bidders should check any documents downloaded from the e-tendering system for viruses prior to opening them. The UN will not be liable or responsible for the loss, damage, destruction, corruption, or illegibility of documents in any electronic submission, however caused. The UN is also not able to consider electronic documents that are corrupt, infected, or otherwise unreadable.

The TOC shall ensure that e-Submissions are not opened until the time of the tender opening. It is important to note that the tender submission deadline stated in the solicitation document applies equally to hard copy and electronic tender Submissions. In the case of Submissions via electronic means, the receipt timestamp is the date and time the submission has been received, as indicated by the log files of the relevant IT platform(s). It is the sole responsibility of bidders to ensure that the UN Secretariat receives their Submission on or before the prescribed deadline.

Electronic means of data interchange are permitted, provided that the electronic means uphold the procurement principles and allow for an adequate audit trail of the procurement process.

In case of informal methods of solicitations conducted through e-tendering that resulted in less than three (3) offers, the TOC shall release submissions only following the written approval of the Director, PD or CPO. In an entity without a CPO, the approval of the official with the highest delegated procurement authority shall be sought.

7.6 Modification of Submissions

Submissions may be modified by bidders in writing prior to the closing date and time of the solicitation.

In the case of modified Submissions, the latest submitted offer prior to the Submission deadline is the binding one. The modification shall be submitted as per the original Submission instructions as stated in the solicitation documents and shall be treated like any other offer.

If the modified Submission is received after the Submission closing date and time, it shall not be considered, and the Procurement Official will notify the bidder in writing. The UN is not responsible for errors in price made by the vendor, and the vendor is bound by the prices provided. If there are discrepancies between totalling prices and unit prices, unit prices shall govern unless it is clear that the unit prices contain a typographical error or mistake.

If it is considered to be in the best interest of the Organization, the Procurement Official, in consultation with the Procurement Approving Authority, may request any missing documentation/data/information (See [Chapter 8.8.1](#) for details). If the bidder does not furnish the documentation/data/information within a specified period of time after it has been requested, normally five (5) UN business days, the submission may be rejected, and the bidder shall be notified accordingly in writing.

7.7 Withdrawal of Submissions

Submissions may be withdrawn by bidders in writing prior to the closing date and time of the solicitation. Withdrawal of a submission by a bidder can only be accepted if the UN is notified in writing prior to the announced deadline for submission of offers. Immediately after receipt of the formal withdrawal by a

vendor, the TOC shall separate the withdrawn offer from the other submissions and ensure that the withdrawn offer is not opened during the opening ceremony. After receiving agreement in writing from bidder and Procurement Official, the TOC shall destroy the unopened submission or return it to the bidder at its cost, if so requested.

7.8 Modification or Withdrawal of Submissions After Closing

If received after the submission deadline, the UN Secretariat should not honour withdrawal of, or modifications to, submissions and shall open the submission together with the other submissions and shall notify the vendor in writing.

If the bidder has furnished bid security with the submission, the UN Secretariat shall withhold that bid security, with the intention to invoke the security instrument in case the submission is selected after evaluation and the bidder is not willing to provide the goods/services offered in its Submission. The Procurement Official shall ensure the bid security remains valid. If no bid security was requested, the issue should be resolved through negotiations. OLA's advice should be sought as appropriate before taking action on the bid security as needed. The procedures of [Chapter 3.3](#) on the VRC may be applicable.

If the bidder can justify the withdrawal of its submission, the UN may accept a withdrawal after the submission deadline. It should be considered whether it is in the interest of the UN to hold the vendor to its Submission after the request for withdrawal. The appropriate Procurement Approving Authority up to the level of Director, PD or CPO, should make this consideration prior to the final decision.

Any bid security instruments provided in connection to a withdrawn bid can be cashed in full by the Organization

7.9 Late Submissions

It is the responsibility of the bidder to ensure timely delivery and receipt of their Submissions. Submissions received after the submission deadline need not be accepted by the Organization.

Submissions received after the designated date and time should be rejected and noted as such in the tender opening report by the TOC, unless a decision is made to accept the submission or offer based on a holistic evaluation of the circumstances that led to the late delivery and the best interests of the Organization. When deciding to accept or reject a late submission, the following circumstances shall be duly considered, among other considerations:

- a. The extent of the delay;
- b. There is clear evidence to establish that it was received at the tender opening location of the UN Secretariat entity or under the UN Secretariat's physical control prior to the tender closing deadline;
- c. If an emergency or other event interrupts normal UN Secretariat processes and operations so that submissions cannot be received at the designated location by the closing deadline; or
- d. Whether best efforts were made by the vendor to provide the submission or offer in time.

Acceptance of late Submissions shall be on a case-by-case basis. In case of late receipt, the Director, PD or the CPO may accept Submissions received after the closing date specified in the tender document as long as it is received prior to initiation of the evaluation process by the evaluation team. This is only permissible where it is established that the delay was not under the control of the vendor and the

acceptance of the submission does not create the appearance of, or an actual, unfair advantage to the vendor.

The TOC must submit immediately, for consideration by the Director, PD or the CPO, the relevant details of any late submission and keep a record of the Director, PD or the CPO's decision, which will subsequently be communicated to the bidder by the Procurement Official.

Submissions that have been rejected shall remain unopened and shall be forwarded to the Procurement Official. The bidder shall be officially notified in writing of the rejection upon such decision. The submission shall be destroyed or returned to the bidder at the bidder's own cost, if so requested.

7.10 Unsolicited Submissions

Unsolicited Submissions from vendors that the UN has not invited shall be rejected by the Director, PD or the CPO, and the vendor shall be advised of such rejection in writing unless a decision is made to accept the submission on an exceptional basis, as further described below. Such unsolicited Submissions shall remain unopened and shall be destroyed or returned by the TOC to the vendor, at its own cost, if so requested.

Submissions from vendors whose names are not on the List of Invitees but appear to be related to a vendor included in the List of Invitees, should be brought to the attention of the Procurement Official, who shall contact the original invitee to seek clarification.

In cases where Submissions were made by vendors that are related business entities of the original invitees, due to their business arrangements in place, Submissions from such vendors may be accepted upon documented and supporting evidence of the corporate relationship. Submissions from vendors who are appointed by the original invitee as sales, export, or local representatives of the original invitees, and are not financially and legally affiliated with the original invitee in terms of ownership, may be accepted, provided that the invitees inform the UN Secretariat of their appointment in advance with a proof of appointment prior to the submission deadline. Such acceptance is subject to approval by the most senior Procurement Official in an office.

Unsolicited submissions may be accepted at the discretion of the Director, PD or CPO where professional judgment leads to the belief that doing so would be in the interest of the Organization. A decision to accept or reject an unsolicited submission shall rely on professional judgment and a holistic analysis of the potential benefits of the submission.

Proper care should be taken to identify how the submitting vendor obtained information relating to the solicitation. It is important that the Procurement Official, in collaboration with the Vendor Registration and TOC function, ascertains that the vendor is a bona fide vendor and meets all the registration prerequisites and status.

7.11 Opening and Recording of Submissions

Submissions for ITBs or RFPs shall be opened by the TOC consisting of duly authorized personnel.

7.12 Attendance at Tender Openings

Tender openings of ITBs and RFPs are conducted during a formal meeting at a time and location specified in the solicitation instructions. It may be transmitted via webcast for those bidders who have submitted

an offer. Only those vendors who have submitted an offer (i.e., bidder) may designate one representative to attend, in an observing capacity, the tender opening of a specific ITB or RFP. The representative may be an employee or agent of the bidder, a local representative designated by the bidder, including appointed personnel from a law firm, or an officer of a Permanent Mission to the UN, a Trade Office of a UN Member State, or other diplomatic office.

The bidders shall advise the TOC in advance of the names of its representatives who will be attending the tender opening meeting using the tender acknowledgment letter.

Every individual attending the meeting shall have his or her name, title, and proper representation for a submitting vendor verified and recorded prior to the start of the tender opening meeting.

The appropriate Procurement Approving Authority may authorize other parties to attend tender openings in an observing capacity.

The bidders' representatives and other parties attending the tender opening shall act solely as observers and not as active participants in the opening process. At no time during the tender opening can UN staff or attending parties engage in discussions or other forms of information exchange other than the formal announcement of opening proceedings and results by the TOC.

7.13 Opening of Bids (ITBs)

All bids received in response to an ITB shall be opened and recorded by the TOC during a tender opening meeting at the time and location specified in the solicitation instructions.

During the meeting, the TOC shall record and announce for each bid the bidders' names and, in the case of an ITB, may also include the grand total price of each bid. At the discretion of the TOC, more detailed pricing information at the subcategory or line-level may be announced and recorded.

Submissions cannot be rejected or invalidated at the time of opening by the Tender Opening Committee. The TOC shall reflect any inconsistencies (e.g. late Submissions) in the tender opening report and mention during the public tender opening that inconsistencies are brought forward to the Director, PD or the CPO for deciding how to proceed.

After the conclusion of the tender opening meeting, one member of the TOC shall escort the bidders' representatives and other parties attending the meeting out of the meeting room. All TOC members shall certify the tender opening procedure by signing the tender opening report. All paper submissions shall be marked or perforated with an indication of the tender reference number and opening date.

7.14 Opening of Proposals (RFPs)

Only the technical proposals received in response to an RFP shall be opened and recorded by the TOC during a tender opening meeting at the time and location specified in the solicitation instructions. The financial proposals shall remain sealed and the contents undisclosed until after the technical evaluation of the proposals has been completed⁴.

During the meeting, the TOC shall record and announce, for each bid, the bidder's name.

⁴ For RFPs for movement services for COE, Financial and Technical Proposals are opened simultaneously, as an exception to the Opening procedures for RFPs.

Submissions cannot be rejected or invalidated at the time of opening by the TOC. The TOC shall reflect any inconsistencies (e.g. late Submissions) in the tender opening report and mention during the public tender opening that inconsistencies are brought forward to the Director, PD or the CPO for deciding how to proceed.

After the conclusion of the tender opening meeting, one member of the TOC shall escort the bidders' representatives and other parties attending the meeting out of the meeting room. All TOC members shall certify the tender opening procedure by signing the tender opening report. All paper documents contained in the technical Submissions, except catalogues and brochures, shall be marked or perforated with an indication of the tender reference number and opening date.

7.15 Rejection of Submissions

The UN shall reserve the right to reject any or all Submissions received which do not comply with the Solicitation Documents instructions, or whenever such rejection is in the interest of the Organization in accordance with Financial Rule 105.15(c).

7.16 Post-Opening of Bids

Following the tender opening for ITBs, Submissions shall be kept secure and their access limited to authorized TOC members only, until formal handover of Submissions to the Procurement Official. The original tender opening report and all Submissions shall be handed over to the Procurement Official who signs for receipt. The TOC shall retain a copy of the tender opening report.

7.17 Post-Opening of Proposals

Following the tender opening for RFPs, the original tender opening report and all technical Submissions shall be handed over to the Procurement Official who signs for receipt. The financial Submissions shall be kept sealed in a secure location under the custody of the TOC, pending completion of the technical evaluation.

Upon receipt of confirmation from the Procurement Official that the technical evaluation has been completed, the TOC shall open the financial envelopes of those Submissions that have been found to be technically compliant. In the case of a paper-based solicitation exercise, the TOC shall mark or perforate with the tender number and the date of the request said financial proposals and hand over to the Procurement Official both the aforementioned financial submissions and sealed financial envelopes of technically non-compliant Submissions. The Procurement Official then signs for receipt of the Submissions. In the case of an e-tendering solicitation exercise, only the financial files of technically compliant Submissions are handed over to the Procurement Official in the system. For Submissions received through dedicated secured e-mail address, the TOC shall forward the financial Submissions to the Procurement Official and save an electronic copy with the TOC for audit trail.

7.18 Other Post-Opening Procedures

The Procurement Official shall provide the appointed evaluation committees with relevant Submission documents to conduct the evaluation of the ITB or RFP.

The tender opening reports for ITBs and RFPs shall be available for consultation by vendors for a period of thirty (30) days from the tender opening date. A vendor may consult only those tender opening reports for which the vendor has submitted a tender.

The Procurement Official shall verify the vendor registration status of all bidders that submitted a bid or proposal in response to the solicitation. In case that any bidder does not have the appropriate registration level for the upcoming award, the Procurement Official will send a reminder to the bidder to submit all required information in UNGM. The Procurement Official will advise Vendor Registration Officials of the upcoming registration requests.

RESOURCES

[SOP on Management of Submissions in Response to Formal Solicitations](#)

8. Evaluation of Submissions

8.1 Overview

Evaluation is the process of assessing and comparing Submissions in accordance with the evaluation methodology and criteria in the solicitation documents and in the SSP. The aim is to determine the offer that best fits the evaluation criteria and thus represents the best value for the UN. An objective, fair, and well-executed evaluation process is critical, as it results in a recommendation and a request for an award of contract.

In general, the UN evaluates all offers based on the principles enshrined in Financial regulation 5.12 including the principle of Best Value for Money, i.e., the ideal combination of technical and financial factors.

Upon receipt and opening of offers, the evaluation of offers must be conducted according to the evaluation criteria and method defined in the SSP and clearly established in the solicitation documents. New or revised evaluation criteria cannot be introduced during the evaluation of offers nor can the method of evaluation be changed.

The evaluation process comprises the following main steps (described later in this chapter):

- a. Preliminary screening (see [6.4.6.1](#));
- b. Technical evaluation;
- c. For RFPs: completion of the technical evaluation report and opening of financial proposals;
- d. Financial evaluation, including justification of reasonableness of price (if applicable);
- e. Clarifications, if required;
- f. Finalization of the evaluation report.

As offers must be valid at the time of contract issuance, evaluation of offers must be completed before the validity of the offers expire. Procurement Officials should also take into account the time required for obtaining approval and for issuing the contract. In the event that these conditions are unlikely to be met, Procurement Officials may request bidders in writing to extend the validity of their bid or proposal.

8.2 Evaluation Committees

The purpose of the Evaluation Committees is to verify that vendors and their offers satisfy the requirements of the solicitation documents and to evaluate offers according to the evaluation criteria predefined in the SSP. The SSP describes critical components of the Sourcing process and provides justification for Sourcing decisions in order to achieve Best Value for Money. It provides an objective approach to the methodology of selecting the best source to fulfil the established need.

The Evaluation Committees are divided into a Technical Evaluation Committee, responsible for the technical evaluation, and a Financial Evaluation Committee (or Procurement Official), responsible for the financial evaluation. The decision of who participates as a member of the technical and financial evaluation committees rests with the requisitioning and the procurement functions, respectively; this decision is to be documented in the SSP.

The Evaluation Committees are responsible for assessing the ability of the potential vendors to meet the UN's stated minimum requirements and provides a basis for determining the relative merits of competing bids and proposals based on predetermined evaluation criteria.

To conduct a fair and unbiased evaluation of Submissions, the SSP shall include the formation of the Technical Evaluation Committee consisting of at least two (2) members (i.e., at least one of whom shall be from the Requisitioner's office, and the other(s) shall be qualified UN staff members). A superior and subordinate may not serve together on the Technical Evaluation Committee. To ensure a clear segregation of duties, Procurement Officials cannot serve as members of a Technical Evaluation Committee, unless, exceptionally, they are acting as Requisitioners for a specific case, in which case they cannot act as Procurement Officials for that solicitation. The actual number of people on the evaluation team will depend on the nature, complexity, and value of the procurement activity, but should normally not exceed five (5) members.

The Technical Evaluation Committee is a collegial body that shall always endeavor to achieve a consensus in their final decision. Where a consensus cannot be achieved despite all efforts, the chairperson may call a simple majority vote to settle an issue or disagreement. Should the votes be equally divided, the average of the scores will be applied. Once a final decision is achieved, the members shall uphold the final decision achieved by the team.

In particularly complicated procurement processes (e.g. complex specifications, high value bids, complex pre-qualification criteria, etc.), external subject-matter experts may be contracted onto the evaluation committee as observers in an *ex-officio* non-scoring advisory capacity. If deemed appropriate, members of the oversight bodies (OIOS, Board of Auditors, Joint Inspection Unit) external to the procurement process may participate as independent observers in technical evaluations and record their observations in writing. Committee members and observers must immediately indicate if they are in a potential conflict of interest situation with any of the vendor (e.g. owning shares in the company, family relationship with vendors, etc.), in which case they shall be replaced.

Main Tasks of the Chairperson During the Technical Evaluation:

- a. Perform a facilitative role in the technical evaluation committee, strive for consensus, and settle any issues or disagreements (if applicable), and
- b. Remind the Technical Evaluation Committee that its deliberations are strictly confidential. Information about the content of the Submissions or the evaluation process is not to be revealed outside the evaluation committee. In particular, (i) during the evaluation, access to offers is restricted to the evaluation committee and to observers, and (ii) correspondence with bidders must be through the Procurement Official and must not be shared outside the evaluation committee.

Main Tasks of the Technical Evaluation Committee:

- a. Conduct the technical evaluation and prepare a written report thereof, describing the score of the competing Submissions and ranking the Submissions from best to worst, in order to establish a competitive range of most responsive Submissions
- b. The report shall also set forth:
 - i. The basis of evaluation (i.e., the SSP as applied to the evaluation criteria and their relative weight);
 - ii. An analysis of whether Submissions are technically acceptable and, if unacceptable, the reasons thereof, including an assessment of each vendor's ability to satisfy the technical requirement(s) and a description of each Submission's strengths and weaknesses;
 - iii. A summary of the findings, matrix, or quantitative ranking of each technical proposal relative to the best rating possible;
 - iv. Observations made by independent observers, if applicable.

Main Tasks of the Financial Evaluation Committee/Procurement Official During the Evaluation Process:

- a. Obtain signatures of affidavits of confidentiality and no conflict of interest from the technical evaluation committee;
- b. Brief the Technical Evaluation Committee about its role and ensure its familiarity with the solicitation process and evaluation criteria;
- c. Prepare financial evaluation matrix;
- d. Manage requests for clarifications with bidders, if applicable;
- e. Upon receipt of the technical evaluation report, the Procurement Official or the Financial Evaluation Committee shall conduct and review the financial evaluation, make a final comparison of the competing proposals in accordance with the terms of the solicitation documents and the SSP, record its findings, and advise the Evaluation Committee of the recommendation of award.

8.3 Evaluation Criteria

Evaluation criteria are divided into the following categories, which are explained in [Chapter 6 Solicitation](#) and which are assessed during the evaluation process:

- a. Formal criteria (see [Chapter 6.4.6.1 Evaluation Criteria](#)) – assessed during preliminary screening (see [Chapter 8.5 Preliminary Screening](#))
- b. Mandatory and Technical Criteria (see [Chapter 6.4.6.2 Mandatory and Technical Criteria](#)) – assessed during technical evaluation (see [Chapter 8.6 Technical Evaluation](#)), and
- c. Financial Criteria (see [Chapter 6.4.6.3 Financial Criteria](#)) – assessed during financial evaluation (see [Chapter 8.7 Financial Evaluation](#))

8.4 Evaluation Methodologies

There are three (3) different evaluation methodologies that can be utilized depending on the solicitation method selected, as summarized in the below Table.

Solicitation method	Evaluation method
LVA	Lowest priced, technically acceptable
RFQ	Lowest priced, technically acceptable
ITB	Lowest priced, substantially conforming bid
RFP	Cumulative weighted analysis, award based on the most responsive proposal

TABLE 5: SOLICITATION METHODS AND CORRESPONDING EVALUATION METHODS

8.4.1 Lowest Priced, Technically Acceptable Offer

This method of evaluation is used when the solicitation is made through informal methods: LVA or RFQ (see [Chapter 4.5 Shopping Cart](#) and [Chapter 6.3.3 Request for Quotation](#)).

To provide a more flexible method for selecting vendors for procurement of relatively low value (equal to or below US\$ 150,000), the evaluation methodology allows various considerations to be taken into account. The lowest-priced, technically acceptable offer methodology consists of the following steps (These apply mostly to RFQ. As for LVA, all these steps are compressed):

- a. Preliminary screening of quotations, including an assessment of whether quotations comply with the formal and eligibility criteria stated in the solicitation document;

- b. Technical evaluation of quotations, determining which are compliant to the mandatory criteria (if included in the solicitation document), and substantially compliant to the technical criteria;
- c. For financial evaluation, quotations that are found to be technically compliant shall be evaluated based on the lowest price;
- d. The selection of a vendor other than the one offering the lowest priced option requires proper justification. This must be documented and attached in UMOJA for monitoring and audit purposes, and reasons for not choosing the lowest pricing option must be included in the request for award signed by the appropriate Procurement Official (or CO, in the case of LVA).

8.4.2 Lowest Priced, Substantially Conforming Bid

This method of evaluation is used when the solicitation is conducted through an ITB (see [Chapter 6.3.4 Invitation to Bid](#)), and price serves as the overriding evaluation criterion upon which to award a contract. The lowest-priced, substantially conforming bid methodology consists of the following steps:

- a. Preliminary screening of bids, including an assessment of whether bids comply with the formal and eligibility criteria stated in the solicitation document. All bids substantially compliant at this stage will go through the evaluation of technical and financial aspects;
- b. Technical evaluation of bids, determining which are compliant with the mandatory criteria (if included in the solicitation document) and substantially conforming with the technical criteria, and rejecting non-compliant bids. Only bids meeting or exceeding the criteria shall be considered substantially conforming;
- c. Financial evaluation of bids, by selecting for award the lowest priced bid among the substantially compliant bids, as per financial criteria in the solicitation document. Nevertheless, since an ITB is a one-envelope procedure, the financial evaluation shall include all prices of both compliant and non-compliant bids to be presented to the Procurement Approving Authority.

8.4.3 Cumulative/Weighted Analysis

This method of evaluation is used when the solicitation is made through an RFP (see [Chapter 6.3.5 Request for Proposal](#)) and the evaluation is based on criteria other than price in order to ensure Best Value for Money. The combined analysis methodology consists of the following steps:

- a. Preliminary screening of proposals, including an assessment of whether proposals comply with the formal and eligibility criteria stated in the solicitation documents. All proposals deemed compliant at this stage will go through the technical evaluation step;
- b. Technical evaluation (mandatory criteria), determining which proposals are compliant with the mandatory criteria (if included in the solicitation document) and rejecting non-compliant proposals. Only proposals meeting or exceeding the mandatory criteria shall be considered compliant;
- c. Technical evaluation (technical criteria) determining the technical points achieved by each proposal as per the maximum points assigned per criterion included in the solicitation document and in the SSP. Only proposals that meet the minimum technical threshold indicated in the solicitation document (normally 60% or 70%) shall be deemed compliant;
- d. The Financial Evaluation Committee/Procurement Official shall review the technical evaluation report for accuracy and ensure it was conducted in line with the pre-established criteria and complies with procurement principles under Financial Regulation 5.12. Any discrepancies shall be communicated to the Technical Evaluation Committee for amendment of the report (see [Chapter 8.7 Financial Evaluation](#));

- e. Upon acceptance of the technical evaluation report, the Procurement Official shall request the TOC to open the financial proposals of the offers that achieved the minimum technical threshold. The maximum number of points for the financial proposals, as stated in the solicitation document and the SSP, will be allocated to the lowest price financial proposal;
- f. Combined analysis, whereby the proposal obtaining the overall highest score after combining the scores of the technical and the financial proposals may be considered to constitute Best Value for Money. However, the recommendation for the award shall not be solely dependent on the total number of points, but also consider risk factors, quality considerations, and other suitable factors.

8.5 Preliminary Screening

To avoid spending further resources on the evaluation of invalid offers, offers containing material deviation may be rejected at an early stage of the evaluation process by performing a preliminary examination of offers against the formal criteria stipulated in the solicitation document.

Examples of formal compliance criteria are included in [Chapter 6.4.6.1](#).

Offers may be rejected in the following situations (see [Chapters 8.8.1 Clarifications from Vendors](#) and [Chapter 8.8.2 Material Deviations](#): Material Deviations, in particular regarding the types of missing information that the bidder could be given the opportunity to provide):

- a. Absence of required bid/proposal security when applicable, or if it has been determined it is not compliant in terms of amount or validity period. A change in wording that is consistent with the prescribed format is not a material deviation. If there are concerns about the authenticity of the bid/proposal security, the Procurement Official should contact the issuing bank directly. If the issuing bank is unable to confirm the validity and/or authenticity of the document submitted as security, the chairperson of the evaluation committee must immediately report it to the Procurement Official, who shall in turn report to the VRC;
- b. Absence of bid or proposal submission form or lack of signature of the bid or proposal when this is clearly specified in the tender document as a requirement. Change in the wording that is consistent with the prescribed format is not a material deviation. A duly authorized signatory must sign the vendor's offer for it to be legally binding. If the bid or proposal do not contain the required signature, and provided that the signature of an authorized representative appears on a letter of transmittal or on another document attached thereto, and in the case of ITBs, the signature appears on the document where the total price of bid is stipulated, the UN shall assume that the omission was unintentional. However, the Procurement Official shall ask the duly authorized signatory to immediately confirm that the offer is legally binding and obtain the required signature. If the confirmation and signature is provided as requested, the UN may then accept the offer;
- c. Substantial financial information is included in the technical proposal envelope when conducting an RFP, and such information is related to the financial proposal unless approval from Director, PD or CPO has been obtained to accept the proposal.

Bidders can be held ineligible further to the provisions in [Chapter 3](#).

8.6 Technical Evaluation

All Submissions found compliant with the formal and eligibility criteria under [Chapter 8.5 Preliminary Screening](#) will go through to technical evaluation, which consists of two sub-steps: (i) evaluation of mandatory criteria (if included in the solicitation document) and (ii) evaluation of technical criteria.

Evaluation of Mandatory Criteria:

If the solicitation included mandatory criteria, they must be evaluated at this stage. This is to ensure that the bidder is qualified and capable of successfully completing the contract, i.e., the entity meets legal and regulatory requirements, has the required minimum technical capability and experience, and is financially capable. Mandatory criteria, when included in a solicitation document, are evaluated on a pass/fail basis, regardless of whether these are included in an RFQ, ITB, or RFP.

Technical Evaluation of Bids:

Bids received in response to an ITB must be assessed against the technical criteria specified in the solicitation document (specifications, TOR, SOW, and other requirements) on a pass/fail basis and must be rejected when they contain material deviation, i.e., when the specifications of the items quoted vary in one or more significant aspect(s) from the minimum required technical specifications and other requirements.

Technical Evaluation of Proposals:

Proposals received in response to an RFP must be rated as per the criteria specified in the SSP and solicitation document. The technical proposal submitted by any bidder will be disqualified if the proposal does not obtain the minimum required number of points to qualify, as per the threshold stated in the solicitation document and the SSP. The corresponding financial proposal shall be retained unopened in the procurement file. However, any bid security or guarantee must be returned. The Procurement Official in charge of the solicitation exercise should ensure that the bid security contained in any unsuccessful submission is returned to the bidder promptly, following a contract award to the selected bidder.

RESOURCES

Annex 11— Request for Technical Evaluation

8.7 Financial Evaluation

All proposals deemed technically compliant with the mandatory and technical criteria will go through to financial evaluation. Financial evaluation is the process of comparing the offers with the financial criteria stipulated in the solicitation document and determining the price upon which to base the evaluation.

Price is an important financial evaluation criterion, but the weight of the price depends on the evaluation methodology and financial criteria stated in the solicitation document, which may include life-cycle-cost analysis.

Taxes and duties should not be taken into account for the purpose of financial evaluation, unless included in the solicitation documents.

The Procurement Official, prior to financial evaluation, shall correct mathematical errors with the intent to arrive at the most accurate and reasonable interpretation through, e.g., professional judgment, correction of typographical errors and omissions, and through clarifications from the vendor. Such errors should be clarified with the bidder through official written communications authorized by the Procurement Approving Authority. While the correction of errors may lead to revised totals, the vendor may not use the opportunity to increase or lower prices, but rather to reflect the correct prices and totals as intended in the initial submission. Bidders shall be given a reasonable amount of time to respond to such clarifications.

In the case of an ITB, if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless, in the opinion of the UN there, is an obvious misplacement of the decimal point in the unit price. In such a case, the line item total as quoted shall govern, and the unit price shall be corrected.

After price correction has been completed, discounts, when applicable, should be evaluated; currency conversion into one base currency (as specified in the solicitation document) should also be completed.

Quantity discounts may be considered in the evaluation where quantities can be estimated with reasonable reliability in advance. The final price comparison, in one single currency, must consider corrected errors, quantity discounts, and any required adjustments.

For the procurement of goods, if offers were received under both FCA and other Incoterms, the evaluation report should explain how the evaluation team established that the selected Incoterm for the award is the most advantageous for the UN.

During the financial evaluation, a deviation would be considered material in any of the following situations:

- a. The bidder, during requests for clarifications by the Procurement Official, does not accept the required price correction, as per the condition of the solicitation document;
- b. The bidder offers less quantity than is required unless the tender allows for split awards and allows quotations in lots.

In the case of an RFP, generally the proposal with the lowest overall price receives the maximum score allocated to the financial evaluation. Other proposals receive a financial score that is pro-rated, in comparison with the lowest cost proposal.

Assessment of the Reasonableness of Quoted Prices:

In general, an assessment of the reasonableness of quoted prices is always recommended to establish Best Value for Money. However, it is mandatory when the response rate or rate of technical compliance is abnormally low. This is to ensure the price comparison is done between adequate comparators; for example, prices would tend to be lower from bidders that are not compliant (i.e., lower quality goods or services, longer delivery times than requested, etc.).

Several comparators can be used to determine whether the price is fair and reasonable, such as:

- a. Comparison with market price (i.e., prices offered by other vendors of the same or similar product or service);
- b. Comparison with valid LTA prices;
- c. Historical price (i.e., compare the current price to a price paid in the past for the same or a similar product, taking market trends into consideration);

- d. If the offer is custom-built, whether the cost breakdown of the offer shows that the price is fair and reasonable.

If, after price/cost analysis, the evaluation team does not consider the price to be fair and reasonable, the UN may seek to re-solicit the requirement or negotiate with the vendor(s) in an attempt to lower the price.

Generally, if a Submission is found to be technically non-compliant, the financial proposal is neither opened nor evaluated. However, in some circumstances, in order to ensure that the Organization is obtaining Best Value for Money, it may be prudent to open the financial proposal of a non-compliant Submission to undertake further due diligence and mitigate risk. For example, if only a low number of Submissions have been found to be technically compliant, then the Procurement Official may open one or more financial proposals of non-compliant Submissions in order to establish pricing benchmarks and verify that the pricing offered by the technically compliant Submission is fair and reasonable and provides Best Value for Money. The results of such a benchmark can be used in making a decision to cancel and rebid the solicitation or seeking negotiations with the bidders with technically compliant bids. In this situation, the Procurement Official should also consider whether to review the technical specifications with the Requisitioner and other sources of technical expertise to ascertain whether the technical specifications are excessive or otherwise unnecessarily stringent. Opening of a technically non-compliant Submission's financial proposal may only be done on an exceptional basis, after obtaining authorization, in writing, to do so from the Director, PD or the CPO and providing an explanation of the reasons for requesting the exemption. If such authorization is granted, the opening should also be disclosed to the Contracts Committee, together with documented rationale.

8.8 Further Aspects of Evaluation

Only the Procurement Official shall be authorized to seek clarifications from bidders during evaluation. Direct contact between Requisitioners and bidders is prohibited and may give cause to cancel the solicitation process or reject the related bids.

8.8.1 Clarifications from Vendors

Offers shall be evaluated based upon the information provided in the offer. However, after the Submission of offers and upon preliminary examination, clarifications to the offers are sometimes required from bidders to conduct a proper evaluation process.

The Procurement Official shall apply professional judgment as to when clarification is warranted and when it is not. On the one hand, it is in the interest of the Organization to ensure that as many offers as possible are compliant with the needs of the UN for effective competition. On the other hand, the principle of fairness to bidders that presented good and timely offers must be observed.

Clarification requests should aim to:

- a. Clarify ambiguous aspects of an offer;
- b. Modify minor mistakes or oversights in offers;
- c. Ensure that administrative errors do not cause the disqualification of an otherwise potentially good offer;
- d. Rectify statements made in the offer that do not reflect the spirit of the solicitation documents;
- e. Request missing information.

Examples of when the Procurement Official may consider that a request for clarification is warranted are:

- a. When the bid bond was not found in the offer;
- b. When the bid bond contains language that deviates from the standard bid bond language required in the solicitation;
- c. When the technical proposal contains financial information, however, such information does not seem likely to be part of the financial proposal (e.g. pricing of ancillary equipment is mentioned in the technical proposal; however, it is not clear that it is the price offered to the UN as part of the financial proposal);
- d. When a bidder does not include proof of some important elements (e.g. a quality standard), while it is stated in their proposal that they are in the possession of such element;
- e. When a bidder does not include some specific self-contained piece of information that makes them miss a mandatory requirement or lose a significant number of points in the technical evaluation, and it could be easily obtained (e.g., within five (5) business days). Examples of this could be a missing CV of the project manager, a missing reference of a client, etc.;
- f. When a bidder does not “check a box” or omits to provide a confirmation statement;
- g. When a bidder includes statements in the financial proposal that go against the spirit of the solicitation and it would cause the disqualification of its proposal. For example, the solicitation may require fixed prices, and the bidder may state in their financial proposals that prices will depend on the cost of raw materials. To make a comparison to other offers, the bidder may be requested to clarify whether the offer is in compliance with the instructions in the solicitation;
- h. When it is in the UN’s interest to eliminate minor irregularities, informalities, or apparent clerical mistakes in the Submission.

However, clarification requests should not be aimed at allowing bidders a second chance to resubmit significant parts of their offer after the submission deadline, since this would not be fair to bidders that submitted a complete proposal in time.

Examples of when a Procurement Officer should not request clarification from a bidder:

- a. When a significant part of the bidder’s offer is missing, the bidder should not be given the chance to supplement such significant part after the closing time;
- b. When the offer is manifestly lacking in many aspects, it should be avoided to send multiple clarification requests covering a multitude of aspects.

To ensure that clarifications remain focused on specific aspects and do not become overly general, a limited time to respond should be given to the bidder. In no case should the bidder be allowed more than five (5) business days to respond to the request for clarification. Should the bidder respond after the deadline set by the Procurement Official, their response should generally not be taken into consideration unless exceptional circumstances apply.

Clarifications should be sought and preferably received via formal communication since they will become part of the bidder’s offer. Any communications with bidders during the solicitation process must be kept in the case file. All correspondence with vendors will be in writing (email is acceptable but should be authorized by the Procurement Approving Authority that signed the solicitation documents or by his/her authorized designee) and must form part of the procurement record.

8.8.2 Material Deviations

The UN must maintain fairness and transparency and ensure that offers are rejected only when a deviation from the requirements is material. In some cases, a substantially conforming or technically compliant offer

could contain non-material deviations. To achieve Best Value for Money, it is important not to disqualify offers solely for non-material (minor) deviation(s). A material deviation is one that:

- a. Would affect in any substantial way the scope, quality, or performance of the goods and related services specified in the contract;
- b. Would limit in any substantial way, by contradicting the bidding documents, the UN's rights or the bidder's obligations under the contract;
- c. If rectified, would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

To this end, the Technical Evaluation Committee chairperson and the Procurement Official responsible for the respective procurement exercise must have a clear understanding of what represents a material deviation. During the evaluation of the offers, consistency must be applied when determining whether a deviation is a material. The evaluation report must identify any deviations encountered during each step of the evaluation process.

8.8.3 Apparent Errors in Price

The UN is not responsible for errors in price made by bidders. However, the UN shall verify prices in cases where it believes there is an error (e.g. a specific item price that is very high or very low). The vendor shall then be informed that revision of the original price is prohibited, and that non-compliance shall result in rejection of the offer. If the vendor confirms that the original price is correct, the evaluation can proceed. Should the vendor acknowledge that the price is incorrect and the price is material to the selection of the vendor, the offer may be rejected in order to adhere to the principle of fair and equal treatment of all vendors, unless the Procurement Approving Authority considers it in the best interest of the UN to accept such bid/proposal; otherwise, the offer shall be rejected. The communication with the vendor and any internal decisions must be in writing and kept on file for the record to facilitate audits.

8.8.4 Abnormally Low Offers or Submissions

An abnormally low offer or submission is one where the price, in relation to the scope, methodology, technical solution, and requirements, appears so unreasonably low that it raises concerns regarding the bidder's ability to perform the contract successfully.

When an abnormally low offer or submission is identified, the Procurement Official shall seek written clarifications from the bidder, including detailed price analysis of how its financial offer or submission correlates with the scope, proposed methodology, schedule, and allocation of risks and responsibilities, without changing the original submission.

After the evaluation of the information and detailed price analyses presented by the bidder, the Procurement Official may:

- a. Accept the offer or submission;
- b. If appropriate, require that the amount of the performance security be increased at the expense of the bidder to a level sufficient to protect the UN against financial loss in the event of default of the successful bidder under the contract;
- c. Reject the offer or submission.

8.8.5 Evaluation by Lots

Where the solicitation document states in the Special instructions and evaluation criteria that evaluation will be done by lot, the evaluation must be done as per the provisions stated under the evaluation criteria section of the SSP and the solicitation document. The SSP and the special instructions and evaluation criteria shall include details on how the UN will award lots. Such criteria shall allow evaluation of each lot(s).

8.8.6 Review of Offers Received in Situations of Direct Contracting or Sole Sourcing

When direct contracting under sole sourcing is justified and an offer has been requested further to [Chapter 6.9](#), such offer should be evaluated. In order to facilitate the evaluation process, Procurement Officials should request the vendor to provide information that would allow for a comprehensive assessment of its offer based on pre-established evaluation criteria and that would ensure it meets the needs of the UN.

The purpose of such evaluation is to assess whether the offer is of acceptable quality at a justifiable price. To ensure the quality of the offer, it should be evaluated as compliant/non-compliant, and the offer should only be accepted if considered compliant. The evaluation must be carried out by technical and financial evaluation committees composed of technical experts and Procurement Officials, respectively.

Further to the evaluation process, negotiations are usually recommended in direct contracting situations to ensure Best Value for Money. See [Chapter 8.9 Negotiations](#) for details.

8.8.7 Complaints and Representations

Replies to representations and complaints made by bidders during (and after) the evaluation process must be in line with what may or may not be disclosed, as stated in the solicitation document. Depending on the nature of the complaints and representations received, the Procurement Official should consider seeking advice from OLA or a Legal Advisor before replying. Whenever a complaint warrants senior management's attention, the Procurement Official should always send the complaints immediately to the procurement head of the relevant UN Secretariat entity, with a copy to Director, PD. These complaints and representations are to be distinguished from procurement challenges submitted following a solicitation process, in accordance with [Chapter 10](#) on procurement challenges.

8.8.8 Indications of Potential Proscribed Practices

While conducting an evaluation of Submissions, the technical evaluation committee and the Procurement Official should satisfy itself that there is no indication of fraud, collusion, or suspicious actions by some bidders, including those that might point to the existence of a cartel.

The following are typical 'red flags' indicating risks of potential proscribed practices.

Patterns of Potential Fraud:

- a. Bid/proposal securities submitted show apparent irregularities (e.g. logos or names or issuing banks);
- b. Registration certificates show inconsistencies, e.g. in terms of dates, registration institution, etc., or frequent changes of the company name;
- c. Quality certificates are issued by dubious providers;

- d. Bank account information provided on the vendor form is under the name of an individual and not a company;
- e. Staff members are involved in the bidder's corporate structure or are named as beneficiaries of related bank accounts.

Patterns of collusion are hard to detect because agreements are secret in nature. These may include bid-rigging (competitors agree in advance who will submit the winning bid) and price-fixing (agreement by competitors to raise, fix, or maintain the price for goods or services), as detailed below.

Patterns of Potential Bid Rigging:

- a. The same vendors submit bids and each company seems to take a turn being the successful bidder;
- b. Some bids are much higher than published price lists, previous bids by the same firms, or cost estimates;
- c. A company appears to be bidding substantially higher on some bids than on other bids, with no apparent cost differences to account for the disparity;
- d. Bid prices drop whenever a new or infrequent bidder submits a bid;
- e. A successful bidder subcontracts work to competitors that submitted unsuccessful bids for the same project;
- f. A company withdraws its successful bid and subsequently is subcontracted work by the new winning contractor;
- g. Schedules are split between bidders (i.e., one bidder is lowest for schedule one, the other for schedule two, or one bidder quoted for schedule one only, another bidder for schedule two only, etc.);
- h. Bank guarantees submitted by different bidders have been issued by the same bank and have almost identical reference numbers (e.g. A-123 and A-124);
- i. Details regarding ownership and management in respect of several bidders show that these bidders have the same key personnel, such as directors, partners, owners, etc.

Patterns of Potential Price Fixing:

- a. Prices of multiple bidders are identical, especially when prices stay identical for long periods of time and prices were previously different;
- b. Price increases do not appear to be supported by increased costs;
- c. Discounts are eliminated, especially in a market where discounts historically were given;
- d. The proposals or bid forms submitted by different bidders contain irregularities, such as identical calculations or spelling errors, similar handwriting, or similar stationery. This may indicate that the designated low bidder may have prepared all or part of the losing bidder's offer;
- e. Bid or price documents contain white-outs or other physical alterations indicating last-minute price changes;
- f. A company submits a bid when it is incapable of successfully performing the contract (likely a complementary bid).

When there is an indication of potential proscribed practice, Procurement Officials must report this immediately to the Director, PD or the CPO with a copy to the VRC and OIOS. Unless the alleged proscribed practice is completely evident, the Procurement Official should not reject bids received until OIOS does a first assessment of the case. If OIOS decides to carry out a formal investigation (because there is sufficient evidence to substantiate the allegations), then the Procurement Official shall seek the decision of the

Director, PD or the Chief Procurement Official whether to reject such bids, without waiting for the outcome of the full OIOS investigation and the VRC's determination.

8.8.9 Best and Final Offer (BAFO)

The "Best and Final Offer" (BAFO) is an optional step in the selection of offers that has the objective of enhancing competition and thus ensuring Best Value for Money for the UN. BAFO shall be applied only once during the solicitation process.

Sound professional judgment should be applied when determining the circumstances in which the use of BAFO is justified. In such cases, approval must be sought from a Procurement Approving Authority. This will usually be the same authority that approved the issuance of the solicitation documents. The request for approval will specify the reasons why a BAFO is justified and will be kept on file.

Bidders are cautioned to propose their best possible offers at the outset of the original proposal process, as there is no guarantee that any offer will be allowed an opportunity to submit a Best and Final Offer. When submitting their offers in response to a solicitation, bidders should not rely on BAFO being requested by the UN at a later stage, as this may or may not happen for reasons that are outside of the bidders' control. Procurement Officials should be aware that excessive use of BAFO might encourage bidders to regularly keep a margin of safety in their initial offers. A BAFO shall be used sparingly for the reasons indicated below.

There are two scenarios in which BAFOs may be used:

Two or More Offers are "Commercially Tied":

The Procurement Official will apply sound judgment to determine when two offers are commercially tied; such determination will greatly depend on the type of commodity/market for each requirement. Offers may be considered "commercially tied" when either (i) the financial evaluations or (ii) the Best Value for Money calculation (a reflection of the value of the offer) are within a very close range of 5%. Where industry characteristics, recent changes in the market or past experiences with solicitations in the same industry give reason to believe that a BAFO would meaningfully improve the outcome of the solicitation, a BAFO may also be considered in situations where the Best Value for Money calculation or price differentials exceed 5%.

In this scenario:

- a. Only bidders that are considered to be 'commercially tied' will be invited to participate in the BAFO;
- b. Bidders will be requested to submit only an updated financial proposal; the technical proposal will continue being valid;
- c. The BAFO shall state that Bidders may only decrease prices, increase discounts, or provide other benefits to the UN, or leave prices all unaltered;
- d. An extended bid validity may be requested.

There are changes in the conditions of the solicitation that require bidders to refine their offers:

Sometimes, in the course of a solicitation, the Procurement Official may be informed of changes in the underlying assumptions of the scope of requirements (e.g. a change in the estimated number of required units, of the required delivery terms, etc.). In rare circumstances, it may be required to request supplemental information from bidders to address some changes in the requirements that could not be

contemplated at the time of issuance of the solicitation. In addition, there may be a need to correct factual errors in the solicitation documents or clarify the requirements.

Should those changes affect the scope of the requirements substantially, the solicitation should be cancelled and re-tendered. However, in the case that the changes do not substantially affect the scope of requirements, in the interest of time, the Procurement Official may consider the use of BAFO prior to finalizing the solicitation upon the approval of the Director, PD or CPO. The Procurement Official will be mindful, though, that this use of BAFO shall not be utilized to limit competition.

Prior to issuing a BAFO, the Procurement Official will determine how the offers will be assessed to determine Best Value for Money, in line with the methodology established in the SSP. As such, the Procurement Officer will determine if the Technical Evaluation Committee may need to reconvene in order to refine the Technical Evaluation Report in light of the newly provided information, or if this is not necessary. The method of evaluation, as stipulated in the SSP, will continue to apply.

The following principles apply:

- a. All bidders that may have a reasonable chance of winning the award will be invited to participate in the BAFO. This may be limited to technically compliant bidders only or may be extended to all bidders that submitted offers at the judgment of the Procurement Official;
- b. Bidders will be informed of the documents that they need to submit.

The BAFO request will establish a new closing date and time for the Best and Final Offers. The receipt of the Best and Final Offers will be done by the Tender Opening Committee, which will disclose all offers to the Procurement Official at the same time, after the closing time. BAFO openings are not public, and the UN may use electronic means to receive them in the interest of time (e.g. to a dedicated e-mail TOC address).

The Procurement Official may not receive the responses to BAFO on his or her personal e-mail. In case of receipt of a BAFO by a Procurement Official, it will be communicated promptly to the Procurement Approving Authority that approved the issuance of the solicitation. This may lead to disqualification of the bidder or the offer at the sole discretion of the UN.

Procurement Officials should take the following into account:

- a. BAFO may only be used once for each competitive process to avoid the impression among bidders that the procedure is being used to favour any vendor. In the extremely rare circumstance that a second BAFO round may be strictly necessary, the Procurement Official may consider other options, such as initiating a rebid or requesting to enter into direct negotiations;
- b. Bidders are not obligated to alter their proposals as a result of the request of BAFO;
- c. The Procurement Official will not disclose the reasons why a BAFO is being requested, the number of bidders from which it is being requested, or any information about the technical or financial evaluation of each bid;
- d. The Procurement Official will keep the results of the financial evaluation strictly confidential during the BAFO process;
- e. Letters of regret for bidders that were not invited to the BAFO will be issued at the same time as all other letters of regret, following signature of the awarded contract.

8.9 Negotiations

Negotiations are discussions with a potential vendor after consideration for award recommendation, either:

- a. Following HCC/LCC review leading to a rejection of bids under Financial Rule 105.15(c) by the Authorized Official;
- b. Following the rejection of bids by the Procurement Approving Authority under Financial Rule 105.15(c);
- c. In instances in which negotiations would be justified, such as sole source or Letters of Assist (see [Chapter 6.8](#) and [Chapter 14.3.1](#)). Approval to enter into negotiations needs to be obtained from the appropriate Procurement Approving Authority as per FR 105.16(a) or Authorized Official;
- d. In case of a need to amend a contract, such as extensions or increase in NTE amount under Financial Rule 105.13(b);
- e. When following a recommendation for an award in the professional judgment of the Procurement Official, more advantageous terms to the United Nations could be achieved that are not material to the award decision. In such a case, the recommendation of the Review Committee or approval of the Authorized Official to negotiate is not necessary. The Financial Rule used for the award will, therefore, remain Financial Rules 105.15(a) or 105.15(b), as the case may be;
- f. Following HCC/LCC review leading to an award where there is an additional recommendation to conduct negotiations.

The following procedures should be followed when conducting negotiations:

- a. It is recommended that in complex cases, prior to the start of negotiations, the negotiation team prepares a strategy and plan with a brief outline of the expected negotiation outcomes (not to be shared with the bidder) and that each individual is given specific roles and responsibilities in the process (see [Chapter 8.9.2](#));
- b. While negotiations are usually conducted in person or telephonically, in some cases, the Procurement Official may determine that it is in the best interest of the United Nations to obtain written offers as the starting point of the negotiations. The Procurement Official may request vendors to follow certain formats to submit their offers;
- c. In cases in which negotiations are conducted with more than one vendor, it is recommended that offers be received through the dedicated e-mail address of the Tender Opening Committee. The TOC will release all offers to the Procurement Official at the same time;
- d. The Procurement Official may conduct as many rounds of negotiations as necessary until the efforts seem to be exhaustive;
- e. UN staff members should treat all vendors involved in a negotiation process fairly and in an equitable manner;
- f. Negotiations are confidential between the UN and the vendor, and neither party may reveal information relating to the negotiations. Vendors should be informed of the same upon initiating the negotiations;
- g. When physical meetings or teleconferences are required, a minimum of two UN staff must be involved. Amongst the two personnel, one must be the Procurement Official;
- h. The Procurement Official shall lead the negotiations. Other participants may be required to attend, depending on the envisaged character of the negotiations. Such participants may include technical experts, legal officers, etc.;

- i. Meetings shall be recorded in writing; the minutes should be placed in the case file, and the results of the negotiations must be recorded in a note to the file or similar document.

8.9.1 Negotiations in Case of Sole Source

In instances where direct contracting is justified, negotiations are normally recommended in order to ensure Best Value for Money. Since no competitive solicitation process has been carried out, the UN has no immediate evidence that the product offers acceptable price and quality. Therefore, the UN needs to make every effort to justify the selection and ensure the reasonableness of price by attempting to obtain the most favourable terms and conditions for every aspect of the vendor's offer. Proper costing studies, market research, expert consultations, and verification of client references are key activities to be performed prior to such negotiations. Please refer also to [Chapter 6.8](#).

8.9.2 Negotiation Strategy

In complex cases, prior to negotiations, the Procurement Official may establish the negotiation strategy in a document, which should be marked "Commercially in Confidence" and must be restricted only to the Procurement Official, Requisitioner, and legal officer involved in the case, to ensure the integrity of the process. Such a document may include the following information:

- a. List of vendors invited to the negotiations;
- b. List of UN staff participating in the negotiations;
- c. The objectives of the negotiations, including the desired outcomes in order of importance;
- d. The scope of the negotiations (financial, technical, legal, etc.);
- e. The timelines for negotiations;
- f. The techniques that will be used to obtain the desired results;
- g. The Best Alternative to a Negotiated Agreement;
- h. The decision-making criteria that will be considered for the award, if negotiations are being conducted with more than one bidder;
- i. Other relevant information.

8.10 Final Evaluation and Recommendation for Award

The results of the technical evaluation shall be documented in a technical evaluation report. The level of detail of the technical evaluation report should be commensurate with the complexity of the process. Although the use of evaluation tables is best practice, it is not mandatory for informal methods of solicitation, such as LVA and RFQ. When evaluation tables are used, a signed copy of the filled in technical evaluation table must be submitted to the Procurement Official with the submission date and the tender number clearly identified. The submission must be signed by the Chairperson of the technical evaluation committee or the Section Chief or other official that signed the SSP.

The technical evaluation report must be dated, identify the tender number and description of the goods and/or services to which it relates, and the name of each technical evaluation member must be printed under the signature. It shall be signed by all the members of the technical evaluation committee, initialed on every page by at least two members of an evaluation team, and kept on file for future reference. The report shall describe the application of the technical evaluation criteria stipulated in the SSP in relation to each bidder's submission. This should include narratives for each criterion evaluated, whether scored or assessed on a pass/fail basis. The narrative must sufficiently outline the rationale for the decision taken by the Technical Evaluation Committee.

Upon receipt of the technical evaluation report, the Procurement Official or the Financial Evaluation Committee shall perform the financial evaluation, make a final comparison of the competing proposals in accordance with the terms of the solicitation documents and the SSP, record its findings, and advise the Evaluation Committee of the recommendation of award.

The findings will later be used as the basis for the recommendation of award. The recommendation for the award shall contain a summary of the evaluation process, as well as details of the evaluation steps performed and key criteria therein (i.e., preliminary examination, technical and financial evaluation). When the solicitation method is an RFP, the technical evaluation section must include a clear narrative supporting the points allocated to each technical proposal. Any rejection, non-compliance, and clarifications of offers must be clearly stated, including a list with the final ranking of the offers and the reasoning behind the selection of the winning offer.

All unsuccessful bids should be retained in the procurement file. However, any bid security or guarantee must be returned. The Procurement Official in charge of the solicitation exercise must ensure that the bid security contained in any unsuccessful submission be returned to the bidder promptly following contract award to the selected bidder.

Unsuccessful bidders will be notified only after the contract is awarded and all contract documents are duly executed.

In the case when the evaluation methodology is “lowest-priced technically acceptable offer” or “lowest-priced substantially conforming offer,” attention should be given to ensure that the reasons for disqualifying offers with prices lower than the selected offer are clearly stated in the technical evaluation report and in the case presentation.

RESOURCES

Annex 12— Additional Guidelines for Implementing Best Value for Money

9. Review by Committees on Contracts

9.1 Mandate of Committee on Contracts

Pursuant to the provisions of Financial Rule 105.13 (b), Review Committees on contracts are established at Headquarters (HQ) and other locations to render written advice on proposed procurement actions. In accordance with Financial Rule 105.13 (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. The terms of reference and the rules for the composition, work, and authority of review committees on contracts are set forth in the applicable administrative issuance.

The primary responsibility of the Review Committees is to ensure that proposed procurement actions are based, inter alia, on compliance with the Financial Rules and Regulations, relevant Secretary-General's Bulletins and Administrative Instructions taking into consideration the guidance provided by the Procurement Manual. The Review Committees are not responsible for reviewing or providing advice on the adequacy or necessity of the requirement being met under the proposed procurement action, but may ask questions and make observations, on the adequacy or necessity of the requirements of the proposed procurement action.

9.2 Thresholds for the Headquarters Committee on Contracts (HCC)

Irrespective of whether the procurement action originated at HQ or in another UN Secretariat entity, in accordance with the Financial Regulations and Rules, the recommendation of the HCC and the approval of the relevant Authorized Official shall be obtained prior to any contractual commitment being made for cases exceeding certain thresholds, which are set forth in the annex to the delegation instrument titled "[Delegation of Procurement Authority Matrix](#)".

9.3 Thresholds for Local Committees on Contracts

In accordance with the Financial Regulations and Rules, the recommendation of the LCC and the approval of the relevant Authorized Official shall be obtained prior to any contractual commitment being made for cases exceeding certain thresholds, which are set forth in the annex to the delegation instrument titled "[Delegation of Procurement Authority Matrix](#)".

9.4 Submission to Review Committees on Contracts

For all procurement actions that require review by a Review Committee, the Director, PD, or the Chiefs of Service in PD, or the CPOs, or their duly designated representative, in consultation with the relevant Requisitioners, shall submit cases through an electronic submission system to the respective Review Committee by the established deadline. Such deadline shall be established by each Review Committee and communicated to the Director PD, or the CPOs as appropriate.

The Chairperson of a Review Committee may, at his/her sole discretion and in accordance with guidelines established by the Review Committee, accept the late submission of presentations (i.e., after the established time for submission of cases for regularly scheduled meetings) for procurement actions arising out of an emergency, exigent situations, or unforeseen operational urgency. Such Submissions are usually referred to as "Walk-In" cases. The terms of reference and responsibilities set forth in this chapter regarding normally submitted cases apply equally to "Walk-In" submissions. Justification shall be provided

in writing to the Chairperson of the Review Committee from the relevant requisitioner in consultation with the Director PD or the CPO. A complete submission in accordance with standard requirements shall be presented to the Review Committee for any “Walk-In” cases.

Procurement Officials shall ensure that submissions to a Review Committee are comprehensive, factually accurate, and clear to facilitate the review of the procurement action. Procurement Officials shall also ensure that the recommended vendor is registered at the required level before submission of the case to a Review Committee. Submissions shall be in sufficient detail to enable the Review Committee to obtain an accurate and complete description of the procurement actions taken and the basis for the proposed award.

The Director, PD, or the CPOs and the requisitioning office shall ensure that relevant procurement and requisitioning staff are present at the Review Committee’s meetings to answer questions and provide clarifications when required.

In case of urgent procurement actions, the requisitioning office may request the Chairperson of the Review Committee that the minutes of the Review Committee recommendations be issued on an expedited basis. This request may be accepted or rejected at the sole discretion of the Chairperson of the Review Committee.

In cases of split awards, the entire procurement process and all awards, including those that individually do not exceed the threshold that requires submission to a Review Committee (LCC or HCC), shall be referred only to one Review Committee (either LCC or HCC) based on the recommended award with the highest NTE amount. Following the recommendation rendered by the Review Committee, the Authorized Official approves all award(s) deriving from the same procurement process, including those that fall below the threshold for Review Committees.

Field Missions, OAHs, Regional Commissions or Tribunals, or other UN Secretariat entities may be given LPA to undertake the procurement of Strategic Goods and Services. Procurement actions for Strategic Goods and Services with a value in excess of US\$ 1,000,000 shall be reviewed by the HCC and the Authorized Official shall send the case to the Director, PD for PD’s review before the case is forwarded to the HCC’s attention. The Director, PD or his/her duly designated representative, may request the CPO to provide clarifications and will submit the presentation to the HCC with PD’s comments. The CPO, the Requisitioner or their duly designated representative in the field, and the Procurement Official from Headquarters shall jointly present such cases to the HCC.

After the HCC’s review of such cases, the recommendations of the HCC will be submitted for the consideration of the Head of Entity of the requisitioning office.

9.5 Facilitation of the Review by the HCC/LCC

Procurement Officials are responsible for the following:

- a. Ensuring, in cooperation with the requisitioner, accurate, timely, and comprehensive presentations to the Review Committee, including a written justification for the proposed award(s) and a brief description of the purpose of the goods or services to be acquired. Presentations to Review Committees shall include, at a minimum, the documents set forth in Annex 13 (PD SOP No. 001 Quality Assurance Programme for HCC Presentations implemented at UN/PD) as

appropriate. The Review Committees may also request additional documents, as they may deem appropriate;

- b. Providing to the Review Committees, upon request and in a timely manner, clarifications and/or additional information in connection with a case presentation in consultation with the Requisitioner as appropriate;
- c. Ensuring that the procurement action is undertaken in accordance with the Financial Rules and Regulations, established procurement practices and procedures, applicable SGBs, and AIs.

RESOURCES

Annex 13 (PD SOP No. 001 Quality Assurance Programme for HCC Presentations implemented at UN/PD)

9.6 Ex Post Facto Presentations to Review Committees

A submission to the Review Committee may be ex post facto in the following two cases, namely, (a) fully “ex post facto” cases and (b) partially “ex post facto” cases, defined as follows:

- a. Fully Ex Post Facto Case: A procurement action, whether a written contractual instrument exists or not, in which the UN entered into a commitment for the provision of goods and/or services in full prior to submission of the procurement action to the relevant Review Committee(s) for its recommendation to the Authorized Official;
- b. Partially Ex Post Facto Case: A procurement action, whether a written contractual instrument exists or not, in which the UN entered into a commitment for the provision of goods or services in part prior to submission of the procurement action to the relevant Review Committee(s) for its recommendation to the Authorized Official.

Although ex post facto cases are not specifically addressed in the Financial Rules and Regulations, they may be accepted by the Organization under exceptional circumstances, provided all other UN procurement practices and procedures have been followed. However, ex post facto cases should be rare exceptions, and when they occur, written justification shall be provided in the case presentation to explain the reasons why timely submission of the case was not possible. Such justification should identify the reasons for the ex post facto situation and propose how to address the root cause in order to avoid reoccurrence.

Procedures for Ex Post Facto Cases Submitted to the HCC:

- a. Ex post facto presentations submitted to the Review Committee shall be submitted in accordance with the procedures set forth in [Chapter 9.4](#);
- b. If PD determines that the presentation for Strategic Goods and Services is ex post facto and not presented as such by a UN Secretariat entity, PD may reject the case or accept the case and inform the HCC of such. The HCC may reject the presentation as non-compliant or note and forward the submission to the Authorized Official for a decision on how to proceed. The breakdown of the recommended amount shall detail the ex post facto portion;
- c. The Review Committee may take note of ex post facto cases submitted to it, or not take note and request clarification, and issue observations on the propriety of the action taken.

10. Awards

10.1 Award and Finalization

Contracts are awarded by the relevant Procurement Approving Authority and, when applicable, following the approval of the appropriate Authorized Official given subsequent to recommendations by a Review Committee as may be required. Refer to [Chapter 2.6.1 Delegation of Authority](#) and [Chapter 9 Review by Committees on Contracts](#). Approvals for awards cannot be made by the Procurement Approving Authority or by the Authorized Official to vendors that are not registered at the appropriate Level with the UN Secretariat and/or are otherwise sanctioned, with the exception of joint ventures whose incorporation is reliant on the award, all in accordance with [Chapter 3](#).

An award may be made following the approval by the appropriate Authorized Official, further to Review Committee recommendation, as applicable. The UN can enter into a contractual obligation with a vendor only after official award of a contract by the relevant Authorized Official (in case of Review Committee recommendation) or Procurement Approving Authority and fulfillment of any conditions to that award, such as a successful prototype inspection, request for parent guarantee, etc.

Contracts shall be awarded within the offer validity period. If it is not possible to award the contract within the original period of offer validity, an extension of the offer validity period must be requested from all bidders. A bidder may refuse the request without forfeiting its bid/proposal security. Bidders agreeing to the request will not be permitted to modify their bids/proposals but will be required to extend the validity of their bid/proposal securities (if applicable) for the period of the extension. As such, extensions should be requested as early as possible to allow bidders sufficient time to produce a new valid bid/proposal security before the expiration of the original.

The relevant Procurement Official must keep a note to the file or a Statement of Award on file for future reference, including the signed award decision or the justification not to award, as applicable. For cases reviewed by a Review Committee, minutes of the relevant Review Committee meeting and signed recommendations by the Authorized Official must be kept in accordance with established records retention policy (see [Chapter 13.9 Maintenance of Files](#)).

Although ex post facto cases are not specifically addressed in the Financial Rules and Regulations, they may be accepted by the Organization under exceptional circumstances, provided all other UN procurement practices and procedures have been followed. However, ex post facto cases should be rare exceptions, and when they occur, written justification shall be provided in the case presentation to explain the reasons why timely submission of the case was not possible. Such justification should identify the reasons for the ex post facto situation and propose how to address the root cause in order to avoid reoccurrence.

10.1.1 Prototype Inspections

In the case where the complexity or type of goods so requires, a prototype or a first unit inspection prior to the signature of the contract may be conducted.

The purpose of this risk-mitigating measure is to ensure that the representations made by the bidder in its written technical proposal correspond to their actual product, quality assurance plan, or manufacturing environment, among other considerations. In such cases, therefore, prototype inspections should not be conducted as part of the Technical Evaluation but following a final review of the relevant Review

Committee and approval by the Authorized Official. Prototype inspections should take place prior to contract signature to limit the legal exposure to the UN.

If a prototype inspection is relevant for a certain requirement, the Source Selection Plan and the solicitation documents shall indicate so. Bidders should be requested to assume all costs related to the construction of the prototype for inspection, while the UN will incur the related costs of the appointed inspectors.

Inspections of prototypes/first units shall be conducted by the Requisitioner or a third party hired by the UN in the presence of a Procurement Official, as needed. Such inspections shall be documented in detail with all information and pictures, including subcomponents, etc. so that the same can be used by Receipt and Inspection Units to ensure the compliance of the goods throughout the life of the contract.

If during the inspection it is found that minor deviations between the written technical proposal and the actual product exist, but at the UN's sole discretion such deviations can be easily and quickly rectified, the bidder may be given the opportunity to do so in a timely manner prior to contract signature.

If on the other hand, the deviations are numerous or critical in nature, the UN may, at its sole discretion, disqualify the bidder from further consideration and reconsider its recommendation of award. In such a case, a new recommendation for the award should be submitted to the relevant Review Committee or Procurement Approving Authority. When the bidder fails to pass the inspection, the UN reserves the right to claim damages from the bidder for any costs incurred (e.g. third-party inspector, travel costs, etc.) and to refer the bidder to the VRC for consideration of suspension as a UN vendor.

RESOURCES

Annex 14— Statement of Award

10.2 Vendor Notification, Debriefing and Protest

10.2.1 Posting of Awarded Contracts

The UN posts on its website (<https://www.un.org/Depts/ptd/>, under the "Awards" link) information about all awarded contracts and purchase orders resulting from formal methods of solicitation for UN Secretariat entities. The notice of awarded contracts should contain a brief description of the contract, a reference to the solicitation number, the contract or NTE amount, the date of the contract/award, and the name and country of the vendor.

Procurement Officials shall issue written notification to the unsuccessful bidders, informing them of their unsuccessful submission ("Letter of Regret").

RESOURCES

Annex 15— Sample Letter of Regret

10.2.2 Debrief Procedures

The UN Secretariat offers UN vendors who participated in solicitations resulting in awards above US\$ 200,000 an opportunity to obtain additional information on their unsuccessful proposals or bids through the debrief process described below.

The debrief is not an adversarial proceeding; rather, it is a collaborative learning opportunity for unsuccessful bidders and for the UN to exchange additional information on the reasons why the bid/proposal was not successful.

The purpose of the debrief is to discuss the unsuccessful bidder's submission in response to the solicitation documents and the applied evaluation process and procedure. It is not a forum to discuss the submissions of other bidders. In addition, it is not a forum for other issues or complaints, which the bidder may raise according to the provisions in [Chapter 8.8](#).

The scope of the debrief is to identify the strengths, deficiencies, or weaknesses of the bidder's bid/proposal. Debriefings do not discuss the following:

- a. Trade secrets or other proprietary information, including the methodology or approach of other bidders;
- b. Financial or cost information about other bidders;
- c. Other bidders' details.

An unsuccessful bidder may request a debrief in writing within a period of ten (10) business days after receipt of the Letter of Regret only. Upon timely receipt of such request, the UN will notify the bidder of the scope of the debrief as well as the date, time, and place for the debrief.

A debrief is a one-time event. Bidders will receive only one debrief per eligible solicitation. This will normally last for a maximum of up to one (1) hour, and no follow-up debriefs will take place.

The debrief meeting is generally conducted in person but can also be held via teleconference or videoconference. The debrief will be conducted in English, but translators and other special arrangements will be considered, if requested by the bidder and deemed necessary by the UN, as long as the bidder pays for any associated costs and arrangements.

In the case a solicitation has been issued by PD, the written request should be addressed to:

United Nations Procurement Division
To the attention of: Director, Procurement Division
United Nations Headquarters, New York, NY-10017, USA

Or by email: dos-pd@un.org.

For other procurement offices, the letter of request for a debrief shall be addressed to the CPO of the respective entity.

The Procurement Official will invite and inform the unsuccessful bidder of the administrative details for the debrief. Should an invitation from the Procurement Official arrive later than ten (10) days after receipt of the request for debrief, the UN will ensure that a debrief is scheduled as a matter of priority. A delay does not entitle the bidder to submit a procurement challenge without a prior debrief meeting.

Bidders who have been formally debriefed and remain unsatisfied may file a procurement challenge within ten (10) business days of the debrief meeting. If the challenge is received later than ten (10) business days after the meeting, it is not receivable.

Procurement challenges are defined in this context as any complaint made post-award and post-official debrief by a bidder with respect to the technical and/or financial evaluation of their offer by the UN. A procurement challenge must not contain allegations against the successful vendor. A procurement challenge is not the right instrument to allege ethical violations. Such allegations should be directly reported to the Head of an Entity, the Director, PD, or OIOS and will be pursued outside of the scope of the Award Review Board.

10.2.3 Award Review Board

The Award Review Board (ARB) will review procurement challenges by unsuccessful bidders. The ARB is a UN administrative board that renders independent advice to the Under-Secretary-General for Management Strategy, Policy and Compliance (DMSPC).

The Registrar of the ARB will make an initial assessment of the procurement challenge and determine its receivability and eligibility for a review by the ARB. The Registrar's determination is final and not subject to appeal by any party.

Following a review of the case and upon receipt of the recommendation by the ARB, the USG, DMSPC takes a final decision, which is final and not subject to appeal by any party. Further details on the scope, composition of the ARB, its Secretariat, and any further rights and remedies are outlined in the TORs for the ARB (Annex 16).

It should be noted that the only financial compensation that may be granted to an unsuccessful bidder whose procurement challenge is deemed justified is the reimbursement of reasonable costs of the procedure (excluding legal costs, which shall not be compensated) up to a maximum of US \$50,000.

Should a procurement challenge be sustained, the awarded contract will not be suspended but may be limited in duration in case it is a multi-year contract. Further potential remedies are outlined in the TOR of the ARB. All bidders must be informed of the possibility to submit a procurement challenge in the solicitation documents.

RESOURCES

Annex 16 - Terms of Reference for Award Review Board

Annex 17a— Debrief Guidelines for UN staff

Annex 17b— Debrief Guidelines for UN staff - Amendment 1

Annex 18— Notice of Award of Contract

Annex 19— Notice of Award for Purchase Order

11. Contract Finalization and Issuance Contractual Instruments

11.1 Contract Finalization and Issuance

A contract is a written, legally binding agreement between the UN and a contractor, which establishes the terms and conditions, including the rights and obligations of the Organization and the contractor.

11.1.1 Contract Preparation

After a solicitation process in which the UN has defined the requirements, a vendor may be selected based on an offer, and such vendor will be required to enter into a contract by the UN.

UN Standard Form of Contracts based on model templates approved by OLA should be attached in the solicitation as well as used for contract formation, which shall be completed using contract-specific data.

Modifications and/or additions to the UN Form of Contracts, including annexes, should be made after consultation with OLA or a Legal Advisor for legal terms and the Procurement Official for financial terms. Care must be taken not to include any requirements or conditions that contradict the [UNGCC](#) or the standard text of any of the documents.

Further to Financial Rule 105.18, written procurement contracts shall be used to formalize any award following a procurement activity.

11.1.2 Letter of Intent

A Letter of Intent (LOI) is a written statement of the intention to enter into a formal agreement and may be exceptionally used to allow vendors to mobilize for contract implementation before signature of the final contract can be affixed.

The LOI is a contractual instrument that entails substantial risk and must, therefore, be used only after a careful risk assessment and only by Procurement Officials with substantial and relevant contracting experience, in cooperation with Requisitioners with significant technical experience. Responsibility for risk assessment rests with the Procurement Approving Authority, which shall be held accountable. Advice on assessing the risk may be sought from the ASG, OSCM, OLA, or a Legal Advisor.

If an LOI is intended for use, the LOI must be cleared by OLA, limiting the UN's responsibility and allowing the UN to withdraw from the LOI with minimum legal and financial consequences.

An LOI shall only be issued after an award has been approved, and only when all financial terms have been completely agreed upon with the vendor and all contract costs are known to the UN. Thus, an LOI can only be used to initiate work while allowing additional time to finalize contract details, such as detailed timeline, details of personnel, negotiation of non-financial contract clauses, etc.

11.1.3 Contract Finalization Discussions with Vendors

The purpose is to clarify any remaining issues that are not defined by the requirements in the solicitation documents or by the vendor's offer, but which are essential for proper implementation of the contract(s). Contract discussions should result in a clear understanding of terms and conditions agreed upon by the parties and their respective responsibilities under the contract.

Certain key areas, such as detailed delivery plan, milestones, and in certain cases, special terms and conditions, may form part of the contract discussions. However, this should not be confused with negotiations, as these should be conducted prior to award, according to [Chapter 8.9](#).

There are no strict rules as to how to discuss pending details to be included in contracts. It is important to note that the UN should inform the vendor it discusses or negotiates with that the UN only accepts offers in writing. Else, by law, the results of verbal contract negotiations could form a contract and the vendor could begin performance.

No negotiations of significant contract terms and conditions should take place following contract award, as the modification of certain material provisions (e.g. limitation of liability, insurance, and liquidated damages) may disadvantage other bidders and expose the UN to bid protests.

11.1.4 Advance or Progress Payments

No advance payments should be made, except when the conditions outlined in Financial Rule 105.19 apply. The Procurement Official shall record the reasons for advance or progress payments in the procurement case file.

Under certain conditions, the UN may agree to pay for partial delivery of the goods or upon completion of clearly defined milestones for services or works, provided adequate security for the advance or progress payment is established. In such cases, the Procurement Official should consider establishing specially developed payment terms taking payment flows into consideration, provided such terms are approved by the Director, PD or the CPO and are tailored to the specific procurement.

Lease payments paid in the same month to which they relate are not considered advance payments, regardless of whether they are paid on the first or last day of the month. However, lease payments paid prior to the month to which they relate are considered advance payments.

11.2 Performance Securities

Performance securities can be requested by the UN from the selected vendor in order to mitigate the risk of vendor non-performance and breach of contractual obligations (such as the delivery of all equipment, services rendered, and works completed, as per the contract). Securities and guarantees are normally issued in the form of an unconditional and irrevocable on-demand bank guarantee. However, bonds, demand drafts, cashier's cheques, or irrevocable cheques certified by a bank can be accepted in lieu of guarantees if approved by OLA. This should be specified in the tender documents, along with UN templates for the same, if applicable.

If performance security is required, the vendor shall provide security for performance of the contract within a specified period of time of contract signature, in an amount that usually corresponds with a percentage of the total contract value (normally 5-10%). The proceeds of the security (an established amount) shall become payable to the UN in the event of the vendor's failure to perform.

Upon receipt of performance security, the Procurement Official will provide the security to the TOC together with the form attached as Annex 20 (Request for Safekeeping of Performance Bond). Subsequently, the TOC official shall submit the security to the Treasury to be kept in custody.

The UN shall return the performance security to the vendor after certification by Requisitioner or Final User of completion of the vendor's performance obligations under the contract, including any warranty obligations, if applicable.

A bank guarantee received on bank letter headed paper should follow the OLA-approved form and include the following:

- a. A definition of the parties involved: Principal, Issuing Bank, and Beneficiary;
- b. A reference to the underlying transaction/contract;
- c. The guarantee amount: the maximum amount payable and the currency in which it is payable;
- d. The period of validity;
- e. Documentation: Any demand for payment under the guarantee should be in writing and in addition to other documents that may be specified in the guarantee;
- f. Effective Clause: A guarantee enters into effect on the date of issuance unless the terms of the guarantee expressly provide that such entry into effect is to be at a later date or is subject to conditions specified in the guarantee and determinable by the Guarantor. In Advance Payment Guarantees, there should be a condition that allows for the guarantee to come into effect when the Principal/Applicant has received the advance payment;
- g. Reference to Applicable Rules: [ICC Uniform Rules for Demand Guarantees](#) (URDG758), [ICC International Standard Practices](#) (ISP98);
- h. Conditions for a Bank Guarantee Exercise, in particular: disbursement upon initial request (initially) without any objections; being irrevocable; being unconditional; being non-transferable;
- i. A form of exercise of the beneficiary to the guarantee (bank), namely a written request (beneficiary's affirmation), sent as a registered letter;
- j. Information that a partial and multiple fulfilments is allowed, up to the maximum amount of the sum guaranteed;
- k. There are no unauthorized provisions;
- l. The guarantee is signed by authorized signatories.

RESOURCES

Annex 20 - Request for Safekeeping of Performance Bond

11.3 Signature, Issuance and Documentation

All contracts must be signed by a Procurement Approving Authority on behalf of the UN and by a duly authorized individual on behalf of the vendor. A contract will come into force once both contracting parties have signed it in writing.

The contract should be issued to the vendor, and the vendor should be instructed to return a signed scanned copy to the UN. The relevant official with the appropriate level of delegation of procurement authority shall countersign the copies, and the UN will send one copy to the vendor. The signed contract must be kept on record for future reference.

All pages of all the documents forming part of a contract or agreement to which the UN is a party, including all attachments, need to be initialed by duly authorized representatives of the parties, except for the page that contains the full signature block, which shall be signed by such representatives.

In all cases, care must be taken to ensure that the signatories to the contract are legal persons for the purposes of contractual relations and have the ability to represent and capacity to bind the respective contracting parties to the obligations thereunder.

Once a contract has been signed, it may be amended only if the contract provisions allow modifications and if additional related goods and/or services are to be provided/rendered by the same vendor in furtherance of the execution of the original contract. Each contract amendment must be in writing and must comply with applicable contractual terms and conditions and the UN's procurement procedures. All other situations call for a new solicitation process and establishment of a new contract.

11.4 Standard Contract Elements

A contract for goods or services between the UN and a vendor must, at a minimum, include:

- a. An instrument of agreement;
- b. UNGCC for goods, services, or goods and services as appropriate;
- c. Technical specifications, TOR, SOW, pricing (fees and rates, as applicable) and payment terms, template for performance securities, delivery requirements, etc. as well as any special conditions that may be required.

11.4.1 Instrument of Agreement

The instrument of agreement must contain the following elements:

- a. Identification of the parties contracted, as well as the person authorized to act on behalf of the contracted party, including name, address, and contact details. In the event that the contract is the result of a joint offer, the UN will usually contract with one entity, which should always be the lead entity;
- b. Scope of the goods/ services being procured, and the quantity being provided, as well as entry into force and time limits of the contract;
- c. A reference to the contract documents (i.e., Special Conditions, UNGCC, etc.);
- d. Price and payment terms. Contracts should be denominated in the currency indicated in the bidder's offer, provided it was allowed for in the solicitation document. It is important to establish tangible indicators for payments, linked to milestones in the delivery of services or completion of works. For service contracts involving works, it is common to have interim progress payments based on a regular measure of the works completed. Final payment must always be based upon acceptance of documentation for completion of services or works or delivery of goods;
- e. A 'lump sum' contract is used whenever it is possible to determine with sufficient precision the quantity and scope of the goods/services required from the contractor;
- f. The 'unit price' contract should be used only when the nature of the services/ goods makes it impossible to determine, with sufficient precision, the quantity of the services/ goods required from the contractor. In this case, the contract sets a maximum amount for both the total amount and the provision of each component of the services (e.g. rate per workday, cost of each round-trip, etc.), and establishes the applicable unit price. The maximum amount cannot be exceeded.

Contracts valid over a longer period (over 12 months) may contain price adjustments linked to officially published price indices to cover changes in work rates. The increase may also be estimated and incorporated as a fixed rate over the entire life of the contract. Contracts for commodities whose price may fluctuate over time (e.g. petroleum products, metal products, etc.) may be based on commodities/mercantile exchange prices (e.g. Platts index or LME), provided this is clearly specified in the solicitation document. For such contracts, it is good practice to specify in the contract that the final price shall not exceed a specified maximum amount and that the contractor should adjust the quantity accordingly so that the contract amount is not exceeded. However, where possible, it is strongly

recommended to avoid using price escalation; this is the default setting for all UN contracts for works, specifically.

Duration of the Contract: Starting and completion dates, as well as milestones for successful performance, must be precisely defined. Contracts for goods and services also should specify the name of key personnel and their input in terms of estimated man-days/weeks/months.

As for any litigious matters arising out of contract execution, the parties shall first attempt to resolve their dispute amicably through negotiations. If the dispute cannot be resolved amicably, the matter shall be resolved in accordance with the current [UNCITRAL arbitration rules](#). No choice of law-clause shall be included in the contract documents unless special authorization is provided by OLA. Instead, the arbitration provision shall state that in deciding the dispute, the arbitral tribunal shall be guided by general principles of international commercial law.

As a mandatory condition of doing business with the UN, it is necessary that vendors, as well as their subsidiaries, agents, intermediaries, and principals, cooperate with the OIOS, as well as with other investigative bodies authorized by the UN as and when required. Such cooperation shall include, but not be limited to, the following: access to all employees, representatives, agents, and assignees of the vendor, as well as the production of all documents requested, including financial records. Failure to fully cooperate with investigations will be considered sufficient grounds to allow the UN to repudiate and terminate the contract and to debar and remove the vendor from the UN's list of registered vendors.

11.4.2 General Conditions of Contract (UNGCC)

The UN has developed UNGCC for goods, services, goods and services, and works (depending on the nature of the procurement), establishing a legal framework that forms part of every contract. The UNGCC may not be changed. If modifications or additions are required, those shall be made in the form of particular conditions in consultation with OLA.

The UNGCC contain specific provisions on mines, child labour, sexual exploitation, and the fundamental rights of workers. Vendors signing UN contracts automatically agree to abide by these conditions. Procurement Officials should bring these clauses to the attention of the vendor at the time of signing the contract.

The UNGCC apply to all UN contracts and form part of the contractual agreement between the UN and the vendor.

The UN generally does not agree to the use of the general terms and conditions of the other party. If requested to do so, please refer to [Chapter 6.4.9](#).

RESOURCES

UN General Conditions of Contract (De Minimis Field Contracts)

https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_field_contracts.pdf

UN General Conditions of Contract (provision of goods and services)

https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_goods_services.pdf

UN General Conditions of Contract (provision of goods)

https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_goods.pdf

UN General Conditions of Contract (provision of services)

https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_services.pdf

UN General Conditions for Aircraft Charter

https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_conditions_air.pdf

11.4.3 Technical Specifications, TOR, SOW

Technical specifications, TORs, SOWs, and other specifications should always be attached as an Annex to the contract or their contents included in the contractual document.

Care must be taken that the content of the annexes is consistent with the general and particular conditions of the contract.

11.5 Purchase Order (PO)

A PO is a type of contract that documents the purchase of goods and/or services. The standard PO originated from UMOJA should always be used.

A PO is accompanied by a copy of the relevant packing and shipping instructions, as well as the UNGCC for goods and/or services (or reference is made to the UNGCC on the UN website).

11.6 Long-Term Agreement (LTA)

An LTA is a written agreement between an organization of the United Nations system and a vendor that is established for a defined period of time for specific goods or services at prescribed prices or pricing provisions and with no legal obligation to order any minimum or maximum quantity. LTAs are used to

safeguard a reliable source of supply for goods and services at a competitive price, in accordance with pre-defined terms and conditions. Goods and/or services available under LTAs serve a broad range of clients to meet commonly required, high-volume needs in the most time and cost-efficient manner (e.g., generators, uniforms, freight forwarding, etc.). Product and process economic considerations are advised to be applied when purchasing outside of such Long Terms Agreements, which is a decision that is at the sole discretion of each entity, to obtain the best value for the Organization. To arrive at a completely transparent cost comparison, factors to consider include the price of the good or service, installation, maintenance and freight costs, as well as internal administrative costs associated with the acquisition process, from development of requirements to contract management. Such costs will vary on a case by case basis, but concepts like the cost of inspecting prototypes, conducting a solicitation, staff time, etc. can be considered as appropriate by each Entity.

The below provisions apply to LTAs issued by the UN Secretariat (which may also be referred to as systems contracts). Please refer to Chapter 14 for guidance on utilization of LTAs issued by other UN system organizations.

Since procurement through LTAs is a very efficient way to carry out procurement, all Procurement Officials should keep abreast of existing LTAs and assess if an LTA could be used for requirements. An [online catalogue](#) of existing LTAs (including managed turnkey contracts) has been developed by the Office of Supply Chain Management.

In addition, Procurement Officials should always consider whether the procurement actions they are undertaking themselves could potentially be the basis of an LTA. When establishing an LTA further to formal methods of solicitation, the tender document must make it clear that an LTA will be established as well as cover the following points: type of LTA and geographical or other coverage, description of the goods and/or services, duration, price adjustment methods (if applicable), and the award methodology, especially when it is expected to award more than one vendor.

11.6.1 Benefits and Risks of Establishing LTAs

LTAs can achieve significant benefits, including:

Competitive prices: Aggregating the volume over the life of the LTA may lead to lower prices for some types of goods/services, based on the principle of economies of scale. LTAs can enable the UN to fully leverage its market position, taking advantage of its size, procurement volume, and geographical presence in order to obtain Best Value for Money. For instance, LTAs might include a provision that vendors must pass on any price reductions obtained through bulk purchase to the UN. The same may apply to pre-defined discount schemes in the contract once the UN has purchased a certain volume.

A simplified business process leading to reduced transaction cost: An LTA established by a single procurement process allows call-off orders at any time during the life of the LTA, thus avoiding the time and resources needed for repetitive procurement actions for the same set of goods or services.

BENEFITS OF LTAS

LTAs offer benefits such as competitive prices through economies of scale and consolidation, simplified processes, consistency in quality and reliability of supply, and standardization of requirements, as well as reduced lead-time.

They are also useful in start-up and emergency scenarios.

LTAs that are well set-up from a quality delivery timeline and cost perspective will also offer value to other organizations in the UN System, thus fostering cooperation.

Consistency in quality and reliability of the source of supply: By having established quality standards in the LTA, the time spent on inspection and possibility of rejection of goods/outputs are reduced.

Standardization of requirements: Promotes standardization of requirements across offices, which could contribute to a reduction in operation and maintenance costs and other efficiencies.

Reduced delivery lead-time: As many aspects are pre-agreed and specified in the LTA, the lead-time between the call-off and delivery is significantly shortened, and this is particularly relevant during emergencies. LTAs are particularly useful for goods that can be stocked, or services set up for immediate mobilization or deployment.

11.6.2 Types of LTAs

There are three (3) main types of LTAs:

(i) Single-Vendor LTA: One vendor is supplying the total requirements for a given type of goods/services.

(ii) Multiple-Vendor LTAs Without Secondary Bidding: Two or more vendors are supplying the same requirements. Among others, the reasons for having multiple LTAs in place can be related to securing supplies at times of high demand through several sources, geographical location of the vendor (landed costs, shorter transit time, etc.), ability to provide after-sales service and support of the goods, or provision of the services at the specified location, etc.

Wherever the UN has established multiple LTAs with different vendors for the same product or services, Procurement Officials shall make sure they select the LTA which best suits the specific requirement in the respective area of operations. Such a decision should be consistent with the four principles of procurement under Financial Regulation 5.12.

The reasons for selecting a specific LTA for the issuance of call-off orders shall be documented in the procurement file including value for money assessment.

(iii) Multiple-Vendor LTAs With Secondary Bidding: Two or more vendors are supplying similar or identical requirements, and the final placement of each call-off is determined through secondary bidding. If secondary bidding is considered, it shall only apply to those components of a requirement with prices that are not fixed in the LTA (e.g. freight) or that are subject to ceiling prices. Other aspects, such as vendor capacity, delivery time, and mobilization time at the time of the request, may also be subject to secondary bidding.

Note: Some LTAs might include a combination of types (ii) and (iii) above, i.e., particular items, locations, or conditions where orders can either be placed directly to one of the LTA holders or be subject to secondary bidding. Instructions for usage of these types of LTAs must be clearly laid out.

The above types of LTAs can be further classified based on their geographical coverage:

- a. Country-Specific LTA: established for use by a specific entity to procure goods or services required in a specific country only. The LTA is set up and managed by the respective entity in that country. An LTA that has been set up in one country for goods and services sourced from within that country should not be used in another country, as the market conditions may vary between the two countries and usage across countries may not reflect value for money;
- b. Regional LTA: for use by several entities in a specific region of the UN's operation, to procure goods or services required in a specific region. Such LTAs may be set up and managed either by PD, a Regional Centre or an entity within that region;

- c. Global LTA: for use by all UN entities. Such LTAs are normally created and managed centrally by PD.

For the use of other UN Entity's LTAs, please refer to [Chapter 14.1 Cooperation with UN Organizations](#).

11.6.3 Establishment of a New LTA

The suitability of an LTA shall be considered during the category management strategy development and implemented at the procurement planning stage.

PD must be informed about upcoming LTAs that go beyond a local scope in advance (i.e., prior to initiating the procurement process) and, as necessary, will provide guidance on establishing the LTAs. As an LTA is created for a long duration and requires both upfront and long-term resources and expertise to set up and manage effectively, the decision to create an LTA should be based on a brief business case, which should outline the following elements:

- a. Description of goods/services required;
- b. Type of LTA and geographical coverage;
- c. Past spend data in the category and planned spend;
- d. Expected duration of the LTA(s);
- e. Price adjustment method, if any;
- f. Expected benefits and risks of the LTA;
- g. Results of market research: number of potential vendors, location, etc.;
- h. Procurement strategy: solicitation method, type of competition;
- i. Procurement process timelines.

11.6.4 Duration of LTAs

To ensure fairness and competitive terms and conditions, LTAs are typically valid for a period of three (3) years. LTAs may be extended for an additional period of up to 24 months, if provided for in the contract and subject to satisfactory vendor performance (to be documented in a vendor performance evaluation [see Chapter 13](#)), continuing requirement of the goods and services covered, and if the prices offered are within the current market range (e.g. the cost of IT equipment often falls over time and it might not be in the best interest of the organization to extend such an agreement). Foreseen durations beyond this maximum period of five (5) years (3+2) should be outlined in the business case and/or SSP, along with a justification of the need for such extended period, and be approved in advance by the Director, PD or the CPO.

11.6.5 Call-Off Orders Against an LTA

A call-off order refers to an order issued against an existing LTA. Call-off orders are not subject to review and recommendation by a Review Committee; however, such orders require approval by the relevant Procurement Approving Authority with the corresponding level of delegation. It is to be noted that the principles of cumulative/aggregate amounts do not apply to call-off orders.

In addition to ensuring that the Procurement Approving Authority has the required authority to approve the call-off order, she/he should also be satisfied that the instructions related to the applicability of the LTA have been followed. In particular:

- a. If the issuance of the call-off order is the result of a secondary bidding exercise, the Procurement Official must ensure that the ceiling prices specified in the LTA have not been exceeded;
- b. If the issuance of the call-off order is further to a multiple vendor LTA without secondary bidding, that value for money is achieved;
- c. The Procurement Official should be satisfied that any specific conditions of the LTA are met, such as the existence of maximum value for call-off orders, the maximum cumulative value per year, etc.;
- d. If the LTA, whether established by the UN or by another United Nations entity, is based on an exception to formal methods of solicitation, the Procurement Official should verify at the time of reviewing the call-off order that valid reasons exist for standardization, accelerated delivery, etc.

Call-off orders must state the details of the relevant LTA, such as the LTA reference number or other specifics that facilitate future reference.

11.7 Blanket Purchase Order

Upon request, the Procurement Office may arrange for certain departments and offices to order limited quantities of specified products and services through a BPO. The BPO is basically a simplified form of LTA. This instrument is usually reserved for repetitive orders up to a maximum total amount of US\$ 100,000 per year when items of low-value are not held in stock by the UN, services are required on short notice, or prices conform to a set pattern in the trade (e.g. prices found in catalogs). BPOs should not be used for large volumes of items even when they are of low value. All efforts should be made to use (or replace BPOs with) local systems contracts (with discounts on catalogs, if necessary) or service contracts (including applicable mechanisms for pricing services, e.g. repairs) with pre-agreed price structures and terms.

The Procurement Official shall establish BPOs on an annual basis for specific items based on Requisitions received from the departments or offices concerned. The procedures described in [Chapter 5](#) and [Chapter 6](#) shall be followed in selecting vendors to participate.

To prevent exceeding the BPO threshold, the same vendor should not be awarded more than one BPO at the time.

BPOs for goods and/or services can be entered into with multiple vendors. The UN has less cost control over the Vendor when using a BPO in that the initial market survey only gives a relative indication of prices for a representative sample of goods or services in a category. Essentially, the vendor may charge as it sees fit at the time an actual order is placed. Therefore, BPOs should only be used to purchase items that are difficult to specifically identify and quantify. Examples include spare parts, electrical components, engineering workshops components such as nails, bolts, etc. BPOs shall include a specified term (duration), a maximum NTE contract amount, instructions about procedures/authorization for ordering against the BPO, specifications about delivery procedures and terms of payment, provisions for possible price escalations, and other appropriate terms and conditions. UMOJA product category contracts may be used if a UMOJA catalog cannot be created due to a large number of items required.

The Requisitioner must identify the types of goods or services that may be needed under the BPO. The requirements should include a sample “shopping list” indicating as wide a range of products or services as possible, maximum delivery lead time, and, if appropriate, relative maximum quantities of those items. The Procurement Office will use the sample “shopping list” to perform a market survey, the result of which will be used to select a Vendor. The Requisitioner is not locked into ordering the items on the sample “shopping list” but may place orders for any item that falls into the product/service category covered by BPO.

The Procurement Official shall evaluate each BPO at the end of the year to determine whether it should be renewed. The Section Chief/ Director, PD or the CPO may approve the issuance of a BPO to the same Vendor, if so requested by the departments or offices concerned, for up to three consecutive years without having a new Solicitation for the items or services covered by the BPO.

Requirements for technical review and LPA shall continue to apply.

In Writing: All BPOs shall be in writing (stating price, quantity, brand/model, delivery place/time, warranties, after-sale support, etc., as applicable), with receipts obtained. Receipt, inspection and payment shall follow the usual UN terms/UNGCC.

11.8 Call-Off Orders Against a BPO

After a BPO has been issued in UMOJA by the Procurement Official through a regular Shopping Cart issued by the Requisitioner, the departments or offices concerned may proceed to order from the selected vendor, in accordance with the terms of the BPO, by issuing LVA Purchase Orders. All such orders must include the BPO number, the Product ID for each item, and the terms and conditions of the BPO shall govern the purchase in all respects. The CO is required to check that the goods/services ordered meet the UN's requirement at fair and reasonable prices. In such cases, the CO (or the Procurement Official as applicable) is responsible to link all such LVA Purchase Orders to the correct UMOJA BPO contract and to verify that orders are in accordance with agreed prices and other contract terms. A call-off order against a BPO shall be used by a Procurement Official in case its overall value exceeds US \$10,000.

In order to maintain proper administrative and financial controls, it is strongly recommended that authorization of LVAs be limited to the CO responsible for that cost centre. It is the responsibility of the Requisitioner to keep records of expenditures against, and the unspent balance of, a BPO.

Invoices against a BPO should reference both the BPO contract number and the Work Order/Task Order number. In most other respects, the ordering and administrative procedures, including receiving and inspection, property control, and inventory and invoice processing are the same for a BPO as they are for other forms of Contracts and Purchase Orders.

The total sum drawn upon a BPO shall be limited to a maximum of US \$100,000 per year and shall not exceed the face value of the BPO. The BPO shall specify the term for which it is valid. In order to replace an expired BPO, a new BPO shall be issued.

12. Logistics

12.1 Aviation & Other Transport

Transport is the movement of passengers and/or goods from one location to another. To this end, the UN charters aircraft and vessels, contracts freight forwarders, vehicles, and other logistics providers, with the purpose of providing logistics solutions in support of the mandate(s) of UN Secretariat entities, particularly field missions. The mode of transport depends on a variety of factors, including the urgency of the requirement, geography, infrastructure, and cost considerations. The procurement of transport services shall be conducted in compliance with UN Financial Regulations and Rules, as well as relevant international regulations, such as ICAO, Incoterms, etc., and is often characterized by tight schedules requiring special procurement practices, as follows. Such services are listed in the Strategic Goods and Services Matrix under the category of Aviation & Transportation.

12.1.1 Air Transportation Services

Air transportation is a critical component of field support to UN peacekeeping and special political missions and provides logistical assistance to other entities of the UN System. Due to its highly specialized and strategic nature, as well as aviation safety considerations, air transportation services are procured centrally at UNHQ.

12.1.2 Air Operator Vendor Registration (AOVR)

Please refer to [Chapter 3.1.4.3.1](#) of this PM.

12.1.3 Short-Term Air Charter

Short-term air charter requirements fall under the Strategic Movement element of the Movement Control operations of Peacekeeping Operations. The Movement Control Manual defines Strategic Movements as the worldwide movement of personnel and/or their equipment between their home country's national mounting base and/or their (sea and) airports of embarkation to or from the UN mission Area of Operations (AO). The procurement of short-term air charter services, inter alia, facilitates such movements.

For passenger short-term air charters, only Air Operator Vendor Registration vendors are eligible to participate in solicitation exercises.

A separate vendor list is maintained for cargo AOC holders. These carriers, plus brokers and freight forwarders, are invited to participate in solicitations for cargo air charter services.

A standing REOI for both air passenger and cargo requirements should be maintained publicly (e.g. on the PD website and UNGM).

12.1.4 Long-Term Air Charter

Field missions conduct day-to-day air operations using a wide range of fixed-wing and rotary-wing aircraft operated by civil air operators under commercial contracts. These commercially chartered planes and helicopters (complemented by military aircraft under Letters of Assist) make up an extensive long-term fleet of aircraft continuously supporting UN operations worldwide.

Typical air transportation services to be provided include logistical re-supply, passenger flights, VIP liaison, aeromedical/casualty evacuation (MEDEVAC/CASEVAC), troop deployment/rotations, and transportation of cargo and equipment. Air operators providing air transport services to the UN are required to continuously adhere to the UN Aviation Standards for Peacekeeping and Humanitarian Air Transport Operations ([UN AVSTADS](#)), which are published on the PD website.

UN air charter contracts are based on standard Forms of Contracts developed for such requirements by OLA. Contractors are typically required to provide aircraft, crew, maintenance, and insurance. For air transport services provided within the operations area of a UN field mission, the UN normally provides aviation fuel (Jet A-1) and ground support services. When performing flights for the UN outside of a mission area, air operators are required to be self-sufficient.

UN contracting modalities for air transportation services include full-time/dedicated long-term air charter contracts, as well as on-call/standby air charter contracts.

12.1.5 Military Aviation

In achieving their mandates, UN peacekeeping missions may require military aviation support, provided by Troop Contributing Countries (TCCs) under LOAs. Military aviation units include light-armed helicopters, light, medium, or heavy utility helicopters, as well as attack helicopters and tactical transport fixed-wing aircraft.

LOA terms and conditions shall be based on a reasonable and justifiable reimbursement for the use of the military aircraft, to be agreed upon between the UN and the TCC, which are intended to cover the direct operating costs (i.e., excluding capital investment or expenses that would be incurred regardless of the contribution to UN peacekeeping). PD shall always be involved in negotiating the financial terms and conditions of LOAs.

Aviation LOA reimbursement is normally on a per-flight-hour basis with no minimum guaranteed hours. As an exception, attack helicopters are reimbursed on a monthly rental basis, due to the unique role of such aircraft whose availability alone serves as deterrence and show of force and, as such, benefits UN peacekeeping operations with specialized military mandates. Aviation LOAs may include ancillary reimbursement items to cover other costs incurred by the TCC that are not covered by the related Memorandum of Understanding (MOU).

12.2 Freight Forwarding & Third-Party Logistics (3PL)

The UN Secretariat procures a wide range of freight forwarding services in support of UN operations worldwide. These services include, inter alia, multimodal freight of United Nations Owned Equipment (UNOE) and Contingent Owned Equipment (COE). Generally, shipments are conducted via multimodal sea/surface freight, airfreight, or air cargo charters.

Multimodal Sea/Surface freight forwarding services are further defined as the movement of UNOE or COE from Origin (Door or Port) to Destination (Door or Port) via sea/surface freight. This may include full vessel charter, part cargo, liner service, etc., as well as inland transportation, inland ground waterway transportation, etc., as needed.

Air Cargo Charters are further defined as the movement of UNOE or COE from Origin to Destination via full aircraft charter.

Airfreight is defined as follows as the booking of UNOE freight on commercial or freighter aircraft.

PD maintains a roster of pre-approved freight forwarders who are invited to bid on all freight solicitations for shipment of both UNOE and COE processed by PD. A standing REOI form for entry into the PD “Freight Forwarding Vendor Roster” (FFVR) is posted on both the UNPD website and the UNGM. Interested companies must first register as vendors with UNGM (www.ungm.org) and then complete the REOI. The FFVR is updated on a quarterly basis, and UNPD reserves the right to remove any company from the FFVR that is deemed inactive.

12.3 Strategic Movements – Contingent Owned Equipment (COE)

COE refers to the actual equipment provided by the troop-contributing countries to carry out their day-to-day peacekeeping operations. It includes vehicles (trucks, trailers, armored vehicles, etc.), dangerous cargo of various classes, generators, road-making equipment, drilling equipment, etc. The nature and configuration of the COE dictate the type of vessel required. Most ships are designed to carry specific cargo and to load and unload in a particular way. For example, a Roll-On/Roll-Off is required to transport large numbers of vehicles. In addition, due to the military nature of COE and its political considerations, direct sailing without transshipment is usually required.

The COE Manual and the Movement Control Manual regulate requirements for Strategic Movements of COE and passengers. Strategic Movements include shipments of COE by surface transport (road, sea, and river) and air (short-term air charter), plus short-term transportation of passengers by air and road. Requirements for Strategic Movements are generally time-sensitive and are based on the tempo of the peacekeeping operations.

RFPs are typically used for the procurement of movement services for COE. As process turnaround times (and validities of vendors’ proposals) can be as short as 24 hours, technical and financial proposals are opened simultaneously, as an exception to the Opening procedures for RFPs. In addition, the Director, PD has special approval authority for these procurement cases.

Movement of COE and passengers are critical strategic components necessary for the successful execution of UN Peacekeeping operations, as both operations entail the transportation of peacekeepers (troops) and their equipment into the theatre of operations.

12.4 Strategic Movements – UN Owned Equipment (UNOE)

UNOE is defined as commercial goods that are either purchased from a UN commodity vendor for delivery to a UN entity or goods that are already in the possession of the UN (e.g., mission-to-mission cargo transfers). The Incoterm indicated in the commodity Purchase Order shall guide the procurement of freight services for UNOE commodities (see [Chapter 12.5](#), below).

Procurement of freight-forwarding services for shipment of UNOE can be undertaken either on an individual shipment basis or through the establishment of non-exclusive freight forwarding systems contracts with a select number of freight forwarders.

12.5 Incoterms

International Commercial Terms ([Incoterms](#)) are prepared by the International Chamber of Commerce and are standardized, widely recognized trade terms to be included, by agreement of the parties, in contracts for the sale of goods. Their objective is to provide standard contractual provisions for contracts for the sale of goods by clarifying the costs, risks, and responsibilities of the parties to the contract, particularly in relation to the shipment and delivery of the goods from sellers to buyers. Incoterms do not apply to the contracts of carriage (e.g. freight forwarding) but only to the delivery of goods under a sales contract.

The Requisitioner and the Procurement Official shall jointly make the determination and selection of the appropriate Incoterms to use. The chosen Incoterm shall be appropriate to the goods, to the means of transport, to the desired level of risk acceptable to the UN, and to whether the parties intend to put additional obligations (e.g. the obligation to organize carriage or insurance) on the seller or the buyer.

When establishing systems contracts for commodities, Procurement Officers shall use FCA, FOB or EXW as the default Incoterm, with DAP/DAT included on an exceptional basis, unless it is a turnkey contract. Due to the typically higher costs associated with DAP/DAT shipments, the usage of DAP/DAT under a subsequent commodity Purchase Order should also be undertaken on an exceptional basis only, with FCA/FOB/EXW the preferred Incoterm. Approved category strategies may also indicate the preferred incoterm based on a thorough analysis conducted during the strategy development process.

12.6 Global Cargo Insurance

The UN Secretariat maintains a global cargo insurance policy that covers organizational shipments of UNOE and COE up to the limits set forth in the policy. For information regarding coverage limitations, PD's Freight Forwarding experts can be consulted at forwarding@un.org.

Due to the existence of this global cargo insurance policy, it is generally not necessary to purchase additional insurance from a freight forwarder, except in the rare instances whereby the value of the cargo exceeds the coverage outlined in the global cargo insurance policy. As such, solicitations for freight forwarding services shall not request additional insurance. However, any UN-appointed freight forwarder must maintain their own liability insurance to cover losses/damages due to their negligence. A copy of the insurance policy/certificate to cover the loss and/or damage of the contracted cargo in accordance with Clause 6 of the UNGCC shall be kept in the case file by the UN entity ordering the freight forwarding services.

In the event that an insurance claim is necessary, all relevant shipping documentation (airway bill, bill of lading, packing list, UN freight, and commodity purchase orders, etc.) shall be maintained in the case file by the UN entity ordering the freight forwarding services. Procedures for Filing Cargo Claims for Organizational Shipments are attached in Annex 21.

USE OF INCOTERMS

The Requisitioner and the Procurement Official shall jointly make the determination and selection of the appropriate Incoterms to use. The chosen Incoterm shall be appropriate to the goods, to the means of transport, to the desired level of risk acceptable to the UN, and to whether the parties intend to put additional obligations on the vendor or the UN.

RESOURCES

Annex 21 — Procedures for Filing Cargo Claims for Organizational Shipments

12.7 Goods Inbound to UNHQ

Goods arriving at UNHQ for UN official use (“Inbound Goods”) must complete a multi-step customs clearance process in coordination with the host government of the United States of America. The Freight Forwarding (FF) experts in the PD facilitate this process. However, each UN Secretariat entity is responsible for ensuring that its commodity Purchase Order(s) covers delivery to “Door” of their New York office. For airfreight shipments, the importing UN entity should immediately provide the FF experts in PD with shipping documents required for clearance (commercial invoice, air waybill, and arrival notice) upon arrival of the cargo. The process for clearance generally takes four to seven (4-7) business days. As such, appointed freight forwarders should be instructed to move cargo upon arrival to a Container Freight Station (CFS) to minimize storage charges. For sea shipments, Importer Security Filing (ISF) must be completed prior to the shipment departing the origin point to avoid possible penalties from US Customs & Border Protection (CBP) or other similar authorities. For information related to Inbound Goods, the Procurement Division’s Freight Forwarding experts can be consulted at forwarding@un.org.

13. Contract Management and Contract Administration

13.1 Overview

This chapter describes the key activities required for effective contract management and administration.

13.1.1 Contract Management

Contract Management refers to all actions undertaken after the award of a contract and covers activities such as vendor performance monitoring, payments, contract closure, record retention, and maintenance of the contract file. The primary goal of contract management is to ensure that quality goods and services, in the right quantity, are delivered on time and in accordance with the agreed-upon contract terms.

Depending on the nature of the contract, the Contract Management function is the responsibility of either staff directly assigned to oversee and manage the implementation of the contract, the Requisitioner, or the end-user (hereinafter collectively referred to as “responsible contract management staff” or RCMS). The RCMS is responsible for monitoring the performance of the contractor and for receiving, accepting, and approving the deliverables specified in the contract.

The responsible Procurement Official should be informed by the RCMS of any not-accepted deliverable to ensure proper recording in the procurement case file and to permit action on any necessary contract administration matters.

Acceptance is carried out as follows, per type of requirement:

- a. Goods: Upon receipt of the procured goods, the RCMS will record the goods receipt, along with a Receipt and Inspection report (R&I), in UMOJA. This confirms receipt of all goods as per the packing list, as well as documenting, in detail, the condition of the goods received and their compliance with the stated specifications. The applicable UMOJA forms for receipt of goods must be used for this purpose.
- b. Services: If services have been satisfactorily received, the RCMS must record in UMOJA that the services have been satisfactorily completed in accordance with the terms specified in the contract.

Delivery has different meanings depending on the type of purchase (i.e., goods, services, or works). Furthermore, with goods, delivery is recognized at different points of time and place depending on the Incoterm used in the contract. RCMS are reminded to consider the relevant Incoterms and contract terms to determine whether delivery is considered complete.

13.1.2 Contract Administration

The Contract Management function is supported by the contract administration activities undertaken by the Procurement Official in charge of the procurement process. Contract Administration is comprised of all actions undertaken by Procurement Officials following the award of a contract that relate to the administrative aspects of the contract, such as contract amendment or extension, contract closure, record retention, maintenance of the contract file, handling security instruments (e.g. Performance Security), and liaising with OLA on any contractual disputes or claims. Issues relating to the interpretation of contract provisions shall be referred by the RCMS to the Procurement Official that issued the contract. Moreover, if the RCMS are not able to resolve a dispute with the vendor, they shall inform the Procurement Official

thereof promptly. The Procurement Official shall act in accordance with [Chapter 13.3](#) when seeking to resolve such disputes.

13.2 Vendor Performance Evaluation

The RCMS should conduct an evaluation of the vendor's performance, supported by the Procurement Official if necessary. The evaluation must consider the experience with the vendor during the entire contract period. It is important to carefully document contract performance and to be able to produce evidence of same in the event of disputes, in order to form an institutional memory, and for audit purposes.

There are five types of Vendor Performance Rating (VPR) forms:

- a. Short-Form Specialist Report (Annex 22);
- b. Supplier Performance Report (Annex 23);
- c. Contractor Performance Report (Annex 24). This form is used for contracts that exceed US\$ 200,000 or long-term contracts of two or more years in duration where performance reports are required once a year;
- d. Contractor Performance Report for Short-Term Air Charter Services (Annex 25);
- e. Contractor Performance Report for Short-Term Sea Transport Services (Annex 26).

In order to ensure contract compliance, the RCMS is expected to monitor performance on an ongoing basis through reports, meetings, and, if applicable, inspections. The following topics can be addressed in evaluating performance:

- a. Fulfillment of delivery schedule/timely delivery;
- b. Quality of goods or services provided in accordance with the contract;
- c. Compliance with contractual terms and conditions (including the Supplier code of conduct when issues arise);
- d. Adherence to warranty provisions;
- e. Timely response to UN requests;
- f. Undue delay of the performance under the contract;
- g. Any frivolous claims against the UN;
- h. Failure to disclose information relevant to performance and vendor eligibility, which should then be raised with the responsible officials for vendor registration (e.g. bankruptcy, ongoing litigation, etc.).

Depending on the nature of the procurement, a process to evaluate vendor performance may include the following approaches:

- a. Using questionnaires, which require a sound knowledge of what will be measured to ensure the relevance of the result;
- b. Undertaking site visits;
- c. Using metrics and key performance indicators for contracts;
- d. Developing and using supplier scorecards to measure the cost of poor quality, customer social responsibility, etc.;
- e. Measuring performance against SLAs.

If a contractor has shown significant or persistent deficiencies in performance that led to early termination, application of damages, or similar actions, the RCMS may, in consultation with the Procurement Official,

refer the case of such contractor for potential sanctioning to the VRC, along with supporting documentation and justification explaining such performance failures.

The RCMS shall ensure that contract management is conducted as follows:

- a. The RCMS shall develop the performance measurement criteria, which should be included in the solicitation documents and in the contract;
- b. The RCMS shall monitor and evaluate the vendor's performance against the agreed performance measurement criteria or contract milestones;
- c. The RCMS shall notify the vendor promptly in case the performance does not meet the agreed performance standard(s) and shall request remedial action. RCMS shall also apply for performance credits as described in the contract to the vendor's invoices/payments. In case of recurring or continuing a sub-standard performance, the RCMS shall notify the concerned Procurement Official and provide documented proof of such performance and any remedial actions taken;
- d. The RCMS shall complete the Vendor Performance Rating (VPR) form/report, notify the Procurement Official as to whether the vendor is performing adequately, and submit a copy of the VPR form to the Procurement Official and Vendor Registration and Outreach Section in DOS.

The Procurement Official shall administer the VPR form/report as follows:

- a. The Procurement Official shall ensure that a copy of any VPR form/report is included in the procurement case file;
- b. In case the Procurement Official is notified of a vendor's sub-standard performance, he/she shall assess the situation based on the information received from the RCMS and shall recommend an appropriate action to be taken. Depending on the situation, possible actions may include further escalation, dispute resolution, use of remedies, (temporary) suspension, exclusion from future solicitations, or any other remedial action deemed appropriate for the specific situation. Recommended actions shall be submitted to the Director, PD or CPO for approval, who shall request a review by the VRC;
- c. The Procurement Official shall notify the staff in charge of Vendor Management and/or the VRC of any non-compliance or poor performance issues in writing.

Procurement Officials and RCMS should ensure that a VPR form is on file before processing any extension to an existing Contract. If the VPR does not show a satisfactory result, plans should be made to address the performance shortcomings or to retender the requirement.

RESOURCES

Annex 22 - Short-Form Specialist Report
Annex 23 - Supplier Performance Report
Annex 24 - Contractor Performance Report
Annex 25 - Contractor Performance Report for Short-Term Air Charter Services
Annex 26 - Contractor Performance Report for Short-Term Sea Transport Services

13.3 Dispute Resolution

Contracts should be clear, and the responsibilities and obligations of the parties clearly stated therein. However, no matter how well a contract is drafted and its performance managed, disputes may arise. The United Nations is committed to fair, orderly, and prompt resolution of disputes with vendors. Moreover, the United Nations is required to make provisions for appropriate modes of settlement of disputes arising out of contracts or other disputes of a private law character to which the United Nations is a party (see [1946 Convention on the Privileges and Immunities of the United Nations](#)).

Contractual disputes are to be addressed as follows:

Amicable Settlement: With a view to providing appropriate means of settlement of disputes, UN contracts provide for a resolution of disputes by way of amicable settlement (e.g. direct discussion between the parties to the contract). Consultation with the OLA or, if the entity is away from headquarters, the Legal Adviser within the entity is required when such amicable settlement results in agreeing to make payment for costs outside the scope of the contract).

Seeking Legal Advice: When it becomes apparent that a dispute with a vendor has arisen and cannot be resolved by the RCMS and/or by the Procurement Official, the Procurement Official shall send a memorandum to OLA or the applicable Legal Advisor seeking their advice. The memorandum shall include, but not be limited to, a detailed description of the vendor's claims and all relevant information concerning the dispute, including a fully signed version of the applicable contract and all signed amendments, a chronology of events, the status of the dispute, possible consequences of the dispute if it is not settled (e.g. financial, operational, political, reputation/image of the UN), and all applicable correspondence between the contractor and the United Nations in relation to the claim. The memorandum shall also include copies of all relevant documentation and, if the matter is urgent, the reasons for the urgency therefore, should be communicated to OLA or the Legal Adviser.

Conduct of Amicable Settlement: Following receipt of the legal opinion, the relevant Procurement Official authorized to conduct discussions with the vendor shall ensure that any preliminary agreement reached considers the legal opinion. Any discussions shall be conducted by a minimum of two Procurement Officials, at least one of whom is experienced and senior in grade, and minutes should be made of such discussions for UN internal purposes. The Requisitioner should be requested to participate in any discussions involving operational issues. If the vendor requests to have legal representation present in negotiations, the Organization must have legal representation (i.e., OLA or the entity's Legal Advisor). If an amicable agreement is reached with the vendor, its terms shall be transmitted to the Director, PD for contracts established by PD, and to the CPO for contracts established by entities; who shall review it and seek the relevant approvals. The vendor shall be advised that any agreement reached is subject to UN internal approvals.

Authority to Settle Commercial Claims: The amicable settlement of commercial claims up to the equivalent of US \$50,000 is the responsibility of the Authorized Official of the procuring entity, after consultation with OLA⁵. If the amount of the dispute exceeds the equivalent of US \$50,000, the Head of Entity shall refer the case to Under-Secretary-General for Operational Support⁶, after consulting with the Office of Legal Affairs. The Under-Secretary-General for Management Strategy, Policy and Compliance has delegated authority to settle commercial claims above US\$ 50,000 upon the recommendation of the

⁵ See paragraph 14 of Section V. "Use of Funds" of "Delegation of Authority from the Secretary-General to Head of Entity", issued pursuant to [ST/SGB/2019/2](#).

⁶ *Ibid.*

Under-Secretary-General for Operational Support⁷. ASG for Supply Chain Management is the designated authorized representative of the Under-Secretary-General for Operational Support for the review of commercial claims⁸.

Settlement and Release Agreement: Upon receipt of all required approvals, the Procurement Official shall consult with OLA in the preparation of a settlement and release agreement. The Procurement Official shall forward the draft settlement and released agreement to the vendor for signature, following which the official with the appropriate authority shall countersign the agreement.

Arbitration: In the absence of an amicable settlement, the contractor may seek to arbitrate the matter in accordance with the UNCITRAL Arbitration Rules, as provided for in the UNGCC. Should a Notice of Arbitration be received from a vendor, such Notice must be brought to the immediate attention of the Office of Legal Affairs.

File Management: The RCMS and Procurement Official are each responsible for ensuring that the respective case file contains a description of their dispute resolution activities stating exactly what was discussed and how the dispute was resolved, including any executed settlement and release agreement.

13.4 Payments

Payment entails the timely payment of invoices consistent with the terms of the contract.

The Finance Officer shall ensure that the terms and conditions of payment are consistent with those specified in the contract document. The following examples contain standard payment terms for goods, works, and services, but the specific payments terms are outlined in each contract.

It is a standard contractual provision unless otherwise amended by the parties of the contract, that the UN is obligated to pay for goods or services net thirty (30) days upon the vendor's satisfactory completion of its delivery obligations, in accordance with the delivery terms (e.g. Incoterms). When a normal commercial practice or the interests of the UN so require, payment or payment on account in advance may be agreed upon in accordance with Financial Rule 105.19(a) (e.g. for real estate leasing, subscription-type services, etc.). It is a general practice that progress payments are implemented in accordance with Financial Rule 105.19(b). Thus, under certain conditions, the UN may agree to pay progress or advance payments for delivery of the goods/services or upon completion of clearly defined milestones for goods/services, provided adequate security for the advance or progress payment is established. In such cases, the Procurement Officer should consider establishing specially-developed payment terms that take payment flows into consideration, provided such terms are approved by the Director, PD or the CPO and are tailored to the specific procurement.

It is important to be aware of the specific payment terms applicable to each contract. The contracts should also include details of all documentation that must be submitted before any payments are made.

The payment request is transmitted through UMOJA, and the responsible person shall effect the payment in order to uphold the segregation of duties between procuring personnel conducting the procurement process and personnel effecting the payment. This separation of the procuring and payment functions is a key factor in the principle of segregation of duties (see [Chapter 2.9 Segregation of Duties](#)) and must be adhered to for all payments.

⁷ *Ibid.*

⁸ *Ibid.*, see footnote 3.

13.4.1 Third-Party Payments

The general and normal practice is that the UN does not make any third-party payments (i.e., payment to parties other than the entity that holds the contract).

13.4.2 Taxes

Article II, 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 restrictions, 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 exemptions of the United Nations from such taxes, restrictions, duties, or charges, the contractor should be required to immediately consult with the United Nations to determine a mutually acceptable procedure. Under the relevant contract, the contractor should be required to authorize the UN to deduct from the contractor's invoices any amount representing such taxes, duties, or charges, unless the contractor has consulted with the UN before the payment thereof and the UN has, in each instance, specifically authorized the contractor to pay such taxes, duties, or charges under written protest. In that event, the contractor should be required to provide the UN with written evidence that payment of such taxes, duties, or charges has been made and appropriately authorized, and the UN should reimburse the contractor for any such taxes, duties, or charges so authorized by the UN and paid by the contractor under written protest.

13.4.3 Advance Payments

Please refer to [Chapter 11.1.4](#) for details.

13.5 Amendments, Extensions and Renewal

The contract modification is the handling of changes that arise following contract execution, typically involving variations in prices or requirements that were not originally anticipated.

It is the responsibility of Procurement Officials as part of their contract administration duties, in consultation with the Requisitioner, to:

- a. Negotiate the appropriate contract changes regarding price, schedule, quality, and performance, and ensure that the contract is amended so that, at all times, it defines the agreed expectations of both parties under the contract;
- b. Ensure that the change conditions are reasonable and justifiable in terms of price, time, and quality;
- c. Any such amendment should be requested, reviewed, approved, and signed prior to the expiry date of the original contract.

The amendments must be approved by the corresponding Procurement Approving Authority, Authorized Official or other appropriate official in accordance with the DOA and documented in the contract file.

When the Procurement Official receives a request to enact an amendment to a contract, they shall determine how to best conduct the procurement action to meet the new requirements, whether with a new formal solicitation, by awarding the new requirements to the incumbent vendor through a contract amendment, or by any other method or a combination thereof.

In the case of meeting the requirements by awarding the new requirements to the incumbent vendor through a contract amendment, a detailed justification for the contract amendment must be provided to the Procurement Approving Authority.

If such amendments require a committee review, a detailed justification for the requested contract amendment must be provided in the case presentation to the HCC or the LCC as applicable. When the Authorized Official reviews and signs the HCC/LCC minutes, they will also review the justification for the requested amendment.

13.6 Use of Subcontractors

Article 5 of the UNGCC provides that contractors shall obtain prior written approval and clearance from the UN for all subcontractors, with the understanding that such approval and clearance does not relieve the contractor of any of its obligations under its contract with the UN. Subcontractors shall only be approved where their use reflects standard business practice or is otherwise justified by the nature of the goods, services, or works to be delivered. UN Staff (Procurement, Requisitioner, RCMS) responsible for Contract Administration and Management should not deal directly with subcontractors, given that the UN's contractors are solely responsible for all services and obligations performed by its subcontractors.

13.7 Contract Completion

Contract completion includes the confirmation that all obligations have been met, identification of any residual obligations and completion steps, settlement of final payments, assessment of contractor, and the administrative closing of files.

Procurement Officials should verify that the following activities have been carried out:

- a. All products and/or services required have been provided to the Requisitioner;
- b. Documentation in the contract file adequately shows the receipt and formal acceptance of all contract items;
- c. No claims or investigations are pending on the contract;
- d. All actions related to contract price revisions and changes have been concluded;
- e. All outstanding subcontracting issues have been settled;
- f. If a partial or complete termination was involved, the action is complete;
- g. The final invoice has been submitted and all invoices paid;
- h. Any security (e.g. Performance Security) shall be returned in accordance with the terms of the Contract and the security instrument. In addition, any equipment or unused material supplied by the UN must be promptly returned to the UN.

13.8 Property Disposal

13.8.1 Property Survey Boards

Financial Rule 105.22 states: "Sales of supplies, equipment, or other property declared surplus or unserviceable shall be based on competitive bidding unless the relevant Property Survey Board (See Financial Rule 105.21 a.) Estimates that the sales value is less than an amount to be specified by the Under-Secretary-General, Department of Management; b.) Considers that the exchange of property in partial or full payment for replacement equipment or supplies is in the best interest of the Organization; c.) 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; d.) 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; e.) Determines that the interests of the United Nations will be served through the disposal of the property by gift or sale at a nominal price to an intergovernmental organization, a Government or governmental agency, or some other non-profit organization”.

Such sale shall be on the basis of payments on or before delivery to the purchaser, except as otherwise provided for in Financial Rules 105.22 and 105.23.

13.8.2 Disposal of Property through Sales— Procedures

Development of Solicitation Documents: The Procurement Officer shall issue Solicitation Documents to prospective purchasers, ensuring adequate competition. Generally, the minimum number of invitees to the solicitation should be established using the guidelines set forth in [Chapter 5.7](#). Such Solicitation Documents shall refer to the relevant approved Property Survey Board (PSB) recommendation that authorizes disposal through a sale.

In order to maximize the return for the UN, the Property may be sold individually or in lots.

At a minimum, the Solicitation Documents 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 (i.e., whether it is damaged, useable, serviceable, in need of repairs, etc.);
- e. Reference to the relevant approved Property Survey Board recommendation;
- f. Terms of the solicitation (see Sample Sale of Surplus Property Form attached as Annex 27);
- g. Date and time of Tender 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 an offer, an amount of no less than ten percent (10%) of the total offer value, which, if such deposit exceeds US\$ 1,000, must be in the form of a certified check;
- j. The time period within which the invoice issued to the successful Bidder shall be settled;
- k. The time period within which the successful Bidder shall remove the Property;
- l. Any other relevant matters.

RESOURCES

Annex 27 - Sample Sale of Surplus Property Form

13.8.3 Treatments of Offers

The UN shall treat offers for the purchase of Property in the same manner as Submissions for the purchase of goods by the UN. [Chapter 10](#) of this PM applies to purchases of Property, subject to appropriate changes as the context may require.

The offers shall be itemized, and the Property shall be sold to the Bidder offering the best value to the Organization.

Successful Bidders shall be notified in writing, and items awarded shall be listed in a contractual sale instrument.

13.8.4 Review by the Committees on Contracts

Prior to the issuance of the contractual instrument, the relevant Review Committees shall review the proposed awards based on the applicable thresholds. Please refer to the [Chapter 9 Review by Committees on Contracts](#).

13.8.5 Contractual Instruments for the Sale of Goods

The disposal by sale shall be affected by the issuance of a Contract for the sale of goods. The Contract for the sale of goods shall, inter alia, list and describe the Property to be sold, the agreed price, and any deposit paid.

The UN may elect to enter into a Systems Contract if it foresees a continuing sale of items over a period of time, provided that this is advantageous to the Organization. In that case, the contractor shall be tasked in writing for each underlying sale, with a reference to the applicable Systems Contract. Please also refer to [Chapter 11.6 Long-Term Agreement \(LTA\)](#).

13.8.6 Exceptions to Solicitation

Negotiation or “Spot Sales”: When the sales value is estimated to be under the threshold amount for an LVA, which is currently up to or equal to US \$10,000, the sale can take place without formal issuance of Solicitation Documents. Prospective Bidders can be invited to survey the Property and thereafter submit Bids, either oral or written, within a set time limit. The awarded contractor shall be notified in writing of the sale.

Trade-In: If there is an offer to exchange Property in partial or in full payment for the UN Property, 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 Replacement Goods, provided it is in the best interest of the Organization, as provided for in Financial Rule 105.22 (b).

13.8.7 Deposits

Bidders shall be required to deposit an amount of no less than 10% of the total offer value with the submission of any offer. Any deposit exceeding US \$1,000 must be submitted to the UN in the form of a certified check.

Upon acceptance of an offer by the UN, the deposit shall not be returned to the Bidder except with the written approval of the Director, PD or CPO. The return of the deposit shall take place after full payment for the goods has been received and the Bidder has completed all contractual obligations.

All deposits received from unsuccessful bidders shall be returned with a letter indicating that the Bidder was not successful.

13.8.8 Notice of Award Billing

The Director, PD or the CPO shall sign the Purchase Order or applicable contractual instrument (e.g. Bill of Sale) recording the sale and the final bill, which are then issued to the successful Bidder. Such bill shall be settled no later than five (5) business days after the notice unless otherwise set forth in the Solicitation Documents.

13.8.9 Removal of Property

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

13.8.10 Disposition of Assets of Peacekeeping Operations

United Nations Financial Regulation 5.14 states: "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:

- a. Equipment in good condition that conforms to established Standardization or is considered compatible with existing equipment will be redeployed to other peacekeeping operations or will be placed in reserve to form start-up kits for use by future missions;
- b. Equipment not required for current or future peacekeeping operations may be redeployed to other United Nations activities funded from assessed contributions, provided that there is a demonstrated need for the equipment;
- c. Equipment not required for current or future peacekeeping operations, or other United Nations activities funded from assessed contributions, but which may be useful for the operations of other United Nations agencies, international organizations or non-governmental organizations may be sold to such agencies or organizations;
- d. Any equipment or property not required or which it is not feasible to dispose of in accordance with subparagraphs (b), (c) or (d) above or which is in poor condition will be subject to commercial disposal in accordance with the procedures applicable to other United Nations equipment or property;
- e. 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 the Organization and the Government. This refers in particular to airfield installations and equipment, buildings, bridges, and mine-clearing equipment. Where such 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;
- f. A report on the final disposition of assets for each such liquidated peacekeeping operation shall be submitted to the General Assembly."

13.8.11 Sale of Real Property

Any proposed sale of real or immovable property owned by the United Nations shall be authorized in accordance with the delegation of authority in property management

13.9 Handling and Maintenance of Files

For both contract management and contract administrations purposes, the responsible officials (RCMS and Procurement Officials, respectively) must ensure that all documents containing commercial information are treated with confidentiality, that such documents are classified accordingly as confidential material and that such documents are handled in accordance with [ST/SGB/2007/6](#).

Responsible officials and Procurement Officials must also establish and maintain a file for each contract. In addition to information documenting the procurement process, the file must include all information required to successfully administer/manage the contract. Any issues of clarification or change of the contract must be fully documented in this file.

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

A standard filing system, as well as a numbering system to enable tracking of files, should be established in every contract management and contract administration offices in order to create an audit trail.

Procurement Officials must open a procurement file for each case, either physically or electronically. Procurement files must be retained in accordance with the applicable retention policy.

The good administration and maintenance of the procurement file are required to assure clarity over actions taken during the course of the contract. Procurement Officials should document events that occur during the life of the contract, which may affect, at a later date, any decision or revision of the contract. A good audit records trail is critical to prevent confusion in the management of files due to the dynamic nature of the procurement function and the mobility of the Procurement Staff. In addition, staff should adopt and maintain discipline in the filing and indexing of contract files, which may be done in physical or electronic filing systems. The file shall at a minimum contain the documents (inclusive of relevant correspondence) relating to the following phases of the procurement process (if relevant):

- a. Pre-Solicitation: Specifications (inclusive of TOR, SOW, RFI/REOI, Market Research, Evaluation Criteria, and weighting), SSP, and provisional registration/special approval form;
- b. Solicitation: signed List of Invitees, RFQ/ITB/RFP, clarifications/amendments to RFQ/ITB/RFP, and inquiries;
- c. Submissions: acknowledgments, Submission Opening attendance register, the record of Submission receipt, technical proposals, financial proposals, and copies of Bid Security;
- d. Evaluation: Request for technical evaluation, technical evaluation, financial evaluation, approved presentation to a Review Committee and agenda, Review Committee minutes containing recommendations, Dunn & Bradstreet report, and relevant correspondence;
- e. Award: Notice of Award, Regret Letters, vendor's signed acceptance of Award, documents related to Contract preparation, and copy of Performance Security (originals to be kept in the safe);
- f. Post-award: Signed contracts, copies of insurance certificates and guarantees provided for in the contract;

- g. Contract Administration documents: amendments, Statements of Award, and Vendor Performance Report/Evaluation/ checklist for closed files.

Contract management files must be kept after contract closure for the period required in accordance with the applicable retention policy. Typically, contract management files will include the following relevant information/documentation:

- a. Signed contract/purchase order;
- b. Minutes of the concerned Review Committee meeting and decision on its award, recommendations by the concerned Authorized Official (e.g. ASG, OSCM);
- c. Copies of any advance payment guarantee or performance security received from the vendor;
- d. Correspondence with the contractor (e.g. emails, meeting minutes) regarding the management of the contract;
- e. Signed notes from meetings, phone calls, etc.;
- f. Amendments to contracts/POs with relevant Review Committee minutes when applicable;
- g. The documented decision regarding claims, disputes including amicable resolution, conciliation, mediation, or arbitration;
- h. Any required progress reports and/or other proof of delivery of milestones as provided for in the contract;
- i. Insurance claims;
- j. Proof of payment;
- k. Completed vendor performance evaluation form and meeting minutes, including compliance with KPIs and SLAs.

14. Cooperation

Cooperation in procurement among organizations of the UN system can result in significant benefits due to economies of scale, reduced transaction costs, agility and improved relations with suppliers. It can also be instrumental in supporting the UN Secretariat's operations in areas of the world where no or little internal procurement capacity exists and, vice versa, support other UN organizations with their requirements.

Utilizing cooperation to meet the UN's requirements does not release Procurement Officials from ensuring that the transaction represents the best value for money and is fully in line with the principles enshrined in Financial Regulation 5.12. Accordingly, cooperation is an alternative sourcing option which must be duly justified as an alternative to carrying out a competitive solicitation or a sole-source decision by the Organization itself.

In the context of this chapter, the term **UN Organization** refers to any organization of the UN system (excluding UN Secretariat entities).

Financial Rule 105.16(a)(iii), in conjunction with Financial Rule 105.17 (Cooperation), provides the following possibilities for cooperation, which are covered in [Chapter 14.1](#) and [Chapter 14.2](#).

14.1 Cooperation with UN Organizations

“Delivering as One” and other UN reform initiatives have accelerated efforts among organizations of the UN system to collaborate and cooperate on procurement. The High-level Committee on Management's Procurement Network (HLCM-PN) has also endorsed specific guidance to facilitate collaborative procurement. Moreover, the issuance of the “Mutual Recognition” statement in 2019 formalizes the commitment of organizations of the UN system to use or rely on other organizations of the UN system's policies, procedures, system contracts and related operational mechanisms for the implementation of activities without further evaluation checks or approvals being required, to the greatest extent practicable.

The purpose of this section of the Manual is to provide the guiding principles for the UN Secretariat's procurement cooperation with other UN Organizations.

The Procurement Approving Authority for Financial Rule 105.16(a)(iii) in conjunction with Financial Rule 105.17(a) may determine that cooperation with other UN Organizations is appropriate to meet the procurement requirements of a UN Secretariat Entity and may authorize it in writing. Cooperation may be considered appropriate to, inter alia, obtain volume discounts or achieve process or operational efficiencies. In taking a decision to make an award under FRR 105.17 (a), the Procurement Approving Authority shall ensure that both the decision and the justification for such decision are recorded in writing.

Cooperation with UN Organizations may take the following forms, in accordance with Financial Rule 105.17 (a):

- a. Carrying out common procurement actions together, i.e. establishing and using joint LTAs and contracts (joint solicitation, lead agency agreement);
- b. The UN Secretariat entering into a contract relying on a procurement decision of another UN Organization (using LTAs or contracts of other UN Organizations, i.e. piggybacking);
- c. Requesting another UN Organization to carry out procurement activities on behalf of the UN Secretariat (using procurement services of other UN Organizations).

Should the requirement to be sourced through cooperation relate to Strategic Goods and Services, a request for LPA shall be sought the Director, PD (see [section 2.6.4](#)).

14.1.1 Carrying out common procurement actions together with other UN Organization(s)

A UN Secretariat entity may undertake joint procurement activities with one or more UN Organizations if so approved by the Procurement Approving Authority for Financial Rule 105.16(a)(iii) in conjunction with Financial Rule 105.17(a). This method of cooperation ensures that the business volumes and requirements of all participating Organizations are taken in consideration at the solicitation stage, so it is preferable over piggybacking. UN Secretariat Entities should plan joint procurement exercises with sufficient time to allow for coordination of requirements and business volumes across UN Organizations.

Generally, one organization will lead the solicitation process under its own financial regulations and rules. Cooperating UN Organizations will jointly agree on the Solicitation documents and evaluation criteria and may jointly evaluate the Submissions. The Solicitation documents should clearly specify the expected contractual form for effecting the procurement. Joint Solicitations are subject to the review requirements of the lead UN Organization only, except in those cases where the applicable evaluation criteria or the resulting award differs from that of the lead UN Organization.

The Procurement Official should ensure that the resulting contract drafted by the Lead UN Organization contains all the information required for the UN Secretariat to be able to order and obtain goods and/or services as per the contract. Alternatively, the Procurement Official may choose to draft a separate contract for the UN Secretariat based on the results of the joint solicitation, if there are reasons to believe that this would be advantageous despite the additional efforts and administrative costs.

14.1.2 The UN Secretariat entering into a contract relying on a procurement decision of another UN Organization (using LTA or contracts of other UN Organizations and/or using other UN Organization's solicitation results – piggybacking)

A UN Secretariat entity may use a contract (including purchase orders and/or long-term agreements) concluded by another UN Organization, provided that the contract satisfies the UN Secretariat entity's requirements, specifically in terms of value for money and fit-for-purpose. Such an assessment should be determined and guided by the following:

- a. The value of the UN Secretariat entity's requirement is less than or equal to the value of the contract of the UN Organization. A contract should not be used to order disproportionately higher volumes than intended, especially for goods/services with volume discounts not reflected in the contract; and
- b. The vendor offers goods or services to the UN Secretariat entity at the same (or lower) price than in the contract and with the same terms and conditions. Procurement Officials shall conduct price negotiations as applicable; and
- c. The UN Secretariat entity's requirements are equivalent to those included in the contract;

For each procurement requirement, approval to commence procurement action shall be sought from the Procurement Approving Authority for Financial Rule 105.16(a)(iii) in conjunction with Financial Rule 105.17(a)

The Procurement Official shall ensure that Best Value for Money is obtained when piggybacking on a contract already established by another UN Organization. In terms of the time lapsed from the

procurement action of the UN Organization, the UN Secretariat entity may consider piggybacking on said contract, if either one of the two following conditions are met:

- a. The contract of the UN Organization is valid;
- b. The award by the UN Organization was made within the 12 months prior to the proposed award by the UN Secretariat entity. For some categories, like freight forwarding, fuel requirements, etc. the reasonable time lapsed from the award by the UN Organization may in practice be more limited and Procurement Officials shall exercise due diligence to ensure that the UN Secretariat is obtaining Best Value for Money when piggybacking.

If the UN Secretariat entity is satisfied that the financial regulations and rules of the UN Organization are consistent with that of the UN and that the contract has been established in accordance with the procedures established in the respective UN Organization, a review of the award by a UN Secretariat Review Committee shall not be required. The UN Secretariat entity shall ensure that:

- a. The UN Organization has authorized in writing the use of its contract by the UN Secretariat entity (e.g. through a signed HLCM-PN-endorsed LTA information sheet (see Annex 28)). In addition, the UN Secretariat entity must obtain a signed copy of the UN Organization's contract (including purchase orders or LTA).
- b. The vendor on the UN Organization's contract is eligible with respect to the UN Secretariat's requirements on vendor eligibility and registered at the correct level;
- c. The vendor accepts the UNGCC.

A separate agreement, typically in the format of a purchase order or a contract, must be signed and counter-signed between the vendor and the UN Secretariat entity. The approval of the Procurement Approving Authority in the UN Secretariat under Financial Rule 105.17(a) shall be obtained prior to signature of the separate agreement; its term should not exceed the term of the UN Organization's contract.

LTAs of other UN Organizations are available at www.ungm.org, and more specifically under the following link: <https://www.ungm.org/UNUser/LongTermAgreement/SearchLTAs>.

14.1.3 Another UN Organization to carry out procurement activities on behalf of the UN Secretariat Entity

Under certain circumstances it may be advantageous or necessary to request a UN Organization to carry out certain procurement activities on behalf of a UN Secretariat entity. Those activities should be carried out on the basis of an appropriate legal instrument. For each procurement requirement, approval to commence procurement action shall be sought from the Procurement Approving Authority for Financial Rule 105.16(a)(iii) in conjunction with Financial Rule 105.17(a). Such engagement of another UN Organization to carry out procurement activities on behalf of the UN Secretariat entity may be considered in the following situations:

- a. **Expertise.** When the UN Secretariat entity acknowledges the existence and validity of the particular expertise of another UN Organization in the procurement of specific goods, works or services, the Procurement Approving Authority may authorize such UN Organization to carry out procurement activities for the specific goods, works or services and designate such UN Organization as the procurement agent for the UN Secretariat entity.
- b. **Procurement / Administrative Capacity.** When the UN Secretariat entity does not have the necessary procurement and/or administrative capacity in a country nor the UN Secretariat can

provide the necessary support locally, from PD or from a DOS-assigned service provider, procurement actions may be undertaken on behalf of the UN Secretariat entity by the representative of a UN Organization with the necessary procurement and administrative capacity (e.g. representative of the local United Nations Development Programme), in accordance with the regulations and rules of that UN Organization.

RESOURCES

Annex 28 - Long Term Agreement Information Sheet
SCOG_SR5: Acquire through Cooperation with United Nations Organizations

14.2 Cooperation with Governments and Non-UN Organizations

In accordance with Financial Rule 105.17(b), “the UN “may, to the extent authorized by the General Assembly, cooperate with a Government, nongovernmental organization or other public international organization in respect of procurement activities and, as appropriate, enter into agreements for such purposes.”

14.3 Other Contractual Instruments

Any other contractual instruments used under the provisions of Financial Rule 105.17(b), such as Memoranda of Understanding, Letters of Assist involving payment to a government or to a non-governmental organization or other public international organizations for goods and/or services has to follow the procurement principles outlined in Financial Regulation 5.12.

Procurement delegation for such instruments under Financial Rule 105.17(b) lies with the Director, PD for any instruments issued up to a value of US\$ 1,000,0000 and with the ASG, OSCM for those exceeding US\$ 1,000,0000 only.

14.3.1 Letters of Assist

Letters of Assist can only be considered if a commercial sourcing solution cannot meet the requirements, and cover the following:

- a. Goods with associated services of a strictly uniformed capability nature or use;
- b. Goods and/or services not strictly of uniformed capability nature or use but unavailable through commercial solutions, existing stock;
- c. Transportation services for the movement of UN uniformed personnel and/or goods to or from a Mission area which are provided by the respective Troop/Police Contributing Countries at the Member States prerogative, subject to compliance with the operational requirements, including timeline and deployment location, and at a rate not to exceed what it would cost the Organization to conduct through commercial, or other competitive means;
- d. Dietary or other requirements unique to a contingent that are available only from the country of the individual contingent, and procurement of which is facilitated or expedited by procurement through the 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;

- e. Ammunition, if a commercial solution is not available or feasible;
- f. The financial negotiations for the terms and conditions of LOAs shall always involve the PD. A submission to the HCC is required for all LOA cases exceeding US\$ 1,000,000. The use of LOAs shall be discontinued when circumstances or conditions that gave rise to their use no longer exist.

RESOURCES

SCOG_SR3: Acquire through Letters of Assist

15. Transverse Topics

15.1 The United Nations Global Compact

Procurement Officials and Requisitioners should be aware that the United Nations encourages vendors to participate in the UN Global Compact. The UN Global Compact is a voluntary international corporate network established to support the participation of both private and public-sector actors in advancing responsible corporate citizenship and universal social and environmental principles to meet the challenges of globalization.

The Ten Principles of the UN Global Compact are as follows:

Human Rights

Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2. Make sure that they are not complicit in human rights abuses.

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;

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;

Principle 9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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

The UN strongly encourages all vendors to actively participate in the UN Global Compact. To that end, the UN Supplier Code of Conduct has been developed with recognition of the importance of the Ten Principles of the UN Global Compact, and it is viewed as an important means of integrating the Compact's principles into the operations of the UN.

RESOURCES

[The Ten Principles of the UN Global Compact](#)

15.2 Sustainability Considerations

Given the scale of its procurement activities, the UN has the potential, within its existing legislative framework and procurement guiding principles, to motivate markets to innovate and contribute to achieving global goals. The UN itself has been encouraged by the Member States to integrate sustainable development practices into its operations in support of the sustainable development agenda.

Requisitioners and Procurement Officials should be aware of the [Sustainable Development Goals](#) (SDGs) and inter-agency initiatives on procurement practices that incorporate the social, economic and environmental principles of sustainable development in support of SDG 12 and target 12.7.

Integrating the economic dimension of the sustainable agenda means to strive for the best value for money and, in particular, the whole life costs of a product or service, as well as for wider support for economic development.

Considering its environmental dimension is to strive for reduction of the negative environmental impact a product or service has over its whole life-cycle, including issues such as water, land and air pollution, waste generation and disposal options, environmental risks from wastewater and hazardous waste, and greenhouse gas emissions that contribute to climate change, preservation of natural ecosystems, waste reduction and management, and air and water pollution.

The social dimension of the sustainable agenda considers the promotion of human rights, elimination of child labour, fair labour conditions, gender equality, and wider ethical issues in the supply chain. For instance, to enable the implementation of the Convention on the Rights of Persons with Disabilities, as well as the achievement of the Sustainable Development Goals, the [United Nations Disability Inclusion Strategy](#) calls for specific action to raise the standards of the United Nations performance on disability inclusion across its operations, such as the inclusion of accessibility considerations into relevant procurement activities.

A number of General Assembly and Security Council resolutions have requested the Organization to address and minimize the environmental impact of its operations, including through the establishment of Environmental Management Systems (EMSs). The main priorities of the EMSs are improved waste and water management, increased energy efficiency, the progressive transition to renewable energy and an overall reduction of greenhouse gas emissions.

Factoring sustainability considerations at the requirements definition stage can provide added value to the Organization, by promoting resource efficiency, leveraging innovation and advancing the SDGs. Requirements must be transparent, measurable and proportionate to what the market can reasonably offer and must not restrict international competition. Category Strategies may also provide guidance on incorporating sustainability considerations into the sourcing solutions for certain goods and services.

In general, Requisitioners, Procurement Officials and contract managers are expected to encourage UN vendors to adopt sustainable and socially responsible policies aligned with the UN Global Compact's ten principles in the areas of human rights, labour, the environment, and anti-corruption in accordance with the UN Supplier Code of Conduct-

Any integration of sustainability considerations must be undertaken within existing legislative frameworks, particularly Financial Regulation 5.12.

15.3 Risk Management

Risk Management can be defined as the set of policies, procedures, and practices involved in the identification, analysis, assessment, control, avoidance, minimization, or elimination of unacceptable risks. The following UN policies address risk management elements and are particularly relevant to procurement:

- a. [UN Financial Regulations and Rules](#);
- b. Staff Regulations and Rules of the United Nations ([ST/SGB/2018/1](#));
- c. Financial Disclosure Programme ([ST/SGB/2006/6](#));
- d. ST/AI on Review Committees (to be issued shortly);
- e. This Procurement Manual;
- f. [Enterprise Risk Management and Internal Control Policy \(issued May 2011\)](#);
- g. Anti-Fraud and Anti-Corruption Framework ([ST/IC/2016/25](#));
- h. Delegations of Authority in the administration of the Staff Regulations and Rules and the Financial Regulations and Rules ([ST/SGB/2019/2](#));
- i. Debrief Guidelines; and
- j. ARB Terms of Reference.

The above policies and this PM provide for, amongst others, the following risk management measures:

- a. Framework for delegation of authority in procurement (see [Chapter 2.6 Procurement Authority](#));
- b. Identification of other critical roles in the procurement process and linkages of these roles to specific procurement training requirements;
- c. Review of procurement processes by Review Committees;
- d. Procedures for an independent internal investigation of fraud and other proscribed practices by OIOS, and mechanisms to determine sanctions for vendors;
- e. Bid protest/procurement challenge mechanisms for vendors (see [Chapter 10.2.2 Debrief Procedures](#));
- f. Solicitation and contract templates adjusted to critical requirements, such as food, fuel, aviation, etc.;
- g. Risks in procurement can originate in any stage of the procurement process. At the procurement process level, the Requisitioner should work closely with the Procurement Official in identifying potential risks, assessing impact and probability to understand the consequences, and putting in place appropriate mitigation measures. The table below shows some examples of procurement risks, their possible consequences, and potential risk mitigation actions to be put in place.

Stage	Risk	Possible Consequences	Risk Mitigation Actions
Planning and Strategy	Delay in procuring critical requirements for the project	Delay in project outputs and outcomes, impacting other stakeholders Higher prices	Early planning of procurement processes Adoption of appropriate strategies, including usage of LTAs if appropriate
Requirements Definition	Restrictive requirements definition	Limited vendor response Claims by vendors of unfairness and lack of transparency	Improved product and market understanding through market research Include generic functional and performance specifications
Solicitation	Low interest in the procurement process	Delays (if need to re-tender) Higher prices (if perceived there is no competition)	Publish tender widely and with ample tender period Conduct pre-bid meeting
Evaluation	Selecting vendors with unethical past conduct	Damage UN reputation	Check all vendors against ineligibility lists Conduct background check on recommended vendor, prior to award
Contract Management	Failure of vendor to perform the contract	Contract disputes Inadequate quality of goods, services, or works Delays	Include adequate evaluation criteria in solicitation document Employ active contract management actions Conduct regular inspections and progress reports

TABLE 6. PROCUREMENT RISK, POTENTIAL CONSEQUENCES & RISK MITIGATION ACTIONS

RESOURCES

- [UN Financial Regulations and Rules](#);
- [Staff Regulations and Rules of the United Nations \(ST/SGB/2018/1\)](#);
- [Financial Disclosure Programme \(ST/SGB/2006/6\)](#);
- [ST/AI on Review Committees \(to be issued shortly\)](#);
- [This Procurement Manual](#);
- [Enterprise Risk Management and Internal Control Policy \(issued May 2011\)](#);
- [Anti-Fraud and Anti-Corruption Framework \(ST/IC/2016/25\)](#);
- [Framework for Delegations of Authority \(ST/SGB/2019/2\)](#);
- [Debrief Guidelines](#);
- [ARB Terms of Reference](#).

15.4 Emergency Procurement Procedures

In 2016, in response to the recommendations of the High-level Independent Panel on Peace Operations, the Secretary-General established standing administrative measures for start-up and crisis situations to achieve faster deployment and more agile support to field operations. The Secretary-General, on the advice of the relevant senior officials, can activate the standing administrative measures, which apply for six months on a renewable basis, upon the establishment of a peace operation or certification of a crisis or emergency in the field. These measures are intended to enable the Organization and managers to respond quickly and accountably, as required in each specific situation, to extraordinary requirements through increased levels of delegation of authority, piggybacking on any contracts established by other Secretariat offices or other UN entities while remaining in full compliance with Regulations and Rules of the Organization.

Other mechanisms available to respond to exigent procurement situations are the personal delegation of procurement authority for emergency situations to the Director, PD in the amount of US \$10 million and the application of the Financial Rule 105.16(vii) – when there is an exigency for the requirement. The personal delegation of procurement authority for emergency situations to the Director, PD needs to be activated by the ASG, OSCM or USG, DOS.

All UN procurement must be undertaken in compliance with the Financial Regulations and Rules, other relevant applicable legislative instruments, and this PM. The EPP allows the UN to use simplified processes to facilitate rapid response during an emergency situation without compromising the principles of Financial Regulation 5.12. The use of EPPs is limited to only those defined under this [Chapter 15.4](#).

All other situations of importance and urgency must be dealt with through the application of regular procurement procedures.

Financial Regulations and Rules allow exceptions where the exigencies of UN operations do not permit procurement to be undertaken through formal methods of solicitation. However, reasonable efforts should be made during an emergency situation to still follow a process wherein several offers are compared to ensure Best Value for Money for the UN.

The EPP described in the following sections permit a solicitation process using RFQs and associated procedures.

Definition of Emergency Situation: For the purposes of this chapter, emergencies are defined as “urgent situations in which there is clear evidence that an event or a series of events has occurred which imminently threatens human life/lives or livelihoods, and where the event or a series of events produces disruption in the life of a community on an exceptional scale.”_The event or a series of events can comprise any of the following:

- a. Sudden calamities such as earthquakes, floods, locust infestations, and similar unforeseen disasters;
- b. Human-made emergencies resulting in an influx of refugees or the internal displacement of populations, or in the suffering of otherwise affected populations;
- c. Drought, crop failures, pests, and diseases that result in an erosion of communities and vulnerable populations’ capacity to meet their basic needs;
- d. Sudden economic shocks, market failures, or economic collapse resulting in an erosion of communities’ and vulnerable populations’ capacity to meet their basic needs;

- e. A complex emergency for which the government of the affected country or the Head of Agency of a UN organization has requested the support of the UN;
- f. Other event(s) that, in the opinion of the ASG, OSCM or USG, DOS, would fall under the definition of a genuine emergency situation.

Approval of the Use of Emergency Delegation of Procurement Authority:

Request for approval of the activation of Special Delegation for Emergencies must be presented by the Director, PD to the ASG, OSCM and shall include the background information and justification for its use, as well as a description, approximate value, quantity, and requirements of the estimated procurement needs under the specific operation. Approval requests must also provide justification that none of the discretionary authority of the respective Procurement Approving Authority will achieve the procurement needs of the emergency operation.

The approval for use of EPP is time-bound, limited to a specific operation, and may also be limited to the procurement of defined products in relation to a specific operation. This delegation, when activated, is envisaged exclusively for the Director, PD. However, Heads of Entity are fully empowered to take action in accordance with financial rule 105.16 (a) (vii) in cases of exigency as defined by the General Assembly decision 54/468 (see section 6.11.9). Such action can be undertaken regardless of the strategic nature of the goods and/or services and, where justified by the circumstances at hand, without any prior approval.

Reporting and Monitoring:

- a. The UN monitors the use of EPP and keeps a record of its use, which will be audited regularly;
- b. The Director, PD shall submit a report of all procurement conducted under the emergency delegation of authority every week from its issuance to the ASG, OSCM with a copy to HCC Chairperson. The obligation to report every week holds even if no purchases have been executed during the previous seven calendar days. All cases exceeding the usually delegated authority of Director, PD shall be submitted to the HCC for review on an ex post facto basis;
- c. PD shall submit a report on the status of each requirement to the Requisitioners or to the Emergency Task Force (as the case may be) on a periodic basis, depending on the severity of the emergency and the reporting requirements of the Emergency Task Force or management;
- d. If there is a need to issue purchase orders and/or contracts outside of UMOJA, Procurement Officials shall record such purchase orders/contracts into a consolidated report. At the earliest of the (i) conclusion of the emergency period or (ii) when funds become available in UMOJA and upon issuance of a Shopping Cart by the Requisitioner, the Procurement Official shall issue the purchase order/contract in UMOJA.

Strategic Planning of Emergency Procurement:

By definition, emergencies are often caused by unforeseen events, and therefore procurement needs may change and cannot be anticipated. However, proactive measures can be taken to ensure preparedness to carry out emergency operations. Planning for emergencies is an important part of UN regular procurement planning. The following activities are examples of proactive measures that can facilitate EPP:

- a. Advance identification and registration of suitable vendors of products frequently requested in emergency operations, including confirmation by vendors of willingness to respond to solicitations on short notice;
- b. Development of standard specifications/TORs/SOWs for goods, services, or works typically requested in emergency operations;

- c. Establishment of LTAs with vendors of products typically requested in emergency operations, and specifying in LTAs the need for stock availability and emergency preparedness;
- d. Identification of relevant LTAs from other United Nations organizations.

PD will work continuously on the above in order to help ensure that the organization is prepared for emergency situations. To make strategic planning relevant, it is of the utmost importance that UN Procurement Officials involved in emergencies provide input and lessons learned after each emergency operation. Strategic planning measures as listed above are also relevant in certain decentralized UN offices.

15.4.1 Emergency Task Force

In all emergency situations, the business unit concerned should liaise with the Director, PD in order to guarantee early information exchange and proactive measures to be taken. Further, lessons learned should be codified, as they form crucial input to process improvements and help better the management of future emergency situations.

Emergency Procurement Procedures:

During emergency operations, Procurement Officials may alter the regular procurement procedures as outlined in this section. When faced with an emergency procurement activity, Procurement Officials should, as feasible:

- a. Conduct backward planning, i.e., plan procurement activities starting from the time the goods have to be delivered, counting backward to determine the maximum length of time required for each procurement step (solicitation, evaluation, award, contract issuance, etc.);
- b. Determine proactively the likely availability of team members for evaluation;
- c. Issue urgent notifications to relevant stakeholders involved in the process so that they can be prepared to respond faster (e.g. Chairperson of HCC, ASG OSCM, etc.).

Emergency Procurement Procedures (EPP) are less formal and offer more flexibility than the regular procurement procedures applicable in non-emergency situations. At the discretion of the Director, Procurement Division, more conservative procedures might be imposed through the issuance of written instructions to the business unit. For example, this might include requiring the transmittal of receipt of offers to a secure email address or fax number, if available.

15.4.2 Funds and Issuance of Solicitations

In emergency situations, it will often be necessary to initiate solicitation processes prior to receiving the funds. However, in emergency situations, the severe impact of delays may justify the commencement of the process prior to the confirmation of the availability of funds. The market must be informed of the UN right to cancel the solicitation and reject all offers received.

Similarly, in such situations, it may be necessary to issue purchase orders and sign contracts outside UMOJA.

Under no circumstances should an order be placed, or a contract signed prior to the confirmation of funds by the Requisitioner.

15.4.3 Needs Assessment and Requirement Definition

The assessment of the functions, performance requirements, characteristics, objectives, and/or expected outputs of the product to be procured are no less important when procured under EPP. To the extent possible, the regular procedures for requirements definition specified in [Chapter 4.4](#) of this PM should be followed. However, since emergency procurement is often done under time constraints and the RFQ method of solicitation allows more flexibility, less formality can be accepted for requirement definition in emergency situations. The following points should be considered:

The use of brand names in requirement specifications, which is generally not allowed under the regular procedures, may be used in emergency procurement if it aids description of the required product. To avoid restricting competition, the words 'or equivalent' should be added unless a particular brand is required for standardization purposes. It should also be stated that the equivalent brand name products would be accepted. Standardization is particularly sensitive in emergencies: requirement of a specific brand might delay the delivery, while other brands could be readily available or ex-stock;

Product instructions and standard specifications/TOR previously developed and available through the UN;

Existing LTAs can provide useful specifications and should also be checked for compliance with the current need. If LTAs exist for the requested product, and the LTA can adequately cover the need in terms of stock availability and delivery times, orders should be placed against the existing LTA.

15.4.4 Sourcing

Under EPP, priority should be given to vendors experienced in supplying the UN system in emergency operations in order to reduce lead-times and the risk of contract failure. Strategic sourcing undertaken upfront by the PD should always be checked, as it could provide useful input.

For solicitations undertaken through the use of the RFQ method of solicitation, there are no specific requirements to prepare a shortlist. However, in order to comply with basic audit requirements, the procurement file must contain a brief explanation as to which vendors were considered and why.

While vendors do not have to be registered in UNGM at the Basic Level to participate in a solicitation during the emergency period, the Procurement Official shall ensure that vendors are registered in UNGM at the appropriate Level at the time of contract signature. In case where a vendor registration at the appropriate level requires Special Approval, Chief, EOS may decide to waive such review by the e-SAC and approve the registration of the vendor, considering the due diligence performed by the VRO. In particular, in cases of high-value contract, appropriate diligence shall be exercised.

Chief, EOS shall report such Special Approvals to ASG, OSCM on a weekly basis during the period of the emergency.

15.4.5 Solicitation Method

Under EPP, an RFQ may be used for the solicitation of offers, regardless of the value of the procurement, and shall be deemed to be a formal method of solicitation. Procurement Officials should ensure competition by requesting at least three quotations, if feasible.

Solicitation

- a. RFQs can be used regardless of the value of emergency procurement. When using an RFQ in emergency situations, no absolute deadline or specific template is required (except for procurement for works). However, vendors should be given a realistic timeframe to respond to the request. The request should contain enough information to enable vendors to give an informative quote, meaning all requirements should be communicated clearly and in the same manner to all vendors along with the method of evaluation. If feasible, the Director, PD or CPO, may decide that a submission deadline be set. The Director, PD or CPO may determine in their sole discretion whether the offers will be submitted through the TOC;
- b. If time allows, RFQs shall be issued by using the corporate templates, as this supports the transparency of the process by ensuring that all vendors receive the same information at the same time;
- c. Additional Considerations of RFQs under EPP:
 - i. Additional vendors may be added at any stage of the process;
 - ii. It is always advisable to check multiple markets for fallback options and to reconfirm availability before placing an order;
 - iii. The vendor offering the lowest-priced, technically acceptable offer might not be able to supply all requested goods or the full quantity requested. Therefore, the possibility and option to make split orders should always be made clear in an RFQ for emergencies. Split orders can ensure availability of all requested items and safeguard economy by placing a partial order with the vendor offering the lowest price for the respective item. In cases where the full quantity requested cannot be provided by one vendor, an additional order can be placed with the vendor offering the second-lowest priced.

Tender Opening Procedures:

- a. **Bid/proposals submissions:** Depending on the situation, the UN may decide to only solicit submissions of bid and proposals via electronic means. This may be implemented in one or more offices depending on the emergency. The solicitation documents issued by Procurement Officials of the UN Secretariat will identify such mode of submission. In such case the UN will only accept such submissions received via electronic means.
- b. **Public Bid (Tender) Openings:** Depending on the situation, the UN may decide to cancel all public bid openings. In such case upon request from vendors who submitted bids as a result of Invitation to Bids, the UN will provide the Bid Abstract Sheet (which includes the List of Vendors who submitted bids and the total price of their bids) within 30 days from the date of the Tender opening via email to pdbidsubmission@un.org. Similarly, upon request from vendors who submitted proposals as a result of a Request for Proposals, the UN will provide the List of Vendors who submitted proposals within 30 days from the date of the Tender opening via email to pdbidsubmission@un.org.

Evaluation:

- a. Offers received based on an RFQ during an emergency operation should be assessed against the requirements stated in the RFQ. At least two (2) individuals should be involved in the evaluation of offers, one on the technical side and a Procurement Official on the financial side. Contracts are awarded according to the 'lowest-priced, technically acceptable offer' evaluation methodology, and an evaluation report should be prepared. When using this methodology, price serves as the overriding evaluation criterion upon which to award a contract.
- b. However:

- i. The technical advantages offered by a higher-priced quotation may in certain cases justify the selection of an offer other than the lowest priced;
 - ii. Further, the RFQ modality allows selection of the most technically acceptable offer in cases where none of the offers fully meet the requirement specification (where regular formal methods of solicitation would require retendering);
- c. The selection of a vendor other than the one offering the lowest priced option requires proper justification be documented and kept on file. See [Chapter 8 Evaluation of Submissions](#) for further guidance. The following points should be considered:
 - i. Whilst evaluation is conducted according to the 'lowest-priced, technically acceptable' methodology, and no exact evaluation criteria should be determined in the RFQ, Procurement Officials still have an obligation to present all vendors with the same information regarding UN requirements, delivery dates, and any other factors that will be assessed during evaluation and selection;
 - ii. With a lack of firm evaluation criteria, particular emphasis should be placed on creating a written record of the evaluation process and the justification for vendor selection;
 - iii. The evaluation team shall have the right, for reasons of expediency and subject to equal treatment of bidders, to decide not to ask bidders for missing documents;
 - iv. Given the time constraints and thus limited extent to which background checks can be performed, Procurement Officials may request performance security from the vendor. The willingness of bidders to provide performance security is a positive indication regarding the financial position of the company. This is not a mandatory requirement;
 - v. RFQs issued during an emergency operation constitute a formal method of solicitation. Hence, negotiations can be undertaken with a potential vendor, after selection of the vendor and in accordance with [Chapter 8.9 Negotiations](#).

15.4.6 Award

The Procurement Approving Authority with the delegated authority (DOA) for the value of the procurement activity (see [Chapter 2.6.1 Delegation of Authority](#)) will award contracts further to an EPP activity. Where the ASG, OSCM or USG, DOS has granted authorization to use EPP, the use of an RFQ process shall be deemed to constitute a 'formal method of solicitation' for the purposes of Financial Rule 105.15. The resulting award to the winning offer is made on the basis of the use of formal methods of solicitation and respective DOA thresholds for awards apply.

15.4.7 Contracts

Due to the risk involved, the procedures for contract preparation and issuance, as well as contract administration, remain the same as under normal conditions. Standard UN Forms of Contracts are used when contracting vendors during emergency operations. The UN requires written contracts to be signed for all procurement activities with values equal to or above US \$2,500.

The UN never enters into oral contracts. Each UN contract must be in writing and duly signed by the parties, as set forth in this manual. Care must be taken to avoid exposing the UN to the risk of inadvertently entering into a binding oral agreement (see [Chapter 11 Contract Finalization and Issuance and Contractual Instruments](#)).

15.4.8 Contract Administration

Contract administration of emergency contracts is a combined responsibility of the procuring unit and the personnel responsible for emergency operations (see [Chapter 13 Contract Management and Contract Administration](#) for further guidance).

Proper documentation of the procurement process in a procurement file is a requirement for each procurement exercise. The use of the EPP allows more flexibility in the procurement process than UN regular procedures. This increases the responsibility of Procurement Officials, as well as involved managers, to document that the procurement has been conducted consistent with the procurement principles and in accordance with the Financial Regulations and Rules. Procurement Officials are reminded that proper filing also protects the individual undertaking the procurement activity from undue suspicion and ensures that actions can be justified to auditors.

In order to document the EPP and to justify decisions and choices made when selecting the vendor and awarding contract, all steps in the process must be documented in the procurement file. In the event of a dispute, the file is critical: it documents the procedure, establishes an institutional memory, forms the basis of a lessons learned process, and is essential for audit purposes.

Please refer to [Chapter 13.9 Maintenance of Files](#) for filing requirements. In addition to documents identified therein, for processes under EPP, the file should also include the request for approval, as well as approval of the use of EPP.

16. Glossary

This section contains a glossary of relevant terms within this procurement manual. Terms in the glossary that have a commonly used abbreviation in this manual are marked with an asterisk (*) and defined in the Abbreviations table below.

Accountability	The obligation to: a) Demonstrate that work has been conducted in accordance with agreed rules and standards; b) Report fairly and accurately on performance results vis-à-vis mandated roles and/or plans.
Acquisition Plan	The work plan regulating the acquisition activities over the course of a year.
Acquisition Process	The steps necessary to acquire goods and services, inter alia, through identification and development of requirements, planning, budgeting, conducting solicitations, obtaining approvals, entering into contract negotiations and carrying out contract fulfilment.
Administrative Instruction (AI)*	An administrative instrument used by the UN to establish instructions, procedures, and business process maps for implementation of superior United Nations legislation applicable to the UN.
Award Review Board (ARB)	The Award Review Board is a UN administrative board which independently reviews complaints by unsuccessful bidders who challenge contracts awards made by the UN.
Audit Trail	Clear and concise documentation in a suitable format, normally a written log, describing the actions and decisions taken throughout the handling of a case, thereby enabling a reviewer of the case to establish that it has been handled in accordance with the applicable regulations, rules and procedures.
Authorized Official	An individual who has been delegated procurement authority and who is overall responsible for the procurement function of an entity, either at Headquarters or other locations. This may be a head of the entity or head of a department.
Award	The authorization given by an Authorized Official following Review Committees recommendation or by a Procurement Approving Authority, as applicable, to establish a commitment.
Bank Guarantee for Advance Payment	An unconditional and on-demand bank guarantee from the contractor to the UN for advance payment enabling the contractor to commence works. Such advances arrive at first interim payment.
Bank Guarantee for Performance	A bank guarantee obtained from the contractor to protect the UN from non-performance by the contractor of its contractual obligations. It is a promise from a bank that it will pay the UN the amount of the guarantee if the contractor fails to perform any of the terms, provisions, or conditions of the contract.

Best Value for Money	The optimization of total cost of ownership and quality needed to meet the user's requirements, while taking into consideration potential risk factors and resources available.
Best and Final Offer (BAFO)*	A negotiation tool that can be used during the final evaluation phase of the procurement process.
Bid/Proposal/Offer	a) An offer in response to a method of solicitation; b) A response to a solicitation from a vendor or supplier
Bid Security (Bid Bond)	A security from a supplier securing obligations, resulting from a Submission with the intention to avoid (i) the withdrawal or modification of an offer after the deadline for submission of such documents, (ii) failure to sign the contract or failure to provide the required security for the performance of the contract after an offer has been accepted, or (iii) failure to comply with any other conditions precedent to signing the contract specified in the solicitation documents.
Bidder/Proposer/Offeror	An entity that submits an offer in response to a solicitation. Normally, the term 'bidder' is used to refer to the entity responding to an EOI, RFI, ITB, RFQ, or RFP.
Bid Protest/Procurement Challenge	A post-award complaint against the methods employed or decisions made by the UN in a process leading to the award of a contract.
Bill of Lading	A carrier's contract and receipt for goods; it agrees to transport from one place to another and to deliver to a designated recipient (consignee).
Blanket Purchase Order (BPO) *	BPOs are typically issued at the local level to satisfy straightforward, low-value, and recurring operational requirements of a support nature.
Business Partner (BP)	A person or an organization that has a business interest with the UN. A BP can be a commercial vendor that supplies goods and/or services to the UN but also a UN agency, Member or staff members, etc.
Call-Off Orders/Purchase Orders	Orders against an established long-term agreement.
Cartel	A small group of competing producers/suppliers of a good or a service who agree to regulate the production, price, and/or marketing in an effort to control or manipulate the market.
Catalogue	An organized list of goods or services specifying the description, price, unit of measure, and other attributes. A catalogue may be available as a document or in an electronic format.
Certifying Officer (CO)	See Financial Rule 105.5. The CO is the UN official responsible for managing the utilization of resources, in accordance with the purposes for which those resources were approved and the principles of efficiency, effectiveness and the Financial Regulations and Rules. CO review the requests issued by the Requisitioner, ensure that the technical specifications are generic and that funds are available for the procurement. Certifying authority and responsibility are assigned on a

	personal basis and cannot be delegated. A CO cannot exercise the approving function under Financial Rule 105.6.
Closing Date	The deadline for all bid/proposal submissions.
Collaborative Procurement/Common Procurement	A procurement arrangement in which several UN organizations combine their efforts to undertake procurement in cooperation or share the outcome of a procurement process, thereby achieving benefits for the group in its entirety. The objective of collaborative procurement is to achieve reduced price or better service through economies of scale and to reduce inefficiency and duplication across the UN organizations.
Commitment	The anticipated or contingent liability against funds allocated for the current or future year(s).
Competitive Bidding	A procurement method in which offers from competing suppliers are invited by open advertisement and provided with the scope, specifications, and terms and conditions of the proposed contract, as well as the criteria by which the offers will be evaluated. The objectives of competitive bidding are to obtain goods or services at the lowest cost or best value through open and fair competition.
Contract	In the context of UN procurement, a contract is a written, legally-binding agreement between the organization and a supplier that establishes the terms and conditions, including the rights and obligations of the organization and the supplier. A contract may take many different forms (e.g. agreement, purchase order, memorandum of understanding, letters of assist).
Contract Administration	All actions undertaken after the award of a contract relating to the administrative aspects of the contract, such as contract amendment, contract closure, record retention, maintenance of the contract file, handling disputes or claims, and handling of security instruments (e.g. performance security).
Contract Management	The ongoing monitoring and management of the supplier's performance regarding the promised goods or services, as well as assuring compliance with all other terms and conditions of a contract, such as a price and discounts. It includes managing the relationship between the supplier, the procuring unit, the requisitioner, and/or the end-user, as well as feedback to the supplier regarding its performance if necessary.
Contract Modification	Any written change in the terms of the contract. Contract modifications only become effective when executed in writing by both parties through a contract amendment.
Contractor	Any party to a procurement contract with the organization. A contractor may take various forms, including an individual person, a company (whether privately or publicly held), a partnership, or a government agency.
Cost Estimate	An approximate calculation of charges or costs to supply goods and/or services.

Default	A failure by a contracting party to meet one or more of its obligations under the contract.
Delegation of Authority (DOA)*	The written instruments stating the conditions, procedures, and terms for a delegate to exercise authority in the respective area.
Delivery Time	The time taken to deliver goods from the date of order to the time when the supplier makes the goods available to the buyer at the agreed place as per the delivery terms.
Disposal	The process of removing something from a location, typically the removal of scrap, surplus, excess, obsolete and waste items from an organization's premises.
E-tendering	Electronic procurement that occurs when the activities of the purchasing process are conducted electronically, typically over the Internet, to shorten the cycle time and lower the transaction costs of the acquisition process.
Exigency	An exceptional, compelling, and emergent need or situation of force majeure, 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.
Expression of Interest (EOI)*	A response to a Request for Expression of Interest (REOI) expressing interest in participating in a solicitation.
Incoterms	Incoterms rules are standardized and widely-recognized trade terms, prepared by the International Chamber of Commerce (ICC), to be included in contracts for the sale of goods and to provide standard contractual provisions that clarify the costs, risks, and responsibilities of the parties to the contract, particularly in relation to the shipment and delivery of the goods from sellers to buyers. Refer to the ICC website (www.iccwbo.org) for more information about these terms and their definitions, which are copyrighted by the ICC.
Internal Control	A process carried out by the UN's management and other personnel, designed to provide reasonable assurance regarding robust risk management and the achievement of objectives and goals. This process aims to increase the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws and regulations.
Invitation to Bid (ITB)*	A formal method of solicitation where prospective suppliers are requested to submit a bid for the provision of goods or services. An ITB is normally used when the requirements are clearly and completely specified and the basis for the award is the lowest cost.
Invoice	Supplier's demand for payment setting out the amount for payment by the buyer with respect to goods delivered or services rendered.
Lease	A contract whereby, in return for a payment or series of payments, the lessor conveys to the lessee the right to use an asset for an agreed-upon period of time. There are two types of

	leases, namely, (i) a finance lease, which transfers substantially all risks and rewards incident to ownership of an asset while the title may or may not be eventually transferred, and (ii) an operating lease, which is a lease other than a finance lease.
Legal Obligation	An obligation that derives from: a) A contract (through its explicit or implicit terms); b) Legislation;/or c) Other operation of law.
Liability	Any obligation incurred as a result of law, rule, or agreement; being legally obliged and responsible; a debt or an obligation to another party.
Life Cycle Cost/Whole Life Cost/Total Cost of Ownership	The sum of all recurring and one-time (non-recurring) costs over the full life span or specified period of a good, service, structure, or system. It includes purchase price, installation cost, operating costs, maintenance and upgrade costs, and remaining residual or salvage value at the end of ownership or its useful life.
Logistics	The process of planning, implementing and controlling the efficient, cost-effective flow and storage of goods and related information from point of origin to point of consumption for the purpose of conforming to customer requirements.
Long-Term Agreement (LTA)*	A written agreement between an organization of the United Nations system and a supplier that is established for a defined period of time for specific goods or services at prescribed prices or pricing provisions.
Offer/Submission	A generic term for bids, quotations, and proposals received from a supplier in response to solicitation documents.
Price Escalation	The practice of having a mechanism to increase unit prices throughout the contract life that should reflect inflation, usually on large contracts in areas with significant inflation.
Procurement	The acquisition by purchase or lease of goods, services, real property, and works.
Procurement Approving Authority	A Procurement Official who has been formally delegated authority for procurement (DOA) and will be referred to as a Procurement Approving Authority, up to their level of delegated authority.
Procurement Authority	The delegation from the Secretary-General to Heads of Entity and other appropriate officials to perform procurement functions.
Procurement Official	Procurement staff dedicated for procuring goods and services, with proper training, knowledge, and experience, or administrative staff with the appropriate procurement expertise, training, and qualification, if approved by the ASG, OSCM.
Procuring Agent	Another UN Secretariat entity that may be assigned by the USG, DOS in consultation with USG, DMSPC and the head of

	entity, to undertake procurement on the entity's behalf if the entity does not have sufficient procurement capacity.
Product	The use of the word 'product' in the context of this manual is used to cover goods, works, and services.
Proposal	An offer in response to an RFP.
Purchase Order (PO)*	A type of contract that documents the purchase of goods and/or services.
Quotation	An offer in response to a Request For Quotation. However, if it is in response to an enquiry, it is simply a statement of price and availability.
Request for Expression of Interest (REOI)*	An advertisement to identify suppliers that wish to participate in a forthcoming solicitation (see also 'expression of interest (EOI)').
Request for Information (RFI)*	An instrument to conduct a market survey in order to obtain information from the market that can be used to identify potential vendors, as well as available or potential solutions for fulfilling identified needs that may also include information on cost and delivery time.
Request for Proposal (RFP)*	A formal method of solicitation where prospective suppliers are requested to submit a proposal for the provision of goods, works, or services, based on the specifications, statement of work (SOW), or terms of reference (TOR) included in the solicitation documents. An RFP is normally used in cases where the requirements are complex and/or cannot be clearly or completely specified, where detailed technical evaluations are to be performed, and/or where pricing or cost may not be the sole basis of the award.
Request for Quotation (RFQ)*	An informal method of solicitation whereby suppliers are requested to submit a quotation for the provision of goods or services. An RFQ is normally used for standard, off-the-shelf items where the value of the procurement falls below the established threshold for formal methods of solicitation.
Requisition/Shopping Cart	A written or computerized request from an internal user/customer for the fulfilment or procurement of goods, services, or works.
Requisitioner	A UN staff initiating a purchase requisition (i.e., a request for goods, works or services).
Review Committees*	HCC and LCCs are committees (committees on contracts) to review procurement processes, thus verifying whether procurement has been undertaken in accordance with established procedures and in line with the Financial Regulations and Rules.
Sealed Offer	An offer that has been submitted in a sealed envelope to prevent its contents from being revealed or known before the deadline for the submission and opening of all offers.
Security Instruments	Financial instruments that are intended to provide the UN with security against expenses and losses that result from a failure by a supplier to perform its obligations. They are intended to

	ensure that funding is available to compensate the UN for such failure and are not intended as a punishment. The main security instruments are (i) bid security and (ii) performance security. Security can take the form of bank guarantees, surety bonds, standby letters of credit, and cheques on which a bank is primarily liable.
Segregation of Duties	An internal control mechanism used to assure that no single individual or organizational unit is given responsibility for more than one related function.
Solicitation	Generic term for a request to vendors to offer a quotation, bid, or proposal.
Solicitation Documents	Documents issued by the UN to describe procurement requirements and to invite vendors to submit a bid, quotation, or proposal.
Solicitation Method	The method used to solicit offers from vendors. ITB, RFP, RFQ, and LVAs are methods of solicitation.
Source Selection Plan (SSP)*	The SSP describes critical components of the procurement process and provides justification for the decision in order to achieve Best Value for Money. It provides an objective approach to the methodology of selecting the best source to fulfil the established need.
Sourcing	The process of identifying suitable suppliers that could provide the required products or services for the acquiring organization.
Specifications	A description of the technical requirements for a material, product, or service. Specifications usually refer to the defined requirements for materials or products but can also relate to the requirements for services (terms of reference (TOR)).
Standardization	The process of agreeing on a standard specification for a specific product or line of products. This is usually conducted to achieve economies of scale, compatibility with other products, facilitation of operation, maintenance and repair of already purchased goods, etc. Standardization could result in sole or limited source situations; this should be a consideration in the decision for standardization.
Statement of Award	A written record of the basis on which an award was made.
Statement of Work (SOW)*	Requirement specifications for work assignments outlining the specific services a contractor is expected to perform, generally indicating the type, level, and quality of service, as well as the time schedule required.
Submission	Along with 'offer', this is a generic term for bids, quotations, and proposals received from a supplier in response to solicitation documents.
Supplier/Vendor	An entity that potentially or actually provides goods or other products (including intellectual property), services, and/or works to the organization. For the purpose of this manual, the terms 'supplier' and 'vendor' are considered equivalent and used interchangeably.

Tender	A term for bids, quotations, and proposals received from a supplier in response to solicitation documents.
Tender Opening Committee /Member	The committee or TOC member who has been delegated authority to receive and open submissions.
Terms of Reference (TOR)*	A description of the scope of work for services generally indicating the work to be performed, the level of quality and effort, the timeline, and the deliverables.
UMOJA	UN Secretariat ERP system.
United Nations General Terms and Conditions of Contract (UNGCC)*	The UN general conditions of contract (sometimes referred to as ‘general terms and conditions’) are a set of standard contractual provisions that are incorporated into virtually every commercial contract that the UN, including its funds and programmes, concludes. The general conditions of contract cover a range of issues, including the contractor’s status vis-à-vis the Organization, the use of sub-contractors, indemnification, intellectual property rights, use of the name, emblem or seal of the United Nations, termination and events of force majeure, dispute settlement, privileges and immunities, standards of conduct, and amendments.
United Nations Global Compact	Voluntary international corporate citizenship network initiated by the Secretary-General to support the participation of both the private sector and other social actors; the UN Global Compact aims to advance responsible corporate citizenship and universal social and environmental principles to meet the challenges of globalization. It is based on 10 principles related to human rights, labour, environment, and anti-corruption. See http://www.unglobalcompact.org for more information.
United Nations Global Marketplace (UNGM)*	Internet portal used by more than twenty-five (25) United Nations agencies, including the UN Secretariat. The UNGM includes, among other types of information, tender notices and an inter-agency vendor registration system. See http://www.ungm.org for more information.
UNSPSC*	The United Nations Standard Products and Services Code, a coding system for classifying products (e.g. goods, works and services).
UNCITRAL*	The United Nations Commission on International Trade Law.
Vendor	See definition of ‘supplier’ above.
Vendor Registration Officer (VRO)	The staff that are responsible for evaluating vendor registration applications, creating and maintaining vendor records, and providing support service to the UN Secretariat for matters involving vendor registration.
Warranty	An assurance (expressed or implied) by the supplier that the material, product, or workmanship being sold is as represented or promised (e.g. free of defects or will be repaired or replaced free of charge) or according to conditions set out in the warranty.

17. Abbreviations

AI	Administrative Instruction
BAFO	Best and Final Offer
BPO	Blanket Purchase Order
BTA	Business Transformation and Accountability Division
CPO	Chief Procurement Officer
DMS	Director of Mission Support
DMSPC	Department of Management Strategy, Policy and Compliance
DOA	Delegation of Authority
DOS	Department of Operational Support
EOI	Expression of Interest
ERP	Enterprise Resource Planning
FRR	Financial Regulations and Rules
HCC	Headquarters Committee on Contracts
HQ	Headquarters
ITB	Invitation to Bid
LCC	Local Committee on Contracts
LOA	Letter of Assist
LOI	Letter of Intent
LTA	Long-Term Agreement
MDM	Master Data Management
MoU	Memorandum of Understanding
OIOS	Office of Internal Oversight Services
PO	Purchase Order
REOI	Request for Expression of Interest
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotation
SOW	Statement of Work
SSP	Source Selection Plan
SGB	Secretary-General's Bulletin
TOC	Tender Opening Committee
TOR	Terms of Reference
UNGCC	United Nations General Conditions of Contract
UNGM	United Nations Global Market
UNGSC	United Nations Global Service Center
UNSPSC	United Nations Standard Products and Services Code
UNCITRAL	United Nations Commission on International Trade Law
VRC	Vendor Review Committee
UN/PD (or PD)	United Nations Secretariat Procurement Division
VRO	Vendor Registration Officer

18. List of Annexes and Publicly Available Resources

These Annexes are UN internal documents and available to UN staff only.

Other documents listed under Publicly Available Resources are available externally in the public domain, accessible via the corresponding links provided.

18.1 Annexes

Annex 1	Document Processing and Approval Matrix (Annex B)
Annex 2	Strategic Goods and Services Matrix
Annex 3	SCOG SR4 concerning the LPA process
Annex 4	Special Approval Request Form for Registration
Annex 5a	Sample Source Selection Plan for RFPs and ITBs
Annex 5b	Sample Source Selection Plan for RFQs
Annex 6	Request for Information - HQ template
Annex 7	Request for Information - Mission Template
Annex 8	Request for Expression of Interest and Vendor Response - UN HQ
Annex 9	Request for Expression of Interest and Vendor Response – Missions
Annex 10	Language to accompany LVAs and purchase orders for software
Annex 11	Request for Technical Evaluation
Annex 12	Additional Guidelines for Implementing Best Value for Money
Annex 13	PD SOP No. 001 Quality Assurance Programme for HCC Presentations implemented at UN/PD
Annex 14	Statement of Award
Annex 15	Sample Letter of Regret
Annex 16	Terms of Reference for Award Review Board
Annex 17a	Debrief Guidelines for UN staff
Annex 17b	Debrief Guidelines for UN staff - Amendment 1
Annex 18	Notice of Award of Contract
Annex 19	Notice of Award for Purchase Order
Annex 20	Request for Safekeeping of Performance Bond
Annex 21	Procedures for Filing Cargo Claims for Organizational Shipments
Annex 22	Short-Form Specialist Report
Annex 23	Supplier Performance Report
Annex 24	Contractor Performance Report
Annex 25	Contractor Performance Report for Short-Term Air Charter Services
Annex 26	Contractor Performance Report for Short-Term Sea Transport Services
Annex 27	Sample Sale of Surplus Property Form
Annex 28	Long Term Agreement Information Sheet

18.2 Publicly Available Resources

UN General Conditions of Contract (De Minimis Field Contracts)	https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_field_contracts.pdf
UN General Conditions of Contract (provision of goods and services)	https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_goods_services.pdf
UN General Conditions of Contract (provision of goods)	https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_goods.pdf
UN General Conditions of Contract (provision of services)	https://www.un.org/Depts/ptd/sites/www.un.org.Depts.ptd/files/files/attachment/page/pdf/general_condition_services.pdf
UN Financial Regulations and Rules	https://hr.un.org/handbook/index/8254
Delegation of authority in the administration of the Staff Regulations and Rules and the Financial Regulations and Rules	https://undocs.org/en/ST/SGB/2019/2